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Securities Code: 7733

June 4, 2013

To Shareholders

43-2 Hatagaya 2-chome, Shibuya-ku, Tokyo
OLYMPUS CORPORATION
Representative Director: Hiroyuki Sasa

Notice Regarding the Convocation of the General Meeting of Shareholders For the 145th Term (from April 1, 2012 to March 31, 2013)

OLYMPUS CORPORATION will be holding the General Meeting of Shareholders for the 145th term and request your attendance. The meeting will be held as described below. If you are unable to attend the meeting, you can exercise your voting rights either in writing or via the Internet, etc. Please review the “Reference Documents for the General Meeting of Shareholders” described later and exercise your voting rights by 5:30 p.m., June 25, 2013 (Tuesday).

- 1. Date/Time:** June 26, 2013 (Wednesday) 10:00 a.m.
(Reception desk is scheduled to open at 9:00 a.m.)
- 2. Venue:** 1 Kioi-cho 4-chome, Chiyoda-ku, Tokyo
Fuyo, Banquet Floor, the Main Building, Hotel New Otani Tokyo

(Please be advised that the venue above is different from that of the General Meeting of Shareholders for the 144th term held last year.)
- 3. Meeting Agenda:**
 - Reports:**
 1. The Business Report, Consolidated Financial Statements, and the Results of Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 145th term (from April 1, 2012 to March 31, 2013)
 2. The Non-Consolidated Financial Statements for the 145th term (from April 1, 2012 to March 31, 2013)
 - Matters to be resolved:**
 - 1st Agenda:** Election of Thirteen Directors
 - 2nd Agenda:** Granting of Share-Based Compensation Stock Options (Stock Acquisition Rights) as Part of Their Remuneration to Directors
 - 3rd Agenda:** Renewal of Countermeasures to Large-Scale Acquisitions of Olympus Corporation Shares (Takeover Defense Measures)

4. Instructions for Exercising Voting Rights, etc.:

Please refer to “Instructions for Exercising Voting Rights” on page 3.

5. Internet Disclosure:

Pursuant to the relevant laws and regulations and Article 15 of the Company’s Articles of Incorporation, among documents to be attached to this notice, “Basic Policy on Control of Stock Company,” “Notes to the Consolidated Financial Statements” and “Notes to the Non-Consolidated Financial Statements” are posted on the Company’s website and are not attached to this notice. The Attached Documents to this notice are part of the documents that were audited by the Audit & Supervisory Board and the Accounting Auditor in preparing the Audit Reports.

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\* When attending at the meeting, you are kindly requested to present the enclosed voting rights exercise form to the receptionist.

\* Any modifications to the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders shall be posted on the Company’s website.

\* To conserve electricity on the day of the meeting, we request that shareholders dress in light clothing.

**The Company’s Website: (<http://www.olympus.co.jp/>)**

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Instructions for Exercising Voting Rights

You may exercise your voting rights at the General Meeting of Shareholders by using any of the following three methods:

[Attending the General Meeting of Shareholders]

Present the enclosed voting rights exercise form to the receptionist at the meeting. (No seal is necessary.)

Date/Time: June 26, 2013 (Wednesday) 10:00 a.m.
(Reception desk is scheduled to open at 9:00 a.m.)

Venue: Fuyo, Banquet Floor, the Main Building, Hotel New Otani Tokyo
(Please be advised that the venue above is different from that of the General Meeting of Shareholders for the 144th term held last year.)

[Mailing the Voting Rights Exercise Form]

Complete the enclosed voting rights exercising form by indicating your vote for or against each of the agenda items and return it without affixing a stamp.

Votes to be received by: June 25, 2013 (Tuesday) 5:30 p.m.

[Exercising Voting Rights via the Internet]

Access the Company's designated website for voting (<http://www.web54.net>), enter the "proxy code" and "password," which are provided on the enclosed voting rights exercise form, and follow the instructions on the screen to vote on the agenda items.

Votes to be given by: June 25, 2013 (Tuesday) 5:30 p.m.

For handling of cases of exercising voting rights both in writing and via the Internet, please refer to "Instructions for Exercising Voting Rights via the Internet" on pages 85 and 86.

<To institutional investors>

A voting rights exercise platform ("TSE Platform") may be used as a means to exercise voting rights electronically at the General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders

Propositions and information:

1st Agenda: Election of Thirteen Directors

Upon the conclusion of this General Meeting of Shareholders, the terms of office of all Directors (eleven) will expire. Therefore, it is hereby proposed that thirteen Directors be elected, an increase of two Directors in order to reinforce management structure.

The candidates for Director are as follows:

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
1	Yasuyuki Kimoto (February 26, 1949) To be reelected	<p>April 1971: Joined The Sumitomo Bank, Limited (current Sumitomo Mitsui Banking Corporation)</p> <p>June 1998: Director, The Sumitomo Bank, Limited (current Sumitomo Mitsui Banking Corporation)</p> <p>June 1999: Executive Officer, The Sumitomo Bank, Limited (current Sumitomo Mitsui Banking Corporation)</p> <p>June 2002: Managing Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>April 2004: Managing Director and Managing Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>June 2005: Senior Managing Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>May 2006: President and CEO, The Japan Research Institute, Limited</p> <p>April 2012: Special Advisor, The Japan Research Institute, Limited</p> <p>April 2012: Chairman, the Company (present)</p>	3,300 shares

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
2	Hiroyuki Sasa (September 14, 1955) To be reelected	<p>April 1982: Joined the Company</p> <p>April 2001: General Manager, Endoscope Business Planning Dept., the Company</p> <p>April 2005: Division Manager, First Development Div., Olympus Medical Systems Corp.</p> <p>April 2007: Division Manager, Marketing Div., Olympus Medical Systems Corp.</p> <p>June 2007: Executive Officer, the Company Director, Olympus Medical Systems Corp.</p> <p>April 2012: Representative Director, the Company (present) President, the Company (present)</p>	7,473 shares
3	Hideaki Fujizuka (September 1, 1955) To be reelected	<p>April 1980: Joined The Mitsubishi Bank, Limited (current The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>June 2007: Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2010: President and Director, Chitose Kosan Co., Ltd.</p> <p>April 2012: Director, the Company (present) Senior Executive Managing Officer, the Company (present) Group President of the Corporate Center, the Company (present)</p> <p>April 2013: Officer in charge of Olympus Business Creation Corp., the Company (present)</p>	600 shares

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
4	Yasuo Takeuchi (February 25, 1957) To be reelected	<p>April 1980: Joined the Company</p> <p>April 2005: General Division Manager, Olympus Medical Systems Corp.</p> <p>April 2009: Director, Olympus Europa Holding GmbH</p> <p>June 2009: Executive Officer, the Company</p> <p>October 2011: Executive Managing Director and Chairman of the Board, Olympus Europa Holding GmbH (present)</p> <p>April 2012: Director, the Company (present)</p> <p>Senior Executive Managing Officer, the Company (present)</p> <p>Group President of Group Management Office, the Company (present)</p> <p>Chairman of the Board, Olympus Corporation of the Americas (present)</p>	4,800 shares
5	Shigeo Hayashi (August 21, 1957) To be reelected	<p>April 1981: Joined the Company</p> <p>April 2003: Production Innovation Manager, Business Strategy Dept., the Company</p> <p>January 2006: General Manager, Production Research Dept., the Company</p> <p>April 2008: Head, Ina Factory, the Company</p> <p>June 2009: Executive Officer, the Company</p> <p>April 2010: Division Manager, Manufacturing Technology Div., Corporate Monozukuri Innovation Center, the Company</p> <p>October 2011: President and Representative Director, Nagano Olympus Co., Ltd.</p> <p>April 2012: Director, the Company (present)</p> <p>Executive Managing Officer, the Company (present)</p> <p>Group President of Corporate Monozukuri Innovation Center, the Company (present)</p>	3,900 shares

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
6	Takuya Goto (August 19, 1940) To be reelected Candidate for Outside Director	April 1964: Joined Kao Soap Co., Ltd. (current Kao Corporation) June 1990: Director, Kao Corporation July 1991: Director and Executive Vice President, Kao Corporation June 1996: Director and Senior Executive Vice President, Kao Corporation June 1997: Representative Director, President and Chief Executive Officer, Kao Corporation June 2004: Chairman of the Board, Kao Corporation March 2005: Director, Asahi Glass Co., Ltd. June 2005: Director, Nagase & Co., Ltd. June 2006: Director, Ricoh Company, Ltd. June 2008: Advisor, Kao Corporation June 2011: Director, JSR Corporation (present) April 2012: Director, the Company (present) [Important concurrent positions] Director, JSR Corporation President, Japan Marketing Association President, Asia Marketing Federation	0 shares
Reasons for election of the candidate for Outside Director: It is proposed that Mr. Takuya Goto be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at Kao Corporation may be applied to the Company's management.			

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
7	<p style="text-align: center;">Shiro Hiruta (December 20, 1941)</p> <p style="text-align: center;">To be reelected Candidate for Outside Director</p>	<p>April 1964: Joined Asahi Chemical Industry Co., Ltd. (current Asahi Kasei Corporation)</p> <p>June 1997: Director, Asahi Chemical Industry Co., Ltd. (current Asahi Kasei Corporation)</p> <p>June 1999: Managing Director, Asahi Chemical Industry Co., Ltd. (current Asahi Kasei Corporation)</p> <p>June 2001: Senior Managing Director, Asahi Kasei Corporation</p> <p>June 2002: Executive Vice President, Asahi Kasei Corporation</p> <p>April 2003: President and Representative Director, Asahi Kasei Corporation</p> <p>April 2010: Director and Senior Advisor, Asahi Kasei Corporation</p> <p>June 2010: Senior Advisor, Asahi Kasei Corporation (present)</p> <p>March 2011: Audit & Supervisory Board Member, Nikkei Inc. (present)</p> <p>April 2012: Director, the Company (present)</p> <p>[Important concurrent positions] Audit & Supervisory Board Member, Nikkei Inc.</p>	100 shares
<p>Reasons for election of the candidate for Outside Director:</p> <p>It is proposed that Mr. Shiro Hiruta be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at Asahi Kasei Corporation may be applied to the Company's management.</p>			

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
8	Sumitaka Fujita (December 24, 1942) To be reelected Candidate for Outside Director	<p>April 1965: Joined ITOCHU Corporation</p> <p>June 1995: Director, ITOCHU Corporation</p> <p>April 1997: Managing Director, ITOCHU Corporation</p> <p>April 1998: Representative Managing Director, ITOCHU Corporation</p> <p>April 1999: Representative Senior Managing Director, ITOCHU Corporation</p> <p>April 2001: Representative Executive Vice President, ITOCHU Corporation</p> <p>April 2006: Representative Vice Chairman, ITOCHU Corporation</p> <p>June 2006: Vice Chairman, ITOCHU Corporation</p> <p>June 2007: Director, Orient Corporation</p> <p>June 2008: Senior Corporate Adviser, ITOCHU Corporation</p> <p>Director, Furukawa Electric Co., Ltd. (present)</p> <p>Audit & Supervisory Board Member, NIPPONKOA Insurance Company, Limited</p> <p>June 2009: Director, Nippon Sheet Glass Co., Ltd. (present)</p> <p>April 2010: Director, NKSJ Holdings, Inc. (present)</p> <p>July 2011: Advisory Member, ITOCHU Corporation (present)</p> <p>April 2012: Director, the Company (present)</p> <p>[Important concurrent positions]</p> <p>Director, Furukawa Electric Co., Ltd.</p> <p>Director, Nippon Sheet Glass Co., Ltd.</p> <p>Director, NKSJ Holdings, Inc.</p> <p>Chairman, Japan Association for CFOs</p>	100 shares
<p>Reasons for election of the candidate for Outside Director:</p> <p>It is proposed that Mr. Sumitaka Fujita be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at ITOCHU Corporation may be applied to the Company's management.</p>			

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
9	Motoyoshi Nishikawa (January 1, 1946) To be reelected Candidate for Outside Director	<p>April 1968: Joined Yawata Iron & Steel Co., Ltd. (current Nippon Steel & Sumitomo Metal Corporation)</p> <p>June 1997: Director, Nippon Steel Corporation (current Nippon Steel & Sumitomo Metal Corporation)</p> <p>April 2001: Managing Director, Nippon Steel Corporation (current Nippon Steel & Sumitomo Metal Corporation)</p> <p>June 2003: Senior Advisor (Chief Legal Counsel), Nippon Steel Corporation (current Nippon Steel & Sumitomo Metal Corporation)</p> <p>July 2007: Advisor, Nippon Steel Corporation (current Nippon Steel & Sumitomo Metal Corporation)</p> <p>June 2009: Audit & Supervisory Board Member, NITTETSU ELEX Co., Ltd.</p> <p>April 2010: Audit & Supervisory Board Member, NKSJ Holdings, Inc. (present)</p> <p>July 2011: Registered as attorney-at-law at TOKYO BAR ASSOCIATION Joined Nomura & Partners (present)</p> <p>April 2012: Director, the Company (present)</p> <p>[Important concurrent positions] Audit & Supervisory Board Member, NKSJ Holdings, Inc.</p>	100 shares
<p>Reasons for election of the candidate for Outside Director:</p> <p>It is proposed that Mr. Motoyoshi Nishikawa be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at Nippon Steel Corporation (current Nippon Steel & Sumitomo Metal Corporation) as well as his diverse knowledge as an attorney may be applied to the Company's management.</p>			

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
10	<p>Hikari Imai (July 23, 1949) To be reelected Candidate for Outside Director</p>	<p>April 1974: Joined Yamaichi Securities Co., Ltd. January 1986: Joined Morgan Stanley Japan Limited April 1993: Joined Merrill Lynch Japan Incorporated January 1999: Deputy Chairman, Merrill Lynch Japan Securities Co., Ltd. November 2007: Vice-President and Director, RECOF Corporation April 2008: President and Representative Director, RECOF Corporation April 2012: Director, the Company (present)</p>	0 shares

Reasons for election of the candidate for Outside Director:

It is proposed that Mr. Hikari Imai be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at Merrill Lynch Japan Securities Co., Ltd. and RECOF Corporation may be applied to the Company's management.

