

December 19, 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 of Group Reorganization (Absorption-type Merger and Absorption-type Split with Subsidiaries)

Olympus Corporation (the “Company”) hereby announces that it has resolved to implement a group reorganization involving the Company and its wholly-owned subsidiaries (the “Reorganization”), as stated below, at the meeting of the board of directors held on December 19, 2014. Please note that the disclosed items and details are partially omitted because the Reorganization is an organizational restructuring involving the Company and its wholly-owned subsidiaries.

1. Purpose of Reorganization

As announced in the timely disclosure “Beginning of Deliberations on Group Reorganization,” on April 25, 2014, the Company continued deliberating the group reorganization by reviewing the organizational structure in the medical and imaging segments in order to further promote “One Olympus” and to achieve the optimal placement and maximum use of the management resources of the entire corporation as it pursues the “Medium-term Vision” and achievement of further growth in the next mid- and long-term plan.

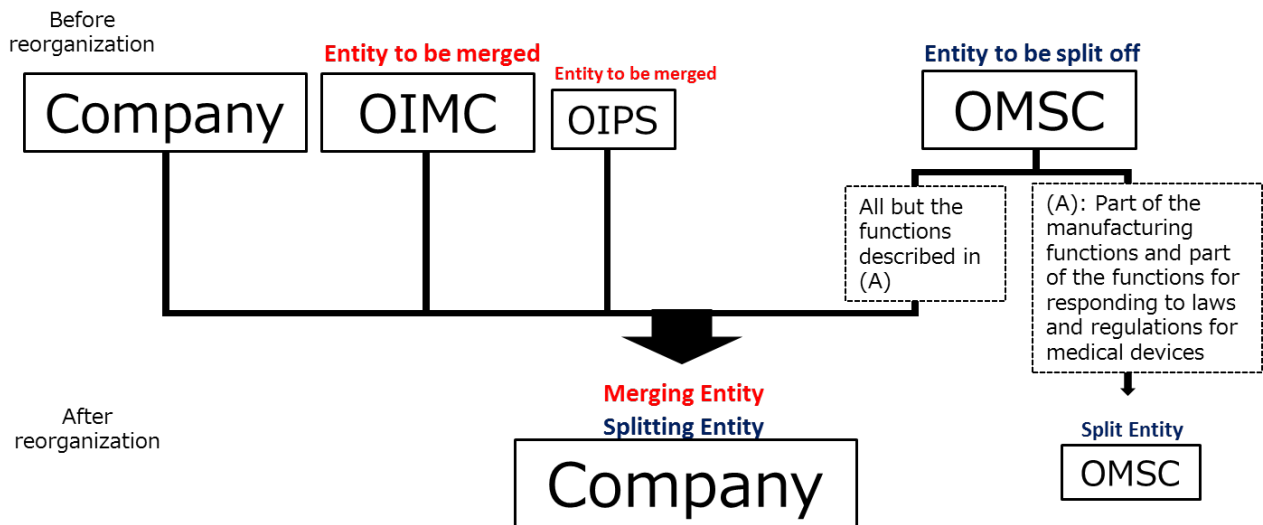
This time, a group reorganization was officially determined involving the following three entities: (i) the Company, (ii) Olympus Medical Systems Corp. (“OMSC”) a subsidiary in the medical segment, (iii) Olympus Imaging Corp. (“OIMC”), a subsidiary in the imaging segment.

In addition, to improve operational efficiency, Olympus Intellectual Property Services Co., Ltd. (“OIPS”), a subsidiary in charge of duties related to the intellectual property rights of the group, as well be merged (“Merger”) through the absorption-type merger.

2. Overview of Reorganization

The Company will carry out an absorption-type merger, where the Company will act as the merging entity and OIMC and OIPS will be merged and at the same time implement an absorption-type split, where the Company will serve as the splitting entity and OMSC will be split off (“Split Entity”). Consequently, the Company will take over all functions including the manufacture and sales of medical endoscopes and other medical devices, except for part of the manufacturing functions and part of the functions for responding to the laws and regulations for medical devices in individual countries.

