

May 8, 2015

News Release

Company: Olympus Corporation  
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(Code: 7733, First Section, Tokyo Stock Exchange)  
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## **Renewal of Countermeasures to Large-Scale Acquisitions of Olympus Corporation Shares (Takeover Defense Measures)**

Olympus Corporation (the “Company”) renewed the plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) subject to shareholder approval by resolution of its board of directors on May 9, 2014 and obtained approval at the ordinary general meeting of shareholders held on June 26, 2014 for the 146th business term. The effective period of the renewed plan (the “Former Plan”) will expire at the conclusion of the ordinary general meeting of shareholders for the 147th business term to be held on June 26, 2015 (the “Ordinary General Shareholders Meeting”).

The Company announces that the Company’s board of directors determined at the meeting held on May 8, 2015, subject to shareholder approval at the Ordinary General Shareholders Meeting, to renew the Former Plan (this renewal will be referred to as the “Renewal” and the renewed plan will be referred to as the “Plan”) before the Former Plan expires, as a measure (as provided in Article 118, Item 3(ii)(b) of the Enforcement Regulations of the Corporation Law) to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate in light of the Company’s basic policy regarding the persons who control decisions on the Company’s financial and business policies (as provided in Article 118, Item 3 of the Enforcement Regulations of the Corporation Law; the “Basic Policy”).

No substantive revisions will be made to the Former Plan through this Renewal.

### **I. Basic Policy Regarding Persons Who Control Decisions on the Company’s Financial and Business Policies**

The Company believes that the persons who control decisions on the Company’s financial and business policies need to be persons who fully understand the details of the Company’s financial and business affairs and the source of the Company’s corporate value and who will make it possible to continually and persistently ensure and enhance the Company’s corporate value and, in turn, the common interests of its shareholders.

The Company will not indiscriminately reject a large-scale acquisition of the Company's shares if it will contribute to the corporate value of the Company and, in turn, the common interests of its shareholders. The Company also believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of a joint stock company.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor, in turn, the common interests of its shareholders, including those with a purpose that would obviously harm the corporate value of the target company and, in turn, the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of acquisition or for the target company's board of directors to make an alternative proposal, and those that require the target company to negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

Above all, in order for the Company to ensure and enhance its corporate value and, in turn, the common interests of its shareholders, it is essential that the Company has a management function that emphasizes on maintaining technologies and personnel that have been cultivated over the years and protecting and improving technologies and personnel from a long-term perspective and on maintaining, strengthening and expanding its network with clients.

Unless the acquirer of a proposed large-scale acquisition of the Company's shares understands the source of the corporate value of the Company and would ensure and enhance these elements over the medium-to-long term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed. The Company believes that persons who would make a large-scale acquisition of the Company's shares in a manner that does not contribute to the corporate value of the Company and, in turn, the common interests of its shareholders would be inappropriate to become persons who would control decisions on the Company's financial and business policies. The Company also believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition of the Company's shares by such persons.

**II. The Source of the Company's Corporate Value and Special Measures to Realize the Basic Policy**

## **1. The Source of the Company's Corporate Value**

The basic philosophy for all of the corporate activities of the Company is what we call "Social IN." The Company seeks through its business activities to propose new values to society that will enable consumers to live healthy, happy lives, and we seek to do so in a way that integrates us into society and shares the values of the communities we serve. Based on this philosophy, the Company strives to ensure and enhance its corporate value and, in turn, the common interests of its shareholders, through continuing to create new value that is truly sought by society, and providing this value in a timely manner.

The Company believes that the main source of this corporate value and, in turn, the common interest of shareholders is in its core technology comprised of optical technology, digital imaging technology and micro-fabrication technology.

As a company that is in the manufacturing business, the Company has introduced a framework for research and development that allows us to thoroughly carry out basic research into cutting-edge technology and manufacturing technology. By continuing to take on the successive generations of technology, knowledge and know-how that the Company has accumulated over many years, the Company has established a core pool of technology that is focused on the mid-to-long-term perspective. The underlying technology deeply cultivated and expanded has borne fruit in the form of unique products and business, such as the Company's endoscope business, and these have led to the Company being able to contribute new value to society.

With this goal in mind, the Company, through its new management formed in April 2012, announced in June 2012 its new medium-term vision (the "Medium-Term Vision") for the five years from fiscal year ending March 2013. This vision is based on the three management policies under the new management: "Return to Basics", "One Olympus", and "Profitable Growth". Expressing regret for our past misconduct, we aim to achieve "Profitable Growth" by adopting "Back to Basics" as the principle behind all our actions and strategies, and we will make a concerted effort to share values and goals among all our employees around the world with the aim of building "One Olympus."

Based on the above management policies, we are implementing the following four basic strategies to rebuild Olympus and create new corporate value: (i) rebuilding of the business portfolio and optimal allocation of management resources, (ii) review of cost structures, (iii) restoration of financial health, and (iv) restructuring of governance.

In addition to the business and capital alliance with Sony Corporation announced in

September 2012, the Company made financing of approximately 110 billion yen by issuance of new shares, etc. in July 2013. Through those measures we aim to enhance our corporate value by improving our financial basis and accelerating the accomplishment of Medium-Term Vision.

## **2. Strengthening of Corporate Governance**

Due to occurrence of series of problems involving deferral of posting of losses at the Company, in order to prevent recurrence of misconducts, the Company, based on the problems indicated and recommendations given to prevent recurrence as stated in the investigation report dated December 6, 2011 from a third party committee which is independent from the Company, has been working to build corporate governance, construct internal control system, and review compliance. Specifically, under the supervision of the new management formed in April 2012, we are solidly implementing measures to prevent recurrence compiled by the working team with advice from the Management Reform Committee comprised of outside experts.

In January 2013, the Company's shares were designated as "Securities on Alert" by the Tokyo Stock Exchange. As a result of the Company's efforts to strengthen corporate governance and to reorganize the internal control system, the Tokyo Stock Exchange, after its examination, confirmed that no problem is found in our internal control system, and the designation as "Securities on Alert" was lifted with respect to our shares as of June 11, 2013.

### **(1) Strengthening of Corporate Governance System**

- (a) Make clear distinction between execution and supervision.
- (b) Strengthen the authority and function of the supervisory organ towards the executive organ.
- (c) Assure fairness in appointing outside directors and auditors, and expand their roles and functions.
- (d) Proactive information disclosure.

