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News Release

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Notice Concerning the Arbitral Award involving Consolidated Subsidiaries

Olympus Corporation ("Olympus") hereby announces that Shanghai Sub-Commission of China International Economic and Trade Arbitration Commission ("CIETAC") issued an arbitral award on December 26, 2022 in the arbitration concerning the Capital Increase Agreement entered into by Shenzhen YL Technology Co., Ltd. ("YL"), Olympus (Shenzhen) Industrial Ltd. ("OSZ") and Olympus (China) Co., Ltd., ("OCH") on December 25, 2018 (the "Capital Increase Agreement"). And OSZ and OCH received the arbitral award on January 3, 2023.

1. Background

As announced in "Notice Concerning Recording Other Income (in the fiscal year ending March 2020) by Transfer of Equity Interests of Consolidated Subsidiary (Sub-subsidiary)" dated December 25, 2018, the "(Change of Disclosure Matters) Notice Concerning Postponement the Closing Date of Transfer of Equity Interests of Consolidated Subsidiary (Sub-subsidiary)" dated June 28, 2019, and the "(Change of Disclosure Matters) Notice Concerning Cancellation of Transfer of Equity Interests of Consolidated Subsidiary (Sub-subsidiary)" dated January 20, 2020, Olympus had executed a framework agreement concerning transfer of all the equity interests of OSZ, a consolidated subsidiary of Olympus in Shenzhen, China and owned by OCH, another consolidated subsidiary of Olympus, to YL (the "Transfer") with YL (the "Transfer Agreement"). However, the conditions precedent to the Transfer were not satisfied, so the Transfer Agreement was canceled on January 20, 2020.

The Transfer Agreement provided that the Transfer would be conducted by way of YL firstly subscribing the increased capital of OSZ and then purchasing the remaining equity interest held by OCH in OSZ, so the Capital Increase Agreement was separately executed by and between OCH, OSZ and YL as a part of the Transfer Agreement.

YL, as the Claimant, filed this arbitration, which, among others, included continuation to perform the Capital Increase Agreement, against OSZ, as the Respondent, on October 11, 2021. OCH was joined into the arbitration as the 2nd Respondent on December 27, 2021.

YL's arbitration claims are as follows:

- 1) Order OSZ and OCH to continue to perform the Capital Increase Agreement.
- 2) Order the confirmation of YL's status as the shareholder of OSZ, holding 17.9775% equity interest therein.
- 3) Order that OSZ and OCH shall immediately process the amendment registration procedures for capital increase with the Administration of Market Regulation ("AMR"), the government agency in charge of company registration in China, and register YL as the 17.9775% shareholder of OSZ (including amending the register of shareholders and the capital contribution certificate, replacing the directors and reissuing the articles of association of OSZ accordingly).
- 4) Order OSZ and OCH to bear the arbitration fee, property preservation fee (amount to RMB5,000) and insurance fee for property preservation (amount to RMB160,000) incurred in this case.

OSZ and OCH disagreed with YL's claims and also raised the following counterclaims in the arbitration:

- 1) Order YL to compensate OSZ and OCH for the attorney's fee and other reasonable expenses incurred in this case (amount to RMB700,000);
- 2) Order YL to bear the arbitration fee of the counterclaim.

2. Summary of the Arbitral Award

The arbitral award supported YL's arbitration claims No. 1 and No. 4, and dismissed YL's arbitration claims No. 2 and No. 3. It also dismissed all the counterclaims of OSZ and OCH. The award ordered the following items:

- 1) OSZ and OCH shall specifically perform the Capital Increase Agreement;
- 2) OSZ and OCH shall pay YL the property preservation fee of RMB 5,000 and the insurance fee for the property preservation of RMB 160,000;
- 3) OSZ and OCH shall pay YL the arbitration fee of RMB 2,621,550; the expense of for YL's arbitrator (RMB 20,000) prepaid by YL shall be returned to YL; the arbitration fee of OSZ's counterclaim (RMB 25,550) and OCH's counterclaim (RMB 13,550) shall be borne by OSZ and OCH respectively and shall not be returned;
- 4) YL's other claims shall be dismissed;
- 5) All counterclaims of OSZ and OCH shall be dismissed.

For the above payments, OSZ and OCH shall pay them within 20 days upon the issuance of the award (i.e., by January 15, 2023).

The arbitral award is final and effective as of the date of issuance.

Although the arbitral award ordered the specific performance of the Capital Increase Agreement, it did not support YL's claims for directly confirming the shareholder status and processing the AMR amendment registration procedures. On the contrary, the award held that the Capital Increase Agreement sets out the relevant procedures before the AMR amendment registration, which shall continue to be binding on the parties. Therefore, YL shall perform its obligations including subscribing the capital

contribution of RMB400 million and complying with all other terms set forth in the Capital Increase Agreement before acquiring its shareholder status in OSZ.

3. Future Outlook

Olympus is now carefully examining the arbitral award. At the present time, the arbitral award has only minor impact on the financial performance of Olympus. If any future event which requires disclosure arises, we will announce it promptly.