

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code: 7733

June 4, 2014

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 146th Term (from April 1, 2013 to March 31, 2014)

OLYMPUS CORPORATION will be holding the General Meeting of Shareholders for the 146th 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, 2014 (Wednesday).

- 1. Date/Time:** June 26, 2014 (Thursday) 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
Tsuru (West), Banquet Floor, the Main Building, Hotel New Otani Tokyo

(Please note that the venue above is the same hotel as last year, but the room is different from that of the General Meeting of Shareholders for the 145th 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 146th term (from April 1, 2013 to March 31, 2014)
 2. The Non-Consolidated Financial Statements for the 146th term (from April 1, 2013 to March 31, 2014)
 - Matters to be resolved:**
 - 1st Agenda:** Reduction in Legal Capital Surplus and Legal Reserve and Appropriation of Surplus
 - 2nd Agenda:** Election of Thirteen 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.

~~~~~  
\* 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/jp/ir/stock/meeting/>)**

~~~~~

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, 2014 (Thursday) 10:00 a.m.
(Reception desk is scheduled to open at 9:00 a.m.)

Venue: Tsuru (West), Banquet Floor, the Main Building, Hotel New Otani Tokyo
(Please note that the venue above is the same hotel as last year, but the room is different from that of the General Meeting of Shareholders for the 145th 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, 2014 (Wednesday) 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, 2014 (Wednesday) 5:30 p.m.

For details, please refer to the following page.

<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.

Instructions for Exercising Voting Rights via the Internet

Website for exercising voting rights: <http://www.web54.net>

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.

Exercising voting rights

- The deadline for exercising voting rights via the Internet is 5:30 p.m., June 25, 2014 (Wednesday), however, in consideration of the vote tallying process, we kindly ask that you exercise your voting rights as soon as possible.
- 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.

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.

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

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 inquiries, 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)

Reference Documents for the General Meeting of Shareholders

Propositions and information:

1st Agenda: Reduction in Legal Capital Surplus and Legal Reserve and Appropriation of Surplus

1. Purpose of reduction in legal capital surplus and legal reserve, and appropriation of surplus

The Company recorded a deficit in retained earnings carried forward of ¥49,435,478,406 in the non-consolidated financial statements for the fiscal year ended March 31, 2014. To make up for the deficit and secure the flexibility and agility of future capital policy, pursuant to the provisions of Article 448, Paragraph 1 of the Company Law, the Company shall reduce the amount of its legal capital surplus and transfer the same amount to other capital surplus, and it shall reduce the amount of legal reserve and transfer the same amount to retained earnings carried forward. Moreover, pursuant to the provisions of Article 452 of the Company Law, the Company shall transfer the amount of other capital surplus to retained earnings carried forward.

2. Outline of reduction in legal capital surplus and legal reserve

(1) Line items to be reduced and respective reduction amounts

Legal capital surplus	¥8,275,923,138 out of ¥99,216,032,696
Legal reserve	Full amount of ¥6,626,182,483

(2) Line items to be increased and respective increase amounts

Other capital surplus	¥8,275,923,138
Retained earnings carried forward	¥6,626,182,483

3. Outline of appropriation of surplus

(1) Line item to be reduced and reduction amount

Other capital surplus	Full amount of ¥40,931,170,614
-----------------------	--------------------------------

(2) Line item to be increased and increase amount

Retained earnings carried forward	¥40,931,170,614
-----------------------------------	-----------------

4. Effective date of the reduction in legal capital surplus and legal reserve and appropriation of surplus

June 30, 2014

We sincerely regret that no year-end dividends will be paid for the fiscal year under review.

2nd Agenda: Election of Thirteen Directors

Upon the conclusion of this General Meeting of Shareholders, the terms of office of all Directors (thirteen) will expire, therefore, it is hereby proposed that thirteen Directors be elected.