### **(2) Development of Internal Control System**

- (a) Development of a check-and-balance.
- (b) Appropriately manage business investment transactions, and manage subsidiaries and affiliates.
- (c) Improve personnel affairs to prevent misconducts.
- (d) Expand internal audit.

### **(3) Review of Compliance System**

- (a) Improve management's awareness towards compliance and enhance accountability.
- (b) Organize a system to further promote compliance.
- (c) Fostering and thorough promoting of consciousness towards compliance.
- (d) Expand whistle-blowing system.

### **III. Purpose of the Plan and Plan Outline**

#### **1. Purpose of the Plan**

The Company will implement the Renewal for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders in accordance with the Basic Policy.

As set out in the Basic Policy, the Company's board of directors believes that persons who would propose a large-scale acquisition of the Company's shares in a manner that does not contribute to the corporate value of the Company or, in turn, the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions of the Company's shares that are detrimental to the corporate value of the Company and, in turn, the common interests of its shareholders, and on the occasion that it receives a proposal from an acquirer for large-scale acquisition of the Company's shares, to ensure the necessary time and information for shareholders to decide whether or not to accept the large-scale acquisition proposal or for the Company's board of directors to present an alternative proposal to the shareholders, or to enable the board of directors to negotiate for the benefit of the shareholders. We also consider that it is important to deter such large-scale acquisitions by inappropriate persons in order to revive Olympus based on the Medium-Term Vision and to create new corporate value which would enhance corporate value, and, in turn, improve the common interests of the shareholders.

Major shareholders of the Company as of March 31, 2015 are listed in Attachment 1 titled 'Major Shareholders.' The Company has not received any proposal of a large-scale acquisition of the Company's shares from specific third parties.

#### **2. Plan Outline**

The Plan sets out procedures necessary to achieve the purpose stated above, including the requirement for acquirer to provide information in advance in the case that an acquirer

intends to make an acquisition of 20% or more of the Company's share certificates, etc.

The acquirer must not effect a large-scale acquisition of the share certificates, etc. in the Company until and unless the Company's board of directors determines not to trigger the Plan in accordance with the procedures for the Plan.

In the event that an acquirer does not follow the procedures set out in the Plan, or a large-scale acquisition of the share certificates, etc. in the Company threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders, or the like (See III.3.2 below for details of the requirements.), and if the acquisition satisfies the triggering requirements set out in the Plan, the Company will allot stock acquisition rights with (a) an exercise condition that does not allow the Acquirer to exercise the rights in principle and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for shares in the Company from persons other than the acquirer, by means of a gratis allotment of stock acquisition rights (*shinkabu yoyakuken mushou wariate*) to all shareholders, except the Company, at that time.

If a gratis allotment of stock acquisition rights were to take place in accordance with the Plan and all shareholders other than the acquirer received shares in the Company as a result of those shareholders exercising or the Company acquiring those stock acquisition rights, the ratio of voting rights in the Company held by the acquirer may be diluted by up to 50%.

In order to eliminate arbitrary decisions by directors, the Company will establish the Special Committee, which is composed of members who are independent from the management of the Company, such as outside directors of the Company, to make objective decisions with respect to matters such as the implementation or non-implementation of the gratis allotment of stock acquisition rights or the acquisition of stock acquisition rights under the Plan. Each of the 3 members of the Special Committee at the time of the Renewal are professionals in law or accounting and they are either outside directors or outside audit & supervisory board members who are independent from the Company and all of them apply to an independent officer as designated in the TSE's Securities Listing Rules. In addition, the Company's board of directors may, if prescribed in the Plan, convene a Shareholders Meeting (defined at (g) of 3.1, 'Procedures for Triggering the Plan' below; hereinafter the same) and confirm the intent of the Company's shareholders regarding the implementation of the gratis allotment of the stock acquisition rights. Transparency with respect to the course of those procedures will be ensured by timely disclosure to all of the Company's shareholders.

### **3. Plan Details (Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by Persons Deemed Inappropriate Under the**

## Basic Policy)

3.1 Procedures for Triggering the Plan (See Attachment 2 “Flow of Procedures for this Plan” for the outline.)

(a) Targeted Acquisitions

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) or (ii) below or any similar action, or a proposal<sup>1</sup> for such action (except for such action as the Company’s board of directors separately determines not to be subject to the Plan; the “Acquisition”) will take place.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariiai*)<sup>2</sup> of a holder (*hoyuusha*)<sup>3</sup> totaling at least 20% of the share certificates, etc. (*kabuken tou*)<sup>4</sup> issued by the Company; or
- (ii) A tender offer (*koukai kaitsuke*)<sup>5</sup> that would result in the party conducting the tender offer’s ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariiai*)<sup>6</sup> and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*)<sup>7</sup> totaling at least 20% of the share certificates, etc. (*kabuken tou*)<sup>8</sup> issued by the Company.

The party effecting the Acquisition (the “Acquirer”) shall follow the procedures prescribed in the Plan, and the Acquirer must not effect an Acquisition until and unless the Company’s board of directors passes a resolution not to implement the gratis allotment of Stock Acquisition Rights in accordance with the Plan.

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<sup>1</sup> “Proposal” includes solicitation of a third party.

<sup>2</sup> Defined in Article 27-23(4) of the Financial Instruments and Exchange Law. The same is applied throughout this document.

<sup>3</sup> Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the board of directors of the Company). The same is applied throughout this document.

<sup>4</sup> Defined in Article 27-23(1) of the Financial Instruments and Exchange Law. The same is applied throughout this document unless otherwise provided for.

<sup>5</sup> Defined in Article 27-2(6) of the Financial Instruments and Exchange Law. The same is applied throughout this document.

<sup>6</sup> Defined in Article 27-2(8) of the Financial Instruments and Exchange Law. The same is applied throughout this document.

<sup>7</sup> Defined in Article 27-2(7) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the board of directors of the Company); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Law. The same is applied throughout this document.

<sup>8</sup> Defined in Article 27-2(1) of the Financial Instruments and Exchange Law.

(b) Submission of Acquirer's Statement

The Company will request an Acquirer to submit to the Company in the form separately prescribed by the Company a document which includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (with the signature, or the name and seal of the representative of the Acquirer) and a qualification certificate of the person whose signature, or whose name and seal, is placed on the document (collectively, "Acquirer's Statement") before commencing or effecting the Acquisition. The Acquirer's Statement must include the Acquirer's name and address (location of headquarters, in case of a corporation), location of offices, the governing law for establishment, name of the representative, contact information in Japan and an outline of the intended Acquisition. The Acquirer's Statement and the Acquisition Document set out in (c) below must be written in Japanese.