Diagram of Group Reorganization



3. Summary of Merger

(1) Schedule of Merger

| | |
|--|---------------------------|
| Date of Resolution by Board of Directors (of each entity) | December 19, 2014 |
| Date of Merger Agreement (with each entity) | December 19, 2014 |
| Effective Date of Merger | April 1, 2015 (tentative) |

This Merger is, for the Company, a simplified merger under the provisions of Paragraph 3 of Article 796 of the Companies Act and, for OIMC or OIPS, a short-form merger under the provisions of Paragraph 1 of Article 784 of the Companies Act. Therefore, the individual entities will not hold a general meeting of shareholders to carry out the Merger.

(2) Method of Merger

As an absorption-type merger, the Company will act as the merging entity and OIMC and OIPS will be merged.

(3) Allocation Associated with Merger

No allocation of shares, money or the like will occur due to the Merger.

(4) Handling of Equity Warrants and Bonds with Equity Warrants Associated with Merger

Neither OIMC nor OIPS has issued any equity warrants or bonds with equity warrants.

(5) Overview of Participants in Merger

Merging Entity

| | | |
|--|---|---------------------|
| 1) Name | Olympus Corporation | |
| 2) Address | 43-2 Hatagaya 2-chome, Shibuya-ku, Tokyo | |
| 3) Title and Name of Representative | President & Representative Director: Hiroyuki Sasa | |
| 4) Description of Business | Manufacture and sales of precision machinery and instruments | |
| 5) Capital Stock | 124,520 million yen | |
| 6) Date of Foundation | October 12, 1919 | |
| 7) Number of Outstanding Shares | 342,671,508 shares | |
| 8) Book Closing Date | March 31 | |
| 9) Major Shareholders and Shareholding Ratio (As of September 30, 2014) | Sony Corporation 10.06% The Master Trust Bank of Japan, Ltd. (trust account) 4.89% State Street Bank & Trust Company 505223 4.29% State Street Bank & Trust Company 3.92% Nippon Life Insurance Company 3.88% | |
| 10) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal Year Ended March 31, 2014) | Net assets | 225,895 million yen |
| | Total assets | 686,606 million yen |
| | Net assets per share | 659.71 yen |
| | Net sales | 82,556 million yen |
| | Operating income | 2,453 million yen |
| | Ordinary income | 19,577 million yen |
| | Net income | 13,888 million yen |
| | Net income per share | 41.83 yen |

* The merging entity is a company subject to the consolidated dividends restrictions.

Merged Entity

| | | |
|--|---|---------------------|
| 1) Name | Olympus Imaging Corp. | |
| 2) Address | 43-2 Hatagaya 2-chome, Shibuya-ku, Tokyo | |
| 3) Name and Title of Representative | President & Representative Director: Haruo Ogawa | |
| 4) Description of Business | Manufacture and sales of digital cameras and others | |
| 5) Capital Stock | 19.5 billion yen | |
| 6) Date of Foundation | October 1, 2004 | |
| 7) Number of Outstanding Shares | 57,000 shares | |
| 8) Book Closing Date | March 31 | |
| 9) Major Shareholders and Shareholding Ratio (As of September 30, 2014) | Olympus Corporation 100% | |
| 10) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal Year Ended March 31, 2014) | Net assets | 16,658 million yen |
| | Total assets | 42,115 million yen |
| | Net assets per share | 292,237.82 yen |
| | Net sales | 71,479 million yen |
| | Operating income | -9,140 million yen |
| | Ordinary income | -10,027 million yen |
| | Net income | -5,795 million yen |
| | Net income per share | -139,929.72 yen |