The candidates for Director are as follows:

No.	Name	Present position and responsibility in the Company	
1	Yasuyuki Kimoto	Chairman	Reelected
2	Hiroyuki Sasa	President and Representative Director	Reelected
3	Hideaki Fujizuka	Director, Senior Executive Managing Officer, Group President of the Corporate Center	Reelected
4	Yasuo Takeuchi	Director, Senior Executive Managing Officer, Group President of Group Management Office	Reelected
5	Shigeo Hayashi	Director, Executive Managing Officer, Group President of Corporate Monozukuri Innovation Center	Reelected
6	Takuya Goto	Outside Director	Reelected Independent
7	Shiro Hiruta	Outside Director	Reelected Independent
8	Sumitaka Fujita	Outside Director	Reelected Independent
9	Motoyoshi Nishikawa	Outside Director	Reelected Independent
10	Hikari Imai	Outside Director	Reelected Independent
11	Kiyotaka Fujii	Outside Director	Reelected Independent
12	Keiko Unotoro	Outside Director	Reelected Independent
13	Masaru Kato	Outside Director	Newly elected

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
1	<p>Yasuyuki Kimoto (February 26, 1949) To be reelected</p>	<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 Chairman, the Company (present)</p> <p>Important concurrent positions Mr. Kimoto does not hold any important concurrent positions.</p> <p>Reason for election It is proposed that Mr. Kimoto be elected Director of the Company because he serves as the Chairman of the Board of Directors and has experience in managing and supervising businesses.</p> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 5,700 shares</p> <p>Years served as Director: 2 years</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
2	<p>Hiroyuki Sasa (September 14, 1955) To be reelected</p>	<p>April 1982: Joined the Company April 2001: General Manager, Endoscope Business Planning Dept., the Company April 2005: Division Manager, First Development Div., Olympus Medical Systems Corp. April 2007: Division Manager, Marketing Div., Olympus Medical Systems Corp. June 2007: Executive Officer, the Company Director, Olympus Medical Systems Corp. April 2012: Representative Director, the Company (present) President, the Company (present)</p> <p>Important concurrent positions Mr. Sasa does not hold any important concurrent positions.</p> <p>Reason for election It is proposed that Mr. Sasa be elected Director of the Company because, in addition to being involved in the development of endoscopes and marketing for the medical business and possessing experience suited for leading the Medical Systems Business, the Company's core business, he has worked to rebuild the Company's business portfolio and restore its financial health, and has steadily made progress in achieving these goals since becoming President of the Company.</p> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 7,973 shares</p> <p>Years served as Director: 2 years</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
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</p> <p>Important concurrent positions Mr. Fujizuka does not hold any important concurrent positions.</p> <p>Reason for election It is proposed that Mr. Fujizuka be elected Director of the Company because he has been leading corporate governance reforms as the Group President of the Corporate Center and has experience in building appropriate organization and management systems.</p> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 1,000 shares</p> <p>Years served as Director: 2 years</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
4	<p style="text-align: center;">Yasuo Takeuchi (February 25, 1957) To be reelected</p>	<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</p> <p>April 2012: Director, the Company (present) Senior Executive Managing Officer, the Company (present) Group President of Group Management Office, the Company (present) Chairman of the Board, Olympus Corporation of the Americas (present)</p> <p>March 2013: Administrative Board and Managing Director, Olympus Europa Holding SE (present)</p> <p>Important concurrent positions Mr. Takeuchi does not hold any important concurrent positions.</p> <p>Reason for election It is proposed that Mr. Takeuchi be elected Director of the Company because, in addition to having experience in the accounting and planning divisions and possessing a global perspective through having spent many years overseas and having served as a corporate officer at subsidiaries in Europe and the U.K., he has led efforts on various fronts, including restoring the Company's financial health as the Group President of the Group Management Office, which coordinates the management office division and the finance and accounting division, since becoming Director of the Company.</p> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 5,200 shares</p> <p>Years served as Director: 2 years</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
5	<p>Shigeo Hayashi (August 21, 1957) To be reelected</p>	<p>April 1981: Joined the Company April 2003: Production Innovation Manager, Business Strategy Dept., the Company January 2006: General Manager, Production Research Dept., the Company April 2008: Head, Ina Factory, the Company June 2009: Executive Officer, the Company April 2010: Division Manager, Manufacturing Technology Div., Corporate Monozukuri Innovation Center, the Company October 2011: President and Representative Director, Nagano Olympus Co., Ltd. April 2012: Director, the Company (present) Executive Managing Officer, the Company (present) Group President of Corporate Monozukuri Innovation Center, the Company (present)</p> <p>Important concurrent positions Mr. Hayashi does not hold any important concurrent positions.</p> <p>Reason for election It is proposed that Mr. Hayashi be elected Director of the Company because, in addition to having served as the Head of Ina Factory and President of Nagano Olympus Co., Ltd. and having many years of experience on the front lines of manufacturing, he has experience in promoting production structure reform as the Group President of the Corporate Monozukuri Innovation Center since becoming Director of the Company.</p> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 4,300 shares Years served as Director: 2 years Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