(c) Request to the Acquirer for the Provision of Information

The Company will provide an Acquirer with the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 days after receiving the Acquirer's Statement. The Acquirer must provide the Company's board of directors with the document in the form provided by the Company, which includes the information described in each item of the list below ("Essential Information") (collectively, "Acquisition Document").

If the Company's board of directors receives an Acquisition Document, it will promptly send it to the Special Committee. (Standards for appointing members, requirements for resolutions, resolution matters, and other matters concerning the Special Committee are as described in Attachment 3 'Outline of the Rules of the Special Committee' and details of members of the Special Committee at the time of the Renewal of the Plan will be as described in Attachment 4 'Profiles of the Members of the Special Committee.')

If the Special Committee determines that the Acquisition Document does not include sufficient Essential Information, it may, directly or indirectly, set a reply period (which such final reply period shall not exceed 30 days from the date of receipt of the Acquirer's Statement although necessary and sufficient information is not submitted) and request the Acquirer to provide additional information. In such case, the Acquirer should provide the additional information within the set time limit.

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws or ordinances in the past (if any), and terms of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including joint holders,<sup>9</sup> persons having a special relationship and persons

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<sup>9</sup> Defined in Article 27-23(5) of the Financial Instruments and Exchange Law, including persons regarded



having a special relationship with a person in relation to whom the Acquirer is the controlled corporation<sup>10</sup>).<sup>11</sup>

- (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
  - (iii) The amount and basis for the calculation of the purchase price of the Acquisition.
  - (iv) Information relating to any previous acquisition of share certificates, etc. in the Company by the Acquirer.
  - (v) Financial support for the Acquisition (including the specific names of providers of funds for the Acquisition (including all substantive providers of funds), financing methods and the terms of any related transactions).
  - (vi) Post-Acquisition basic management policy, business plan, capital and dividend policies for the Company group.
  - (vii) Policies for the Company's shareholders (other than the Acquirer), employees, business partners, customers, and any other stakeholders in the Company.
- (d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Request to the Company's Board of Directors for the Provision of Information

The Special Committee may also request the Company's board of directors to promptly present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer's Acquisition terms, the materials supporting such opinion, an alternative proposal (if any), and any other information that the Special Committee considers necessary by such deadline for response to be set within the Special Committee Consideration Period provided in below (ii).

(ii) Special Committee Consideration

The Special Committee, after receiving information also from the Company's board of directors as necessary pursuant to above (i), should conduct its consideration of the Acquisition terms, collection of information on the materials such as the management plans and business plans of the Acquirer and the Company's board of directors and comparison

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as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the Company's board of directors). The same is applied throughout this document.

<sup>10</sup> Defined in Article 9(5) of Enforcement Regulation for the Financial Instruments and Exchange Law.

<sup>11</sup> If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.

thereof, and consideration of any alternative plans presented by the Company's board of directors, and the like for an appropriate period of time that does not exceed 60 days after the date upon which the Special Committee receives the information (including the information additionally requested) from the Acquirer. (The period for information collection and consideration by the Special Committee is hereinafter referred to as the "Special Committee Consideration Period".) Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Special Committee will directly or indirectly discuss and negotiate with the Acquirer.

In order to ensure that the Special Committee's decision contributes to the Company's corporate value and, in turn, the common interests of its shareholders, the Special Committee may at the cost of the Company obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, tax accountants, consultants or any other experts). If the Special Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Special Committee, the Acquirer must promptly respond to such request.

(e) Recommendations by the Special Committee

The Special Committee will make recommendations, etc. to the Company's board of directors as follows based on the abovementioned procedures.

(i) Recommendations for the Triggering of the Plan

If the Special Committee determines that one of the trigger events set out below at 3.2, 'Requirements for the Gratis Allotment of Stock Acquisition Rights' (collectively "Trigger Event") arises with respect to the Acquisition, the Special Committee will recommend the implementation of the gratis allotment of stock acquisition rights (as detailed in 3.3 'Outline of the Gratis Allotment of Stock Acquisition Rights' below; the relevant stock acquisition rights hereinafter referred to as "Stock Acquisition Rights") to the Company's board of directors except in any specific case where further information disclosure from the Acquirer or discussion or negotiation with the Acquirer is necessary. If it is considered that an Acquisition may fall under the second Trigger Event ("Trigger Event (2)") set out in 3.2, 'Requirements for the Gratis Allotment of Stock Acquisition Rights' below; the Special Committee may recommend implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at the shareholders meeting in advance.

Notwithstanding the foregoing paragraph, even after the Special Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Special Committee determines that either of the events (A) or (B) below applies, it may make a new recommendation that (i) (on or before the second business day prior to the

ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should suspend the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) the Company should acquire the Stock Acquisition Rights for no consideration.

(A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.

(B) There is no longer any Trigger Event due to a change or the like in the facts or other matters on which the recommendation decision was made.

(ii) Recommendations for the Non-Triggering of the Plan

If the Special Committee determines there is no Trigger Event with respect to the Acquisition, the Special Committee will recommend the non-implementation of the gratis allotment of Stock Acquisition Rights to the Company's board of directors, regardless of whether the Special Committee Consideration Period has ended.

Notwithstanding the foregoing paragraph, even after the Special Committee has already made a recommendation for the non-implementation of the gratis allotment of Stock Acquisition Rights, if there is a change in the facts or other matters on which the recommendation decision was made and a Trigger Event arises, the Special Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

(iii) Extension of the Special Committee Consideration Period

If the Special Committee cannot make a decision either to recommend the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights during the initial Special Committee Consideration Period (including when the Acquirer fails to provide the Essential Information or negotiate with the Company after a recommendation by the Special Committee), the Special Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, consideration of an alternative proposal and negotiation with the Acquirer, extend the Special Committee Consideration Period up to a total of 30 days. If the Special Committee Consideration Period is extended, the Special Committee will continue to collect information, deliberate and perform similar activities, and shall recommend the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights within the extended period.