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
11	<p>Kiyotaka Fujii (February 10, 1957)</p> <p>To be reelected Candidate for Outside Director</p>	<p>April 1981: Joined McKinsey & Company September 1986: Joined The First Boston Corporation June 1993: Vice-President and Director, Booz Allen Hamilton Japan Inc. September 1997: President and Representative Director, Cadence Design Systems, Japan January 2000: President, SAP Japan Co., Ltd. May 2006: President and Representative Director, Louis Vuitton Japan Company, LVJ Group K.K. October 2008: President, Better Place Japan Co., Ltd. (present) April 2012: Director, the Company (present) August 2012: Representative Director & President, Hailo Network Japan Co., Ltd. (present)</p> <p>[Important concurrent positions] President, Better Place Japan Co., Ltd. Representative Director & President, Hailo Network Japan Co., Ltd.</p>	0 shares
<p>Reasons for election of the candidate for Outside Director: It is proposed that Mr. Kiyotaka Fujii be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at Cadence Design Systems, Japan, SAP Japan Co., Ltd., Louis Vuitton Japan Company, LVJ Group K.K., Better Place Japan Co., Ltd. and Hailo Network Japan Co., Ltd. may be applied to the Company's management.</p>			

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
12	<p style="text-align: center;">Keiko Unotoro (October 26, 1954) To be newly elected Candidate for Outside Director</p>	<p>April 1977: Joined Secretariat of Japan Fair Trade Commission (“JFTC”)</p> <p>April 2000: Part-time teacher, Senshu University Graduate School (present)</p> <p>June 2004: Chief Hearing Examiner, General Secretariat, JFTC</p> <p>January 2007: Director, Trade Practices Department of Economic Affairs Bureau, JFTC</p> <p>June 2008: Senior Deputy Secretary General, Secretariat, JFTC</p> <p>January 2011: Director General, Economic Affairs Bureau, JFTC</p> <p>September 2012: Retired from JFTC</p> <p>November 2012: Advisor, Oh-ebashi LPC & Partners (present)</p> <p>April 2013: Professor, Faculty of Modern Business Administration, Toyo Gakuen University (present)</p> <p>[Important concurrent positions] Professor, Faculty of Modern Business Administration, Toyo Gakuen University</p>	0 shares
<p>Reasons for election of the candidates for Outside Director:</p> <p>It is proposed that Ms. Keiko Unotoro be elected Outside Director of the Company, so that her extensive experience and diverse knowledge at the Japan Fair Trade Commission may be applied to the Company’s management. Although Ms. Unotoro has not been involved in corporate management in the past, the Company has judged that she can perform her duties as Outside Director appropriately for the above-mentioned reasons.</p>			

No.	Name (Date of birth)	Profile, and position and responsibility in the Company [Important concurrent positions]	Number of shares of the Company held
13	Kenichiro Yoshida (October 20, 1959) To be newly elected Candidate for Outside Director	<p>April 1983: Joined Sony Corporation</p> <p>June 1998: General Manager, CEO Strategy Office, Sony Corporation</p> <p>July 2000: Joined Sony Communication Network Corporation (current So-net Entertainment Corporation)</p> <p>September 2000: Member of the Board, So-net M3, Inc. (current M3, Inc.) (present)</p> <p>April 2005: President and Representative Director, Sony Communication Network Corporation (current So-net Entertainment Corporation) (present)</p> <p>July 2006: Member of the Board, TV Portal Service Corporation (current Actvila Corporation) (present)</p> <p>June 2007: Group Executive, Sony Corporation (present)</p> <p>[Important concurrent positions]</p> <p>President and Representative Director, So-net Entertainment Corporation</p> <p>Member of the Board, M3, Inc.</p> <p>Member of the Board, Actvila Corporation</p>	0 shares
<p>Reasons for election of the candidate for Outside Director:</p> <p>It is proposed that Mr. Kenichiro Yoshida be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at So-net Entertainment Corporation may be applied to the Company's management.</p>			

- Notes:
1. There is no special interest between the candidates and the Company.
 2. "Number of shares of the Company held" indicates the number of shares held as of May 23, 2013.
 3. Process for determining the candidates for Director
 - (1) Upon nominating the one selected by Sony Corporation as a candidate for Director based on the capital alliance agreement with the company, the nomination of one additional candidate for Outside Director was discussed at the meeting of the Board of Directors of the Company, in order to maintain the corporate governance system with a majority of Directors being highly independent Outside Director.
 - (2) In electing one highly independent outside director, the Nominating Committee, a majority of whose members are outside directors, pressed ahead with the selection process by means of selecting and screening a wide variety of candidates from outside the Company. As a result, the Committee recommended Ms. Keiko Unotoro, in addition to Mr. Kenichiro Yoshida nominated by Sony Corporation, as new candidates for Director, and the meeting of the Board of Directors held on May 15, 2013 made a resolution approving the recommendation of nominating the both of them as candidates for the agenda of electing directors at this General Meeting of Shareholders.
 4. Messrs. Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa, Hikari Imai,

- Kiyotaka Fujii, Ms. Keiko Unotoro and Mr. Kenichiro Yoshida are candidates for Outside Director and Messrs. Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa, Hikari Imai, Kiyotaka Fujii, and Ms. Keiko Unotoro are candidates for independent director as provided for in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
5. Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa, Hikari Imai and Kiyotaka Fujii are all presently Outside Directors of the Company. They will have served as Outside Directors of the Company for one year upon the conclusion of this General Meeting of Shareholders.
 6. Special notes concerning the candidates for Outside Director
 - (1) Asahi Glass Co., Ltd., where Mr. Goto served as an Outside Director from March 2005 to March 2009, was imposed a fine by the European Commission on November 12, 2008 for its involvement in an illegal cartel for automotive glass, and it accepted to pay the fine on February 6, 2009. The fine was for the involvement in an illegal cartel that was formed during the five years from 1998 to 2003, which was prior to Mr. Goto assuming the position of Outside Director at Asahi Glass Co., Ltd. Upon receipt of the order to pay the fine from the European Commission, Mr. Goto made statements as he saw fit at Board of Directors' meetings of Asahi Glass Co., Ltd. regarding the strengthening of compliance and measures to prevent reoccurrence of similar incidents.
 - (2) ITOCHU Corporation, where Mr. Fujita served as Director until June 2008, made public in March 2008 that inappropriate accounting treatment was performed by a former employee concerning transactions which involved ethanol used for foreign-made beverages, and it made public in October 2008 that the company had engaged in inappropriate accounting treatment concerning tri-nation trade transactions related to heavy machinery and mechanical equipment and materials. Mr. Fujita was not involved in either incident and repeatedly gave instructions to strengthen compliance and internal control at Board of Directors' meetings, etc. of ITOCHU Corporation, and following the occurrence of the above incidents, he issued instructions to take thorough measures to prevent reoccurrence of similar incidents. Also, Furukawa Electric Co., Ltd., where Mr. Fujita has served as Outside Director since June 2008, received in August 2008 a cancellation of the JIS Mark Certification by Japan Quality Assurance Organization. This cancellation was issued on the grounds that quality-related performance values for some products were calculated by tests using non-JIS standard methods (the same JIS Mark Certification was re-acquired on April 9, 2009). In March 2009, Furukawa Electric Co., Ltd. received from the Japan Fair Trade Commission a cease and desist order and a payment order for surcharge for the violation of the Antimonopoly Act concerning the transactions related to the cross-linked highly foamed polyethylene sheets. In May 2010, the same company received from the Japan Fair Trade Commission a cease and desist order and a payment order for surcharge for the violation of the Antimonopoly Act concerning the transactions of optical fiber cables and related products. In September 2011, the same company agreed to pay a fine to the US Department of Justice relating to cartel activities with rival companies for automotive wire harnesses and related products. Also in Canada, the company was fined in April 2013. Mr. Fujita was not involved in any of these

incidents and he was unaware of any of the breaches of proper conduct that occurred. At Board of Directors' meetings, etc. of Furukawa Electric Co., Ltd., he has repeatedly called attention to thorough compliance awareness, and following the occurrence of the above incidents, he has been demanding that appropriate measures be taken to prevent reoccurrence of similar incidents and monitoring the status of the execution of such measures.

Moreover, NIPPONKOA Insurance Company, Limited, where Mr. Fujita served as an Outside Audit & Supervisory Board Member until March 2010, received an order for business improvement under the Insurance Business Act from the Financial Services Agency in October 2009 on the basis of a delay in payment of insurance moneys due to a response that, although not intentionally, was insufficient or inappropriate. At Board of Directors' meetings, etc. of NIPPONKOA Insurance Company, Limited, Mr. Fujita repeatedly called attention to ensuring proper execution of business, and following the occurrence of this incident, he demanded that thorough action be taken to prevent reoccurrence of similar incidents.

- (3) M3, Inc., where Mr. Yoshida has served as Director since September 2000, received a payment order for surcharge from the Financial Services Agency on January 19, 2011 regarding misstatements in its Annual Securities Report, etc. related to inappropriate accounting treatment including bringing forward the recording of sales. Following the incident, Mr. Yoshida made statements as appropriate at Board of Directors' meetings of M3, Inc. with regard to matters such as rebuilding the compliance structure to prevent a recurrence.

7. Limitation of Liability Agreement with Outside Directors

The Company has prescribed in the Articles of Incorporation that the Company may enter into an agreement with Outside Directors to limit their liability pursuant to Article 423, Paragraph 1 of the Company Law, setting the minimum amount stipulated by law as the maximum liability. If the candidates for Outside Director, Messrs. Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa, Hikari Imai and Kiyotaka Fujii, are elected, the Company plans to continue the limitation of liability agreement with each of them. Also, if the candidates for Outside Director, Ms. Keiko Unotoro and Mr. Kenichiro Yoshida are elected, the Company plans to enter into the same agreement with them.

2nd Agenda: Granting of Share-Based Compensation Stock Options (Stock Acquisition Rights) as Part of Their Remuneration to Directors

1. Reasons for the proposal

With regard to the amount of remuneration for Directors of the Company, it was approved at the General Meeting of Shareholders for the 143rd term held on June 29, 2011 that the maximum monthly remuneration be ¥100 million and the maximum annual bonus be ¥350 million. The Company seeks approval of shareholders that the director remuneration system be amended to include, as remuneration separate from the said amount of remuneration for Directors, stock acquisition rights allotted to Directors (excluding Outside Directors) as share-based compensation stock options and the maximum amount of such compensation per annum be ¥200 million. This amendment is proposed for the purpose of incentivizing Directors to work for medium-to long-term performance improvement and corporate value enhancement by further strengthening the linkage between their remuneration and the performance and stock value of the Company so that Directors share with shareholders not only the benefit of higher stock prices, but also the risk of lower stock prices.

The number of Directors is currently eleven (including six Outside Directors) and will be thirteen (including eight Outside Directors) upon the conclusion of this General Meeting of Shareholders provided that the 1st Agenda “Election of Thirteen Directors” is approved as proposed. It is also proposed that the timing of issuance of stock acquisition rights, the specific amount allotted to each Director and other matters be entrusted to the Board of Directors.

The matters concerning stock acquisition rights to be issued to Directors (excluding Outside Directors) as part of their remuneration are as follows:

2. Details of stock acquisition rights

(1) Class and number of shares to be issued upon exercise of stock acquisition rights

The class of the shares to be issued upon exercise of stock acquisition rights shall be common stock of the Company and the number of shares to be issued upon exercise of each stock acquisition right (the “Number of Shares Granted”) shall be 100.

In the event of a stock split, gratis allotment of shares, reverse stock split, etc., of the Company’s common stock on and after the date of resolution on this agenda, the Number of Shares Granted shall be adjusted in accordance with the following formula, if appropriate. However, such adjustment shall be made only to the Number of Shares Granted with regard to the stock acquisition rights then not yet exercised. Any fraction of a share resulting from such adjustment shall be discarded.

Number of Shares Granted after adjustment = Number of Shares Granted before adjustment x
Ratio of stock split, gratis allotment of shares, or reverse stock split

In addition, if the obligations of the Company under the stock acquisition rights are succeeded as a result of an absorption-type merger or a consolidation-type merger carried out by the Company or a share exchange or transfer in which the Company is to be a wholly-owned subsidiary of another company, the Company may adjust the Number of Shares Granted according to the merger ratio, etc. if the Company deems it necessary.

(2) Total number of stock acquisition rights

The number of stock acquisition rights to be issued within one year of the date of general meeting of shareholders pertaining to each fiscal year shall not exceed 400 (40,000 shares to be issued upon exercise of stock acquisition rights); however, on or after the date of this General Meeting of Shareholders, in the cases stipulated in (1) above, a similar adjustment shall be made to said number.

(3) Amount to be paid in upon allotment of stock acquisition rights

The amount to be paid shall be determined by the Board of Directors of the Company based on the fair value calculated using the Black-Scholes model, etc. as of the date of allotment of stock acquisition rights, and the total amount to be paid shall be within ¥200 million on annual basis. Said amount shall be set off with the same amount of remuneration receivables from the Company held by each Director.

(4) Value of property contributed upon exercise of stock acquisition rights

The value of property contributed upon exercise of each stock acquisition right shall be the amount obtained by multiplying the exercise price of one yen per share to be delivered upon exercise of each stock acquisition right by the Number of Shares Granted.

(5) Exercise period of the stock acquisition rights

The exercise period of the stock acquisition rights shall be a period not exceeding 30 years from the day immediately following the allotment date that is determined by the Board of Directors of the Company.

(6) Terms and conditions for exercising stock acquisition rights

A person who has been allotted stock acquisition rights (hereinafter referred to as “Holder of Stock Acquisition Rights”) may exercise them only during a period of 10 years that starts after one year has passed since the day immediately following the day on which the Holder of Stock Acquisition Rights loses his/her positions as both Director and Executive Officer of the Company.

Other terms and conditions for exercising stock acquisition rights shall be determined at the meeting of the Board of Directors in which the subscription requirements of stock acquisition rights are determined.

(7) Restriction on the transfer of stock acquisition rights

Any transfer of the stock acquisition rights shall be subject to the approval of the Board of Directors of the Company.

(8) Handling of fractions of a share resulting from exercise of stock acquisition rights

Any fraction of a share included in the number of shares to be delivered to a Holder of Stock Acquisition Rights who exercised stock acquisition rights shall be discarded.

(9) Other details of stock acquisition rights

The details of the matters set forth in (1) through (8) and other details of stock acquisition rights shall be determined at the meeting of the Board of Directors in which the subscription requirements of stock acquisition rights are determined.

3rd Agenda: Renewal of Countermeasures to Large-Scale Acquisitions of Olympus Corporation Shares (Takeover Defense Measures)

The Company's board of directors determined at the meeting held on May 18, 2012, subject to shareholder approval, to renew the plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures), and obtained approval of shareholders at the General Meeting of Shareholders held on June 28, 2012 for the 144th term. The effective period of the renewed plan (the "Former Plan") will expire at the conclusion of the General Meeting of Shareholders for the 145th term to be held on June 26, 2013(the "General Meeting of Shareholders").

The Company hereby announces that the Company's board of directors determined at the meeting held on May 15, 2013, subject to shareholder approval at the General Meeting of Shareholders, 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 Ordinance for Enforcement 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 Ordinance for Enforcement 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 on April 20, 2012, announced on June 8, 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.

Also, through the business and capital alliance with Sony Corporation announced on September 28, 2012, we aim to improve our financial base and enhance our corporate value by integrating the strengths of both companies and through joint operation in medical business and digital camera business.

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 on April 20, 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, and are continuously working to strengthen corporate governance, organize internal control system and review compliance.

On January 21, 2013, the Company submitted to the Tokyo Stock Exchange (“TSE”) a written Affirmation on Internal Control System provided by the TSE's Securities Listing Rules in aim of the TSE to lift its designation of the Company's shares as “Securities on Alert.” The TSE is currently examining us based on the written affirmation and if no problem is found in our internal control system, the designation as “Securities on Alert” will be lifted with respect to our shares.