6	Takuya Goto (August 19, 1940) To be reelected Independent Director	<p>April 1964: Joined Kao Soap Co., Ltd. (current Kao Corporation)</p> <p>June 1990: Director, Kao Corporation</p> <p>July 1991: Director and Executive Vice President, Kao Corporation</p> <p>June 1996: Director and Senior Executive Vice President, Kao Corporation</p> <p>June 1997: Representative Director, President and Chief Executive Officer, Kao Corporation</p> <p>June 2004: Chairman of the Board, Kao Corporation</p> <p>March 2005: Director, Asahi Glass Co., Ltd.</p> <p>June 2005: Director, Nagase & Co., Ltd.</p> <p>June 2006: Director, Ricoh Company, Ltd.</p> <p>June 2008: Advisor, Kao Corporation</p> <p>June 2011: Director, JSR Corporation (present)</p> <p>April 2012: Director, the Company (present)</p> <p>Important concurrent positions Director, JSR Corporation President, Japan Marketing Association President, Asia Marketing Federation</p> <p>Reason for election It is proposed that Mr. 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.</p> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 0 shares</p> <p>Years served as Director: 2 years</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
7	<p style="text-align: center;">Shiro Hiruta (December 20, 1941) To be reelected Independent 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</p> <p>March 2011: Audit & Supervisory Board Member, Nikkei Inc. (present)</p> <p>April 2012: Director, the Company (present)</p> <p>June 2013: Standing Counsellor Adviser, Asahi Kasei Corporation (present)</p> <p>Important concurrent positions Audit & Supervisory Board Member, Nikkei Inc.</p> <p>Reason for election It is proposed that Mr. 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> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 500 shares</p> <p>Years served as Director: 2 years</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
8	<p>Sumitaka Fujita (December 24, 1942) To be reelected Independent Director</p>	<p>April 1965: Joined ITOCHU Corporation June 1995: Director, ITOCHU Corporation April 1997: Managing Director, ITOCHU Corporation April 1998: Representative Managing Director, ITOCHU Corporation April 1999: Representative Senior Managing Director, ITOCHU Corporation April 2001: Representative Executive Vice President, ITOCHU Corporation April 2006: Representative Vice Chairman, ITOCHU Corporation June 2006: Vice Chairman, ITOCHU Corporation June 2007: Director, Orient Corporation June 2008: Senior Corporate Adviser, ITOCHU Corporation Director, Furukawa Electric Co., Ltd. (present) Audit & Supervisory Board Member, NIPPONKOA Insurance Company, Limited June 2009: Director, Nippon Sheet Glass Co., Ltd. (present) April 2010: Director, NKSJ Holdings, Inc. July 2011: Advisory Member, ITOCHU Corporation (present) April 2012: Director, the Company (present)</p> <p>Important concurrent positions Director, Furukawa Electric Co., Ltd. Director, Nippon Sheet Glass Co., Ltd. Chairman, Japan Association for CFOs</p> <p>Reason for election It is proposed that Mr. 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> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 500 shares</p> <p>Years served as Director: 2 years</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
9	<p>Motoyoshi Nishikawa (January 1, 1946) To be reelected Independent Director</p>	<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. (current NIPPON STEEL & SUMIKIN TEXENG. CO., LTD.)</p> <p>April 2010: Audit & Supervisory Board Member, NKSJ Holdings, Inc. (Retiring June 23, 2014)</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. (Retiring June 23, 2014)</p> <p>Reason for election It is proposed that Mr. 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> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 500 shares</p> <p>Years served as Director: 2 years</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
10	<p>Hikari Imai (July 23, 1949) To be reelected Independent 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> <p>Important concurrent positions Mr. Imai does not hold any important concurrent positions.</p> <p>Reason for election It is proposed that Mr. 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.</p> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 0 shares</p> <p>Years served as Director: 2 years</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
11	<p>Kiyotaka Fujii (February 10, 1957) To be reelected Independent Director</p>	<p>April 1981: Joined McKinsey & Company September 1986: Joined The First Boston Corporation June 1993: Vice-President and Director, Booze 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. May 2008: Representative Director & President, Eastgate Group, Inc. (present) October 2008: President, Better Place Japan Co., Ltd. April 2012: Director, the Company (present) August 2012: Representative Director & President, Hailo Network Japan Co., Ltd. (present) April 2014: Representative Director & President, The RealReal Japan Inc. (present)</p> <p>Important concurrent positions Representative Director & President, Eastgate Group, Inc. Representative Director & President, Hailo Network Japan Co., Ltd. Representative Director & President, The RealReal Japan Inc.</p> <p>Reason for election It is proposed that Mr. 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., Eastgate Group, Inc., Better Place Japan Co., Ltd. and Hailo Network Japan Co., Ltd. may be applied to the Company's management.</p> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 0 shares Years served as Director: 2 years Attendance at meetings of the Board of Directors during current fiscal year: 19 of 19 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
12	<p>Keiko Unotoro (October 26, 1954) To be reelected Independent 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>November 2012: Advisor, Oh-ebashi LPC & Partners (present)</p> <p>April 2013: Professor, Faculty of Modern Business Administration, Toyo Gakuen University (present)</p> <p>June 2013: Director, the Company (present)</p> <p>Important concurrent positions Professor, Faculty of Modern Business Administration, Toyo Gakuen University</p> <p>Reason for election It is proposed that Ms. 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> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 200 shares</p> <p>Years served as Director: 1 year</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: 15 of 15 (100%)</p>