(f) Resolutions of the Board of Directors

The Company's board of directors, in exercising their role under the Corporation Law, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting to the maximum extent any recommendation by the Special Committee described above. If the Shareholders Meeting is convened in accordance with (g) below, the Company's board of directors will comply with any resolution at the Shareholders Meeting.

(g) Convocation of the Shareholders Meeting

In connection with the implementation of the gratis allotment of the Stock Acquisition Rights pursuant to the Plan, the Company's board of directors may convene a meeting of shareholders (the "Shareholders Meeting") and confirm the intent of the Company's shareholders regarding the implementation of the gratis allotment of the Stock Acquisition Rights, if (i) the Special Committee makes a reservation that its recommendation to implement the gratis allotment of Stock Acquisition Rights shall be subject to obtaining approval at the Shareholders Meeting in advance in accordance with (e)(i) above, or (ii) if applicability of Trigger Event (2) becomes an issue and the board of directors determines that it is appropriate to confirm the shareholders' intent for the Acquisition taking into consideration the time required to convene a Shareholders Meeting or other matters pursuant to the duty of care of a good manager.

(h) Information Disclosure

When operating the Plan, the Company will disclose information on matters that the Special Committee or the Company's board of directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, that the Special Committee Consideration Period has commenced, and that the Special Committee Consideration Period has been extended, as well as the period and reason for the extension), an outline of recommendations made by the Special Committee, an outline of resolutions by the board of directors and an outline of resolutions by the Shareholders Meeting in a timely manner, in accordance with the applicable laws and ordinances or the regulations and rules of the financial instruments exchange.

### 3.2 Requirements for the Gratis Allotment of Stock Acquisition Rights

The requirements to trigger the Plan to implement gratis allotment of Stock Acquisition Rights are as follows. As described above at (e) and (f) of 3.1, 'Procedures for Triggering the Plan,' the Company's board of directors will decide by respecting the recommendation by the Special Committee to the maximum extent to determine whether any of the following

requirements applies to an Acquisition.

#### Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider the details of the Acquisition is not offered) and it is reasonable to implement the gratis allotment of Stock Acquisition Rights. (In determining whether the Acquirer complied with the procedures stipulated by the Plan, the Acquirer's situation shall be fully considered to a reasonable extent such as when the Acquirer does not have detailed information concerning the Company, and the Acquirer shall not be deemed non-compliant with the procedures stipulated by the Plan based only on the reason that the Acquirer did not submit part of the necessary information requested by the Company's board of directors.)

#### Trigger Event (2)

The Acquisition falls under any of the items below and it is reasonable to implement the gratis allotment of Stock Acquisition Rights. (The decision on whether it is fair to implement gratis allotment of Stock Acquisition Rights should be made only when such Acquisition threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders, and a decision to implement gratis allotment of Stock Acquisition Rights shall not be made based only on the reasons such as when the intent of the Acquirer applies to any of the below in formality or that the interests of stakeholders besides shareholders would be adversely affected.)

- (a) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions:
  - (i) A buyout of share certificates, etc. to require such share certificates, etc. to be compulsorily purchased by the Company's affiliates at a high price.
  - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets.
  - (iii) Diversion of the Company's assets to secure or repay debts of the Acquirer or its group company.
  - (iv) Temporary control of the Company's management to bring about a disposal of high-value assets that have no current relevance to the Company's business and paying temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity from the sudden rise in share prices created by the temporarily high dividends.

- (b) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares, including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).
- (c) Acquisitions whose terms (including amount and type of consideration, the timeframe, the legality of the Acquisition method, the feasibility of the Acquisition being effected, and post-Acquisition policies dealing with the Company's other shareholders, employees, customers, business partners and any other stakeholders in the Company) are seriously inadequate or inappropriate in light of the corporate value of the Company and, in turn, the common interests of its shareholders.
- (d) Acquisitions that materially threaten to seriously oppose the corporate value of the Company and, in turn, the common interests of shareholders, by seriously destroying relationships with the Company's other shareholders, employees, customers, business partners and any other stakeholders in the Company, which are indispensable to generate the Company's corporate value.

### 3.3 Outline of the Gratis Allotment of Stock Acquisition Rights

An outline of the gratis allotment of Stock Acquisition Rights to be implemented under the Plan is described below.

#### (a) Number of Stock Acquisition Rights

The Company will implement a gratis allotment of Stock Acquisition Rights in the same number as the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the "Allotment Date") that is separately determined in a resolution by the Company's board of directors or the general meeting of shareholders relating to the gratis allotment of Stock Acquisition Rights ("Gratis Allotment Resolution").

#### (b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to those shareholders, other than the Company, who are recorded in the Company's register of shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for every one share in the Company held by each shareholder.

#### (c) Effective Date of Gratis Allotment of Stock Acquisition Rights

The effective date of the gratis allotment of Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(d) Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights

The number of shares in the Company to be acquired upon exercise of each Stock Acquisition Right (the “Applicable Number of Shares”) will, in principle, be one share.

(e) Amount of Contributions upon Exercise of Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company. “Fair market value” means an amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the TSE on each day during the 90 day period prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction less than one yen after such calculation to be rounded up to the nearest whole yen.

(f) Exercise Period of the Stock Acquisition Rights

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period will be referred to as the “Exercise Period Commencement Date”), and the period will, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution.

(g) Conditions for Exercise of Stock Acquisition Rights

Except where any exceptional event<sup>12</sup> occurs, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below will collectively be referred to as “Non-Qualified Parties”):

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<sup>12</sup> Specifically, the Company intends to set out that an “exceptional event” means when (x) an Acquirer cancels or revokes an Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm appointed and authorized by the Company to do so and (y) the Acquirer’s shareholding ratio determined by the Company’s board of directors (when calculating the shareholding ratio, Non-Qualified Parties other than the Acquirer and its Joint Holders are deemed to be Acquirer’s Joint Holders, and Stock Acquisition Rights held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) (the “Non-Qualified Parties’ Shareholding Ratio”) falls below the lower of (i) the Non-Qualified Parties’ Shareholding Ratio before the Acquisition or (ii) 20%, the Acquirer or other Non-Qualified Parties making the disposal may exercise Stock Acquisition Rights to the extent that the number of shares to be issued or delivered upon exercise of the Stock Acquisition Rights is up to the number of shares disposed of and to the extent of the ratio under either (i) or (ii) above. Detailed conditions and procedures for exercise of Stock Acquisition Rights by Non-Qualified Parties will be determined separately by the Company’s board of directors.