- (1) Strengthening of Corporate Governance System
 - (a) Make clear distinction between execution and supervision.
 - (i) The majority of the members of the board of directors shall be comprised of highly independent outside directors.
 - (ii) A person other than the president (i.e., the chairman) shall act as chairman of the board of directors.
 - (iii) Not only shall the directors mutually supervise each other, but the board of directors shall supervise execution of business by executive officers.
 - (b) Strengthen the authority and function of the supervisory organ towards the executive organ by giving such organ the authority to:
 - (i) voluntarily establish an independent committee whose majority of the members shall be comprised of outside directors which committee shall nominate candidates for directors, audit & supervisory board members, chairman and president, and decide directors' remuneration;
 - (ii) stipulate the maximum term of office for president, and that for executive officers with title at their respective division, and maximum age; and
 - (iii) review rules for submitting to the board of directors for discussion and to require strict observance of these rules.
 - (c) Assure fairness in appointing outside directors and audit & supervisory board members, and expand their roles and functions by:
 - (i) clarifying conditions and standards for nominating candidates for outside directors

and audit & supervisory board members with emphasis on independence and objectiveness; and

(ii) inviting one of the full-time audit & supervisory board members from outside, and increase audit room staff to support them.

(d) Proactive information disclosure:

Timely and proactively disclose information that is considered useful from the investors' viewpoint.

(2) Development of Internal Control System

(a) Development of a check-and-balance system by:

(i) clarifying the position of the corporate department and its check-and-balance function;

(ii) organizing a structure to effect check-and-balance on transactions dealt by the corporate department; and

(iii) reviewing rules for decision-making and rules for submission to the management executive meetings, and requiring strict observance of these rules.

(b) Appropriately manage business investment transactions, and manage subsidiaries and affiliates by:

(i) organizing a function to manage and control business investments inside the corporate department;

(ii) clarifying which organization at the head office shall mainly operate and assume responsibility over each subsidiary and affiliate;

(iii) setting up management guidelines for subsidiaries and affiliates and periodically monitoring the status of such management; and

(iv) considering establishment of guidelines for new investments and guidelines for designating subjects that require intensive monitoring.

(c) Improve personnel affairs to prevent misconducts.

Establish as a rule to rotate personnel and stipulate the term of office for certain positions.

(d) Expand internal audit by:

(i) assuring independence of internal audit division and increasing members;

(ii) improving the quality of internal audit; and

(iii) strengthening coordination between audit by audit & supervisory board members and internal audit.

(3) Review of Compliance System

(a) Improve management's awareness towards compliance and enhance accountability by:

(i) reviewing "Olympus Group Corporate Conduct Charter" and "Olympus Group Code of Conduct" and developing "Global Compliance Guidelines";

- (ii) the management declaring commitment towards compliance; and
- (iii) the management reporting on the status of compliance.
- (b) Organize a system to further promote compliance by:
 - (i) establishing “Compliance Committee” headed by an outside director;
 - (ii) appointing Chief Compliance Officer (CCO) and periodically rotating this position;
and
 - (iii) expanding compliance organization.
- (c) Fostering and thorough promoting of consciousness towards compliance by:
 - (i) expanding compliance education at each level of the Company; and
 - (ii) periodically conducting surveys on consciousness towards compliance.
- (d) Expand whistle-blowing system by:
 - (i) establishing and expanding contacts for whistle-blowing such as by designating such contact outside of the Company; and
 - (ii) clarifying one’s obligation to blow the whistle if he/she notices any misconduct.

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, 2013 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 proposal¹ 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*)² of a holder (*hoyuusha*)³ totaling at least 20% of the share certificates, etc. (*kabuken tou*)⁴ issued by the Company; or
- (ii) A tender offer (*koukai kaitisuke*)⁵ that would result in the party conducting the tender offer’s ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariiai*)⁶ and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*)⁷ totaling at least 20% of the share certificates, etc. (*kabuken tou*)⁸ 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.

(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,⁹ persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation¹⁰).¹¹
- (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 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^{1 2} 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”):

- (I) Specified Large Holders;^{1 3}
- (II) Joint Holders of Specified Large Holders;
- (III) Specified Large Purchasers;^{1 4}
- (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^{1 5} 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 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 15, 2013. 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 ---

¹ "Proposal" includes solicitation of a third party.

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

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- ³ 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.
- ⁴ Defined in Article 27-23(1) of the Financial Instruments and Exchange Law. The same is applied throughout this document unless otherwise provided for.
- ⁵ Defined in Article 27-2(6) of the Financial Instruments and Exchange Law. The same is applied throughout this document.
- ⁶ Defined in Article 27-2(8) of the Financial Instruments and Exchange Law. The same is applied throughout this document.
- ⁷ 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.
- ⁸ Defined in Article 27-2(1) of the Financial Instruments and Exchange Law.
- ⁹ Defined in Article 27-23(5) of the Financial Instruments and Exchange Law, including persons regarded 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.
- ¹⁰ Defined in Article 9(5) of Enforcement Regulation for the Financial Instruments and Exchange Law.
- ¹¹ If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.
- ¹² 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.
- ¹³ "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.
- ¹⁴ "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.

^{1 5} 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 Ordinance for Enforcement of the Corporation Law) of other corporations or entities.

Attachment 1

Major Shareholders

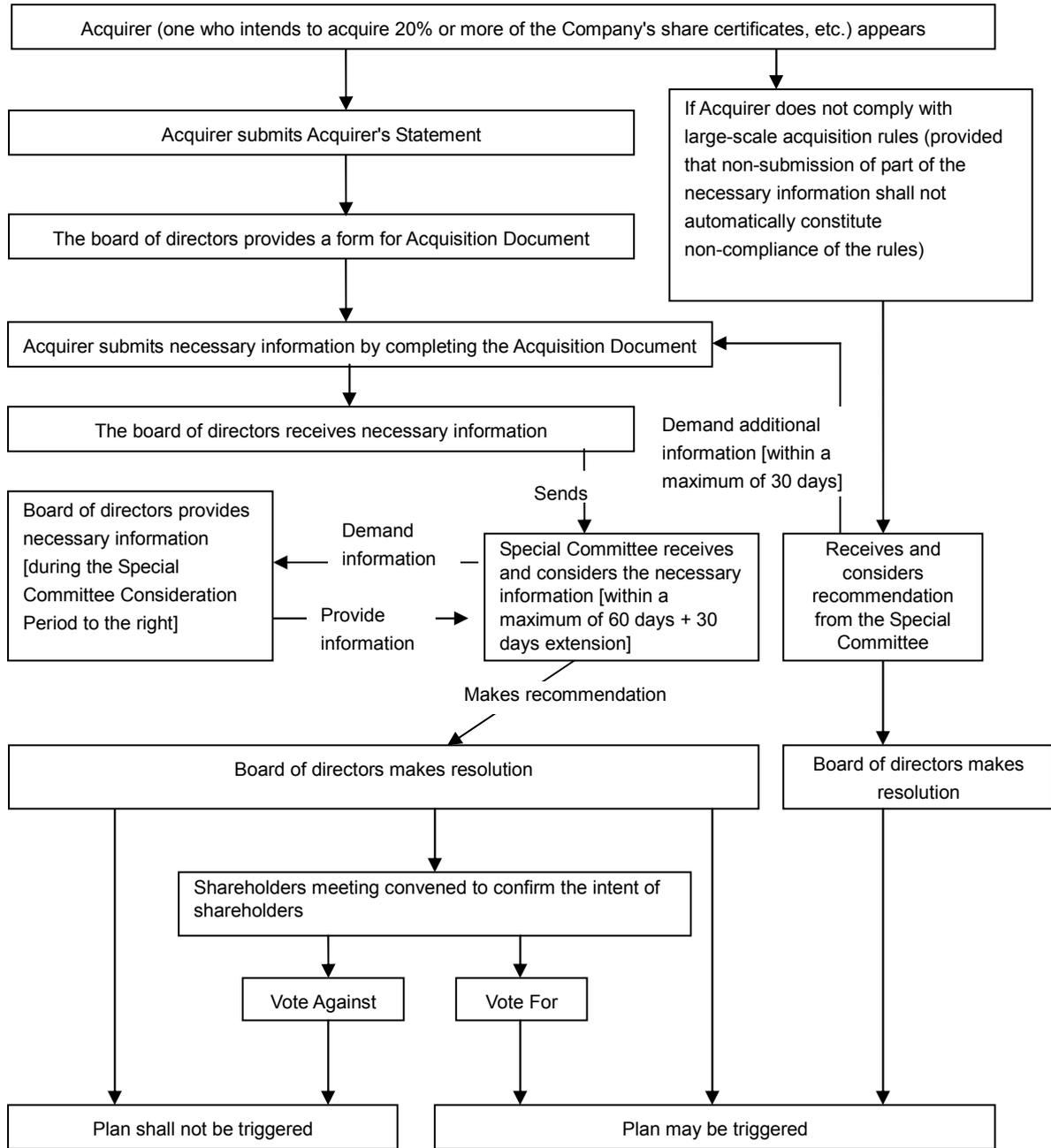
Major shareholders of the Company as of March 31, 2013 are as follows:

Name of Shareholders	Numbers of shares held	Holding Ratio (%)
Sony Corporation	34,487,900	11.45
State Street Bank and Trust Company 505223	17,132,345	5.69
The Master Trust Bank of Japan, Ltd. (trust account)	14,865,700	4.93
Nippon Life Insurance Company	13,286,618	4.41
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,286,586	4.41
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	3.79
Japan Trustee Services Bank, Ltd. (trust account)	9,613,800	3.19
Sumitomo Mitsui Banking Corporation	8,350,648	2.77
Terumo Corporation	5,581,000	1.85
State Street Bank and Trust Company	4,929,684	1.64

(Note) The holding ratio is computed by excluding treasury shares (4,425,782 shares).

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. (current Nippon Steel & Sumitomo Metal Corporation)
June 1997: Director, Nippon Steel Corporation (current Nippon Steel & Sumitomo Metal Corporation)
April 2001: Managing Director, Nippon Steel Corporation (current Nippon Steel & Sumitomo Metal Corporation)
June 2003: Senior Advisor (Chief Legal Counsel), Nippon Steel Corporation (current Nippon Steel & Sumitomo Metal Corporation)
July 2007: Advisor, Nippon Steel Corporation (current Nippon Steel & Sumitomo Metal Corporation)
June 2009: Audit & Supervisory Board Member, NITTETSU ELEX Co., Ltd.
April 2010: Audit & Supervisory Board Member, NKSJ Holdings, Inc. (to present)
July 2011: Registered as attorney-at-law at TOKYO BAR ASSOCIATION
Joined Nomura & Partners (to present)
April 2012: Director of the Company (to 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 (current MISUZU Audit Corporation)
August 1970: Registered as certified public accountant
June 1971: Registered as certified public tax accountant
April 1978: Partner, Shinko Audit Corporation (current MISUZU Audit Corporation)
February 1989: Managing Partner, Chuo Shinko Audit Corporation (current MISUZU Audit Corporation)
October 2006: Chief, Nagoya CPA Office (to present)
June 2009: Audit & Supervisory Board Member, Core Corporation (to present)
April 2012: Audit & Supervisory Board Member of the Company (to 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
(current 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 (to present)
April 2012: Audit & Supervisory Board Member of the Company (to 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

Business Report
(April 1, 2012 to March 31, 2013)

I Review of Group Operations

1. Review of Operations

During the fiscal year under review, the Japanese economy faced highly uncertain outlook with the aggravation of the relations between Japan and China and a strong yen. In the first half of the fiscal year, the business conditions of companies turned for the worse across the board, but particularly for the manufacturing industry. Personal consumption also remained anemic. In December 2012, a new administration started and on the back of economic stimulus measures taken by the government and monetary easing by the Bank of Japan, yen depreciated against dollar and the stock market rose in the financial markets, raising expectations for economic recovery. Meanwhile, the global economy remained sluggish mainly due to the European debt crisis and U.S. economic uncertainty.

In response to a series of problems pertaining to past postponing of recognition of losses, the Company strengthened the corporate governance system and developed the internal control system by changing the composition of its Board of Directors to make a majority of the Directors highly independent Outside Directors through a resolution passed at the Extraordinary General Meeting of Shareholders held in April 2012 and establishing a Nominating Committee and a Compensation Committee, a majority of which consists of Outside Directors. The Company also established a Compliance Committee to strengthen the efforts to promote compliance on a global basis.

In July 2012, the Company received from the Financial Services Agency of Japan a payment order for a surcharge of ¥192 million in relation to the misstatement in Annual Securities Reports and the like submitted to the Agency in the past. In addition, the shares of the Company were designated as “Securities on Alert” by the Tokyo Stock Exchange, Inc. (TSE). The Company, having made all-out efforts for a fundamental reform to regain confidence in response to these developments, submitted a written affirmation on internal control system to the Exchange in January 2013 for its examination toward the lifting of the designation as “Securities on Alert.”

Under the new management structure, the Olympus Group, in accordance with the policy of the “Medium-Term Vision” formulated in June 2012, started to strengthen financial base by, for example, transferring or discontinuing non-core business domains including the Information & Communication Business and entering into a business and capital alliance with Sony Corporation. Looking at the Olympus Group’s businesses, in the Medical Systems Business, we launched new products in our flagship gastrointestinal endoscope field and expanded sales of the integrated endoscopic video system for surgery in the surgical business. In the Life Science and Industrial Systems Business, we reorganized production bases and improved business efficiency on a global basis, with the aim of strengthening our ability to generate income. In the Imaging Systems Business, we modified the product mix and reorganized the manufacturing function and the sales channel.

The Olympus Group's overall consolidated net sales decreased, despite an increase in the Medical Systems Business, and amounted to ¥743,851 million (down 12.3% year on year). This was due to a contraction in the compact camera market in the Imaging Systems Business, as well as the sale of the Information & Communication Business. Operating income was ¥35,077 million (down 1.2% year on year) due to an increase in operating loss in the Imaging Systems Business, despite a substantial rise in operating income in the Medical Systems Business. Ordinary income was ¥13,046 million (down 27.0% year on year) mainly due to an increase in non-operating expenses. Net income was ¥8,020 million (compared to a net loss of ¥48,985 million in the previous fiscal year). This reflected the recording of extraordinary income of ¥22,454 million mainly from sales of investments in subsidiaries and affiliates, as opposed to the recording of extraordinary losses of ¥16,358 million including impairment loss on business assets in the Imaging Systems Business in addition to income taxes of ¥10,900 million.

During the fiscal year under review, the Olympus Group invested ¥63,379 million on research and development, and spent ¥28,109 million on capital investments.

Regarding foreign exchange, until December 2012 the yen initially appreciated against both the U.S. dollar and the euro in comparison with the previous fiscal year, but depreciated sharply from December 2012. The average exchange rate during the period was ¥83.10 against the U.S. dollar (¥79.08 in the previous fiscal year) and ¥107.14 against the euro (¥108.98 in the previous fiscal year). This caused net sales and operating income to rise by ¥12,800 million and ¥200 million, respectively, year on year.

As it is necessary that we secure sufficient internal reserves from the viewpoint of strengthening our financial base, we sincerely regret that no year-end dividends will be paid.

