

February 28, 2014

News Release

Company: Olympus Corporation  
Representative Director, President: Hiroyuki Sasa  
(Code: 7733, First Section, Tokyo Stock Exchange)  
Contact: Tetsuo Hyakutake, General Manager, Public Relations and IR Office

**Announcement on Dissolution of the Subsidiary Related to Withdrawal from Certain Business Operations,  
Posting of Extraordinary Loss and Revision of Projected Business Results**

Olympus Corporation resolved at a meeting of its board of directors held today that it had decided to withdraw from its biologics business.

This matter is expected to lead to the posting of an extraordinary loss, and in addition to this, the projected consolidated business results announced on November 8, 2013 for the term ending March 31, 2014 has been revised.

1. Withdrawal from certain business operations

In January 2011 Olympus acquired bone-related assets out of the development, manufacture and sale of OP-1 (also known as BMP-7) from the US company Stryker Biotech Corporation, and undertook business operations (hereafter referred to as the "biologics business") to realize monetization via two of subsidiaries: Olympus Biotech Corporation (OBA), and Olympus Biotech International Ltd.(OBI).

Subsequently, in the mid-term vision formulated following the shift to its new organization in April 2012, the medical, life science and industrial, and imaging operations were designated core business domains, and a review was made of the optimal value improvement measures for each business and subsidiary. As a result, following from the fact that it is difficult to see future synergy for the biologics business with our core business domain, and that the business environment has worsened compared to initial assumptions, we consider that it would be arduous to continue this biologic business, and as such will withdraw from it. Through this decision, we will accelerate the concentration of our management resources on our core business domains, and will strive to further raise our corporate value.

2. Dissolution of OBA

(1) Reason for Dissolution

Following the decision to withdraw from the biologics business, as stated above, we have resolved to dissolve our subsidiary involved in the said business.

(2) Overview of the Subsidiary to be Dissolved (as of February 28, 2014)

(i) Name	Olympus Biotech Corporation
(ii) Street Address	35 South Street, Hopkinton, MA 01748 USA
(iii) Title and Name of Representative	President Nobukazu Kuroiwa
(iv) Description of Business	Development, manufacture and sales in the US market of OP-1 (also known as BMP-7).
(v) Capital Stock	US\$1,100
(vi) Date of Foundation	November 29, 2010

(vii) Major Shareholder and Shareholding Ratio	Olympus Corporation of the Americas 1,000 shares (100%)		
(viii) Relationship with Listed Company	Capital tie	Olympus Corporation of the Americas, a full subsidiary of Olympus Corporation, owns 100% of the voting rights of OBA.	
	Personnel relationship	Two of the directors and two of the executive officers are concurrently served by employees of Olympus Corporation.	
	Transactional relationship	There is no transactional relationship with Olympus Corporation.	
	Status as a related party	OBA is a consolidated subsidiary of Olympus Corporation.	
(ix) Financial Conditions and Operating Results for Past Three Years			
Fiscal Year	Ended March 2011	Ended March 2012	Ended March 2013
Net assets	¥10,718 million	¥8,264 million	¥5,038 million
Total assets	¥12,189 million	¥11,500 million	¥10,642 million
Net assets per share	¥10,718,000	¥8,264,000	¥5,038,000
Net sales	¥261 million	¥1,183 million	¥967 million
Operating income	-¥622 million	-¥3,525 million	-¥4,026 million
Ordinary income	-¥1,486 million	-¥4,030 million	-¥4,212 million
Current term net income	¥1,133 million	-¥2,623 million	-¥2,556 million
Current term net income per share	¥1,133,000	-¥2,623,000	-¥2,556,000
Dividend per share	¥0	¥0	¥0

### (3) Schedule of Dissolution

February 28, 2014 Resolution on policy to dissolve OBA by the Olympus board of directors  
 Around 2017 Completion of liquidation of OBA (intended)

In order that our business operations in the USA terminate smoothly, OBA will not be dissolved immediately but only after the required procedures have been completed. At this point we are looking at complete dissolution around 2017.

### 3. Future Policy Regarding OBI

We are continuing negotiations for the sale of OBI to a potential buyer, based on the premise of maintaining its current business in Europe and other regions. Further notice will be made when the details are determined.

#### Overview of the Subsidiary (as of February 28, 2014)

(i) Name	Olympus Biotech International Ltd.
(ii) Street Address	Block 2, International Science Centre, National Technology Park, Castletroy, Limerick – Ireland
(iii) Title and Name of Representative	President A. Florian Kemmerich
(iv) Description of Business	Sale of OP-1 and related products in Europe and elsewhere
(v) Capital Stock	€1,100

(vi) Date of Foundation	January 4, 2011		
(vii) Major Shareholder and Shareholding Ratio	Olympus Corporation		1,100 shares (100%)
(viii) Relationship with Listed Company	Capital tie	Olympus Corporation , owns 100% of the voting rights of OBI.	
	Personnel relationship	One of the directors is concurrently served by employee of Olympus Corporation.	
	Transactional relationship	Olympus Corporation is outsourcing its R&D to OBI.	
	Status as a related party	OBI is a consolidated subsidiary of Olympus Corporation.	
(ix) Financial Conditions and Operating Results for Past Three Years			
Fiscal Year	Ended March 2011	Ended March 2012	Ended March 2013
Net assets	¥33 million	¥235 million	¥113 million
Total assets	¥65 million	¥1,658 million	¥1,962 million
Net assets per share	¥30,000	¥214,000	¥103,000
Net sales	¥0	¥1,327 million	¥1,962 million
Operating income	-¥42 million	-¥579 million	-¥627 million
Ordinary income	-¥42 million	-¥582 million	-¥675 million
Current term net income	-¥42 million	-¥582 million	-¥682 million
Current term net income per share	-¥38,000	-¥529,000	-¥620,000
Dividend per share	¥0	¥0	¥0

#### 4. Posting of Extraordinary Loss

Regarding this matter, we intend to post an extraordinary loss in the consolidated financial statement for the term ending March 31, 2014. The amount is still being calculated, but is expected to be between 15 billion yen to 19 billion yen. Further notice will be made when a more accurate amount to be posted is finalized.

#### 5. Revision of Projected Business Results

As stated above, we expect to post an extraordinary loss, hence the projected consolidated business results announced on November 8, 2013 for the term ending March 31, 2014 has been revised as follows. Further notice will be made when more accurate business results projections can be estimated.

Projected consolidated business results for term ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(Units: millions of yen)

	Net sales	Operating income	Ordinary income	Current term net income	Current term net income per share
Previous projections (A)	720,000	72,500	50,000	13,000	Yen Sen 37.98
Current projections (B)	720,000	72,500	50,000	-4,000 to 0	Yen Sen -12.05 to 0
Difference (B-A)	—	—	—	-17,000 to -13,000	—
Difference (%)	—	—	—	—	—
(Reference) Results for Previous Term (ending March 31, 2013)	743,851	35,077	13,046	8,020	Yen Sen 28.96

End

*Note:*

The above-stated earnings forecast is based on the information available on the release date of this material. Risks and uncertain factors concerning the world economy, competitive situation, exchange fluctuations and others in the future may result in significant differences between the stated forecast values and actual results.