

July 28, 2017

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

## Notice Regarding Issuance of New Shares as Restricted Share Remuneration

Olympus Corporation (the “Company”) hereby announces that, at the meeting of its Board of Directors held on July 28, 2017, the Directors resolved to issue new shares (the “Issuance of New Shares”) as follows.

### 1. Outline of the Issuance

(1) Payment date	August 28, 2017
(2) Class and number of shares to be issued	19,716 shares of common stock of the Company
(3) Issuance price	¥4,065 per share
(4) Total value of shares to be issued	¥80,145,540
(5) Method of offer or allotment	Allotment of specified restricted shares
(6) Method of contribution	In-kind contribution of monetary remuneration receivables
(7) Allottees and number thereof, number of shares to be allotted	Directors (excluding Outside Directors): 5 8,159 shares Executive Officers (excluding non-residents in Japan): 14 11,557 shares
(8) Others	For the Issuance of New Shares, the Company has filed the Securities Registration Statement taking effect in accordance with the Financial Instruments and Exchange Act.

### 2. Purpose and Reason of the Issuance

At the meeting of its Board of Directors held on May 2, 2017, the Company decided to introduce a restricted share remuneration plan (the “Remuneration Plan”) as well as performance-linked share-based remuneration plan as new remuneration plans for Directors excluding Outside Directors (the “Targeted Directors”) and Executive Officers of the Company (collectively, the “Targeted Directors, etc.”), for the purpose of providing the Company’s Targeted Directors with an incentive for sustainable improvement of the Company’s corporate value as well as further enhancing value sharing with our shareholders. Also, at the 149th General Meeting of Shareholders held on June 28, 2017, it was approved that based on the Remuneration Plan as well as the performance-linked share-based remuneration plan, the amount of the monetary remuneration receivables for the Targeted Directors shall not exceed ¥500 million per year as the monetary remuneration receivables to serve as invested assets to acquire shares, that the total number of shares of common stock of the Company to be issued or disposed of shall not exceed 150,000 per year, and that the restriction period on share transfer shall be decided by its Board of Directors within the range of three to five years from the date of the share allotment.

The following presents the overview of the Remuneration Plan.

The initial target period for the performance-linked share-based remuneration plan shall be from the fiscal year ending March 31, 2018 to the fiscal year ending March 31, 2020, and the common stocks of the Company will be delivered to the Targeted Directors after the target period is over.

### [Outline of the Remuneration Plan]

The Targeted Directors, etc. shall pay in monetary remuneration receivables provided by the Company based on the Remuneration Plan in full amount in the form of property contributed in kind, and have the common stocks of the Company issued or disposed of. For the issuance or disposal of shares of common stock of the Company under the Remuneration Plan, the Company and each Targeted Directors, etc., shall make an agreement on allotment of restricted shares (the “Allotment Agreement”), which includes (1) The Targeted Directors, etc., shall not transfer, offer as security, or otherwise dispose of the common stocks of the Company allotted under the Allotment Agreement during a certain restriction period, and (2) The Company shall acquire the said common stocks without contribution in case where certain events happen.

Considering deliberations of the Compensation Committee, the majority of which is composed of Outside Directors, the purpose of the Remuneration Plan, business performance of the Company, responsibility of each of the Targeted Directors, etc., and various circumstances, the Company has decided to provide the total sum of the monetary remuneration receivables of ¥80,145,540, and 19,716 shares of common stock of the Company, in order to attract competent people as officers and employees and to further enhance motivation of the Targeted Directors, etc. In order to realize the purpose of introduction of the Remuneration Plan, the transfer restriction period has been set at three years.

For the Issuance of New Shares, 19 of the Targeted Directors, etc., as scheduled subscribers shall make in-kind contribution of all the monetary remuneration receivables to the Company according to the Remuneration Plan to serve as invested assets to acquire the restricted shares during the 150th fiscal year, and shall receive issued shares of common stock of the Company (the “Allotted Shares”).

### 3. Overview of the Allotment Agreement

(1) Transfer restriction period: From August 28, 2017 to August 28, 2020

(2) Conditions of lifting the restriction

Any of the Targeted Directors, etc. has remained in the position of the Company’s Director or Executive Officer not concurrently serving as Director throughout the restriction period.