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Note: For monetary amounts indicated in units of ¥1 million, fractions of ¥1 million are rounded off.

## 2. Results of the Business Activities by Business Segment

### Medical Systems Business

Consolidated net sales in the Medical Systems Business amounted to ¥394,724 million (up 13.0% year on year), while operating income amounted to ¥87,069 million (up 27.7% year on year).

In our flagship gastrointestinal endoscope field, in addition to the launch of a new endoscopic videoscope system in Japan and overseas, sales of “EVIS EXERA III” outside Japan and of “EVIS LUCERA ELITE” in Japan both provided substantial boosts to growth in net sales. In the surgical and therapeutic devices field, sales of the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery, continued to be strong. In addition, there was steady sales growth for disposable guide wires used for endoscope treatment such as for pancreatic ducts.

As a result of the above, operating income in the Medical Systems Business increased due to the increase in net sales.

### Life Science and Industrial Systems Business

Consolidated net sales in the Life Science and Industrial Systems Business amounted to ¥85,513 million (down 7.5% year on year), while operating income amounted to ¥3,527 million (down 35.2% year on year).

In the life science field, we launched “FV1200” and “FV1200MPE,” which are new products in the “FLUOVIEW” series of laser scanning microscopes for use in advanced life science research, while sales of “BX3” system biological microscopes were strong.

In the industrial field, the “Opto-digital Microscopes, DSX” series of new-concept industrial microscopes, which combine optical and digital technologies, sold steadily.

Nevertheless, net sales of the Life Science and Industrial Systems Business decreased as a result of postponement in the execution of budgets by public research organizations and capital investment restraint due to global economic stagnation. Operating income also declined as a result of the fall in net sales, despite efforts including work to reduce cost of sales through production structure reform.

### Imaging Systems Business

Consolidated net sales in the Imaging Systems Business amounted to ¥107,638 million (down 16.3% year on year), while operating loss amounted to ¥23,073 million (compared with an operating loss of ¥10,760 million in the previous fiscal year).

Sales of “OLYMPUS OM-D E-M5,” a high-performance mirrorless interchangeable-lens camera equipped with features including an electronic viewfinder and the world’s first 5-axis image stabilization system, were strong in Japan and overseas. Nevertheless, there was a sharp contraction in the compact camera market mainly due to the popularity of smartphones, while intensified competition led to further falls in numbers of units sold and unit prices. Consequently, there was a decline in net sales in the Imaging Systems Business overall.

As a result of the decline in net sales, operating loss increased in the Imaging Systems Business, despite cost reduction efforts.

### Information & Communication Business

Consolidated net sales for the Information & Communication Business amounted to ¥114,243 million (down 50.2% year on year), while operating income amounted to ¥1,704 million (down 67.7% year on year).

The Company transferred the Information & Communication Business to Japan Industrial Partners, Inc. on September 28, 2012.

As a result, since the Company did not operate this business in and after the third quarter (from October 1, 2012 to March 31, 2013), the net sales and operating income indicated above are cumulative totals from the start of the fiscal year up to the date of the transfer.

### Others

Consolidated net sales for other businesses amounted to ¥41,733 million (down 14.7% year on year) and operating loss was ¥4,870 million (compared with an operating loss of ¥7,992 million in the previous fiscal year).

Due to progress in the disposal of unprofitable businesses, there were declines both in net sales and the amount of operating loss in other businesses.

## 3. Changes in Assets and Results of Operation

(Millions of yen)

|                                   | 142 <sup>nd</sup> term | 143 <sup>rd</sup> term | 144 <sup>th</sup> term | 145 <sup>th</sup> term<br>(current fiscal<br>year) |
|-----------------------------------|------------------------|------------------------|------------------------|----------------------------------------------------|
| Net sales                         | 883,086                | 847,105                | 848,548                | 743,851                                            |
| Operating income                  | 61,160                 | 38,379                 | 35,518                 | 35,077                                             |
| Ordinary income                   | 46,075                 | 23,215                 | 17,865                 | 13,046                                             |
| Net income (loss)                 | 52,527                 | 3,866                  | (48,985)               | 8,020                                              |
| Net income (loss) per share (Yen) | 194.90                 | 14.39                  | (183.54)               | 28.96                                              |
| Total assets                      | 1,104,528              | 1,019,160              | 966,526                | 960,082                                            |
| Net assets                        | 163,131                | 115,579                | 48,028                 | 152,407                                            |
| Net assets per share (Yen)        | 576.63                 | 421.37                 | 167.76                 | 494.96                                             |

- Notes:
1. The above figures for the 142<sup>nd</sup> and 143<sup>rd</sup> terms are amounts based on the corrected financial statements for that term.
  2. In the 144<sup>th</sup> term, the Company recorded a consolidated net loss due to the recording of extraordinary losses of ¥27,700 million including impairment loss and the recording of ¥39,300 million in income taxes.
  3. See “I Review of Group Operations 1. Review of Operations” on pages 49 to 50 above for details on results for the 145<sup>th</sup> term (current fiscal year).

## 4. Financing and Capital Investment

### (1) Financing

During the current fiscal year, Olympus issued 34,387,900 shares of common stock to Sony Corporation through third party allotment (paid in amount per share was ¥1,454) and procured total funds of ¥50,000 million through receiving paid in amounts of capital increase by third party allotment from the said company on October 23, 2012 and February 22, 2013.

### (2) Capital investment

A total of approximately ¥28,100 million was spent this fiscal year in capital investment. Major expenditures included fixed assets for demonstrations in the Medical Systems Business and metal molds for new products in the Imaging Systems Business.

## 5. Future Challenges

Although the global economy is gradually recovering, its future remains uncertain due to European debt crisis and other concerns. The Japanese economy is expected to recover at a moderate pace on the back of, among others, the gradual acceleration of the world economy.

Under these circumstances, the Olympus Group will focus on “Return to the Starting Point,” “One Olympus,” and “Profitable Growth,” the operating policies of the Medium-Term Vision formulated in June 2012. The Group’s efforts under these policies will include the expansion of the Medical Systems Business, the restructuring of the Imaging Systems Business, the enhancement of revenue bases of all businesses, and the restructuring of non-core business domains.

In the Medical Systems Business, we will aim at maintaining the market share by introducing new products and expanding fields for early diagnosis using endoscopes with cutting-edge technologies in the gastrointestinal endoscope field. We will also realize further growth in the surgical field through the introduction of surgical endoscopes with high image quality and energy devices that contribute to less invasive surgery. In addition, aiming at sales growth in China and other emerging markets, we will strengthen service offices in these countries in addition to the training and development of endoscopic surgeons and the dissemination of the related manual skills. The Company established Sony Olympus Medical Solutions Inc. as a joint medical business venture with Sony Corporation in April 2013 to develop new equipment and systems that combine technologies of both companies in the surgical business, one of the focus business areas in the Medium-Term Vision.

In the Life Science and Industrial Systems Business, we will concentrate our development resources on high-value added products to strengthen our manufacturing capability and reduce manufacturing cost through the reform of production structure. We will also work on business efficiency improvement by leveraging the global infrastructure of the Olympus Group, focusing more on emerging economies, which are growing markets, going forward.

In the Imaging Systems Business, we will work on securing stable net income by way of reducing the lineup of compact cameras and implementing measures to concentrate management resources on mirrorless interchangeable-lens cameras, etc., in order to control risk by downsizing its business scale.

As for other businesses, we will strive to achieve the optimal allocation of management resources by restructuring businesses and subsidiaries whose continuation as businesses in the Olympus Group is judged to be inadvisable from the perspective of future viability and profitability.

In addition, we will continue to work on the improvement of the cost structures and restoration of financial health. We will also streamline assets to improve the equity ratio promptly, and accelerate to reform profitability and financial condition.

The Company, recognizing the significance of a series of problems pertaining to past postponing of recognition of losses, restructured the corporate governance system and the compliance system and developed the internal control system. We will continue to work on the enhancement of the corporate value of the Olympus Group through continuous efforts to embed the new systems mentioned above in the mind of all employees.

To our shareholders, we appreciate your continuing support and understanding.

## 6. Major Parent Companies and Subsidiaries, etc.

### (1) Parent companies

There is no relevant information.

### (2) Major subsidiaries, etc.

There are 167 consolidated subsidiaries, including the following 6 major subsidiaries, and 3 equity-method companies.

| Name of company                             | Capital stock or investment | Ratio of capital contribution by the Company (%) | Principal business                                                                                                      |
|---------------------------------------------|-----------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Olympus Medical Systems Corp.               | ¥1,000 million              | 100                                              | Manufacture and sale of medical treatment-related products                                                              |
| Olympus Imaging Corp.                       | ¥11,000 million             | 100                                              | Manufacture and sale of image-related products                                                                          |
| Olympus Business Creation Corp.             | ¥11,000 million             | 100                                              | Discovery and development of new business, and holding company to conduct business management of fledgling subsidiaries |
| Olympus Corporation of the Americas         | \$13,000                    | 100                                              | Holding company to conduct comprehensive management planning for subsidiaries and affiliates in Americas                |
| Olympus Europa Holding SE                   | €1,000,000                  | 100                                              | Holding company to conduct comprehensive management planning for European subsidiaries and affiliates                   |
| Olympus Corporation of Asia Pacific Limited | HK\$634,992,000             | 100                                              | Holding company to conduct comprehensive management planning for subsidiaries and affiliates in Asia and Oceania        |

## 7. Principal Business

| Segment                                      | Principal products and business                                                                                                     |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Medical Systems Business                     | Manufacture and sale of medical endoscopes, surgical endoscopes, ultrasound endoscopes and endo-therapy devices                     |
| Life Science and Industrial Systems Business | Manufacture and sale of biological microscopes, industrial microscopes, industrial endoscopes and non-destructive testing equipment |
| Imaging Systems Business                     | Manufacture and sale of digital cameras and voice recorders                                                                         |
| Others                                       | System development, manufacture and sale of biomedical materials etc.                                                               |

Regarding the Information & Communication Business previously operated by the Olympus Group, on September 28, 2012, the Company transferred the Information & Communication Business of ITX Corporation to the newly established ITX Corporation, which is the successor in an absorption-type company split, and sold the newly established ITX Corporation to IJ Holdings Inc, a wholly owned company of a partnership operated and managed by Japan Industrial Partners, Inc. As a result, the Olympus Group is no longer engaged in the Information & Communication Business.

## 8. Principal Places of Business and Plants

### (1) Principal places of business of the Company

|                    |                                                                     |
|--------------------|---------------------------------------------------------------------|
| Head Office        | Shibuya-ku, Tokyo                                                   |
| Main Office        | Shinjuku-ku, Tokyo                                                  |
| R&D Center         | Hachioji-shi, Tokyo                                                 |
| Nagano Facility    | Ina-shi and Kamiina-gun, Nagano                                     |
| Shirakawa Facility | Nishi-Shirakawa-gun, Fukushima                                      |
| Branches           | Sapporo, Nagoya, Osaka, Hiroshima, Fukuoka                          |
| Sales Offices      | Sendai, Yokohama, Niigata, Matsumoto, Shizuoka, Kanazawa, Matsuyama |

### (2) Principal places of business of the Company's subsidiaries

|                                             |                                                                      |
|---------------------------------------------|----------------------------------------------------------------------|
| Olympus Medical Systems Corp.               | Shibuya-ku, Tokyo (Head office)<br>Shinjuku-ku, Tokyo (Main office)  |
| Olympus Imaging Corp.                       | Shibuya-ku, Tokyo (Head office)<br>Hachioji-shi, Tokyo (Main office) |
| Olympus Business Creation Corp.             | Shinjuku-ku, Tokyo                                                   |
| Olympus Corporation of the Americas         | Pennsylvania, U.S.                                                   |
| Olympus Europa Holding SE                   | London, U.K.                                                         |
| Olympus Corporation of Asia Pacific Limited | Hong Kong Special Administrative Region, China                       |

## 9. Employee Situation of the Group

| Segment                                      | Numbers of employees | Increase (decrease) from the previous fiscal year |
|----------------------------------------------|----------------------|---------------------------------------------------|
| Medical Systems Business                     | 15,534 (1,018)       | +196 (+131)                                       |
| Life Science and Industrial Systems Business | 4,494 (81)           | -261 (-314)                                       |
| Imaging Systems Business                     | 7,111 (1,069)        | -2,422 (-1,042)                                   |
| Information & Communication Business         | 0 (0)                | -966 (-1,344)                                     |
| Others                                       | 1,704 (66)           | -54 (-194)                                        |
| Management division                          | 1,854 (6)            | +92 (-6)                                          |
| Total                                        | 30,697 (2,240)       | -3,415 (-2,769)                                   |

- Notes:
1. The number of employees represents individuals working within the Group and includes employees on loan to the Group but does not include employees on loan outside the Group. The average number of temporary employees for the year is shown in parentheses in the column of "Numbers of employees."
  2. The decrease in the number of employees in the Imaging Systems Business compared to the previous fiscal year is mainly due to production adjustments at overseas plants.
  3. The decrease in the number of employees in the Information & Communication Business compared to the previous fiscal year is due to the sale of ITX Corporation, which engage in information & communication business.

## 10. Principal Lenders

(Millions of yen)

| Lender                                 | Balance of borrowing |
|----------------------------------------|----------------------|
| Sumitomo Mitsui Banking Corporation    | 122,152              |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 121,581              |

## 11. Other Important Matters Concerning Group Operations

It was discovered in November 2011 that the Company had postponed recognition of losses on securities investment, etc. since around the 1990s and the Company had used, by means such as going through multiple funds, both the fees paid to financial advisors and funds to buy back preferred stock in relation to the acquisition of Gyrus Group PLC, as well as the acquisition funds of three domestic subsidiaries (Altis Co., Ltd., NEWS CHEF, Inc. and Humalabo Co., Ltd.), partly to resolve unrealized losses on investment securities by such postponing of the recognition of these losses.

In order to clarify the liability of parties involved in a series of these problems, the Company established a Director Liability Investigation Committee and a Non-director Management Liability Investigation Committee for strict and thorough investigation. Based on the findings of the investigation, the Company brought lawsuits for damages against 19 past Directors and 5 past Audit & Supervisory Board Members of the Company for a maximum claim amount of ¥5,954 million in total in the previous fiscal year. The Company also brought lawsuits for damages against 2 external partners for a maximum claim amount of ¥500 million in the previous fiscal year. At present, these lawsuits are pending against the Company at the Tokyo District Court.

Meanwhile, 18 securities lawsuits for damages are brought against the Company since the previous fiscal year by individual investors as well as domestic and overseas institutional investors in relation to the decline in the stock price caused by the abovementioned case for a principal amount of ¥35,110 million in total. At present, these lawsuits are pending at the Tokyo District Court and the Osaka District Court. The main lawsuits are as follows:

- (i) On July 23, 2012, Terumo Corporation, a shareholder of the Company, filed a lawsuit against the Company to seek compensation for damages of ¥6,612 million and 5% per annum interest on this amount for the period from August 22, 2005 up to the payment of the principal.
- (ii) On June 28, 2012, in addition to the Teachers' Retirement System of the State of Illinois, a total of 49 companies (of which one company withdrew its claim before the complaint was received), including overseas institutional investors and pension funds that are shareholders of the Company, filed a lawsuit against the Company (the date the Company received the complaint was November 12, 2012), to seek compensation for damages of ¥19,138 million and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal. Following this, as a result of a petition to change the claim on March 15, 2013, the amount of compensation sought was changed to ¥20,851 million and 5% per annum interest on this amount for the period from November 8, 2011 up to the payment of the principal.

