

December 7, 2011

News Release

Company: Olympus Corporation  
Representative Director, President and CEO: Shuichi Takayama  
(Code 7733, First Section, Tokyo Stock Exchange)  
Contact: Akihiro Nambu, Manager, Public Relations and IR Office

### Notice Concerning Measures Olympus Corporation Will Implement in Light of the Third Party Committee Report

As announced in the press release “Notice Concerning Receipt of Third Party Committee Report” published on December 6, 2011, Olympus Corporation (the “Company”) received the report issued by the Third Party Committee (Chairman: Tatsuo Kainaka, attorney-at-law). The Company has decided by the Board of Directors meeting held today to take the following measures after deliberate consideration of the investigation results and recommendations.

First, The Board of Directors takes the investigation results and recommendations very seriously, and in order to prevent similar problems from ever arising again, the Board of Directors has decided to establish a Management Reform Committee the purpose of which will be to provide the Company with proactive guidance and recommendations with respect the overhaul of the managerial framework of the Company and the Company Group overall (including managerial personnel and decision-making framework), a thorough review of the governance system, internal control system and compliance system, and the formulation of a business reconstruction plan with a goal of optimization of the business structure and efficient utilization of managerial resources. Please see Attachment 1 for an overview of the Management Reform Committee.

Second, the Board of Auditors has decided to establish a Director Liability Investigation Committee the independence of which will be assured through its being composed of attorneys-at-law with no interests in the Company. This Committee will, in regards to the Company’s past deferred posting of losses and related series of issues, carry out a thorough investigation of whether current and past directors engaged in conduct that constitutes a breach of the due care duty or other director duties, in order to ascertain their liability regarding such series of issues. Please see Attachment 2 for an overview of the Director Liability Investigation Committee.

Third, the Board of Directors has decided to establish a Non-Director Management Liability Investigation Committee the independence of which will be assured through its being composed of attorneys-at-law with no interests in the Company. This Committee will, in regards to such series of issues, carry out a thorough investigation of whether current and past corporate auditors engaged in conduct that constitutes a breach of the due care duty or other duties, of whether current and past audit firms engaged in inappropriate or inadequate audits, and of whether current and past executive officers engaged in inappropriate or inadequate business activities, in order to ascertain their liability regarding such series of issues. Please see Attachment 3 for an overview of the Non-Director Management Liability Investigation Committee.

In addition to the foregoing, the Company hereby also announces that, the Company’s Representative Director, President and CEO, Shuichi Takayama, has issued a President’s Statement, as set forth in Attachment 4, in which he indicates the Company’s current understanding and awareness in regards to such series of issues, and announces the establishment of the Management Reform Committee, Director Liability Investigation Committee and Non-Director Management Liability Investigation Committee, as well as the initiatives and measures the Company will take, as well as the Company’s resolve, regarding such series of issues.

In accordance with the spirit of the President's Statement, the Company will take very seriously the guidance, recommendation, investigation results and reports of the Management Reform Committee, Director Liability Investigation Committee and Non-Director Management Liability Investigation Committee, and will move forward with thorough reform aimed at restoring trust in the Company as quickly as possible. Going forward, the Company will make timely and appropriate disclosure as necessary regarding its initiatives for reform.

END

## **Overview of Management Reform Committee**

### (1) Role of Management Reform Committee

- The Management Reform Committee will give guidance and recommendation regarding important matters to be decided by the Board of Directors in regards to the overhaul of the managerial framework of the Company and the Company Group overall (including managerial personnel and decision-making framework), the governance system, internal control system, and compliance system, and the formulation of a business reconstruction plan;
- The Management Reform Committee will hear and gather the opinions of shareholders, business partners, customers, financial institutions, employees and other stakeholders, and will reflect such opinions in its guidance and recommendations discussed above;
- The Company's proposals for the next general shareholders meeting will be subject to the prior deliberation and consent of the Management Reform Committee; and
- The Management Reform Committee will provide a report regarding the Board of Directors' decisions regarding overhaul of the managerial framework, the governance system, internal control system and compliance system, and the formulation of a business reconstruction plan.

