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News Release

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## Notice Concerning Judgment of the Lawsuit against Consolidated Subsidiary

On July 30 2018, the Shenzhen Intermediate People's Court handed down a judgement of the lawsuit filed on December 23, 2016 by Shenzhen Anping Tai Investment and Development Co., Ltd. (Anpingtai) against Olympus (Shenzhen) Industrial Ltd. (OSZ), an Olympus subsidiary in China. The judgement document was sent to legal counsel of OSZ on August 3, 2018. Details of the judgement are as follows.

### 1. The court and the date of the judgement

Shenzhen Intermediate People's Court  
July 30, 2018

### 2. Background to the Lawsuit

OSZ is located in Shenzhen, Guangdong, in the Republic of China. Around 2011, it outsourced the running of its cafeteria and security duties to Anpingtai. In 2014, OSZ appointed Anpingtai to serve as a consultant to resolve a tax issue that had occurred between OSZ and the Shenzhen Customs Authority. The background to OSZ's appointment of Anpingtai as a consultant for its tax issue was disclosed in "Certain Reports on the Company and its Subsidiary," dated June 27, 2016.

On resolution of the tax issue, OSZ paid Anpingtai 24 million RMB (approx. 400 million yen) based on the service agreement, and also lent to Anpingtai two of its employee dormitories.

Subsequent to this, Anpingtai claimed that OSZ was obligated to transfer ownership of the two employee dormitories to Anpingtai as part of the payment for its consulting services, and that this obligation had not been met. Based on a memorandum dated October 16, 2013, Anpingtai filed a lawsuit with the Shenzhen Intermediate People's Court, seeking damages of 274,905,271.36 RMB (equivalent to approximately 4.643 billion yen at the exchange rate on that date) as compensation.

In response to this, OSZ disputed in full Anpingtai's claims, questioning the authenticity of the memorandum used as the grounds for Anpingtai's claim, and also launched a countersuit against Anpingtai on March 17, 2017, seeking to make Anpingtai vacate two employee dormitories and to pay 4,424,760.45 RMB (equivalent to approximately 72 million yen at the exchange rate on that date) in usage fees.

### 3. Outline of the judgment

On July 30, 2018, the Shenzhen Intermediate People's Court rejected OSZ's claims and ordered OSZ to pay 30,774,390 dollars (equivalent to approximately 3.357 billion yen at the exchange rate on that date) and delinquent charge to Anpingtai. In addition, the Shenzhen Intermediate People's Court ordered Anpingtai to hand over two employee dormitories in exchange of the payment from OSZ while dismissing the OSZ's countersuit for paying user fees etc.

#### 4. Measures to be Taken by the Company

It is highly regrettable that OSZ's claims were rejected in this judgement. Olympus and OSZ are considering an appeal based on a careful appraisal of the content of the judgement.

With regard to this, 3.457 billion yen is recorded as other expenses for the first quarter of the fiscal year ending March 31, 2019 and we announced that the full-year consolidated earnings forecast for the fiscal year ending March 31, 2019 in "Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2018" and "Notice Concerning Recording of Other Expenses and Revision to Financial Forecast" released today.

In regard to the consulting services outsourced to Anpingtai, reports from some media noted suspicions of illegal payments through Anpingtai in order to deal with the tax issue between OSZ and the Chinese and Shenzhen Customs Authorities. However, as was disclosed in "Certain Reports on the Company and its Subsidiary" dated June 27, 2016, and "Statement Regarding News Reports about Olympus and One of Its Subsidiaries" dated February 1, 2018, Olympus undertook an investigation and subsequently performed the necessary actions on this matter: "no actions contravening Japanese, US or Chinese laws concerning bribery was recognized," and "Olympus has explained to the required overseas authorities the results of its investigation."