(iii) On December 13, 2012, in addition to California Public Employees' Retirement System, a total of 68 companies (of which two companies withdrew their claims after the complaint was sent), including overseas investors that are shareholders of the Company, filed a lawsuit against the Company (the date the Company received the complaint was March 29, 2013), to seek compensation for damages of ¥5,892 million (which was reduced to ¥5,875 million following the above-mentioned withdrawals) and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal.

On March 7, 2012, the Company was prosecuted by the Tokyo District Public Prosecutor's Office for the abovementioned case on suspicion of breach of the Financial Instruments and Exchange Act (filing of Annual Securities Reports with misstatements). On March 26, 2013, the Company received a verdict that a fine of ¥1,000 million should be imposed. The decision on this case is scheduled to be given by the Tokyo District Court on July 3, 2013.

## II Matters Concerning Shares

1. **Total Number of Shares Authorized to be Issued:** 1,000,000,000 shares
2. **Total Number of Issued Shares:** 301,245,726 shares  
(Excluding treasury stock 4,425,782 shares)
3. **Number of Shareholders as of March 31, 2013:** 35,221
4. **Principal Shareholders (Top 10)**

(As of March 31, 2013)

| Shareholders                                                                                                                                                                                                                                           | Numbers of shares held | Shareholding ratio |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------|
| Sony Corporation                                                                                                                                                                                                                                       | 34,487,900 shares      | 11.45%             |
| State Street Bank and Trust Company 505223                                                                                                                                                                                                             | 17,132,345             | 5.69%              |
| The Master Trust Bank of Japan, Ltd. (trust account)                                                                                                                                                                                                   | 14,865,700             | 4.93%              |
| Nippon Life Insurance Company                                                                                                                                                                                                                          | 13,286,618             | 4.41%              |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd.                                                                                                                                                                                                                 | 13,286,586             | 4.41%              |
| 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             | 3.79%              |
| Japan Trustee Services Bank, Ltd. (trust account)                                                                                                                                                                                                      | 9,613,800              | 3.19%              |
| Sumitomo Mitsui Banking Corporation                                                                                                                                                                                                                    | 8,350,648              | 2.77%              |
| Terumo Corporation                                                                                                                                                                                                                                     | 5,581,000              | 1.85%              |
| State Street Bank and Trust Company                                                                                                                                                                                                                    | 4,929,684              | 1.64%              |

Note: The shareholding ratio is calculated with the amount of treasury stock (4,425,782 shares) deducted.

### III Matters Concerning Directors and Audit & Supervisory Board Members

#### 1. Name of Directors and Audit & Supervisory Board Members (As of March 31, 2013)

| Appointment                               | Name                | Position and responsibility in the Company and important concurrent positions at other organizations                                                     |
|-------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chairman                                  | Yasuyuki Kimoto     |                                                                                                                                                          |
| Representative Director                   | Hiroyuki Sasa       |                                                                                                                                                          |
| Director                                  | Hideaki Fujizuka    | Group President of the Corporate Center                                                                                                                  |
| Director                                  | Yasuo Takeuchi      | President of Group Management Office, Chairman of the board of Olympus Corporation of the Americas                                                       |
| Director                                  | Shigeo Hayashi      | Group President of Corporate Monozukuri Innovation Center                                                                                                |
| Outside Director                          | Takuya Goto         | Director, JSR Corporation<br>President, Japan Marketing Association<br>President, Asia Marketing Federation                                              |
| Outside Director                          | Shiro Hiruta        | Audit & Supervisory Board Member, Nikkei Inc.                                                                                                            |
| Outside Director                          | Sumitaka Fujita     | Director, Furukawa Electric Co., Ltd.<br>Director, Nippon Sheet Glass Co., Ltd.<br>Director, NKSJ Holdings, Inc.<br>Chairman, Japan Association for CFOs |
| Outside Director                          | Motoyoshi Nishikawa | Audit & Supervisory Board Member, NKSJ Holdings, Inc.                                                                                                    |
| Outside Director                          | Hikari Imai         |                                                                                                                                                          |
| Outside Director                          | Kiyotaka Fujii      | President, Better Place Japan Co., Ltd.<br>Representative Director & President, Hailo Network Japan Co., Ltd.                                            |
| Standing Audit & Supervisory Board Member | Takashi Saito       |                                                                                                                                                          |
| Standing Audit & Supervisory Board Member | Masashi Shimizu     |                                                                                                                                                          |
| Outside Audit & Supervisory Board Member  | Nobuo Nagoya        | Chief, Nagoya CPA Office<br>Audit & Supervisory Board Member, Core Corporation                                                                           |
| Outside Audit & Supervisory Board Member  | Katsuya Natori      | Chief, Natori Law Office                                                                                                                                 |

- Notes:
1. The above directors and audit & supervisory board members assumed their post on April 20, 2012.
  2. Among the Directors, Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa, Hikari Imai and Kiyotaka Fujii are Outside Directors and independent directors as provided for in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
  3. Among the Audit & Supervisory Board Members, Nobuo Nagoya and Katsuya Natori are Outside Audit & Supervisory Board Members and independent auditors as provided for in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
  4. Audit & Supervisory Board Member Nobuo Nagoya is a certified public accountant and has considerable knowledge of finance and accounting.

5. Principal revisions in position and responsibility in the Company and important concurrent positions at other organizations of Directors during the current fiscal year and after the end of the current fiscal year are as follows:

| Name             | Date of revision | Position and responsibility in the Company and important concurrent positions at other organizations after revision | Position and responsibility in the Company and important concurrent positions at other organizations prior to revision |
|------------------|------------------|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Hideaki Fujizuka | April 1, 2013    | Group President of the Corporate Center, in charge of Olympus Business Creation Corp.                               | Group President of the Corporate Center                                                                                |

6. The following directors and audit & supervisory board members retired by resignation on April 20, 2012.

|                                           |                     |
|-------------------------------------------|---------------------|
| Representative Director                   | Shuichi Takayama    |
| Director                                  | Haruhito Morishima  |
| Director                                  | Masataka Suzuki     |
| Director                                  | Kazuhisa Yanagisawa |
| Director                                  | Takashi Tsukaya     |
| Director                                  | Kazuhiro Watanabe   |
| Director                                  | Shinichi Nishigaki  |
| Director                                  | Hironobu Kawamata   |
| Outside Director                          | Yasuo Hayashida     |
| Outside Director                          | Hiroshi Kuruma      |
| Outside Director                          | Junichi Hayashi     |
| Standing Audit & Supervisory Board Member | Tadao Imai          |
| Outside Audit & Supervisory Board Member  | Makoto Shimada      |
| Outside Audit & Supervisory Board Member  | Yasuo Nakamura      |

7. Under the Company's executive officer system, the following are executive officers as of March 31, 2013. The "\*" mark indicates individuals serving concurrently as Directors.

| Appointment                         | Name               |
|-------------------------------------|--------------------|
| President and CEO *                 | Hiroyuki Sasa      |
| Senior Managing Executive Officer * | Hideaki Fujizuka   |
| Senior Managing Executive Officer * | Yasuo Takeuchi     |
| Senior Managing Executive Officer   | Akihiro Taguchi    |
| Managing Executive Officer *        | Shigeo Hayashi     |
| Managing Executive Officer          | Haruo Ogawa        |
| Managing Executive Officer          | Toshiaki Gomi      |
| Managing Executive Officer          | Masao Kuribayashi  |
| Managing Executive Officer          | Yasushi Sakai      |
| Executive Officer                   | Kazuhiro Watanabe  |
| Executive Officer                   | Shinichi Nishigaki |
| Executive Officer                   | Koichi Karaki      |
| Executive Officer                   | Hitoshi Kawada     |
| Executive Officer                   | Yoshihiko Masakawa |
| Executive Officer                   | Naohiko Kawamata   |
| Executive Officer                   | Yasuo Yoda         |
| Executive Officer                   | Akira Kubota       |
| Executive Officer                   | Nobuyuki Koga      |
| Executive Officer                   | Atsushi Nishikawa  |
| Executive Officer                   | Hisao Yabe         |
| Executive Officer                   | Masamichi Handa    |
| Executive Officer                   | Nobuhiro Abe       |
| Executive Officer                   | Ken Yoshimasu      |
| Executive Officer                   | Masahito Kitamura  |
| Executive Officer                   | Tetsuo Kobayashi   |

Notes: 1. The following executive officers were newly elected on April 1, 2012.

|                                   |                   |
|-----------------------------------|-------------------|
| Senior Managing Executive Officer | Hideaki Fujizuka  |
| Managing Executive Officer        | Yasushi Sakai     |
| Executive Officer                 | Atsushi Nishikawa |
| Executive Officer                 | Hisao Yabe        |
| Executive Officer                 | Masamichi Handa   |
| Executive Officer                 | Nobuhiro Abe      |
| Executive Officer                 | Ken Yoshimasu     |
| Executive Officer                 | Masahito Kitamura |
| Executive Officer                 | Tetsuo Kobayashi  |

2. The following executive officers retired on April 20, 2012.

|                                   |                     |
|-----------------------------------|---------------------|
| President and CEO                 | Shuichi Takayama    |
| Executive Vice President          | Haruhito Morishima  |
| Senior Managing Executive Officer | Masataka Suzuki     |
| Senior Managing Executive Officer | Kazuhiro Yanagisawa |
| Managing Executive Officer        | Takashi Tsukaya     |
| Managing Executive Officer        | Takashi Saito       |
| Executive Officer                 | Hironobu Kawamata   |

3. The following executive officers had changes to their appointment on April 20, 2012.

|                                   |                   |
|-----------------------------------|-------------------|
| President and CEO                 | Hiroyuki Sasa     |
| Senior Managing Executive Officer | Yasuo Takeuchi    |
| Senior Managing Executive Officer | Akihiro Taguchi   |
| Managing Executive Officer        | Shigeo Hayashi    |
| Managing Executive Officer        | Haruo Ogawa       |
| Executive Officer                 | Kazuhiro Watanabe |

4. The Company dismissed the following executive officer on June 4, 2012.  
Executive Officer Il-Seok Bang
5. The following executive officer retired on March 31, 2013.  
Executive Officer Atsushi Nishikawa

## 2. Amount of Remuneration for Directors and Audit & Supervisory Board Members

|                                  | Number | Total amount paid |
|----------------------------------|--------|-------------------|
| Director                         | 22     | ¥435 million      |
| Audit & Supervisory Board Member | 7      | ¥85 million       |

- Notes:
1. By resolution of the 143<sup>rd</sup> General Meeting of Shareholders held on June 29, 2011, the maximum monthly remuneration for Directors is set at ¥100 million and the annual bonus for Directors is ¥350 million. By resolution of the 138<sup>th</sup> General Meeting of Shareholders held on June 29, 2006, the maximum monthly remuneration for Audit & Supervisory Board Members is set at ¥10 million and no bonuses are paid to Audit & Supervisory Board Members.
  2. The above amount of remuneration for Directors does not include ¥4 million in salaries for employees serving concurrently as Directors.
  3. Of the above amount of remuneration for Directors and Audit & Supervisory Board Members, the total amount paid to 13 Outside Directors and Outside Audit & Supervisory Board Members (9 Outside Directors, 4 Outside Audit & Supervisory Board Members) is ¥104 million.
  4. The numbers of Directors and Audit & Supervisory Board Members who received remuneration shown in the above table include 11 Directors and 3 Audit & Supervisory Board Members who resigned on April 20, 2012.

### 3. Matters Concerning Outside Directors and Outside Audit & Supervisory Board Members

(1) Relations between other organizations where important concurrent positions are assumed and the Company (As of March 31, 2013)

| Position                                 | Name                | Important concurrent positions at other organizations                                                                                                    |
|------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outside Director                         | Takuya Goto         | Director, JSR Corporation<br>President, Japan Marketing Association<br>President, Asia Marketing Federation                                              |
| Outside Director                         | Shiro Hiruta        | Audit & Supervisory Board Member, Nikkei Inc.                                                                                                            |
| Outside Director                         | Sumitaka Fujita     | Director, Furukawa Electric Co., Ltd.<br>Director, Nippon Sheet Glass Co., Ltd.<br>Director, NKSJ Holdings, Inc.<br>Chairman, Japan Association for CFOs |
| Outside Director                         | Motoyoshi Nishikawa | Audit & Supervisory Board Member, NKSJ Holdings, Inc.                                                                                                    |
| Outside Director                         | Kiyotaka Fujii      | President, Better Place Japan Co., Ltd.<br>Representative Director & President, Hailo Network Japan Co., Ltd.                                            |
| Outside Audit & Supervisory Board Member | Nobuo Nagoya        | Chief, Nagoya CPA Office<br>Audit & Supervisory Board Member, Core Corporation                                                                           |
| Outside Audit & Supervisory Board Member | Katsuya Natori      | Chief, Natori Law Office                                                                                                                                 |

There is no significant capital or business relationship between the Company and the organizations where the above Outside Directors or Outside Audit & Supervisory Board Members assume important concurrent positions.

Note: The description above is about the Outside Directors and Outside Audit & Supervisory Board Members who held office during the period from the day immediately following June 28, 2012, the date on which the 144<sup>th</sup> General Meeting of Shareholders of the Company was held, to the last day of the fiscal year under review.

(2) Major activities during current fiscal year

Takuya Goto, Director

Mr. Goto attended all 21 Board of Directors' meetings held during the current fiscal year after his assumption of office as Director at the Extraordinary General Meeting of Shareholders held on April 20, 2012 and made statements and recommendations as he saw fit, based on his profound knowledge and broad insight as a business manager at Kao Corporation. As Chairman of the Nominating Committee, which selects candidates for new directors and audit & supervisory board members, he chaired deliberations on selection criteria for candidates for directors and audit & supervisory board members, etc., selected candidates, and proposed them to the Board of Directors.

Shiro Hiruta, Director

Mr. Hiruta attended 20 of the 21 Board of Directors' meetings held during the current fiscal year after his assumption of office as Director at the Extraordinary General Meeting of Shareholders held on April 20, 2012 and made statements and recommendations as he saw fit, based on his profound knowledge and broad insight as a business manager at Asahi Kasei Corporation. As a member of the Nominating Committee, which selects candidates for new directors and audit & supervisory board members, he participated in deliberations on selection criteria for candidates for

directors and audit & supervisory board members, etc., and helped to select candidates.