### (2) Composition of Members

The members of the Management Reform Committee shall be businesspeople, attorneys-at-law, consultants and other knowledgeable persons who have no interests with the Company.

### (3) Others

Decisions regarding member composition of the Management Reform Committee, method of guidance and recommendation, method of deliberation, consent and report, and other details regarding the Management Reform Committee will be delegated to deliberations between two outside directors, Mr. Yasuo Hayashida and Mr. Hiroshi Kuruma.

## Overview of Director Liability Investigation Committee

### (1) Role of Director Liability Investigation Committee

- The Director Liability Investigation Committee will carry out an investigation and study from the legal perspective concerning the deferred posting of losses and other issues, in regards to whether current and past directors engaged in conduct that constitutes a breach of the due care duty or other director duties;
- The Board of Auditors will not interfere in the determinations made by the Director Liability Investigation Committee and will give such determinations its highest respect; and
- The Director Liability Investigation Committee will issue its report regarding the above investigation and study by the deadline for instituting litigation by shareholders against any potentially liable directors which is expected to be January 8, 2012.

### (2) Composition of Members

The Director Liability Investigation Committee will be composed of attorneys-at-law who are independent from and have no relation with current and past directors or the Company.

### (3) Others

The following persons are appointed as the members of the Director Liability Investigation Committee, and decisions regarding method of investigation, method of report and other details regarding the Director Liability Investigation Committee will be delegated to the Board of Auditors each time such a matter arises.

Chairman:	Mr. Kazuo Tezuka, Attorney-at-Law
Member:	Mr. Hideki Matsui, Attorney-at-Law
Member:	Mr. Satoru Mitsumori, Attorney-at-Law

#### (Brief CVs of Members)

##### ■ Mr. Kazuo Tezuka

April 1967	Registered as attorney-at-law; Joined Kaneko & Iwamatsu Law Office
January 1974	Partner, Kaneko & Iwamatsu Law Office
April 1991	Vice Chairman of the Daini Tokyo Bar Association

##### ■ Mr. Hideki Matsui

April 1987	Registered as attorney-at-law; Joined Marunouchi Sogo Law Office
July 1997	Partner, Marunouchi Sogo Law Office
September 2011	Managing Partner, Marunouchi Sogo Law Office

##### ■ Mr. Satoru Mitsumori

April 1993	Registered as attorney-at-law, Joined Asahi Law Offices
April 1999	Partner, Asahi Law Offices

## Overview of Non-Director Management Liability Investigation Committee

### (1) Role of Non-Director Management Liability Investigation Committee

- The Non-Director Management Liability Investigation Committee will carry out an investigation and study from the legal perspective concerning the deferred posting of losses and other issues, in regards to whether current and past corporate auditors engaged in conduct constituting breach of the due care duty or other auditor duties in regards to their audit of the directors' performance of their duties;
- The Non-Director Management Liability Investigation Committee will carry out an investigation and study from the legal perspective concerning the deferred posting of losses and other issues, in regards to whether current and past audit firms engaged in inappropriate or inadequate audits;
- The Non-Director Management Liability Investigation Committee will carry out an investigation and study from the legal perspective concerning the deferred posting of losses and other issues, in regards to whether current and past executive officers engaged in inappropriate or inadequate business activities;
- The Board of Directors will not interfere in the determinations made by the Non-Director Management Liability Investigation Committee and will give such determinations its highest respect; and
- The Non-Director Management Liability Investigation Committee will issue its report regarding the above investigation and study by the deadline for instituting litigation by shareholders against any potentially liable corporate auditors or audit firms which is expected to be January 17, 2012.

### (2) Composition of Members

The Non-Director Management Liability Investigation Committee will be composed of attorneys-at-law who are independent from and have no relation with current and past corporate auditors or current and past audit firms.