No.	Name (Date of birth)	Profile, and position and responsibility in the Company	
13	Masaru Kato (February 22, 1952) To be newly elected	<p>April 1977: Joined Sony Corporation</p> <p>June 1997: Corporate Executive Officer, Sony Computer Entertainment Inc.</p> <p>June 2000: Member of the Board, Sony Computer Entertainment Inc.</p> <p>July 2002: Deputy President and Chief Financial Officer, Sony Computer Entertainment Inc.</p> <p>July 2005: Representative Director of the Board, Sony Computer Entertainment Inc.</p> <p>June 2009: SVP Corporate Executive, Deputy CFO, Sony Corporation</p> <p>June 2010: EVP and CFO, Corporate Executive Officer, Sony Corporation Director, Sony Financial Holdings Inc. (Retiring June 24, 2014)</p> <p>June 2012: Director, Sony Corporation (Retiring June 19, 2014)</p> <p>June 2013: Representative Corporate Executive Officer, Sony Corporation</p> <p>April 2014: Vice Chairman, Sony Corporation (present)</p> <p>Important concurrent positions Director, Sony Corporation (Retiring June 19, 2014) Vice Chairman, Sony Corporation Director, Sony Financial Holdings Inc. (Retiring June 24, 2014)</p> <p>Reason for election It is proposed that Mr. Kato be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at the Sony Group may be applied to the Company's management.</p> <p>Special interest between the candidate and the Company There is no special interest.</p>	<p>Number of shares of the Company held: 0 shares</p> <p>Years served as Director: - years</p> <p>Attendance at meetings of the Board of Directors during current fiscal year: - of - (-%)</p>

- Notes: 1. "Number of shares of the Company held" indicates the number of shares held as of March 31, 2014.
2. Process for determining the candidates for Director
Mr. Masaru Kato was nominated by Sony Corporation because Mr. Kenichiro Yoshida, who assumed office based on the capital alliance agreement with Sony Corporation, will resign. Therefore, the Nominating Committee recommended the nomination of Mr. Masaru Kato at the meeting of the Board of Directors held on May 9, 2014, and the nomination of Mr. Masaru Kato was approved.
3. Messrs. Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa, Hikari Imai, Kiyotaka Fujii, Ms. Keiko Unotoro and Mr. Masaru Kato 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.

4. Special notes concerning the candidates for Outside Director

Furukawa Electric Co. Ltd., where Mr. Sumitaka Fujita has served as Outside Director since June 2008, 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 optical fiber cables and related products in May 2010. In September 2011, the company entered into a plea agreement with the U.S. Department of Justice regarding a cartel with rival companies for the transactions of automobile wire harness products and agreed to pay 200 million dollars in penalties during subsequent legal proceedings. In Japan, the Japan Fair Trade Commission also issued orders related to transaction of the same products in January 2012, and although the company was not subject to the orders, the company was identified as a violator in the orders. In addition, in April 2013, the company was fined 5 million Canadian dollars by the Canadian authority, and, in July 2013, the company and its subsidiary Furukawa Automotive Systems Inc. received from the European Commission a decision in which they were fined approximately 4.02 million euros. Furthermore, the 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 in December 2013 concerning work related to overhead power lines ordered by Tokyo Electric Power Company, and also in January 2014 concerning the similar work ordered by the Kansai Electric Power Co., Inc. In April 2014, the company received from the European Commission a decision in which the company was fined approximately 8.86 million euros, regarding a cartel for power cables and related products. Although he was not aware of the facts until they came to light, Mr. Fujita had regularly made recommendations from the viewpoint of legal compliance and promoted awareness. Following the incident, in addition to demanding for a thorough awareness of compliance and the implementation of appropriate measures to prevent a reoccurrence at a Furukawa Electric's Board of Directors' meeting, where the incidences and responses were reported on and debated, and other meetings. Mr. Fujita also monitors the state of implementation of the various 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.