Sumitaka Fujita, Director

Mr. Fujita attended 20 of the 21 Board of Directors' meetings held during the current fiscal year after his assumption of office as Director at the Extraordinary General Meeting of Shareholders held on April 20, 2012 and made statements and recommendations as he saw fit, based on his profound knowledge and broad insight as a business manager at ITOCHU Corporation. As Chairman of the Compensation Committee, which determines remuneration for directors and audit & supervisory board members, he chaired deliberations on remuneration standards for directors and audit & supervisory board members, etc., formulated a remuneration plan, and proposed the plan to the Board of Directors.

Motoyoshi Nishikawa, Director

Mr. Nishikawa attended all 21 Board of Directors' meetings held during the current fiscal year after his assumption of office as Director at the Extraordinary General Meeting of Shareholders held on April 20, 2012 and made statements and recommendations as he saw fit, based on his profound knowledge and broad insight as a business manager at Nippon Steel Corporation (current Nippon Steel & Sumitomo Metal Corporation) and his profound knowledge as an attorney. As Chairman of the Compliance Committee, which works to enhance the corporate governance system, he chaired deliberations on enhancement of the internal control system, etc., and reported the details to the Board of Directors.

Hikari Imai, Director

Mr. Imai attended all 21 Board of Directors' meetings held during the current fiscal year after his assumption of office as Director at the Extraordinary General Meeting of Shareholders held on April 20, 2012 and made statements and recommendations as he saw fit, based on his profound knowledge and broad insight as a business manager at Merrill Lynch Japan Securities Co., Ltd. and RECOF Corporation. As a member of the Compensation Committee, which determines remuneration for directors and audit & supervisory board members, he participated in deliberations on remuneration standards for directors and audit & supervisory board members, etc., and helped to formulate a remuneration plan.

Kiyotaka Fujii, Director

Mr. Fujii attended all 21 Board of Directors' meetings held during the current fiscal year after his assumption of office as Director at the Extraordinary General Meeting of Shareholders held on April 20, 2012 and made statements and recommendations as he saw fit, based on his profound knowledge and broad insight as a business manager at Cadence Design Systems, Japan, SAP Japan Co., Ltd., Louis Vuitton Japan Company, LVJ Group K.K., Better Place Japan Co., Ltd., and Hailo Network Japan Co., Ltd. As a member of the Compliance Committee, which works to enhance the corporate governance system, he participated in deliberations on enhancement of the internal control system, etc.

Nobuo Nagoya, Audit & Supervisory Board Member

Mr. Nagoya attended all 21 Board of Directors' meetings and 35 of the 37 Audit & Supervisory Board's meetings held during the current fiscal year after his assumption of office as Audit & Supervisory Board Member at the Extraordinary General Meeting of Shareholders held on April 20, 2012 and made statements and recommendations at the Board of Directors' meetings as he saw fit, based on his profound knowledge and broad insight as a certificated public accountant.

Katsuya Natori, Audit & Supervisory Board Member

Mr. Natori attended all 21 Board of Directors' meetings and 36 of the 37 Audit & Supervisory Board's meetings held during the current fiscal year after his assumption of office as Audit & Supervisory Board Member at the Extraordinary General Meeting of Shareholders held on April 20, 2012 and made statements and recommendations at the Board of Directors' meetings as he saw fit, based on his profound knowledge and broad insight as a business manager at Sun Microsystems, Inc., Fast Retailing Co., Ltd., and IBM Japan, Ltd., and as an attorney.

(3) Overview of content of limited liability agreement

The Company has entered into an agreement with all of its Outside Directors and Outside Audit & Supervisory Board Members to limit their liability pursuant to Article 423, Paragraph 1 of the Company Law, setting the minimum amount stipulated by law as the maximum liability.

## IV Accounting Auditor

### 1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

### 2. Amount of Remuneration

| Classification                                                                                     | Amount paid  |
|----------------------------------------------------------------------------------------------------|--------------|
| Remuneration to Accounting Auditor for the current fiscal year                                     | ¥245 million |
| Total amount of money and other financial interests to be paid by the Company and its subsidiaries | ¥396 million |

Notes: 1. The audit agreement between the Company and its Accounting Auditor does not distinguish compensation paid for audit work performed in conformity with the Company Law and compensation paid for audit work performed in conformity with the Financial Instruments and Exchange Act and it is effectively impossible to do so. Therefore, the total amount is provided.

2. Among the important subsidiaries of the Company, Olympus Corporation of the Americas and Olympus Corporation of Asia Pacific Limited are audited by auditing firms other than the Accounting Auditor of the Company.

### 3. Description of Non-Auditing Services

The Company pays consideration to the Accounting Auditor for the provision of non-auditing services. These consist of advisory services regarding the construction of an internal control system with the aim of removing the designation of the Company's shares as "Securities on Alert," as well as advisory services for evaluating the internal control system in connection with the Company's financial reporting and the operation of this system.

### 4. Policy for Decisions on Dismissal and Non-Reappointment of Accounting Auditor

The Audit & Supervisory Board will dismiss the Accounting Auditor, with the unanimous consent of the Audit & Supervisory Board Members, in the event said Accounting Auditor is recognized as falling under any of the item listed in Article 340, Paragraph 1 of the Company Law.

In addition to the foregoing, the Company will propose the dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders in the event it is recognized that the appropriate performance of duties by said Accounting Auditor is rendered not possible due to events affecting the qualifications and credibility of the Accounting Auditor.

## **V Basic Policy on the Internal Control System**

The Company refers to the concept of assimilating, as members, with society, sharing values with other members of society, and making people's lives healthy and happy by proposing new values through business activities as "Social IN," and identifies the concept as the leading motive lying behind all our activities.

The Board of Directors, based on this basic concept, shall prepare and operate a framework which ensures the appropriateness and reliability of financial reporting and effectiveness and efficiency of operations, and make continuous improvements with its application.

### **1. Framework to ensure the compliance by Directors and employees, in performance of duties, to applicable laws and regulations as well as the Articles of Incorporation**

- (1) In order to ensure a system in which Directors and employees perform their duties in compliance with applicable laws and regulations and the Articles of Incorporation, the Board of Directors shall establish the Olympus Group's Charter of Corporate Behavior and Olympus Group's Code of Conduct and other basic policies and internal corporate regulations.
- (2) The Board of Directors shall establish the Compliance Committee chaired by an Outside Director as a body to supervise and improve the compliance system. It shall also establish a compliance promotion system by appointing an officer in charge of compliance ("Chief Compliance Officer") and establishing a department in charge of group-wide compliance. The department in charge of group-wide compliance shall be responsible for activities toward the improvement of the group compliance system based on the Global Compliance Management System. Furthermore, it shall continuously conduct education of Directors and employees and measures relating to assessment. It shall establish a helpline for consultation or provision of information on compliance related issues and develop a system to report contents, etc. of such issues, if they arise, to the Board of Directors and the Audit & Supervisory Board.
- (3) The Company shall set up a CSR Committee chaired by the President and regularly hold meetings to set the contents of measures for and objectives for CSR activities and evaluate such activities. The Committee shall develop high ethical standards and promote measures to realize the Olympus Group's Charter of Corporate Behavior and Olympus Group's Code of Conduct.
- (4) The Company shall establish the Internal Audit Office that directly reports to the President. The Internal Audit Office shall, pursuant to the provisions of the Internal Audit Regulations, conduct internal audit of the businesses of the Company in general on a regular basis with regard to the status of their compliance with laws and regulations, the Articles of Incorporation, and internal rules and regulations, and the appropriateness of the business execution procedures and results, etc.

- (5) In order to ensure the appropriateness and reliability of financial reporting, the Internal Audit Office shall continue to conduct improvement activities by regularly evaluating its efforts and operations to ensure that control activities relating to financial reporting function effectively under the internal control system.
- (6) The Administration Department shall be responsible for working with lawyers, the police and other parties to systematically stand firm against anti-social forces and organizations which threaten societal order and safety. The Company continuously shall conduct measures for excluding anti-social forces and prepare relevant rules and regulations in order to hold its social responsibility to exclude anti-social forces.

## **2. Framework regarding the maintenance of records and management of information in relation to performance of duties by Directors**

- (1) Pursuant to applicable laws and regulations and internal corporate regulations including the internal rules on document management, etc., the Company shall maintain and manage documents or electronic data.
- (2) Directors and Audit & Supervisory Board Members may access important documents such as the minutes of a meeting of the Board of Directors and documentary approvals at any time.

## **3. Rules relating to the risk management in the event of loss and other circumstances**

- (1) The Company shall manage its business risks based on thorough discussions held at meetings of the Board of Directors and the executive management committee, among other meetings, and appropriate operation of the internal approval procedure.
- (2) The Company shall manage risks such as those relating to quality, product safety, export control, information security, health and safety, the environment and disasters by establishing divisions in charge, establishing internal corporate regulations and standards, and by implementing education and training, among others.
- (3) The CSR Committee shall report and deliberate on plans and measures in relation to risk management, and make efforts to establish and maintain a risk management system. Moreover, pursuant to the internal rules on risk management, each operational department shall be aware of risks and take preventative measures, and the Company shall develop a framework which enables prompt actions in the event of an emergency. In the event of a disaster including earthquakes, fire and accidents, and occurrence of incidents of great risks, such as the violation of corporate ethics, the operational departments shall, through a risk management department as a window, make immediate reports to the President, other members of the CSR Committee and relevant people. The final determination in such circumstance shall be made by the President.

## **4. Framework to ensure the effective performance of duties by Directors**

- (1) The Board of Directors shall develop medium- and long-term Corporate Strategic Plans in order to clarify the Company's business objectives and achieve efficient resource allocation based on its annual business plan as determined each business year. In addition, the Board of Directors shall receive a monthly report on business performance in order to evaluate the status of the Company's annual business

plan.

- (2) The Board of Directors shall determine the separation of duties among the Representative Director, other Operating Directors and Executive Officers and supervise their duties as performed.
- (3) The Representative Director shall make a decision about significant matters except for board meeting agendas after discussing at meetings of the executive management committee.
- (4) Based on internal corporate regulations including the internal rules on approval procedures and organizational matters, the Board of Directors shall determine the management organization and the separation of duties as well as the responsibility and authority of each of the Representative Director, other Operating Directors and Executive Officers, and establish a fair and effective system for performance of duties.

#### **5. System to ensure the fairness of operations of the Company and its subsidiaries**

- (1) The Company shall make the contents of Olympus Group's Charter of Corporate Behavior widespread among subsidiaries and promote enhanced awareness of compliance among the Group.
- (2) Pursuant to the internal rules on management of subsidiaries and affiliates, the Company shall clearly provide for management standards applied to its subsidiaries and promote Olympus Group's enhancement and development by providing guidance and training to its subsidiaries.
- (3) In order to ensure the fairness of operations of subsidiaries, the Company shall dispatch Directors and Audit & Supervisory Board Members to major subsidiaries and request them to obtain the Company's approval for significant matters based on Olympus Group's internal control rules on approval procedures.
- (4) The Internal Audit Office of the Company shall conduct internal audits on its subsidiaries based on the annual audit plan approved by the Board of Directors and report the audit results to the Representative Director, the Board of Directors and the Audit & Supervisory Board of the Company. The Company shall establish an internal audit department for conducting audits at its major subsidiaries.

#### **6. Matters relating to employees that assist the Audit & Supervisory Board Members upon the request of such Audit & Supervisory Board Members for assistance and matters relating to independence of the relevant employees from Directors**

- (1) The Company will establish the office of Audit & Supervisory Board Members and allocate personnel who will assist with the Audit & Supervisory Board Members' duties. In order to assist with Audit & Supervisory Board Members' duties, such personnel shall not receive directions or guidance from any Directors.
- (2) Appointment, dismissal, transfers, wages and personnel evaluation, etc. of employees, who should assist with Audit & Supervisory Board Members' duties, shall be determined after obtaining the approval of the Audit & Supervisory Board, and the independence of such employees from Directors shall be ensured.

**7. Framework regarding reports by Directors and employees to Audit & Supervisory Board Members, and other reports to the Audit & Supervisory Board Members**

Directors shall make reports to the Audit & Supervisory Board pursuant to relevant laws and regulations. Audit & Supervisory Board Members may request reports from Directors and employees based on relevant laws and regulations, the Rules of the Audit & Supervisory Board and the Audit & Supervisory Board Members' Audit Standard, which are both established by the Audit & Supervisory Board.

**8. Other systems to ensure the effectiveness of audit by Audit & Supervisory Board Members**

- (1) Audit & Supervisory Board Members shall conduct investigation on Directors, employees and subsidiaries through hearings or visiting audits, to ensure the effectiveness of its audit.
- (2) Audit & Supervisory Board Members shall hold regular meetings with Directors as well as with each head of department, and exchange opinions regarding significant audit related issues.
- (3) The Internal Audit Office shall ensure close exchange of information and coordination with Audit & Supervisory Board Members of the Company and its major subsidiaries and Accounting Auditors with regard to, among others, internal audit plans and results.

## Consolidated Balance Sheet

(As of March 31, 2013)

(Millions of yen)

| Accounts                             | Amount         | Accounts                                                                               | Amount          |
|--------------------------------------|----------------|----------------------------------------------------------------------------------------|-----------------|
| <b>ASSETS:</b>                       |                | <b>LIABILITIES:</b>                                                                    |                 |
| <b>Current assets</b>                | <b>541,037</b> | <b>Current liabilities</b>                                                             | <b>316,860</b>  |
| Cash and time deposits               | 229,610        | Notes and accounts payable                                                             | 42,272          |
| Notes and accounts receivable        | 125,231        | Short-term borrowings                                                                  | 102,510         |
| Merchandise and finished goods       | 59,740         | Current maturities of bonds                                                            | 35,000          |
| Work in process                      | 20,827         | Accrued expenses                                                                       | 67,676          |
| Raw materials and supplies           | 18,740         | Income taxes payable                                                                   | 12,622          |
| Deferred income taxes                | 25,087         | Provision for product warranties                                                       | 7,513           |
| Other current assets                 | 65,099         | Other current liabilities                                                              | 49,267          |
| Allowance for doubtful accounts      | (3,297)        |                                                                                        |                 |
|                                      |                | <b>Non-current liabilities</b>                                                         | <b>490,815</b>  |
| <b>Fixed assets</b>                  | <b>419,045</b> | Long-term bonds, less current maturities                                               | 55,000          |
| <b>Property, plant and equipment</b> | <b>129,802</b> | Long-term borrowings, less current maturities                                          | 367,880         |
| Buildings and structures             | 50,772         | Severance and retirement allowance                                                     | 27,594          |
| Machinery and equipment              | 10,057         | Severance and retirement allowance for directors and audit & supervisory board members | 142             |
| Tools, furniture and fixtures        | 45,783         | Provision for loss on business liquidation                                             | 145             |
| Land                                 | 15,172         | Other non-current liabilities                                                          | 40,054          |
| Lease assets                         | 6,165          | <b>Total liabilities</b>                                                               | <b>807,675</b>  |
| Construction in progress             | 1,853          |                                                                                        |                 |
|                                      |                | <b>NET ASSETS:</b>                                                                     |                 |
| <b>Intangible fixed assets</b>       | <b>174,606</b> | <b>Shareholders' equity</b>                                                            | <b>209,865</b>  |
| Goodwill                             | 106,346        | Common stock                                                                           | 73,332          |
| Others                               | 68,260         | Capital surplus                                                                        | 79,788          |
|                                      |                | Retained earnings                                                                      | 68,000          |
| <b>Investments and other assets</b>  | <b>114,637</b> | Treasury stock, at cost                                                                | (11,255)        |
| Investment securities                | 48,614         | <b>Accumulated other comprehensive income</b>                                          | <b>(60,760)</b> |
| Deferred income taxes                | 9,418          | Net unrealized holding gains (losses) on available-for-sale securities, net of taxes   | 6,295           |
| Other assets                         | 65,066         | Net unrealized gains (losses) on hedging derivatives, net of taxes                     | 20              |
| Allowance for doubtful accounts      | (8,461)        | Foreign currency translation adjustments                                               | (58,029)        |
|                                      |                | Pension liabilities adjustment of foreign subsidiaries                                 | (9,046)         |
|                                      |                | <b>Minority interests</b>                                                              | <b>3,302</b>    |
|                                      |                | <b>Total net assets</b>                                                                | <b>152,407</b>  |
| <b>Total assets</b>                  | <b>960,082</b> | <b>Total liabilities and net assets</b>                                                | <b>960,082</b>  |

