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News Release

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Notice Concerning the Introduction of a Restricted Share and Performance-Linked Share-Based Remuneration Plan

Olympus Corporation (the “Company”) announces that it has decided to submit a proposal for the introduction of a restricted share and performance-linked share-based remuneration plan (the “Plan”) to the General Meeting of Shareholders for the 149th term to be held on June 28, 2017 (the “General Shareholders Meeting”), as the Company reviewed the remuneration system for corporate officers and resolved to introduce the Plan at the meeting of the Board of Directors held today. Details are as follows.

Also, the resolution of the Board of Directors described above was made taking into account the result of deliberations of the Compensation Committee. The majority of the Compensation Committee is composed of Outside Directors, and it is a voluntary advisory body to the Board of Directors.

1. Purpose, etc. of the Introduction of the Plan

(1) Purpose of the Introduction of the Plan

Targeting the Company’s Directors (excluding Outside Directors, hereinafter the “Targeted Directors”), the Plan is intended to provide the Targeted Directors with the incentive for sustainable improvement of the Company’s corporate value, as well as further enhance value sharing with our shareholders.

Through the introduction of the Plan, the Company will strengthen the link between remuneration for corporate officers and the Company’s performance and stock value.

(2) Conditions for the Introduction of the Plan

As monetary receivables are provided as remuneration (the “Monetary Remuneration Receivables”) to grant shares to the Targeted Directors under the Plan, the introduction of the Plan shall be subject to the approval of our shareholders at the General Shareholders Meeting with regard to the provision of such remuneration.

With regard to the amount of remuneration for Directors, it was approved at the General Meeting of Shareholders for the 143rd term held on June 29, 2011 that the maximum monthly remuneration be ¥100 million and the maximum annual bonus be ¥350 million. Also, it was approved at the General Meeting of Shareholders for the 145th term held on June 26, 2013 that the maximum annual remuneration of the share-based compensation stock options for Directors (excluding Outside Directors) be ¥200 million. The Company plans to request approval from our shareholders at the General Shareholders Meeting for establishing a remuneration limit with regard to the Plan for the Targeted Directors of the Company, separate from that of the existing monthly remuneration and bonus. Moreover, following the introduction of the Plan, the existing share-based compensation stock options will be invalidated, and subscription rights to shares as stock options will no longer be issued to Directors in the future.

2. Overview of the Plan

The Plan consists of a restricted share remuneration subject to continuous service as Director of the Company for a certain period, and a performance-linked share-based remuneration subject to, in addition to the said condition, the achievement of the performance targets predetermined at the meeting of the Board of Directors.

The Targeted Directors shall pay in Monetary Remuneration Receivables provided by the Company based on

the Plan in full amount in the form of property contributed in kind, and have the common stocks of the Company issued or disposed of.

The total amount of Monetary Remuneration Receivables provided to the Targeted Directors based on the Plan shall be within ¥500 million, comprised of the restricted share remuneration and performance-linked share-based remuneration, on annual basis. The specific timing of payment and the allotted amount to each Targeted Director shall be decided at the meeting of the Board of Directors.

The total number of common stocks of the Company to be newly issued or disposed of under the Plan shall be within 150,000 shares, comprised of the restricted share remuneration and performance-linked share-based remuneration, on annual basis. The amount to be paid per share shall be decided at the meeting of the Board of Directors and shall be an amount within a range not specially advantageous to the Targeted Directors that receive common stocks of the Company under the Plan, such as the closing price of the common stocks of the Company at the Tokyo Stock Exchange on the immediately preceding business day of the day of the resolution by the Board of Directors (if transaction is not concluded on such day, the closing price of the latest preceding transaction date).

The issuance and disposal of common stocks of the Company with regard to restricted share remuneration shall be subject to the conclusion of an agreement between the Company and the Targeted Directors, with contents including 1) the prohibition of transfer, offering as collateral, nor making any other disposition of the shares to a third party for a certain period and 2) the acquisition of the shares by the Company for free of charge in case of occurrence of certain events. During the period which the transfer is restricted, the shares are planned to be managed in a dedicated account opened at Nomura Securities Co., Ltd. by the Targeted Directors, so as not to be transferred, offered as collateral, or have any other disposition made during such period.

The performance-linked share-based remuneration is a performance-linked share-based remuneration system with a target period of three fiscal years, where common stocks of the Company are delivered in a number corresponding to the standard amount of variable remuneration which calculation is based on the position of the Targeted Directors, adjusted within the range of 0% to 150% in accordance with the degree of attainment as of the end of the target period of performance indices predetermined at the meeting of the Board of Directors. The initial target period shall be from the fiscal year ending on March 31, 2018 to the fiscal year ending on March 31, 2020, and from then on, the target period shall be the three consecutive fiscal years starting from the following fiscal year of the first fiscal year in the previous target period.

3. Application of the Plan to Executive Officers

The Company plans to apply the same plan stated above to Executive Officers of the Company, provided that the introduction of the Plan is approved at the General Shareholders Meeting.

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