

December 22, 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 of Absorption-type Merger with Subsidiary

Olympus Corporation (the “Company”) hereby announces that it has resolved to implement an absorption-type merger with its consolidated subsidiary, Olympus Software Technology Corp. (“OSW”), as stated below (the “Merger”), at the meeting of the board of directors held today. Please note that the disclosed items and details are partially omitted because the Merger is a simplified absorption-type merger with a consolidated subsidiary (wholly-owned subsidiary).

### 1. Purpose of Merger

OSW is a subsidiary, which develops embedded software and application software for products in individual business segments of the Olympus Group. The Company decided to absorb and merge with OSW for the purpose of enhancing the software development function of the Olympus Group.

### 2. Summary of Merger

#### (1) Schedule of Merger

Date of Resolution by Board of Directors (of each entity)	December 22, 2016
Date of Merger Agreement (with each entity)	December 22, 2016
Effective Date of Merger	April 1, 2017 (tentative)

The Merger is, for the Company, a simplified merger under the provisions of Paragraph 3 of Article 796 of the Companies Act and, for OSW, 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 OSW will be absorbed and merged. As a result, OSW will dissolve.

#### (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

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

## (5) Overview of Participants in Merger

## Merging Entity

1) Name	Olympus Corporation	
2) Address	2951 Ishikawa-machi, Hachioji-shi, 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, 2016)	The Master Trust Bank of Japan, Ltd. (trust account) 5.15% Sony Corporation 5.03% Japan Trustee Services Bank, Ltd. 4.55% Nippon Life Insurance Company 3.88% The Bank of Tokyo-Mitsubishi UFJ, Ltd. 3.88%	
10) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal Year Ended March 31, 2016)	Net assets	372,642 million yen
	Total assets	787,249 million yen
	Net assets per share	1,087.60 yen
	Net sales	407,776 million yen
	Operating income	77,583 million yen
	Ordinary income	66,386 million yen
	Net income	102,968 million yen
	Net income per share	300.87 yen

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

## Merged Entity

1) Name	Olympus Software Technology Corp.	
2) Address	50-1 Sasazuka 1-chome, Shibuya-ku, Tokyo	
3) Name and Title of Representative	President & Representative Director: Hitoshi Kawada	
4) Description of Business	Development of embedded software and application software for the products in the medical, science and imaging segments of Olympus	
5) Capital Stock	100 million yen	
6) Date of Foundation	July 3, 2006	
7) Number of Outstanding Shares	2,000 shares	
8) Book Closing Date	March 31	
9) Major Shareholders and Shareholding Ratio (As of December 22, 2016)	Olympus Corporation 100%	
10) Financial Condition and Operating Performance in Preceding Fiscal Year (Fiscal Year Ended March 31, 2016)	Net assets	839 million yen
	Total assets	4,904 million yen
	Net assets per share	419,792.47 yen
	Net sales	10,459 million yen
	Operating income	412 million yen
	Ordinary income	417 million yen
	Net income	266 million yen
	Net income per share	133,479.25 yen

(6) Conditions after Merger

① Name	Olympus Corporation
② Address	2951 Ishikawa-machi, Hachioji-shi, 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

3. Future Outlook

The Merger only involves the Company and its wholly-owned subsidiary, and has 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, 2017.

Reference: Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017 (released on November 2, 2016) and Actual Result for the Fiscal Year Ended March 31, 2016

(Unit: Millions of Yen)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of parent company	Net income per share
Consolidated earnings forecast for FY ending March 31, 2017	743,000	72,000	60,000	57,000	Yen 166.55
Actual result for FY ended March 31, 2016	804,578	104,464	90,898	62,594	Yen 182.90