## Consolidated Statement of Income

(April 1, 2012 to March 31, 2013)

(Millions of yen)

| Accounts                                                                      | Amount         |
|-------------------------------------------------------------------------------|----------------|
| Net sales                                                                     | 743,851        |
| Cost of sales                                                                 | 365,653        |
| <b>Gross profit</b>                                                           | <b>378,198</b> |
| Selling, general and administrative expenses                                  | 343,121        |
| <b>Operating income</b>                                                       | <b>35,077</b>  |
| Non-operating income                                                          | 9,555          |
| Interest income                                                               | 1,049          |
| Net income of investment in affiliated companies carried on the equity method | 22             |
| Gain on sales of investment securities                                        | 2,103          |
| Reversal of provision for loss on business liquidation                        | 1,348          |
| Others                                                                        | 5,033          |
| Non-operating expenses                                                        | 31,586         |
| Interest expenses                                                             | 13,942         |
| Foreign currency exchange loss                                                | 1,954          |
| Amendment fee                                                                 | 3,392          |
| Others                                                                        | 12,298         |
| <b>Ordinary income</b>                                                        | <b>13,046</b>  |
| Extraordinary income                                                          | 22,454         |
| Gain on sales of investments in subsidiaries and affiliates                   | 20,601         |
| Gain on sales of noncurrent assets                                            | 1,316          |
| Gain on sales of investment securities                                        | 537            |
| Extraordinary losses                                                          | 16,358         |
| Impairment loss on fixed assets                                               | 7,600          |
| Loss on sales of investment securities                                        | 1,760          |
| Loss on valuation of investment securities                                    | 722            |
| Loss on sales of investments in subsidiaries and affiliates                   | 575            |
| Loss on restructuring of business                                             | 2,947          |
| Early extra retirement payments                                               | 1,336          |
| Soil improvement cost                                                         | 187            |
| Settlement package                                                            | 1,231          |
| <b>Income before provision for income taxes</b>                               | <b>19,142</b>  |
| Income taxes, current                                                         | 15,838         |
| Income taxes, deferred                                                        | (4,938)        |
| <b>Income before minority interests</b>                                       | <b>8,242</b>   |
| Minority interests in income of consolidated subsidiaries                     | 222            |
| <b>Net income</b>                                                             | <b>8,020</b>   |

## Consolidated Statement of Changes in Net Assets

(April 1, 2012 to March 31, 2013)

(Millions of yen)

| Items                                                | Shareholders' equity |                 |                   |                         | Total Shareholders' equity |
|------------------------------------------------------|----------------------|-----------------|-------------------|-------------------------|----------------------------|
|                                                      | Common stock         | Capital surplus | Retained earnings | Treasury stock, at cost |                            |
| Beginning balance at April 1, 2012                   | 48,332               | 54,788          | 60,197            | (11,249)                | 152,067                    |
| Changes during the year                              |                      |                 |                   |                         |                            |
| Issuance of common stock                             | 25,000               | 25,000          |                   |                         | 50,000                     |
| Net income                                           |                      |                 | 8,020             |                         | 8,020                      |
| Changes of scope of consolidation                    |                      |                 | (217)             |                         | (217)                      |
| Acquisition of treasury stock                        |                      |                 |                   | (6)                     | (6)                        |
| Net changes in items other than shareholders' equity |                      |                 |                   |                         |                            |
| Net changes during the year                          | 25,000               | 25,000          | 7,803             | (6)                     | 57,798                     |
| Ending Balance at March 31, 2013                     | 73,332               | 79,788          | 68,000            | (11,255)                | 209,865                    |

| Items                                                | Accumulated other comprehensive income                                               |                                                                    |                                          |                                                        | Total accumulated other comprehensive income |
|------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------|----------------------------------------------|
|                                                      | Net unrealized holding gains (losses) on available-for-sale securities, net of taxes | Net unrealized gains (losses) on hedging derivatives, net of taxes | Foreign currency translation adjustments | Pension liabilities adjustment of foreign subsidiaries |                                              |
| Beginning balance at April 1, 2012                   | 3,128                                                                                | (1,268)                                                            | (102,067)                                | (7,090)                                                | (107,297)                                    |
| Changes during the year                              |                                                                                      |                                                                    |                                          |                                                        |                                              |
| Issuance of common stock                             |                                                                                      |                                                                    |                                          |                                                        |                                              |
| Net income                                           |                                                                                      |                                                                    |                                          |                                                        |                                              |
| Changes of scope of consolidation                    |                                                                                      |                                                                    |                                          |                                                        |                                              |
| Acquisition of treasury stock                        |                                                                                      |                                                                    |                                          |                                                        |                                              |
| Net changes in items other than shareholders' equity | 3,167                                                                                | 1,288                                                              | 44,038                                   | (1,956)                                                | 46,537                                       |
| Net changes during the year                          | 3,167                                                                                | 1,288                                                              | 44,038                                   | (1,956)                                                | 46,537                                       |
| Ending Balance at March 31, 2013                     | 6,295                                                                                | 20                                                                 | (58,029)                                 | (9,046)                                                | (60,760)                                     |

| Items                                                | Minority interests | Total net assets |
|------------------------------------------------------|--------------------|------------------|
| Beginning balance at April 1, 2012                   | 3,258              | 48,028           |
| Changes during the year                              |                    |                  |
| Issuance of common stock                             |                    | 50,000           |
| Net income                                           |                    | 8,020            |
| Changes of scope of consolidation                    |                    | (217)            |
| Acquisition of treasury stock                        |                    | (6)              |
| Net changes in items other than shareholders' equity | 44                 | 46,581           |
| Net changes during the year                          | 44                 | 104,379          |
| Ending balance at March 31, 2013                     | 3,302              | 152,407          |

## Non-Consolidated Balance Sheet

(As of March 31, 2013)

(Millions of yen)

| Accounts                                                                   | Amount         | Accounts                                                                             | Amount          |
|----------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------|-----------------|
| <b>ASSETS:</b>                                                             |                | <b>LIABILITIES:</b>                                                                  |                 |
| <b>Current assets</b>                                                      | <b>181,361</b> | <b>Current liabilities</b>                                                           | <b>141,703</b>  |
| Cash and time deposits                                                     | 108,052        | Notes payable                                                                        | 60              |
| Notes receivable                                                           | 2,509          | Accounts payable                                                                     | 7,062           |
| Accounts receivable                                                        | 15,347         | Current maturities of bonds                                                          | 35,000          |
| Finished goods                                                             | 5,270          | Current maturities of long-term borrowings                                           | 62,000          |
| Work in process                                                            | 2,460          | Lease liabilities                                                                    | 538             |
| Materials                                                                  | 78             | Other payable                                                                        | 3,051           |
| Short-term loans receivable                                                | 19,111         | Accrued expenses                                                                     | 12,481          |
| Other receivables                                                          | 11,979         | Income taxes payable                                                                 | 42              |
| Income taxes receivable                                                    | 11,846         | Deposits received                                                                    | 21,313          |
| Deferred income taxes                                                      | 3,579          | Provision for product warranties                                                     | 8               |
| Other current assets                                                       | 1,949          | Other current liabilities                                                            | 148             |
| Allowance for doubtful accounts                                            | (819)          | <b>Non-current liabilities</b>                                                       | <b>388,694</b>  |
| <b>Fixed assets</b>                                                        | <b>442,066</b> | Long-term bonds, less current maturities                                             | 55,000          |
| <b>Property, plant and equipment</b>                                       | <b>33,464</b>  | Long-term borrowings, less current maturities                                        | 328,000         |
| Buildings                                                                  | 17,261         | Lease liabilities                                                                    | 950             |
| Structures                                                                 | 520            | Deferred income taxes                                                                | 3,057           |
| Machinery and equipment                                                    | 1,322          | Provision for loss on business liquidation                                           | 1,010           |
| Vehicles                                                                   | 3              | Asset retirement obligations                                                         | 62              |
| Tools, furniture and fixtures                                              | 2,817          | Long-term deposits received, less current maturities                                 | 615             |
| Land                                                                       | 10,131         | <b>Total liabilities</b>                                                             | <b>530,397</b>  |
| Lease assets                                                               | 1,410          | <b>NET ASSETS:</b>                                                                   |                 |
| <b>Intangible fixed assets</b>                                             | <b>3,188</b>   | <b>Shareholders' equity</b>                                                          | <b>87,046</b>   |
| Patent right                                                               | 434            | <b>Common stock</b>                                                                  | <b>73,332</b>   |
| Software                                                                   | 2,226          | <b>Capital surplus</b>                                                               | <b>79,788</b>   |
| Software in progress                                                       | 400            | Legal capital surplus                                                                | 48,027          |
| Lease assets                                                               | 78             | Other capital surplus                                                                | 31,761          |
| Right of using facilities, etc.                                            | 50             | <b>Retained earnings</b>                                                             | <b>(54,819)</b> |
| <b>Investments and other assets</b>                                        | <b>405,414</b> | Legal reserve                                                                        | 6,626           |
| Investment securities                                                      | 43,207         | Other retained earnings                                                              | (61,445)        |
| Investment securities in subsidiaries and affiliates                       | 345,750        | Reserve for advanced depreciation                                                    | 1,985           |
| Investments in capital of subsidiaries and affiliates                      | 278            | Retained earnings carried forward                                                    | (63,430)        |
| Long-term loans receivable                                                 | 10,780         | <b>Treasury stock, at cost</b>                                                       | <b>(11,255)</b> |
| Prepaid pension cost                                                       | 4,166          | <b>Valuation and translation adjustments</b>                                         | <b>5,984</b>    |
| Long-term accounts receivable-other                                        | 7,211          | Net unrealized holding gains (losses) on available-for-sale securities, net of taxes | 5,984           |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 18,064         |                                                                                      |                 |
| Other assets                                                               | 3,253          | <b>Total net assets</b>                                                              | <b>93,030</b>   |
| Allowance for doubtful accounts                                            | (27,295)       | <b>Total liabilities and net assets</b>                                              | <b>623,427</b>  |
| <b>Total assets</b>                                                        | <b>623,427</b> |                                                                                      |                 |

## Non-Consolidated Statement of Income

(April 1, 2012 to March 31, 2013)

(Millions of yen)

| Accounts                                                        | Amount        |
|-----------------------------------------------------------------|---------------|
| Net sales                                                       | 71,400        |
| Cost of sales                                                   | 32,477        |
| <b>Gross profit</b>                                             | <b>38,923</b> |
| Selling, general and administrative expenses                    | 44,793        |
| <b>Operating loss</b>                                           | <b>5,870</b>  |
| Non-operating income                                            | 34,044        |
| Interest income                                                 | 381           |
| Dividends income                                                | 29,248        |
| Others                                                          | 4,415         |
| Non-operating expenses                                          | 19,645        |
| Interest expenses                                               | 8,565         |
| Interest on bonds                                               | 1,757         |
| Foreign currency exchange loss                                  | 293           |
| Amendment fee                                                   | 3,392         |
| Others                                                          | 5,638         |
| <b>Ordinary income</b>                                          | <b>8,529</b>  |
| Extraordinary income                                            | 34,680        |
| Gain on sales of investments in subsidiaries and affiliates     | 32,577        |
| Gain on sales of noncurrent assets                              | 1,773         |
| Gain on sales of investment securities                          | 330           |
| Extraordinary losses                                            | 44,870        |
| Impairment loss on fixed assets                                 | 1,490         |
| Loss on valuation of investments in subsidiaries and affiliates | 30,032        |
| Loss on sales of investment securities                          | 1,754         |
| Loss on valuation of investment securities                      | 587           |
| Early extra retirement payments                                 | 830           |
| Soil improvement cost                                           | 187           |
| Settlement package                                              | 1,231         |
| Provision of allowance for doubtful accounts                    | 7,749         |
| Provision for loss on business liquidation                      | 1,010         |
| <b>Loss before provision for income taxes</b>                   | <b>1,661</b>  |
| Income taxes, current                                           | (16,473)      |
| Income taxes, deferred                                          | (1,977)       |
| <b>Net income</b>                                               | <b>16,789</b> |

## Non-Consolidated Statement of Changes in Net Assets

(April 1, 2012 to March 31, 2013)

(Millions of yen)

| Items                                                | Shareholders' equity |                       |                       |                       |
|------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|
|                                                      | Common stock         | Capital surplus       |                       |                       |
|                                                      |                      | Legal capital surplus | Other capital surplus | Total capital surplus |
| Beginning balance at April 1, 2012                   | 48,332               | 23,027                | 31,761                | 54,788                |
| Changes during the year                              |                      |                       |                       |                       |
| Issuance of common stock                             | 25,000               | 25,000                |                       | 25,000                |
| Net income                                           |                      |                       |                       |                       |
| Acquisition of treasury stock                        |                      |                       |                       |                       |
| Reversal of reserve for special depreciation         |                      |                       |                       |                       |
| Reversal of reserve for advanced depreciation        |                      |                       |                       |                       |
| Net changes in items other than shareholders' equity |                      |                       |                       |                       |
| Net changes during the year                          | 25,000               | 25,000                | -                     | 25,000                |
| Ending balance at March 31, 2013                     | 73,332               | 48,027                | 31,761                | 79,788                |

| Items                                                | Shareholders' equity |                                  |                                   |                                   |                         |
|------------------------------------------------------|----------------------|----------------------------------|-----------------------------------|-----------------------------------|-------------------------|
|                                                      | Retained earnings    |                                  |                                   |                                   |                         |
|                                                      | Legal reserve        | Other retained earnings          |                                   |                                   | Total retained earnings |
|                                                      |                      | Reserve for special depreciation | Reserve for advanced depreciation | Retained earnings carried forward |                         |
| Beginning balance at April 1, 2012                   | 6,626                | 0                                | 2,104                             | (80,338)                          | (71,608)                |
| Changes during the year                              |                      |                                  |                                   |                                   |                         |
| Issuance of common stock                             |                      |                                  |                                   |                                   |                         |
| Net income                                           |                      |                                  |                                   | 16,789                            | 16,789                  |
| Acquisition of treasury stock                        |                      |                                  |                                   |                                   |                         |
| Reversal of reserve for special depreciation         |                      | (0)                              |                                   | 0                                 | -                       |
| Reversal of reserve for advanced depreciation        |                      |                                  | (119)                             | 119                               | -                       |
| Net changes in items other than shareholders' equity |                      |                                  |                                   |                                   |                         |
| Net changes during the year                          | -                    | (0)                              | (119)                             | 16,908                            | 16,789                  |
| Ending balance at March 31, 2013                     | 6,626                | -                                | 1,985                             | (63,430)                          | (54,819)                |