5. 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, Kiyotaka Fujii, and Ms. Keiko Unotoro are elected, the

Company plans to continue the limitation of liability agreement with each of them. Also, if the candidate for Outside Director, Mr. Masaru Kato is elected, the Company plans to enter into the same agreement with him.

Policy on independence of Outside Directors and Outside Audit & Supervisory Board Members

The Company has established its “Criteria for Independence of Outside Officers” as described below in order to clarify its policy on the independence of Outside Directors and Outside Audit & Supervisory Board Members:

(Criteria for Independence of Outside Officers)

The Board of Directors of the Company assesses the independence of Outside Directors or Outside Audit & Supervisory Board Members (hereinafter, collectively “Outside Officers”) based on the following criteria:

When the independence of Outside Officers is assessed at the Board of Directors, the Nominating Committee composed of a majority of Outside Directors shall, in advance, examine the independence of the relevant persons, and state its opinion and provide advice to the Board of Directors.

1. In any of the past 10 fiscal years, the Outside Officer has not directly received more than ¥10 million in remuneration (excluding remuneration from the Company to Officers) or other assets from the Company and the Company’s affiliates (hereinafter, collectively the “Group”). If the Outside Officer is a consultant, accounting expert or legal expert, the organization to which he or she belongs has not received more than ¥10 million in remuneration or similar from the Group.
2. During the past ten-year period, the Outside Officer has not been an Operating Director, Corporate Executive Officer, Executive Officer or employee of the rank of General Manager or above at a company that falls under the following categories.
 - (i) In any of the past 10 fiscal years, the monetary amount of the relevant company’s transactions with the Group has been more than 2% of the consolidated net sales of either the company or the Group
 - (ii) The relevant company is a principal shareholder of the Company (holding more than 5% of the total number of voting rights of the Company directly or indirectly; the same shall apply hereinafter)
 - (iii) The Group is a principal shareholder of the relevant company
 - (iv) The relevant company has substantive interests in the Group (as a main bank, consultant, etc.)
 - (v) The Group and the relevant company have a relationship in which they mutually dispatch and appoint directors
3. The Outside Officer is not financially dependent on a person who falls under the categories of 1. or 2. above.
4. The Outside Officer is not a spouse of, or a relative within the third degree of kinship of, a Director, Operating Director, Executive Officer or employee of the rank of General Manager or above at the Group.
5. The Outside Officer does not belong to an auditing firm that conducts statutory audits of the Group.
6. In addition to each of the above items, the Outside Officer does not have any significant interest that casts doubt on his or her independence.

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

The Company's Board of Directors resolved at the meeting held on May 15, 2013, 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 26, 2013 for the 145th term. The effective period of the renewed plan (the "Former Plan") will expire at the conclusion of the General Meeting of Shareholders for the 146th term to be held on June 26, 2014 (the "General Meeting of Shareholders").

The Company hereby announces that the Company's Board of Directors resolved at the meeting held on May 9, 2014, 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 Company 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 Company Law; the "Basic Policy").

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

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

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

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

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor, in turn, the common interests of its shareholders, including those with a purpose that would obviously harm the corporate value of the target company and, in turn, the common interests of its shareholders, those with the potential to

substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company’s board of directors and shareholders to consider the details of acquisition or for the target company’s board of directors to make an alternative proposal, and those that require the target company to negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

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

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

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

1. The Source of the Company’s Corporate Value

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

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

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

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

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

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

2. Strengthening of Corporate Governance

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

In January 2012, the Company's shares were designated as "Securities on Alert" by the Tokyo Stock Exchange. As a result of the Company's efforts to strengthen corporate governance and to reorganize the internal control system, the Tokyo Stock Exchange, after its examination, confirmed that no problem is found in our internal control system, and the designation as "Securities on Alert" was lifted with respect to our shares as of June 11, 2013.