### (3) Others

Decisions regarding member composition of the Non-Director Management Liability Investigation Committee, method of investigation, method of report and other details regarding the Non-Director Management Liability Investigation Committee will be delegated to deliberations between two outside directors, Mr. Yasuo Hayashida and Mr. Hiroshi Kuruma. Upon deliberate discussion between the two outside directors, the following persons are appointed as the members of the Non-Director Management Liability Investigation Committee:

Chairman:	Mr. Akira Watanabe, Attorney-at-Law
Member:	Mr. Atsushi Toki, Attorney-at-Law
Member:	Mr. Yoichiro Yamato, Attorney-at-Law

(Brief CVs of Members)

■ Mr. Akira Watanabe

April 1973 Registered as attorney-at-law  
April 1989 Established Seiwa Kyodo Law Office; Managing Partner  
April 2008 Seiwa Kyodo merged with Meitetsu Sogo into Seiwa Meitetsu Law Office; Partner

■ Mr. Atsushi Toki

April 1983 Registered as attorney-at-law; Joined Kajitani Law Offices  
April 1989 Joined Okudaira, Toki Legal Office  
April 1997 Established Meitetsu Sogo Law Office  
April 2008 Meitetsu Sogo merged with Seiwa Kyodo into Seiwa Meitetsu Law Office; Partner

■ Mr. Yoichiro Yamato

April 1972 Appointed as judge  
December 2004 Chief Judge, Osaka High Court  
January 2010 Registered as attorney-at-law, Shinji Yoshiba Law Office

## Public Statement of President

December 7, 2011

To Whom It May Concern:

### Response of Company upon Consideration of the Third Party Committee Report

(Establishment of Director Liability Investigation Committee, Non-Director Management Liability Investigation Committee and Management Reform Committee, Etc.)

Olympus Corporation  
Shuichi Takayama, Representative Director, President and CEO

Olympus Corporation (the “Company”) received yesterday a detailed “Investigation Report” (the “Report”) from the Third Party Committee (Chairman: Tatsuo Kainaka, attorney-at-law) appointed by the outside directors of the Company. The full text of the Report is, with the permission of the Committee, published on the website of the Company.

As pointed out by the Third Party Committee, it has become clear that the Company postponed over many years recognition of losses arising from past securities investments, etc., and published false financial statements. Also, the cause for that was strictly indicated to be defects in the corporate governance of the Company. I, on behalf of the Company, deeply apologize for the trouble to all related persons that has been caused.

The Board of Directors has sincerely received the comments and suggestions in the Report and has decided the measures set out below. I would like to report that to all of you.

#### 1. Outline of Present Case

The Report is large and its contents are detailed and broad ranging, but in our understanding, the gist of this case is as follows:

##### 1) Accumulation of Operating Losses from Financial Assets

At the time when Toshiro Shimoyama was President, the Company was actively engaged in investing in financial assets. In the latter of the 1990s, the unrealized losses from the financial assets almost reached JPY100 billion.

##### 2) Separation of Losses

Hideo Yamada, the former full-time corporate auditor of the Company, and Hisashi Mori, the former Vice President, received advice and cooperation from outside related persons and executed a plan to separate the unrealized losses from the financial assets from the book of the Company by selling them at the book value to the investment funds that would put the financial assets outside of the scope of the consolidated financial statements of the Company. In order to raise funds for the investment funds to purchase such financial assets, the bank deposits and bonds of the Company were provided.

##### 3) Settlement of Losses

In order to settle the separated losses, a transaction was used whereby the Company would purchase from the investment funds the shares of three companies, Altis Co., Ltd., HumaLabo Co., Ltd., and News Chef Inc. for a high price. The structure whereby money paid in the name of FA fees, etc., in connection with the Gyrus acquisition was flowed back to the investment funds was also used. By using those two methods, the Company expended a total of

approximately JPY135 billion and as a result the off-the-book debt was completely settled by March 2011.

These loss settlement schemes were secretly planned and executed by Yamada and Mori and, although the back books do not exist in the Company, Masatoshi Kishimoto and Tsuneo Kikukawa, both of whom were former Presidents, received reports and knew of the schemes.