(Millions of yen)

| Items                                                | Shareholders' equity    |                            | Valuation and translation adjustments                                                |                                                                    |                                             | Total net assets |
|------------------------------------------------------|-------------------------|----------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------|------------------|
|                                                      | Treasury stock, at cost | Total shareholders' equity | Net unrealized holding gains (losses) on available-for-sale securities, net of taxes | Net unrealized gains (losses) on hedging derivatives, net of taxes | Total valuation and translation adjustments |                  |
| Beginning balance at April 1, 2012                   | (11,249)                | 20,263                     | 3,141                                                                                | (94)                                                               | 3,047                                       | 23,310           |
| Changes during the year                              |                         |                            |                                                                                      |                                                                    |                                             |                  |
| Issuance of common stock                             |                         | 50,000                     |                                                                                      |                                                                    |                                             | 50,000           |
| Net income                                           |                         | 16,789                     |                                                                                      |                                                                    |                                             | 16,789           |
| Acquisition of treasury stock                        | (6)                     | (6)                        |                                                                                      |                                                                    |                                             | (6)              |
| Reversal of reserve for special depreciation         |                         | –                          |                                                                                      |                                                                    |                                             | –                |
| Reversal of reserve for advanced depreciation        |                         | –                          |                                                                                      |                                                                    |                                             | –                |
| Net changes in items other than shareholders' equity |                         |                            | 2,843                                                                                | 94                                                                 | 2,937                                       | 2,937            |
| Net changes during the year                          | (6)                     | 66,783                     | 2,843                                                                                | 94                                                                 | 2,937                                       | 69,720           |
| Ending balance at March 31, 2013                     | (11,255)                | 87,046                     | 5,984                                                                                | –                                                                  | 5,984                                       | 93,030           |

**Independent Auditor's Audit Report**

May 16, 2013

To the Board of Directors of OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC  
Kenzo Oka [Seal]  
Certified Public Accountant  
Designated and Engagement Partner  
Hiroyuki Yoshino [Seal]  
Certified Public Accountant  
Designated and Engagement Partner  
Tetsuya Yoshida [Seal]  
Certified Public Accountant  
Designated and Engagement Partner  
Masanori Enomoto [Seal]  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 444(4) of the Company Law, we have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of OLYMPUS CORPORATION (the "Company") for the fiscal year beginning on April 1, 2012 and ending on March 31, 2013.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the consolidated financial statements from an independent perspective, based on our audit. We conducted our audit in accordance with generally accepted auditing standards in Japan. Those auditing standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

The auditing involves performing procedures to obtain audit evidence about the amounts and disclosures in consolidated financial statements. The procedures selected and implemented depend on the auditors' judgment, including the assessment of the risks of material misstatement in consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes the evaluation of overall presentation of the consolidated financial statements, and the evaluation of accounting principles and methods used and estimates made by management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the corporate group consisting of OLYMPUS CORPORATION and its consolidated subsidiaries for the fiscal year beginning on April 1, 2012 and ending on March 31, 2013, in conformity with accounting principles generally accepted in Japan.

*Matters for Emphasis*

1. As indicated in “1. Future conditions” in the Other Notes, following the Company’s announcement on November 8, 2011 concerning its postponing of recognition of losses on securities investments, etc., investigations by domestic and overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and U.S.) are continuing. The consolidated financial statements may be corrected if any further important information comes to light in such investigations in the future. In addition, as a result of inappropriate financial reporting by the Company, there is currently a case pending against the Company at Tokyo District Court for breaches of the Securities and Exchange Act and the Financial Instruments and Exchange Act. Furthermore, as a result of inappropriate financial reporting by the Company, holders of its shares, etc. have filed a lawsuit against the Company, and there is a risk that various shareholders and shareholder groups may claim damages or file lawsuits against the Company in the future.
2. As indicated in “2. Filing of lawsuit against the Company” in the Other Notes, a lawsuit has been filed against the Company by Terumo Corporation.

These matters have no impact on our opinion.

*Interest*

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

**Independent Auditor's Audit Report**

May 16, 2013

To the Board of Directors of OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC  
Kenzo Oka [Seal]  
Certified Public Accountant  
Designated and Engagement Partner  
Hiroyuki Yoshino [Seal]  
Certified Public Accountant  
Designated and Engagement Partner  
Tetsuya Yoshida [Seal]  
Certified Public Accountant  
Designated and Engagement Partner  
Masanori Enomoto [Seal]  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 436(2)(i) of the Company Law, we have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of OLYMPUS CORPORATION (the "Company") for the 145<sup>th</sup> fiscal year beginning on April 1, 2012 and ending on March 31, 2013.

*Management's Responsibility for the Financial Statements and the Related Supplementary Schedules*

Management is responsible for the preparation and fair presentation of financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules from an independent perspective, based on our audit. We conducted our audit in accordance with generally accepted auditing standards in Japan. Those auditing standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

The auditing involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements and the related supplementary schedules. The procedures selected and implemented depend on the auditors' judgment, including the assessment of the risks of material misstatement in financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes the evaluation of overall presentation of the financial statements and the related supplementary schedules, and the evaluation of accounting principles and methods used and estimates made by management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of OLYMPUS CORPORATION for the 145<sup>th</sup> fiscal year beginning on April 1, 2012 and ending on March 31, 2013, in

conformity with accounting principles generally accepted in Japan.

*Matters for Emphasis*

1. As indicated in “1. Future conditions” in the Other Notes, following the Company’s announcement on November 8, 2011 concerning its postponing of recognition of losses on securities investments, etc., investigations by domestic and overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and U.S.) are continuing. The financial statements and the related supplementary schedules may be corrected if any further important information comes to light in such investigations in the future. In addition, as a result of inappropriate financial reporting by the Company, there is currently a case pending against the Company at Tokyo District Court for breaches of the Securities and Exchange Act and the Financial Instruments and Exchange Act. Furthermore, as a result of inappropriate financial reporting by the Company, holders of its shares, etc. have filed a lawsuit against the Company, and there is a risk that various shareholders and shareholder groups may claim damages or file lawsuits against the Company in the future.
2. As indicated in “2. Filing of lawsuit against the Company” in the Other Notes, a lawsuit has been filed against the Company by Terumo Corporation.

These matters have no impact on our opinion.

*Interest*

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

The Audit & Supervisory Board's Audit Report

**Audit Report**

Based on the audit report prepared by each Audit & Supervisory Board Member with regard to the performance of duties by the Directors of OLYMPUS CORPORATION (the "Company") for the 145<sup>th</sup> term (from April 1, 2012 to March 31, 2013), the Audit & Supervisory Board of the Company prepares this audit report after deliberation and reports as follows:

1. Auditing methods used by Audit & Supervisory Board Members and the Audit & Supervisory Board, and details of audit

The Audit & Supervisory Board specified audit policies, assigned duties to each Audit & Supervisory Board Member and received reports from each Audit & Supervisory Board Member on the status of implementation and results of audit, and received reports from Directors, etc. and accounting auditors on the status of the performance of their duties and asked them for explanations as necessary.

In conformity with the auditing standards stipulated by the Audit & Supervisory Board, and in accordance with auditing policies and the assignment of duties, all Audit & Supervisory Board Members strived to achieve effective communication with Directors, the Internal Audit Department and other employees, collected information and improved the audit environment. In addition, all Audit & Supervisory Board Members attended the meetings of the Board of Directors and other important meetings, received reports from Directors and employees about the status of the performance of their duties, obtained explanations as necessary, reviewed important approval documents, and conducted investigations on the status of the business operations and assets of the Company at its head office and other principal business offices. Furthermore, Audit & Supervisory Board Members received reports periodically from Directors and employees on the content of the resolution made by the Board of Directors' concerning the development of a system for ensuring that the performance of duties by Directors conforms with laws and regulations and the Company's Articles of Incorporation, as described in the Company's business report, and other systems prescribed in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Company Law as systems necessary for ensuring proper business conduct by a stock company (internal control system), as well as the construction and status of operation of the internal control system developed based on said resolution. As necessary, Audit & Supervisory Board Members also asked for explanations from Directors and employees and expressed opinions. As for internal controls over financial reporting, reports made by Directors, etc. and Ernst & Young ShinNihon LLC about the status of assessment and audit of said internal controls were provided to Audit & Supervisory Board Members, who asked for explanations as necessary. Regarding the basic policy based on Article 118, Item 3(a) of the Ordinance for Enforcement of the Company Law and the various measures based on Item 3(b) of the same, which are described in the business report, Audit & Supervisory Board Members examined the details of deliberations at the Board of Directors and others in consideration of the status of said deliberations. Audit & Supervisory Board Members also worked to facilitate communication and information exchange with the Directors, audit & supervisory board members and others of the subsidiaries of the Company, and received reports on the business conditions of subsidiaries as necessary.

Based on the methods mentioned above, we have reviewed the business report for the said fiscal year and its supplementary schedules.

We have also monitored and verified whether the accounting auditor maintained independence and properly implemented its audit, received from the accounting auditor reports on the performance of its duties, and asked it for explanations as necessary. The accounting auditor reported to us that the "Systems for Ensuring Proper Execution of Duties" (listed in each item of Article 131 of Ordinance on Accounting of Companies) have been developed in accordance with the "Quality Control Standards concerning Audit" (Business Accounting Council, October 28, 2005) and other applicable regulations, and we asked the accounting auditor for explanations as necessary.

Based on the methods mentioned above, we have reviewed the financial statements (balance sheet, statement of income, statement of changes in net assets, and notes to financial statements), and their supplementary schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the said fiscal year.

2. Audit results

(1) Results of audit of the business report, etc.

- (i) We confirm that the business report and its supplementary schedules present fairly the situation of the Company in accordance with relevant laws and regulations and the Company's Articles of Incorporation.
- (ii) With respect to the Directors' performance of their duties, we confirm that there has been no improper act committed or important violation of applicable laws and regulations or of the Articles of Incorporation.
- (iii) We confirm that the details of the resolution made by the Board of Directors concerning the internal control system are proper. With respect to the description in the business report and the Directors' performance of their duties regarding the said internal control system, we confirm that there is no matter to be pointed out, including internal controls for financial reporting.
- (iv) With respect to the Company's basic policy regarding the persons who control decisions on the Company's financial and business policies, which is described in the business report, we confirm that there are no matters to be pointed out. We confirm that the various measures based on Article 118, Item 3(b) of the Ordinance for Enforcement of the Company Law are in conformance with the said basic policy, that they do not damage the common interests of shareholders of the Company and that they are not aimed at maintaining the positions of Directors of the Company.

(2) Results of audit of financial statements and their supplementary schedules

We confirm that the auditing methods and results of Ernst & Young ShinNihon LLC, an accounting auditor, are proper.

(3) Results of audit of consolidated financial statements

We confirm that the auditing methods and results of Ernst & Young ShinNihon LLC, an accounting auditor, are proper.

May 17, 2013

The Audit & Supervisory Board,  
OLYMPUS CORPORATION

Standing Audit & Supervisory Board Member: Takashi Saito [Seal]  
Standing Audit & Supervisory Board Member: Masashi Shimizu [Seal]  
Outside Audit & Supervisory Board Member: Nobuo Nagoya [Seal]  
Outside Audit & Supervisory Board Member: Katsuya Natori [Seal]

## Instructions for Exercising Voting Rights via the Internet

### Website for exercising voting rights

You may exercise your voting rights via the Internet using only the voting website below designated by the Company. A site accessible via mobile phone is not available.

Voting website URL: <http://www.web54.net>

### Exercising voting rights

The deadline for exercising voting rights via the Internet is 5:30 p.m., June 25, 2013 (Tuesday), however, in consideration of the vote tallying process, we kindly ask that you exercise your voting rights as soon as possible.

If voting via the Internet, please follow the on-screen instructions and enter your vote for each agenda item using the “proxy code” and “password” provided on the enclosed voting rights exercise form.

If having cast your vote multiple times via the Internet, the final vote cast shall be deemed valid. If both the vote cast in writing and the vote cast via the Internet reach us on the same day, the vote cast via the Internet shall prevail.

It should be noted that you will bear any fees to your Internet service provider and other telecommunication service providers (such as connection fees) incurred by accessing the voting website.

### How to use the password and proxy code

The password is important information to identify the individual casting a vote as the actual shareholder. Please keep the password secure as you would your signature seal and PIN number.

A certain number of erroneous password entries will lock the system down and access will be denied. To issue a new password, please follow the instructions provided on the screen.

The proxy code provided on the enclosed voting rights exercise form is valid only for this General Meeting of Shareholders.

### Inquiries on PC operation

- (1) Please contact the following for assistance on operating your PC to exercise your voting rights via the website.

Sumitomo Mitsui Trust Bank, Limited  
Securities Agent Web Support Hotline (dedicated line)  
Telephone: 0120-652-031 (toll free, available only in Japan)  
(Business hours: 9:00 a.m. to 9:00 p.m.)

- (2) In case of other inquires, please contact the following number.
  - a. Shareholders who have accounts at trading companies  
Please contact your trading companies.
  - b. Shareholders who do not have accounts at trading companies (special account holders)

Sumitomo Mitsui Trust Bank, Limited  
Stock Transfer Agency Business Planning Department  
Telephone: 0120-782-031 (toll free, available only in Japan)  
(Business hours: 9:00 a.m. to 5:00 p.m. excluding Saturdays, Sundays and National Holidays)

## System requirements

Please make sure your PC has the following environments when exercising your voting rights via the Internet.

- (1) Screen resolution of 800 × 600 pixels (SVGA) or more
- (2) The following applications are installed:
  - a) Web browser: Microsoft® Internet Explorer Ver.5.01 SP2 or later
  - b) PDF file browser: Adobe® Acrobat® Reader™ Ver.4.0 or later, or Adobe® Reader® Ver. 6.0 or later (when the user wishes to view the Reference Documents for the General Meeting of Shareholders on the screen)

\*Internet Explorer is a registered trademark, trademark, and product name of U.S. Microsoft Corporation in the US and other countries. Adobe® Acrobat® Reader™ and Adobe® Reader® are registered trademarks, trademarks, and product names of U.S. Adobe Systems Incorporated in the US and other countries.

\*The software is available free of charge on the website of each company.
- (3) If a pop-up block function is activated in the web browser and its add-in tool, please cancel that function (or temporarily cancel).
- (4) If you cannot access the above site, your firewall, proxy server, or security software setting may have restricted Internet connection. Please check your settings.