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News Release

Company: Olympus Corporation

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Overview of Evaluation Results for Effectiveness of Board of Directors

1. Background of Implementation and Disclosure of Board of Directors (BOD) Evaluation

Olympus Corporation (the “Company”) established the Basic Policy for Corporate Governance^{*1} in June 2015 to achieve effective corporate governance. Paragraph 4 of the Basic Policy, “Duties of the Board of Directors, etc. (xiii) BOD Evaluation” states that the Company shall annually evaluate the effectiveness of the entire BOD and disclose an overview of the results thereof, and such overview was disclosed in August 2015. As with last year, we evaluated the effectiveness of the entire BOD in accordance with the Policy, so we will disclose the overview of the results thereof.

2. Method of Evaluation

In cooperation with an external consulting firm, the Company prepared a questionnaire^{*2} on the effectiveness of its BOD and individual committees (nominating committee, compensation committee, and compliance committee), and their relationships with investors and shareholders, etc. This questionnaire was distributed to every director and corporate auditor, and the Company received answers from all of these respondents. With the answers from the directors and corporate auditors as well as the feedback from the external consulting firm, the Company carried out an analysis and evaluation of the effectiveness of the BOD.

3. Results of Analysis and Evaluation of the Effectiveness of the BOD

(1) Fulfillment of the functions of the BOD

This is a new item that we added for this year and beyond to evaluate the fulfillment of the primary functions of the BOD, i.e., objective supervision over decisions made on the direction of business strategies

^{*1} URL: http://www.olympus.co.jp/jp/common/pdf/basic_policy_on_corporate_governance_2015.pdf

^{*2} Main items in the questionnaire for the BOD evaluation

1. Fulfillment of the functions of the BOD
2. Composition and actual operation of the BOD
3. Important committees
4. Support system for outside directors
5. Expectations for the roles of corporate auditors
6. Relationship with investors / shareholders

and significant issues as well as over the execution of such decisions. The evaluation found that the BOD fully fulfills these functions, indicating that its effectiveness is secured.

(2) Composition and actual operation of the BOD

The evaluation found that the BOD is appropriate in size and composition and holds open and active discussions. Accordingly, the result is better than the last year. Moreover, since we have made efforts to have more fulfilled discussions on medium- and long-term management challenges, in the evaluation, the items of discussion on a few of such challenges were found to have improved. Meanwhile, we received some opinions, such as “it would be more appropriate if outside directors made up a majority of the BOD” and “it is necessary to narrow down the items on the agenda submitted to BOD meetings.”

Please note that in terms of the composition of the BOD, outside directors now make up a majority of the BOD after the election of directors at the general meeting of shareholders for the 148th term held on June 28, 2016.

(3) Important committees

The nominating committee, the compensation committee, and the compliance committee were highly evaluated in general. The evaluation found that they are operated properly.

(4) Support system for outside directors

As last year, this item was evaluated highly. The evaluation found that the training / education and information are adequately provided to outside directors in terms of how much they need for discussions.

(5) Expectations for the roles of corporate auditors

As last year, this item was evaluated highly. The evaluation found that the existence of corporate auditors contributes to the securement of the BOD’s effectiveness.

(6) Relationships with investors / shareholders

The Company’s long-term competitiveness is being communicated to the capital market (investors / shareholders, etc.), and we have established a system to ensure that the BOD will periodically receive feedback from investors and shareholders regarding their evaluations of the Company in a structured manner and in their entirety. As a result, the evaluation found that the BOD receives feedback from the capital market and this item was evaluated more highly than last year.

4. Future Efforts Based on Evaluation Results on BOD Effectiveness

The BOD of the Company will identify issues to be addressed and then draw up and take measures therefor based on the results of the analysis and evaluation of the effectiveness of the BOD in order to enhance such effectiveness.

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