#### 4) Relationship to Anti-Social Forces, Etc.

Based on the investigation by the Third Person Committee, no involvement of anti-social forces was found. Also, no embezzlement by Yamada or Mori was found.

#### 5) Necessity for Corporate Governance Reform

The Report strongly requires for reform of the corporate governance.

#### 6) Cause of this Case and Measures to Prevent Reoccurrence

In this case, it is pointed out that it was secretly undertaken by a part of management members by order from the top, that there were problems in the corporate culture and consciousness, that almost no necessary information was provided to the Board of Directors and the Board of Auditors due to skillful cover ups, that each organ was not performing its function expected under the Companies Act. As measures to prevent reoccurrence, it is also pointed out that the replacement of directors and corporate auditors, a drastic reconsideration of the governance, and the need for management monitoring.

In light of the facts being made clear by the Third Party Committee, it has become clear that the above directors and auditor (all of those have already retired) who were primarily involved in the postponing of the recognition of losses will not be able to escape from liabilities. However, in regard to the liabilities of directors and auditors who were in the position where they should have been monitoring to prevent the occurrence of these illegal acts, it is not yet clear.

Since there is no other way than putting priority on clarifying the extremely complicated schemes for postponing recognition of loss and settlement, we will continue to investigate the liabilities of members other than the aforementioned directors and auditor through the Liability Investigations Committees as mentioned later and strictly address the matter.

## **2. Outline of Measures to be Taken by the Company in Response to the Report**

The outline of the immediate actions of the Company reported today is as follows:

(i) Based on investigation by the “Director Liability Investigation Committee” established in response to the Report by the Board of Auditors and investigation by the “Non-Director Managing Liability Investigation Committee” established in response to the Report by the Board of Directors, the individual liabilities of board members, including those who have retired, will be made clear, the results of which will be publically announced;

(ii) The “Management Reform Committee” established in response to the Report by the Board of Directors will screen in advance all the Company’s proposals to the next general shareholders meeting, and the proposals will be made subject to the Committee’s consent;

(iii) The current board members will, for the time being, strive for a goal for reconstruction by addressing the corporate crises such as correction of the past false financial statements, and then will be replaced at an appropriate time in accordance with the proposals in the Report; and

(iv) We will not only restore trust through the aforementioned measures but also take our utmost efforts to cope with the corporate crises in order that we will be able to contribute to society from now on as well as to deliver values to the Company’s stakeholders.



### **3. Correction of Past Financial Statements and Filing of the Second Quarter Report**

According to the facts found by the Third Party Committee in the Report, the past financial statements of the Company such as annual securities reports require significant correction. We will make such correction and file amendments to the relevant securities reports as quickly as possible in accordance with the Financial Instruments and Exchange Act and any other related laws and regulations, and then make it public.

In regard also to the 2Q quarterly securities report for the 144th fiscal year (fiscal year ending in March 2012) that has not yet been filed (the "Second Quarter Report"), upon reflecting the contents of the Report and applying appropriate accounting methods, we will file with the authority the Second Quarter Report with the audit firm's review report as attachment by December 14, 2011. We will also make it public soon after we complete the filing.

### **4. Clarification of Liabilities of Directors and Auditors**

The Board of Auditors of the Company received a request from shareholders on November 9, 2011 to file a lawsuit claiming damages against the directors of the Company pursuant to the provisions of the Companies Act. In response to this request for action as well as to the Report, the auditors of the Company has appointed independent attorneys-at-law who are independent and have no interests, and decided at the Board of Auditors to establish a "Director Liability Investigation Committee" (Chairman: Kazuo Tezuka, attorney-at-law; Committee Members: Hideki Matsui and Hitoshi Mitsumori, attorneys-at-law). Members of this Director Liability Investigation Committee have already commenced its investigation regarding the liabilities of directors.

While the Third Party Committee focused on the schemes to postpone the losses and the process of covering them up. Based on the facts found by the Third Party Committee, the Director Liability Investigation Committee will investigate the liabilities of directors of the Company (including those retired; hereinafter the same) in view of their duties under the Companies Act. While the Third Party Committee's efforts have shed significant light on the schemes to postpone the losses and the flow of funds, the Director Liability Investigation Committee will investigate not only breach of duties of the directors who were directly responsible for the filing of false financial statements in the annual securities reports but also breach of supervisory duties and other director duties.