Merged Entity

| | | | |
|--|---|--|-----------------|
| 1) Name | Olympus Intellectual Property Services Co., Ltd. | | |
| 2) Address | 3 Kuboyama-cho 2-chome, Hachioji-shi, Tokyo | | |
| 3) Name and Title of Representative | President & Representative Director: Masao Kuga | | |
| 4) Description of Business | Research and analysis on, and management of, intellectual property rights | | |
| 5) Capital Stock | 20 million yen | | |
| 6) Date of Foundation | April 1, 2005 | | |
| 7) Number of Outstanding Shares | 600 shares | | |
| 8) Book Closing Date | March 31 | | |
| 9) Major Shareholders and Shareholding Ratio (As of September 30, 2014) | Olympus Corporation 100% | | |
| 10) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal Year Ended March 31, 2014) | Net assets | | 85 million yen |
| | Total assets | | 209 million yen |
| | Net assets per share | | 141,263.63 yen |
| | Net sales | | 801 million yen |
| | Operating income | | 20 million yen |
| | Ordinary income | | 20 million yen |
| | Net income | | 10 million yen |
| | Net income per share | | 16,443.98 yen |

(6) Conditions after Merger

| | | | |
|-------------------------------------|--|--|--|
| 1) Name | Olympus Corporation | | |
| 2) Address | 43-2 Hatagaya 2-chome, Shibuya-ku, Tokyo | | |
| 3) Name and Title of Representative | President & Representative Director: Hiroyuki Sasa | | |
| 4) Description of Business | Manufacture and sales of precision machinery and instruments | | |
| 5) Capital Stock | 124,520 million yen | | |
| 6) Book Closing Date | March 31 | | |

4. Summary of Split

(1) Schedule of Split

Date of Resolution by Board of Directors December 19, 2014

(of each entity)

Date of Split Agreement (with each entity) December 19, 2014

Effective Date of Split April 1, 2015 (tentative)

The Split is, for the Company, a simplified split under the provisions of Paragraph 3 of Article 796 of the Companies Act and, for OMSC, a short-form split under the provisions of Paragraph 1 of Article 784 of the Companies Act. Therefore, the individual entities will not hold a general meeting of shareholders to carry out the Split.

(2) Method of Split

As an absorption-type split, the Company will act as the splitting entity and OMSC will be split off.

(3) Allocation Associated with Split

No allocation of shares, money or the like will occur due to the Split.

(4) Handling of Equity Warrants and Bonds with Equity Warrants Associated with Split

OMSC has not issued any equity warrants or bonds with equity warrants.

(5) Increase or decrease in Capital Stock due to Split

The capital stock of the Company will not increase or decrease due to the Split.

(6) Rights and Obligations to be transferred to Splitting Entity

As a result of the Split, the Company will take over the assets, liabilities, contractual status, employment relationships and the rights and obligations incidental thereto, held by OMSC as of the effective date under the absorption-type split agreement made between the Company and OMSC on December 19, 2014, except those agreed upon by both entities as the rights and obligations related to part of the manufacturing functions and part of the functions for responding to the laws and regulations for medical devices in individual countries.

The Company shall take over the obligations by means of the concomitant debt assumption method.

(7) Probability of Fulfillment of Obligations

The Company does not see that, as a result of the Split, both the Company and OMSC are likely to have a problem in fulfilling their obligations after the effective date.

(8) Overview of Participants in Split

Splitting Entity

| | | | |
|--|--|--|---------------------|
| 1) Name | Olympus Corporation | | |
| 2) Address | 43-2 Hatagaya 2-chome, Shibuya-ku, Tokyo | | |
| 3) Name and Title of Representative | President & Representative Director: Hiroyuki Sasa | | |
| 4) Description of Business | Manufacture and sales of precision machinery and instruments | | |
| 5) Capital Stock | 124,520 million yen | | |
| 6) Date of Foundation | October 12, 1919 | | |
| 7) Number of Outstanding Shares | 342,671,508 shares | | |
| 8) Book Closing Date | March 31 | | |
| 9) Major Shareholders and Shareholding Ratio (As of September 30, 2014) | Sony Corporation | | 10.06% |
| | The Master Trust Bank of Japan, Ltd. (trust account) | | 4.89% |
| | State Street Bank & Trust Company 505223 | | 4.29% |
| | State Street Bank & Trust Company | | 3.92% |
| | Nippon Life Insurance Company | | 3.88% |
| 10) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal Year Ended March 31, 2014) | Net assets | | 225,895 million yen |
| | Total assets | | 686,606 million yen |
| | Net assets per share | | 659.71 yen |
| | Net sales | | 82,556 million yen |
| | Operating income | | 2,453 million yen |
| | Ordinary income | | 19,577 million yen |
| | Net income | | 13,888 million yen |
| | Net income per share | | 41.83 yen |

