

May 9, 2014

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 Concerning Reduction of Capital Reserve and Earned Reserve, and Appropriation of Surplus

This notice is to inform you as follows that at the board of directors meeting of Olympus Corporation (the "Company") held on May 9, 2014, it was decided to place a reduction of the capital reserve and earned reserve, and the appropriation of surplus on the agenda of the 146th ordinary general meeting of shareholders to be held on June 26, 2014.

### 1. Purpose of the Reduction of Capital Reserve and Earned Reserve, and Appropriation of Surplus

The Company has recorded a deficit of 49,435,478,406 yen in retained earnings brought forward for the non-consolidated account for the fiscal year ended March 31, 2014. To make up for this deficit, and to secure flexibility and mobility in our future capital policy, we will (1) based upon Article 448, Paragraph 1 of the Companies Act, reduce the amount of our capital reserve and transfer the same amount to other capital surpluses, and reduce the amount of the earned reserve to transfer the same amount to retained earnings brought forward, and (2) based upon Article 452 of the Companies Act, transfer other capital surpluses to the retained earnings brought forward.

### 2. Outline of the amount of the capital reserve and earned reserve to be reduced

#### (1) Items of reserves to be reduced and amounts concerned

Capital reserve: 8,275,923,138 yen out of 99,216,032,696 yen

Earned reserve: the entire 6,626,182,483 yen

#### (2) Items of surpluses to be increased and amounts concerned

Other capital surplus: 8,275,923,138 yen

Retained earnings brought forward: 6,626,182,483 yen

### 3. Outline of the appropriation of surplus

#### (1) Items of surpluses to be reduced and amounts concerned

Other capital surplus: the entire 40,931,170,614 yen

#### (2) Items of surpluses to be increased and amounts concerned

Retained earnings brought forward: 40,931,170,614 yen

### 4. Schedule for the Reduction of Capital Reserve and Earned Reserve, and Appropriation of Surplus

(1) Date of corporate resolution: Friday May 9, 2014

(2) Date of general meeting resolution: scheduled for Thursday June 26, 2014

(3) Effective date: scheduled for Monday June 30, 2014

Additionally, this case comes under the requirements of Article 449, Paragraph 1, proviso of the Companies Act, and hence no procedures for objections of creditors will occur.

## 5. Future Prospects

This is a case involving a transfer in accounts for our Net Assets Section, and results in no changes to the amount of our net assets. In addition, it does not affect our consolidated or non-consolidated performance.

In addition, if a change occurs to the amount of the deficit in retained earnings brought forward in the financial statements finalized for the fiscal year ended March 31, 2014 due to be released in May 2014, the above-mentioned amounts reduced from the capital reserve and the earned reserve plus the amount of the surplus to be appropriated will be corrected and disclosed immediately.

End

(Reference) Structure of the Company's non-consolidated net assets prior to and after implementing this case  
(Units: millions of yen)

Net Assets Section	Prior	After	Increase / decrease
(Shareholders' equity)	(214,362)	(214,362)	
Common Stock	124,520	124,520	
Capital surplus	131,871	90,940	-40,931
Capital reserve	99,216	90,940	-8,276
Other capital surplus	32,655	0	-32,655
Retained earnings	-40,931	0	+40,931
Earned reserve	6,626	0	-6,626
Other retained earnings	-47,557	0	+47,557
Reserve for reduction entry	1,878	1,878	
Retained earnings brought forward	-49,435	-1,878	+47,557
Treasury stock	-1,098	-1,098	
(Valuation and transaction adjustments, etc.)	(11,418)	(11,418)	
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	11,418	11,418	
Net unrealized gains (losses) on hedging derivatives, net of taxes	0	0	
(Equity warrant)	(115)	(115)	
(Total net assets)	(225,895)	(225,895)	