Similar to the case of the Third Party Committee, the Company will offer full cooperation to the Director Liability Investigation Committee and have such external experts clarify the individual liabilities of directors. We will announce the results of investigation upon receiving a report from the Committee.

Directors who are judged as liable by the Director Liability Investigation Committee will step down, regardless of their personal views or claims in court, in a timely manner that does not interfere with the management of the Company.

We also announce that the Board of Auditors requested that the Director Liability Investigation Committee reach a conclusion by January 8, 2012 which is the deadline for the request to file a lawsuit.

The auditors of the Company will file a lawsuit for and on behalf of the company against the directors who are judged as liable by the Director Liability Investigation Committee in accordance with the provisions of the Companies Act, where the Company will also take a strict stance.

I, as a representative director, also received a request from shareholders to file a lawsuit claiming damages against auditors and audit firms pursuant to the provisions of the Companies Act. We have also established a "Non-Director Management Liability Investigation Committee" with respect to this matter as well, and pursuant to the delegation of the Board of Directors of the Company, Yasuo Hayashida and Hiroshi Kuruma, outside directors of the Company,

have appointed Mr. Akira Watanabe, Mr. Atsushi Toki and Mr. Yoichiro Yamato, attorneys-at-law, as members of the Committee who are independent and have no interests. These attorneys-at-law will investigate the liabilities of corporate auditors, audit firms and executive offices who are not directors. The Board of Directors will not interfere with the judgment of the Non-Director Management Liability Investigation Committee, and will fully respect the decisions thereof. We will also take measures to ensure that the member attorneys-at-law of the Non-Director Management Liability Investigation Committee may share evidence and information with the Director Liability Investigation Committee so that the investigation goes smoothly.

We requested that the Non-Director Management Liability Investigation Committee reach a conclusion regarding the liabilities of corporate auditors and audit firms by January 17, 2012 which is the deadline for the request to file a lawsuit.

In addition, in light of the Report's strict conclusion that the Boards of Directors and Auditors failed in their responsibility to monitor management, the current board members will step down at an appropriate time after striving for a goal for reconstruction by addressing the corporate crises such as correction of the past false financial statements.

## **5. Management Reform Committee**

The Board of Directors has decided today to establish a "Management Reform Committee" comprised of an independent and external panel with no interests in the Company or its directors. The Board of Directors have delegated the power to appoint members of the Committee to Yasuo Hayashida and Hiroshi Kuruma, outside directors of the Company, who are currently in the course of final decision. We expect to announce the members of the Committee soon.

As recently announced, we have commenced an overhaul of the managerial framework and the formulation of a business reconstruction plan, and we will prepare the Company's proposals to the general shareholders meeting after intensifying discussion.

At the same time, we are also aware of severe doubt regarding whether the current management team, which overlooked the schemes to postpone the losses and cover up with acquisition funds, is entitled to make such proposals to the shareholders.

With this in mind, we will implement the results of current internal discussion, announce to the public, and make such proposals to the general shareholders meeting only after examination and consent to be made by the Committee. In addition, we will formally request that the Management Reform Committee listen not only to the opinions of the current management team but also to those of stakeholders such as shareholders, business partners, customers, financial institutions and employees.

The Company will also offer full cooperation to the Management Reform Committee such as providing documents and staff personnel as well as paying expenses for external experts that will assist the Committee.

## **6. Shakeup of the Management Structure**

According to the Report, it is clear that the Company's managerial framework, in particular the decision-making and internal control system, are flawed, and these problems led to the postponement of losses which have been overlooked for a long period of time.

As already announced, we have already commenced several efforts to shake up the corporate governance structure. We will intensify and enhance discussion based on the contents of the Report, and make preparations as we look to judgment at the general shareholders meeting.

