

June 17, 2016

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 Voluntary Adoption of International Financial Reporting Standards (IFRS)

Olympus Corporation hereby announces that it resolved, at a meeting of the Board of Directors held today, to voluntarily adopt the International Financial Reporting Standards (IFRS), in lieu of the generally accepted accounting principles in Japan (“Japanese GAAP”), to the Group’s consolidated financial statements for the fiscal years ending on or after March 31, 2018, and to disclose such statements in accordance with the IFRS, starting from the first quarter of the fiscal year ending on March 31, 2018.

The Group has decided to voluntarily adopt the IFRS in order to improve the international comparability of financial information in the capital market, as well as to enhance the accuracy of business management and strengthen its governance through the unified accounting rules in the Group.

Please note that the attached sheet shows the impact of the switch to the IFRS on the management goals, performance indices and targets, etc. stated in the Notice of Formulation of 2016 Corporate Strategic Plan (5-Year Medium-Term Management Plan) released as a timely disclosure on March 30, 2016.

<i>Reference:</i>	Disclosure schedule (tentative) associated with the switch to the IFRS	
April 2017:	Financial Results (Tanshin) for the Fiscal Year Ending March 31, 2017	(Japanese GAAP)
	Consolidated Financial Statements for the Fiscal Year Ending March 31, 2017	(Japanese GAAP)
June 2017:	Annual Securities Report for the Fiscal Year Ending March 31, 2017	(Japanese GAAP)
July 2017:	Financial Results (Tanshin) for the First Quarter of the Fiscal Year Ending March 31, 2018	(IFRS)
	Quarterly Report for the First Quarter of the Fiscal Year Ending March 31, 2018	(IFRS)

Corporate Management Targets

	FY2012 JGAAP	FY2013 JGAAP	FY2014 JGAAP	FY2015 JGAAP	FY2016 JGAAP	~	FY2021 target JGAAP	FY2021 target IFRS	Difference	FY2017~FY2021 CAGR
Return on equity(ROE)	-62.3%	8.3%	5.7%	-2.6%	17.0%		15%	15%	-	
Operating margin	4.2%	4.7%	10.3%	11.9%	13.0%		15%	15%	-	
EBITDA [Billions of yen] *1	80.4	78.7	119.8	141.6	154.2		240.0	240.0	-	-31%
Equity ratio	4.6%	15.5%	32.1%	32.9%	38.2%		50%	50%	-	

Corporate Management Indicators

	FY2012 JGAAP	FY2013 JGAAP	FY2014 JGAAP	FY2015 JGAAP	FY2016 JGAAP	~	FY2021 forecast JGAAP	FY2021 forecast IFRS	Difference	FY2017~FY2021 CAGR
Net sales [Billions of yen]	848.5	743.9	713.3	764.7	804.6		1,100.0	1,100.0	-	6%
Operating income [Billions of yen]	35.5	35.1	73.4	91.0	104.5		170.0	180.0	+10.0	11%
Net income [Billions of yen] *2	-49.0	8.0	13.6	-8.7	62.6		110.0	120.0	+10.0	14%
Total assets [Billions of yen]	966.5	960.2	1,027.5	1,081.6						
Total net assets [Billions of yen]	48.0	151.9	331.3	357.3						
Equity [Billions of yen]	44.8	148.6	329.5	355.5						
Net income per share [Yen] *2	-184	29	41	-26	183		320	350	+30	
Total equity per share [Yen]	168	493	963	1,039						
Cash dividends per share [Yen]	-	-	-	10	17					
Consolidated total return ratio	-	-	-	-	9%		30%	30%	-	
Net income margin	-5.8%	1.1%	1.9%	-1.1%	8%		10%	11%	+1pt	
Total asset turnover [times]	0.9	0.8	0.7	0.7			0.9	0.9	-	
Financial leverage [times]	21.6	6.5	3.1	3.0			2.0	2.0	-	
R&D expenditures [Billions of yen]	61.4	63.4	66.8	74.1	81.4		FY2017~FY2021 Total 430.0~480.0	FY2017~FY2021 Total 430.0~480.0		
Capital expenditures [Billions of yen]	38.0	28.1	37.8	47.7	64.4		FY2017~FY2021 Total 300.0~350.0	FY2017~FY2021 Total 300.0~350.0		
Depreciation and amortization [Billions of yen]	33.8	33.9	36.9	41.2	39.9		60.0	60.0	-	
Amortization of goodwill [Billions of yen]	11.1	9.7	9.5	9.4	9.9		10.0	-	-10.0	
Free cash flow [Billions of yen]	-4.8	58.7	52.1	27.2			FY2017~FY2021 Total 250.0 and over	FY2017~FY2021 Total 250.0 and over	-	

