

May 7, 2018

News Release

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

Notice Concerning the Discontinued Operations of Consolidated Subsidiary (Chinese Production Subsidiary for the Imaging Business)

Olympus Corporation announced that it has decided to discontinue operations at Olympus (Shenzhen) Industrial Ltd. (hereinafter "OSZ"), its subsidiary located in Shenzhen, China, at today's Board of Directors meeting.

1. Reason for the discontinued Operations

Olympus Corporation established OSZ in Shenzhen, China, in December 1991, for the manufacture of products relating to the digital camera business. However, the digital camera market suffered a rapid contraction due to the rise of smartphones, leading to a marked decline in OSZ's operating rate. OSZ's equipment had also deteriorated after 26 years of operation. It would be extremely difficult to maintain the competitiveness of OSZ.

Up until now Olympus Corporation manufactured products relating to the digital camera business at OSZ and at Olympus Vietnam Co., Ltd. (hereinafter "Olympus Vietnam") located in Dong Nai Province in Vietnam, but in light of the above-mentioned facts, we have decided to discontinue operations of OSZ and concentrate this production at Olympus Vietnam. This will enhance our production efficiency and profitability, enhancing the global competitiveness of our digital camera business.

2. Profile of Olympus (Shenzhen) Industrial Ltd.

(1) Name	Olympus (Shenzhen) Industrial Ltd.	
(2) Address	No.1, Kejibei 2nd Road., North Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, 518057 P.R.C.	
(3) Title and name of representative	CEO Toru Komatsu	
(4) Description of business	Manufacture of digital cameras and lens units for digital cameras	
(5) Number of employees	1,774 (As of the end of March, 2018)	
(6) Capital	US\$ 70,100,000	
(7) Date established	December 4, 1991	
(8) Main shareholders and shareholding ratios	Olympus China Co.,Ltd. ¹	
(9) Relationship with Olympus Corporation	Capital relationship	This subsidiary is a consolidated subsidiary with 100% indirect investment by Olympus Corporation.
	Personnel relationship	Employees of Olympus Corporation are appointed as directors of this company.
	Transactional relationship	Olympus Corporation is in a sales-purchasing relationship with the subsidiary.
	Status as a related party	The subsidiary is a consolidated subsidiary of Olympus Corporation and is a related party of Olympus Corporation.

(10) Operating results and financial standing over the last three years (in HK\$ 1000s) ²			
Fiscal year	Year Ended December 2015	Year Ended December 2016	Year Ended December 2017
Equity total	891,569	935,399	895,938
Assets total	1,045,776	1,106,323	1,093,016
Per share (HK\$)	1.63	1.71	1.64
Net sales	1,289,195	1,119,470	980,739
Operating income	28,049	81,226	32,659
Current income belonging to owners of the parent company	20,806	62,555	14,785
Current income per share (HK\$)	0.04	0.11	0.03

1. Olympus China Co.,Ltd. is a consolidated subsidiary 100% owned by Olympus Corporation.

2. For reference: HK\$ 1 = ¥13.94 (exchange rate as of the end of April, 2018).

3. Date for the discontinued operations

May 7, 2018. OSZ's operations will cease on the same day following the resolution by the Olympus Corporation board of directors.

4. Effect on business results

The discontinued operations of this subsidiary are expected to incur temporary expenses. We are currently assessing the impact this will have on the consolidated results of Olympus Corporation, and will give further notice on May 11 at the time of the financial results announcement for the fiscal year ended March 2018.