## **7. General Shareholders Meeting**

We will maintain the current managerial framework to address the corporate crises for the time being; however, we will look to the next general shareholders meeting for decisions regarding a shakeup of management, composition of the Board of Directors (i.e., appointment and retirement of board members). While some shareholders have pointed out the necessity to convene an extraordinary shareholders meeting at an early date, we do not deny such necessity.

However, we will formally report the corrections to the past financial statements if an extraordinary shareholders meeting is to be convened. We will therefore promptly announce the status and date of the meeting after the filing of the Second Quarter Report which is expected to be made by December 14, 2011 and the filing of amendments to the past securities reports with the authorities.

We will report the corrections to the past financial statements as stated above at the next general shareholders meeting. We will also thoroughly and indiscriminately deliberate all options regarding the reconstruction of the Company including seeking business alliances with other companies and inviting new management from outside. The results of such deliberation will be the basis for the Company's proposals regarding an overhaul of managerial framework and composition of the Board of Directors toward reconstruction of the Company, and we will look to shareholders for the final judgment.

The Company's proposals to the general shareholders meeting are subject to the examination and consent by the aforementioned Management Reform Committee comprised of an independent and external panel. In addition, directors who are judged as liable by the Director Liability Investigation Committee will step down, regardless of their personal views or claims in court, in a timely manner that does not interfere with the management of the Company.

In the event where shareholders legitimately make proposals pursuant to the Companies Act, we will ask for judgment regarding the same proposals along with the Company's proposals at the next general shareholders meeting.

## **8. Efforts to Maintain TSE Listing and Business Continuation**

Through all of the aforementioned measures, we are committed to come out as a newly-born Olympus Corporation. To this end, we will make every effort to maintain the listing of shares of the Company with the kind understanding of the Tokyo Stock Exchange. We will also take our utmost efforts to cope with the corporate crises in order that we will be able to contribute to society from now on as well as to deliver values to the Company's shareholders, customers, business partners, financial institutions, employees and other stakeholders, and thereby contribute to the society.

We would sincerely like to ask for the continued support and guidance of all of you.

Appendix 1

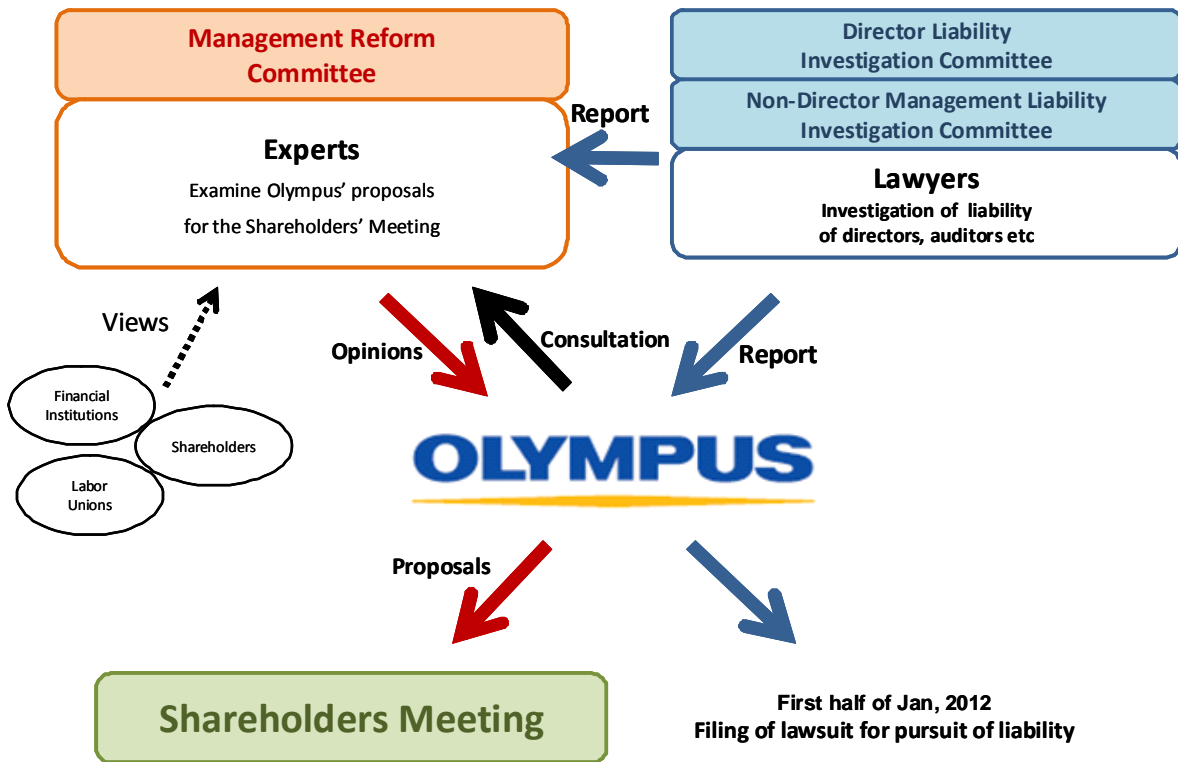
Sequence of relevant events and major actions taken by the Company