- (I) Specified Large Holders;<sup>13</sup>
- (II) Joint Holders of Specified Large Holders;
- (III) Specified Large Purchasers;<sup>14</sup>
- (IV) Persons having a Special Relationship with Specified Large Purchasers;
- (V) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Company's board of directors; or
- (VI) Any Affiliated Party<sup>15</sup> of any party falling under (I) through (V).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company, subject to compliance with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the form prescribed by the Company and including representations and warranties regarding matters

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<sup>13</sup> "Specified Large Holder" means, in principle, a party who is a holder of share certificates, etc., issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed to fall under the above by the Company's board of directors); provided, however, that a party that the Company's board of directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or a certain other party that the Company's board of directors determines separately in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this document.

<sup>14</sup> "Specified Large Purchaser" means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Law; the same is applied throughout this Note 14) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Law; the same is applied throughout this Note 14) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7(1) of the Order of the Enforcement of the Financial Instruments and Exchange Law) is at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship (including any party who is deemed to fall under the above by the Company's board of directors); provided, however, that a party that the Company's board of directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or a certain other party that the Company's board of directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this document.

<sup>15</sup> An "Affiliated Party" of a given party means a party who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Company's board of directors), or a party deemed by the Company's board of directors to act in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3(3) of the Enforcement Regulations of the Corporation Law) of other corporations or entities.



such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, may not exercise the Stock Acquisition Rights.

(h) Assignment of Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Company's board of directors.

(i) Acquisition of Stock Acquisition Rights by the Company

- (i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Company's board of directors deems that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a date separately determined by the Company's board of directors, acquire all of the Stock Acquisition Rights for no consideration.
- (ii) On a date separately determined by the Company's board of directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised on or before the day immediately prior to such date determined by the Company's board of directors, that are held by parties other than Non-Qualified Parties (if any) and, in exchange, deliver shares in the Company in the number equivalent to the Applicable Number of Shares for every one Stock Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Company's board of directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a date determined by the Company's board of directors that falls after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised on or before the day immediately prior to such date determined by the Company's board of directors (if any) and, in exchange, deliver shares in the Company in the number equivalent to the Applicable Number of Shares for every one Stock Acquisition Right. The same will apply thereafter.

(j) Delivery of Stock Acquisition Rights in Case of Merger, Absorption-type Demerger (*kyushu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*), and Share Transfer (*kabushiki iten*)

These matters will be separately determined in the Gratis Allotment Resolution.

(k) Issuance of Certificates Representing the Stock Acquisition Rights

Certificates representing the Stock Acquisition Rights will not be issued.

(l) Other

In addition, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

### 3.4 Procedures for the Renewal

In accordance with Article 9 of the Articles of Incorporation of the Company, the Company will implement the Renewal of the Plan subject to shareholder approval at the Ordinary General Shareholders Meeting to assign to the Company's board of directors the authority to decide matters relating to the gratis allotment of Stock Acquisition Rights under the conditions set out in the Plan.

### 3.5 Effective Period, Abolition and Amendment of the Plan

The effective period of the Plan (the "Effective Period") is until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within one year of the conclusion of the Ordinary General Shareholders Meeting.

However, if, before the expiration of the Effective Period, (i) a resolution is passed at the Company's shareholders meeting to revoke its resolution to assign to the Company's board of directors the authority relating to gratis allotment of Stock Acquisition Rights with respect to the Plan or (ii) the Company's board of directors passes a resolution to abolish the Plan, the Plan will be abolished at that time.

Further, the Company's board of directors may revise or amend the Plan even during the Effective Period, if such revision or amendment is not against the purpose of an assignment by a resolution of the Ordinary General Shareholders Meeting such as cases where any law, ordinance, or regulation or rule of a financial instruments exchange or the like concerning the Plan is enacted, amended or abolished and it is appropriate to reflect such enactment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, or cases where such revision or amendment is not detrimental to the Company's shareholders, and subject to the approval of the Special Committee.

If the Plan is abolished, modified or amended, the Company will promptly disclose the fact that such abolition, modification or amendment has taken place, and (in the event of a modification or amendment) the details of the modification, amendment and any other

matters.

### 3.6 Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 8, 2015. If it becomes necessary after such date to amend the terms and conditions or definitions of terms set out in the paragraphs above due to the enactment, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such enactment, amendment or abolishment.

## 4. Impact on Shareholders and Investors

### 4.1 Impact on Shareholders and Investors Upon the Renewal

Upon the Renewal, the Plan will have no direct and material impact on shareholders and investors. This is because upon the Renewal, only the assignment of authority to the Company's board of directors to decide matters relating to the gratis allotment of Stock Acquisition Rights will take place and no actual gratis allotment of Stock Acquisition Rights will be implemented.

### 4.2 Impact on Shareholders and Investors at the Time of the Gratis Allotment of Stock Acquisition Rights

#### (a) Procedures for Shareholders upon Gratis Allotment of Stock Acquisition Rights

If the Company's board of directors or general meeting of shareholders passes a resolution for a gratis allotment of Stock Acquisition Rights, the Company's board of directors or general meeting of shareholders will also decide the Allotment Date in the same resolution and the Company will give public notice of this Allotment Date. In this case, the Company will make a gratis allotment of Stock Acquisition Rights to the shareholders who are recorded in the Company's register of shareholders as of the Allotment Date (the "Entitled Shareholders") for one Stock Acquisition Right per share in the Company held by the Entitled Shareholders. All Entitled Shareholders will become Stock Acquisition Right holders as a matter of course on the effective date of the gratis allotment of Stock Acquisition Rights, and no further procedures, such as applying for such gratis allotment, will be necessary.

In addition, even after the Company's board of directors passes a resolution for gratis allotment of Stock Acquisition Rights, the Company may, by respecting any recommendation

of the Special Committee described above at section (e)(i) of 3.1, ‘Procedures for Triggering the Plan,’ to the maximum extent, (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights), cancel the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the Exercise Period Commencement Date) acquire the Stock Acquisition Rights for no consideration. In such cases, no dilution of the value per share in the Company held by the shareholders will result, and it is likely that any investors who have sold or bought the shares in the Company expecting to see such a dilution will be commensurately adversely affected as a result of a fluctuation in the share price.