Split Entity

| | | | |
|--|---|--|---------------------|
| 1) Name | Olympus Medical Systems Corp. | | |
| 2) Address | 43-2 Hatagaya 2-chome, Shibuya-ku, Tokyo | | |
| 3) Name and Title of Representative | President & Representative Director: Akihiro Taguchi | | |
| 4) Description of Business | Manufacture and sales of medical endoscopes and other medical devices | | |
| 5) Capital Stock | 1 billion yen | | |
| 6) Date of Foundation | April 27, 2004 | | |
| 7) Number of Outstanding Shares | 20,000 shares | | |
| 8) Book Closing Date | March 31 | | |
| 9) Major Shareholders and Shareholding Ratio (As of September 30, 2014) | Olympus Corporation 100% | | |
| 10) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal Year Ended March 31, 2014) | Net assets | | 41,164 million yen |
| | Total assets | | 142,280 million yen |
| | Net assets per share | | 2,058,209.31 yen |
| | Net sales | | 243,996 million yen |
| | Operating income | | 61,804 million yen |
| | Ordinary income | | 62,045 million yen |
| | Net income | | 32,803 million yen |
| | Net income per share | | 1,640,170 yen |

[Overview of Business Unit to Be Transferred]

1) Description of Business of Business Unit to Be Transferred

The business related to the manufacture and sales of medical endoscopes and other medical devices will be transferred, except for part of the manufacturing functions and part of the functions for responding to the laws and regulations for medical devices in individual countries.

2) Operating Performance of Business Unit to Be Transferred

Net sales for the fiscal year ended March 31, 2014: 243,996 million yen

3) Items and Book Values of Assets and Liabilities to Be Transferred

| Assets | | Liabilities | |
|-------------------|-------------------|------------------------|-------------------|
| Item | Amount | Item | Amount |
| Current assets | 110.2 billion yen | Current liabilities | 118.3 billion yen |
| Noncurrent assets | 20.8 billion yen | Noncurrent liabilities | 4.2 billion yen |
| Total | 131.0 billion yen | Total | 122.5 billion yen |

* The amounts of the items of assets and liabilities to be transferred are those expected as of September 30, 2014. Therefore, the actually transferred amounts may be different from those indicated above.

(9) Conditions after Split

| | |
|--------------------------------------|--|
| (1) Name | Olympus Corporation |
| (2) Address | 43-2 Hatagaya 2-chome, Shibuya-ku, Tokyo |
| (3) Name and Title of Representative | President & Representative Director: Hiroyuki Sasa |
| (4) Description of Business | Manufacture and sales of precision machinery and instruments |
| (5) Capital Stock | 124,520 million yen |
| (6) Book Closing Date | March 31 |

5. Future Outlook

The Merger and Split under the Reorganization only involve the Company and its wholly-owned subsidiaries, and have no significant impact on the consolidated business results of the Company. Therefore, no modification will be made to the consolidated earnings forecast for the fiscal year ending March 31, 2015.

Reference: Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2015 (released on November 7, 2014) and Actual Result for the Fiscal Year Ended March 31, 2014

(Unit: Millions of Yen)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share |
|---|-----------|------------------|-----------------|------------|----------------------|
| Consolidated earnings forecast for FY ending March 31, 2015 | 760,000 | 88,000 | 70,000 | 45,000 | Yen 131.49 |
| Actual result for FY ended March 31, 2014 | 713,286 | 73,445 | 50,913 | 13,627 | Yen 41.05 |