2008

Feb 1	Completion of the acquisition of Gyrus Group PLC
Apr 25	Completion of the acquisition of Altis Co., News Chef Inc. and Humalabo Co.

2011

Apr 1	Michael Woodford assumes the position as President / Executive Officer
June 29	Michael Woodford assumes the position as Representative Director and President / Executive Officer
Oct 1	Michael Woodford assumes the position as CEO
Oct 14	Resolution to dismiss Michael Woodford from the position of Representative Director, President / Executive Officer, and CEO
	Tsuyoshi Kikukawa assumes the position as Representative Director, Chairman and President / Executive Officer
Oct 19	Company's official response to the series of media reports (regarding the abovementioned dismissal and past acquisitions)
Oct 21	Announcement on the preparation of the establishment of a Third Party Committee
Oct 24	Announcement of the reasons for the change in audit firm
Oct 26	Shuichi Takayama assumes the position as Representative Director, President and CEO
	Tsuyoshi Kikukawa resigns from the position of Representative Director, Chairman and Chief Executive Officer
Nov 1	Establishment of Third Party Committee (chair: Attorney Tatsuo Kainaka)
Nov 4	Postponement of the scheduled release of the Company's financial results for the second quarter of FY2011 (ending March 31, 2012).
Nov 8	Announcement on the deferral of posting past losses
	Expansion in the scope of investigation by Third Party Committee
	Resolution to dismiss Hisashi Mori from the position of Director, Vice President and Executive Officer
Nov 10	Announcement on the delay in filing of quarterly report for the second quarter of FY2011(ending March 31, 2012)
Nov 16	Briefing session for financial institutions
Nov 17	Disclosure of information presented at the briefing for financial institutions
Nov 24	Resignation of Tsuyoshi Kikukawa and Hisashi Mori as board members, and Hideo Yamada as corporate auditor.
	Statement of the President
Nov 29	Establishment of Corporate Governance Team and Business Reconstruction Team
Dec 1	Resignation of Michael Woodford as board member
Dec 6	Receipt of the report by the Third Party Committee
Dec 7	Establishment of Liability Investigation Committees and Management Reform Committee



## Appendix 3

### 【Key dates (provisional)】

2011

Dec 14 Filing of the Second Quarter Report

Filing of amendments to the past securities reports  
(Note) After the filing of the amendment reports, an announcement will be made on whether or not and when an extraordinary shareholders meeting will be held.

soon Announcement on the composition of Management Reform Committee

2012

Jan 8 Due date for filing lawsuit against the Directors  
Announcement of the investigation results by the Director Liability Investigation Committees

Jan 17 Due date for filing lawsuit against corporate auditors and audit firms  
Announcement of the Company's plan with respect to filing lawsuit against corporate auditors and audit firms

Feb Filing of the quarterly securities report for the third quarter of FY2012

May Announcement of the financial results (kessan tanshin) for FY2012

June Annual general shareholders meeting  
Filing of the annual securities report for FY2011