(b) Procedures for Exercising Stock Acquisition Rights

The Company will deliver, as a general rule, a document necessary to be submitted for the exercise of the Stock Acquisition Rights (in the form prescribed by the Company and including necessary matters such as the terms and number of the Stock Acquisition Rights for exercise and the exercise date for the Stock Acquisition Rights, as well as representations and warranties regarding matters such as the fact that the shareholders themselves satisfy the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, and information necessary to allocate shares of the Company to the account of the Entitled Shareholders) and other documents necessary for the exercise of the Stock Acquisition Rights to the Entitled Shareholders. After the gratis allotment of Stock Acquisition Rights, the shareholders will be issued, as a general rule, one share in the Company per Stock Acquisition Right upon submitting these necessary documents during the exercise period of Stock Acquisition Rights and by paying in the prescribed manner an amount equivalent to the exercise price determined in the Gratis Allotment Resolution, which will be an amount within the range of a minimum of one yen and a maximum of one-half of the fair market value of one share in the Company per Stock Acquisition Right, as a general rule. The Non-Qualified Parties intending to exercise Stock Acquisition Rights must follow the Company’s separate determination in accordance with (g) of 3.3, ‘Outline of the Gratis Allotment of Stock Acquisition Rights.’

If the Company’s shareholders do not exercise their Stock Acquisition Rights or pay the amount equivalent to the exercise price, the shares they hold in the Company will be diluted by the exercise of Stock Acquisition Rights by other shareholders.

However, it is also possible for the Company to acquire the Stock Acquisition Rights of all shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company, in accordance with the procedures set out in (c) below. If the Company carries out such an acquisition procedure, all shareholders other than Non-Qualified Parties will

come to receive shares in the Company without exercising their Stock Acquisition Rights or paying an amount equivalent to the exercise price and, in principle, there will be no subsequent dilution of the shares in the Company they hold.

(c) Procedures for the Acquisition of Stock Acquisition Rights by the Company

The Company will acquire the Stock Acquisition Rights in accordance with the statutory procedures from the shareholders other than Non-Qualified Parties, on the date separately determined by the Company's board of directors and, in exchange, deliver shares in the Company if the Company's board of directors determines to do so. In this case, the shareholders concerned will, in principle, come to receive one share in the Company for every one Stock Acquisition Right as consideration for the acquisition by the Company of those Stock Acquisition Rights, without paying an amount equivalent to the exercise price. However, in such case, the shareholders concerned will be separately requested to provide information necessary to allocate shares of the Company to the account of the Entitled Shareholders and to submit, in the form prescribed by the Company, a written undertaking including representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, indemnity clauses and other covenants.

If the Gratis Allotment Resolution provides for the matters relating to acquisition of the Stock Acquisition Rights from the Non-Qualified Parties or other acquisition, the Company may take procedures in accordance with the provisions of the Gratis Allotment Resolution. The Company, however, shall not acquire Stock Acquisition Rights held by Non-qualified Parties for cash consideration.

In addition, the Company will disclose information to or notify all of its shareholders with respect to the details of the allotment method, exercise method and method for acquisition by the Company after they are determined in the Gratis Allotment Resolution, so we request that shareholders check these details at that time.

#### **IV. Rationale of the Plan**

##### **1. Ensuring and Enhancement of the Company's Corporate Value and the Common Interests of Shareholders**

The purpose of the Plan under the Basic Policy is to maintain the corporate value of the Company and, in turn, the common interests of its shareholders by ensuring the necessary time and information for the shareholders to decide whether or not to accept the Acquisition of the Company's shares and for the board of directors to present an alternative proposal to the shareholders, and by enabling the board of directors to negotiate with the Acquirer for the

benefit of the shareholders when the Acquisition is effected.

## **2. Satisfying the Requirements of the Guidelines for Takeover Defense Measures**

The Plan fully satisfies the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. These principles are namely:

- ensuring and enhancing the corporate value and shareholders' common interests;
- prior disclosure and respecting shareholder intent; and
- ensuring necessity and appropriateness.

Furthermore, the above principles reflect the essence of "Takeover Defense Measures in Light of Recent Environmental Changes" publicized on June 30, 2008 by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry.

## **3. Placing High Value on the Intent of Shareholders**

The Renewal will be implemented on the condition that the Ordinary General Shareholders Meeting passes a resolution to assign to the Company's board of directors the authority to decide matters relating to the Plan.

The Company's board of directors may, under certain circumstances, confirm the intent of the Company's shareholders at the Shareholders Meeting regarding the need to trigger the Plan.

Further, the Plan is subject to a so-called sunset clause setting the Effective Period of approximately one year and if, even before the expiration of the Effective Period of the Plan, the Shareholders Meeting passes a resolution to revoke its resolution to assign the authority set out above, the Plan will be abolished at that time. In this regard, the life of the Plan also depends on the intent of the Company's shareholders.

## **4. Emphasis on the Decisions of Independent Parties Such As Outside Directors and Obtaining the Advice of Third-Party Experts**

The Company must obtain a recommendation from the Special Committee, composed of members who are independent such as outside directors, when making decisions for triggering the Plan.

Further, the Special Committee may obtain advice from independent third-party experts

at the Company's expense, which is a mechanism to even further ensure the objectivity and fairness of the decisions made by the Special Committee.

## **5. Establishment of Reasonable, Objective Requirements**

As set out above at section (e) of III.3.1, 'Procedures for Triggering the Plan,' and section III.3.2, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' the Plan is established so that it will not be triggered unless reasonable and objective requirements have been satisfied, and a structure to eliminate arbitrary triggering by the Company's board of directors is ensured.

## **6. No Dead-Hand or Slow-Hand Takeover Defense Measures**

The Plan may be abolished by a meeting of the board of directors composed of directors who are elected at the Company's general shareholders' meeting in accordance with nomination by a person who acquires a large number of share certificates, etc. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the board of directors are replaced, the triggering of the measure cannot be stopped). Also, as the Company has not adopted a system of staggered terms of office for the board of directors, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure in which the triggering takes more time to stop due to the fact that all members of the board of directors cannot be replaced at once).