(3) Treatment in cases the Targeted Directors, etc., retire from their position due to expiration of the term of office or other due cause during the restriction period

(i) Time of lifting the restriction

When any of the Targeted Directors, etc. retires from the position as Director or Executive Officer not concurrently serving as Director due to expiration of the term of office or other due cause (excluding retirement due to death), the Company shall lift the restriction immediately after retirement of the Targeted Directors, etc. In case of retirement due to death, the Company shall lift the restriction at the time separately determined by the Board of Directors after such death of the Targeted Director, etc.

(ii) Number of shares subject to lifting of the restriction

The number of shares obtained by multiplying the number of Allotted Shares held as of the time of retirement defined in (i), by value obtained as a result of dividing the tenure of any of the Targeted Directors, etc. (the number of months) during the restriction period by the number of months of restriction period for the targeted shares shall be lifted (any fractions less than one share unit resulting from the calculation shall be rounded down).

(4) Acquisition without contribution by the Company

The Company shall acquire, by its right and without contribution, the Allotted Shares on which the restriction has not been lifted as of when the restriction period is over or at the time of lifting of the restriction provided in (3) above.

(5) Control of shares

To ensure compliance with the transfer restriction during the transfer restriction period, the Allotted Shares shall be managed in a dedicated account at Nomura Securities Co., Ltd., opened by the Targeted Directors,

etc. The Company has executed a contract with Nomura Securities Co., Ltd. on management of accounts for the Allotted Shares held by each of the Targeted Directors, etc., in order to secure the effectiveness of the transfer restriction pertaining to the Allotted Shares. In addition, the Targeted Directors, etc. shall agree to details of the management of the accounts.

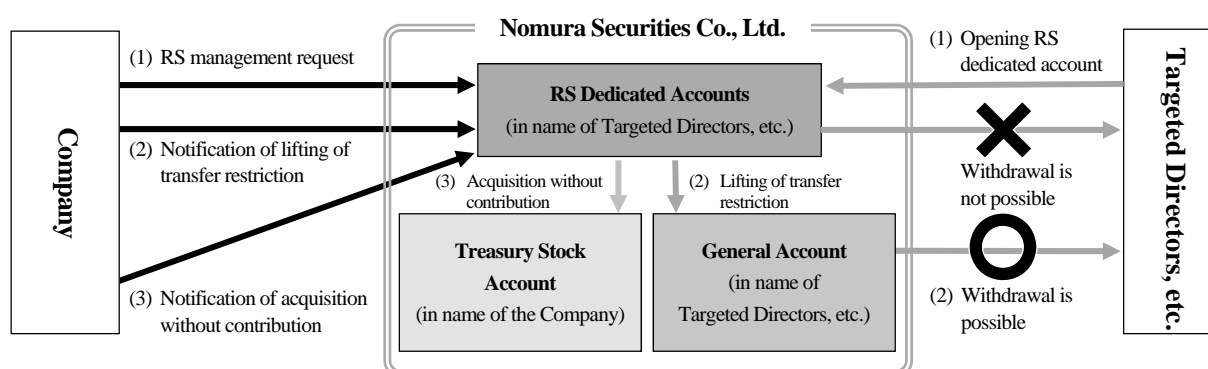
(6) Handling at the time of organizational restructuring

If, during the transfer restriction period, matters relating to a merger agreement in which the Company is the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other organizational restructuring are approved at the Company's General Meeting of Shareholders (or in the case where the approval at the Company's General Meeting of Shareholders is not required, in relation to the organizational restructuring in question, a meeting of its Board of Directors), restriction on the Allocated Shares, the number of which is obtained by multiplying the number of Allotted Shares held as of then, by the number of months from the beginning of the restriction period to the month including the approval day of the organizational restructuring divided by the number of months of the restriction on the target shares (any fractions less than one share unit resulting from the calculation shall be rounded down), shall be lifted based on the resolution of the Board of Directors, immediately prior to the organizational restructuring, one business day before it becomes effective.

4. Basis of Calculation and Specific Details for the Payment Amount

The Issuance of New Shares to the Targeted Directors, etc., shall be funded by monetary remuneration receivables which the Company provided as the restricted share remuneration for the 150th fiscal year in accordance with the Remuneration Plan. To eliminate arbitrariness in the issuance price, the closing price for the common stock of the Company on the First Section of the Tokyo Stock Exchange on July 27, 2017 (the business day prior to the day of resolution at the meeting of the Board of Directors) of ¥4,065 is used as the issuance price. As this is the market price of the day prior to the day of resolution at the meeting of the Board of Directors, we believe that the issuance price is reasonable and does not represent a particularly favorable price.

(Reference) [Restricted Share (RS) Management Flow in the Restricted Share Plan]



END