Average exchange rate

	FY2012 JGAAP	FY2013 JGAAP	FY2014 JGAAP	FY2015 JGAAP	FY2016 JGAAP	~	FY2021 forecast JGAAP	FY2021 forecast IFRS	Difference
Yen / U.S. dollar	79.08	83.10	100.24	109.93	120.14		115.00	115.00	-
Yen / Euro	108.98	107.14	134.37	138.77	132.58		130.00	130.00	-

Net sales and operating income by business segment

	FY2012 JGAAP	FY2013 JGAAP	FY2014 JGAAP	FY2015 JGAAP	FY2016 JGAAP	~	FY2021 forecast JGAAP	FY2021 forecast IFRS	Difference	FY2017~FY2021 CAGR
Net sales [Billions of yen]	848.5	743.9	713.3	764.7	804.6		1,100.0	1,100.0	-	6%
Medical	349.2	394.7	492.3	558.3	608.9		900.0	900.0	-	8%
Scientific Solutions	92.4	85.5	98.5	103.9	101.6		130.0	130.0	-	5%
Imaging *3	128.6	107.6	96.1	79.4	78.3		55.0	55.0	-	-7%
Information & Communication	229.4	114.2	-	-	-		-	-	-	-
Others *3	48.9	41.7	26.4	23.0	15.8		15.0	15.0	-	-1%
Elimination or Corporate	-	-	-	-	-		-	-	-	-
Operating income [Billions of yen]	35.5	35.1	73.4	91.0	104.5		170.0	180.0	+10.0	11%
Medical	68.2	87.1	112.7	124.9	140.2		225.0	235.0	+10.0	11%
Scientific Solutions	5.4	3.5	4.9	6.8	8.5		13.0	13.0	-	9%
Imaging *3	-10.8	-23.1	-9.2	-11.7	-2.1		2.0	2.0	-	-
Information & Communication	5.3	1.7	-	-	-		-	-	-	-
Others *3	-8.0	-4.9	-5.4	-1.0	-5.8		-70.0	-70.0	-	-
Elimination or Corporate	-24.6	-29.3	-29.7	-28.1	-36.4		-	-	-	-
Operating margin (consolidated)	4.2%	4.7%	10.3%	11.9%	13.0%		15%	16%	+1pt	
Medical	19.5%	22.1%	22.9%	22.4%	23.0%		25%	26%	+1pt	
Scientific Solutions	5.9%	4.1%	5.0%	6.6%	8.3%		10%	10%	-	
Imaging *3	-	-	-	-	-2.6%		4%	4%	-	
Information & Communication	2.3%	1.5%	-	-	-		-	-	-	
Others *3	-	-	-	-	-		-	-	-	
Elimination or Corporate	-	-	-	-	-		-	-	-	

*1 EBITDA=Operating income + Depreciation and amortization + Amortization of goodwill

*2 This "net income" means "net income attributable to owners of the parent"

*3 From April 1, 2015, the new business previously included in "Imaging" is included in "Others", so the financial data of FY2015 is corrected to new segmentation