--- End of Document ---

## Attachment 1

### Major Shareholders

Major shareholders of the Company as of March 31, 2015 are as follows:

Name of Shareholders	Numbers of shares held	Holding Ratio (%)
Sony Corporation	34,487,900	10.08
The Master Trust Bank of Japan, Ltd. (trust account)	16,560,900	4.84
State Street Bank and Trust Company	14,941,547	4.37
Nippon Life Insurance Company	13,286,618	3.88
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,286,586	3.88
Japan Trustee Services Bank, Ltd. (trust account)	11,610,300	3.39
Japan Trustee Services Bank, Ltd. (Olympus shares in Sumitomo Mitsui Banking Corporation's retirement benefit trust account are entrusted to Sumitomo Mitsui Trust Bank, Limited, which consigns their management to Japan Trustee Service Bank, Ltd.)	11,404,000	3.33
State Street Bank and Trust Company 505223	8,874,591	2.59
Sumitomo Mitsui Banking Corporation	8,350,648	2.44
Terumo Corporation	5,581,000	1.63

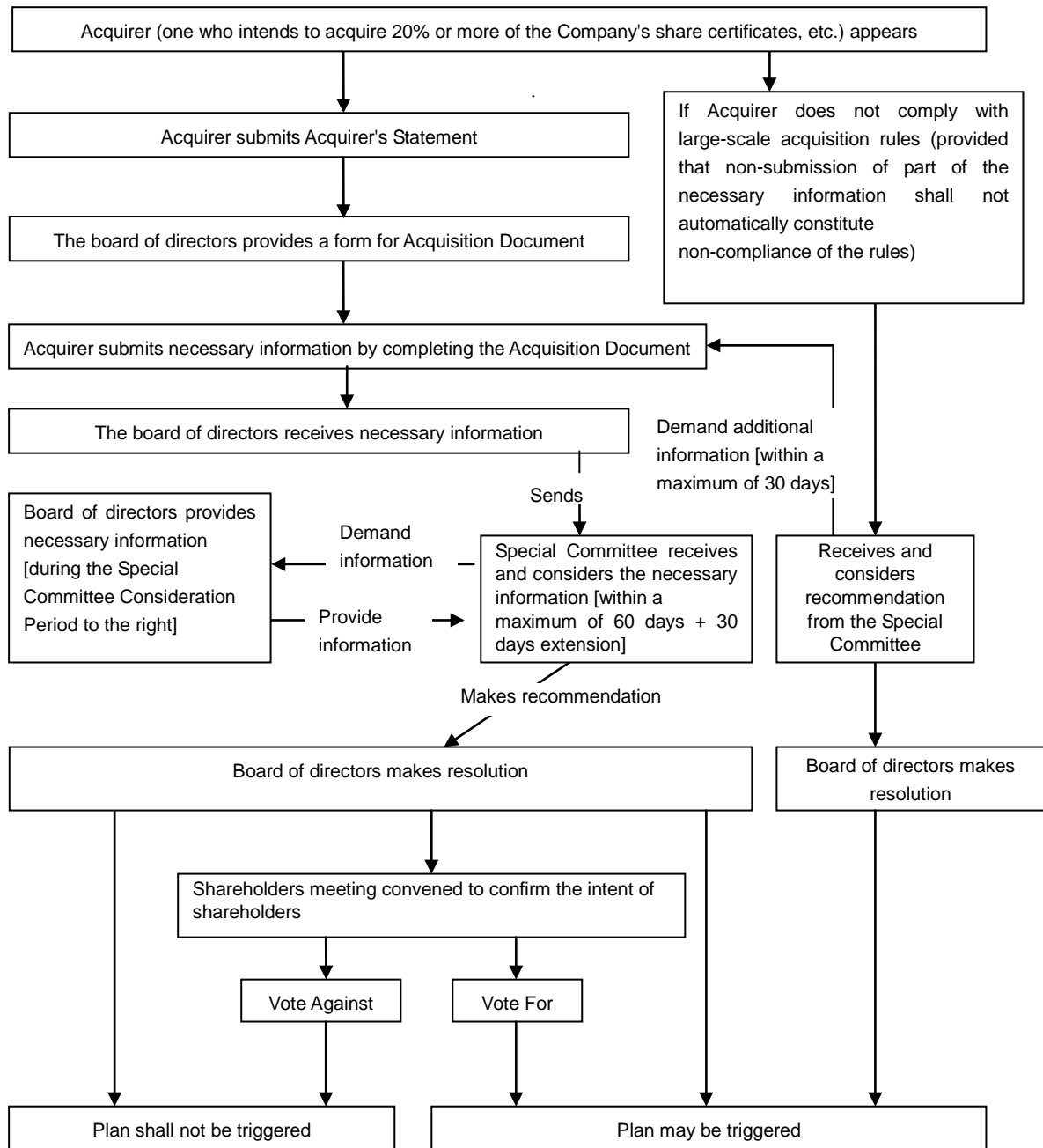
(Note)1. The holding ratio is computed by excluding treasury shares (434,236 shares).

2. In April 2015, Sony Corporation has announced that it is to sell 17,243,950 shares of Olympus corporation.



## Attachment 2

### Flow of Procedures for the Plan



(Note) The purpose of this flow chart is to facilitate the understanding of the basic flow of procedures for the Plan.

## Attachment 3

### Outline of the Rules of the Special Committee

- The Special Committee will be established by resolution of the Company's board of directors.
- There will be no less than 3 members of the Special Committee, and the Company's board of directors shall elect the members from (i) outside directors of the Company, (ii) outside audit & supervisory board members of the Company and (iii) other outside experts, who are independent from the management that executes the business of the Company. However, such outside experts must be experienced corporate managers, parties with knowledge of the investment banking industry, lawyers, certified public accountants, researchers whose research focuses on the Corporation Law or corporate management, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Company's board of directors that includes a provision obligating them to exercise the duty of care of a good manager or similar provision.
- Unless otherwise determined in a resolution by the Company's board of directors, the term of office of members of the Special Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within one year of their appointment. However, the term of office of any member of the Special Committee who is an outside director or outside audit & supervisory board member will end at the same time that they cease to be a director or audit & supervisory board member (except in the case of their re-appointment).
- The Special Committee will decide on the matters listed below and make recommendations to the Company's board of directors including the details of and reasons for the decisions. Respecting such recommendations of the Special Committee to the maximum extent, the Company's board of directors shall make resolutions as an organization under the Corporation Law (provided, however, that if the Shareholders Meeting otherwise passes a resolution for the implementation of the gratis allotment of Stock Acquisition Rights as set out in (a) below, in accordance with such resolution). Each member of the Special Committee and each director of the Company must make such decisions solely with a view to whether or not the corporate value of the Company and, in turn, the common interests of its shareholders will be enhanced, and they must not serve their own interests or those of the management of the Company.
  - (a) The implementation or non-implementation of the gratis allotment of Stock Acquisition Rights.
  - (b) The cancellation of the gratis allotment of Stock Acquisition Rights or the

gratis acquisition of Stock Acquisition Rights.

- (c) Any other matters that are for determination by the Company's board of directors and in respect to which the Company's board of directors has consulted the Special Committee.
- In addition to the matters prescribed above, the Special Committee shall conduct the matters listed below.
  - (a) Determination of whether the proposed acquisition applies to Acquisition subject to the Plan.
  - (b) Determination of the information that the Acquirer and the Company's board of directors should provide to the Special Committee, and the deadline for the provision or reply with respect to that information.
  - (c) Examination and consideration of the terms of the Acquirer's Acquisition.
  - (d) Negotiation and discussion with the Acquirer.
  - (e) Request for an alternative proposal to the Company's board of directors and consideration of such alternative proposal.
  - (f) Consideration whether a meeting of shareholders should be convened with respect to implementation of the gratis allotment of the Stock Acquisition Rights.
  - (g) Determination regarding extension of the Special Committee Consideration Period.
  - (h) Approval of modification or amendment to the Plan.
  - (i) Abolition of the Plan.
  - (j) Any other matters prescribed in the Plan that the Special Committee may conduct.
  - (k) Any matters that the Company's board of directors separately determines that the Special Committee may conduct.
- If the Special Committee decides that the details stated in the Acquisition Document are inadequate as Essential Information, it will request the Acquirer to provide additional information. Further, the Special Committee may request the Company's board of directors to provide within a certain period an opinion regarding the terms of the Acquisition by the Acquirer and materials supporting that opinion, an alternative proposal (if any), and any other information that the Special Committee may consider necessary from time to time.
- If it is necessary in order to have the terms of the Acquirer's Acquisition revised from the standpoint of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Special Committee will either directly or indirectly discuss and negotiate with the Acquirer, present to the shareholders the alternative plan of the Company's board of directors or conduct any similar action.

- In order to collect the necessary information, the Special Committee may request the attendance of a director, audit & supervisory board member or employee of the Company, or any other party that the Special Committee considers necessary, and may require explanation of any matter it requests.
- The Special Committee may, at the Company's expense, obtain the advice of an independent third party (including financial advisers, certified public accountants, lawyers, tax accountants, consultants and other experts) or conduct similar actions.
- Any member of the Special Committee may convene a meeting of the Special Committee when an Acquisition arises, or at any other time.
- Each member of the Special Committee has one voting right. Resolutions of meetings of the Special Committee will pass with a majority of the voting rights of the members attending the meeting when a majority of the members of the Special Committee are in attendance.

--- End ---

## Attachment 4

### Profiles of the Members of the Special Committee

The following 3 persons are scheduled to be the members of the Special Committee upon the Renewal.

#### **Motoyoshi Nishikawa, Outside Director**

(Born January 1, 1946)

Occupational history:

- April 1968: Joined Yawata Iron & Steel Co., Ltd. (currently Nippon Steel & Sumitomo Metal Corporation)
- June 1997: Director, Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation)
- April 2001: Managing Director, Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation)
- June 2003: Senior Advisor (Chief Legal Counsel), Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation)
- July 2007: Advisor, Nippon Steel Corporation (currently Nippon Steel & Sumitomo Metal Corporation)
- June 2009: Audit & Supervisory Board Member, NITTETSU ELEX Co., Ltd. (currently Nippon Steel & Sumikin Texeng. Co., Ltd.)
- April 2010: Audit & Supervisory Board Member, NKSJ Holdings, Inc. (currently Sompo Japan Nipponkoa Holdings, Inc.)
- July 2011: Registered as attorney-at-law at TOKYO BAR ASSOCIATION  
Joined Nomura & Partners (present)
- April 2012: Director of the Company (present)

- \* Mr. Motoyoshi Nishikawa is an Outside Director of the Company as provided for in Article 2, Item 15 of the Corporation Law and is an independent officer as provided for in Article 436-2 of the Securities Listing Regulations of the TSE.  
He does not have any special interest in the Company.

### **Nobuo Nagoya, Outside Audit & Supervisory Board Member**

(Born January 30, 1945)

#### Occupational history:

October 1968: Joined Iwao Goto CPA Office (currently MISUZU Audit Corporation)  
August 1970: Registered as certified public accountant  
June 1971: Registered as certified public tax accountant  
April 1978: Partner, Shinko Audit Corporation (currently MISUZU Audit Corporation)  
February 1989: Managing Partner, Chuo Shinko Audit Corporation (currently MISUZU Audit Corporation)  
October 2006: Chief, Nagoya CPA Office (present)  
June 2009: Audit & Supervisory Board Member, Core Corporation  
April 2012: Audit & Supervisory Board Member of the Company (present)

\* Mr. Nobuo Nagoya is an Outside Audit & Supervisory Board Member of the Company as provided for in Article 2, Item 16 of the Corporation Law and is an independent officer as provided for in Article 436-2 of the Securities Listing Regulations of the TSE. He does not have any special interest in the Company.

### **Katsuya Natori, Outside Audit & Supervisory Board Member**

(Born May 15, 1959)

#### Occupational history:

April 1986: Joined Masuda & Ejiri (currently Nishimura & Asahi)  
June 1990: Joined Davis Wright Tremaine  
July 1992: Joined Wilmer, Cutler & Pickering  
July 1993: Joined Esso Petroleum Corporation  
January 1995: Joined Apple Japan, Inc.  
January 1997: Director, Sun Microsystems, Inc.  
March 2002: Executive Officer, Fast Retailing Co., Ltd.  
January 2004: Director and Executive Officer, IBM Japan, Ltd.  
April 2010: Executive Officer, IBM Japan, Ltd.  
February 2012: Chief, Natori Law Office (present)  
April 2012: Audit & Supervisory Board Member of the Company (present)  
July 2014: Director, 45Corporation Co., Ltd. (present)

March 2015: Director, MODEC, Inc. (present)

- \* Mr. Katsuya Natori is an Outside Audit & Supervisory Board Member of the Company as provided for in Article 2, Item 16 of the Corporation Law and is an independent officer as provided for in Article 436-2 of the Securities Listing Regulations of the TSE. He does not have any special interest in the Company.

END