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

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

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

III. Purpose of the Plan and Plan Outline

1. Purpose of the Plan

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

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

Major shareholders of the Company as of March 31, 2014 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 kaitsuke*)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 event¹² 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;¹³
- (II) Joint Holders of Specified Large Holders;
- (III) Specified Large Purchasers;¹⁴
- (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 Party¹⁵ 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 9, 2014. 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.

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.

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

Attachment 1

Major Shareholders

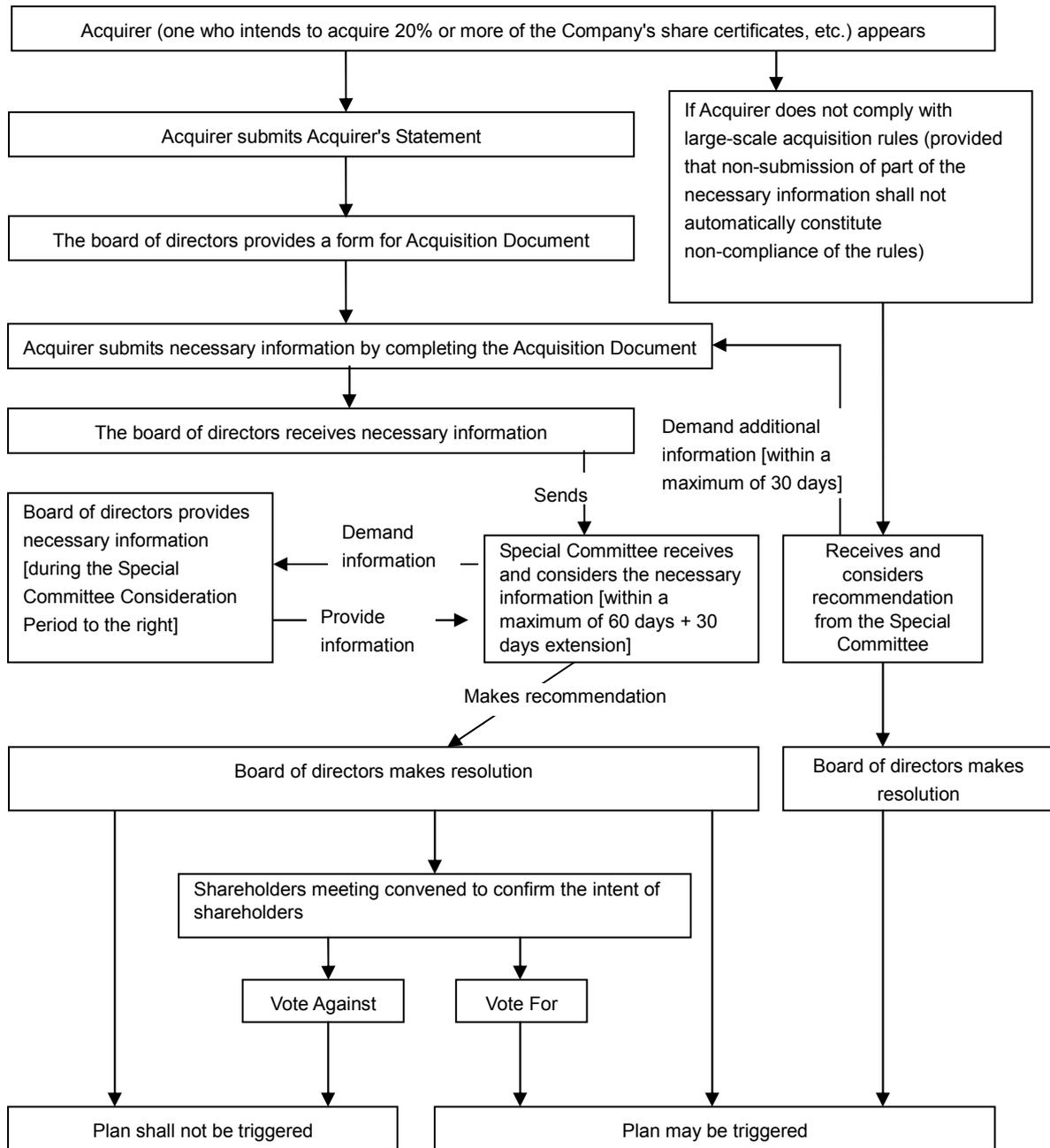
Major shareholders of the Company as of March 31, 2014 are as follows:

Name of Shareholders	Numbers of shares held	Holding Ratio (%)
Sony Corporation	34,487,900 shares	10.08
State Street Bank and Trust Company 505223	18,637,748	5.45
The Master Trust Bank of Japan, Ltd. (trust account)	16,038,100	4.69
Nippon Life Insurance Company	13,286,618	3.88
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,286,586	3.88
Japan Trustee Services Bank, Ltd. (trust account)	12,172,000	3.56
Japan Trustee Services Bank, Ltd. (Olympus shares in Sumitomo Mitsui Banking Corporation's retirement benefit trust account are entrusted to Sumitomo Mitsui Trust Bank, Limited, which consigns their management to Japan Trustee Service Bank, Ltd.)	11,404,000	3.33
State Street Bank and Trust Company	10,563,272	3.09
Sumitomo Mitsui Banking Corporation	8,350,648	2.44
Terumo Corporation	5,581,000	1.63

(Note) The holding ratio is computed by excluding treasury shares (431,063 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. (current Nippon Steel & Sumikin Texeng. Co., Ltd.)
April 2010: Audit & Supervisory Board Member, NKSJ Holdings, Inc. (Retiring June 23, 2014)
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
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, 2013 to March 31, 2014)

I Review of Group Operations

1. Review of Operations

In the global economy during the fiscal year under review, there was moderate recovery overall, mainly in the U.S. However, difficulties continued to be experienced in certain regions such as slowdown of economic growth in the emerging economies, notably China, and continuing economic sluggishness in Europe due to debt problems. In the Japanese economy, recovery continued on the back of yen depreciation and an improving employment situation while consumer spending and capital investment also increased, partly due to a rush in demand before the consumption tax hike.

Faced with this business environment, the Olympus Group moved forward with various efforts to achieve its “Medium-Term Vision” (medium-term management plan), the first year of which was the fiscal year ended March 2013. Taking into consideration the basic strategies of “rebuilding of the business portfolio and optimal allocation of management resources,” “review of cost structures,” “restoration of financial health,” and “restructuring of governance,” the Olympus Group implemented various measures including reorganizing its non-core businesses and restructuring its production bases in the Imaging Systems Business. Although the Tokyo Stock Exchange designated the Company’s shares as “Securities on Alert,” the designation was lifted in June 2013 because the Group united and rebuilt its corporate governance system and strengthened compliance. In July of the same year, the Group raised approximately ¥110,000 million by issuing new shares and selling off treasury shares overseas. Through these efforts, the Group has worked to strengthen its financial position and secure funds for investments in its Medical Systems Business, the Company’s core business.

Looking at the Olympus Group’s each business area, in the Medical Systems Business, in the surgical field, sales of surgical endoscopes continued to grow and we strove to strengthen our sales system to achieve further growth, while sales of new products in our flagship gastrointestinal endoscope field grew substantially in Japan and overseas. In the Life Science and Industrial Systems Business, we launched new products in various fields such as laser scanning microscopes and industrial videoscopes and achieved sales growth. Regarding the Imaging Systems Business, we strengthened profitability by expanding the range of higher-priced models of mirrorless interchangeable-lens cameras, an area of strength for the Company, and worked to normalize inventory levels and implement cost reductions.

As a result of these measures, the Olympus Group’s overall consolidated net sales decreased despite increases in the Medical Systems Business and Life Science and Industrial Systems Business, and amounted to ¥713,286 million (down 4.1% year on year), reflecting the sale of the Information & Communication Business in September 2012. Operating income was ¥73,445 million (up 109.4% year on year), due to the significant contraction of operating loss in the Imaging Systems Business, in addition to increases in the Medical Systems Business and Life Science and Industrial Systems Business. Ordinary income was ¥50,913 million (up 290.3% year on year) mainly owing to an increase in operating income. Net income was ¥13,627

million (up 69.9% year on year). This reflected the recording of extraordinary losses of ¥35,642 million mainly from provision for loss on litigation and loss on liquidation of business in line with its withdrawal from biologics business, etc.

During the fiscal year under review, the Olympus Group invested ¥66,796 million on research and development, and spent ¥37,810 million on capital investments.

Regarding foreign exchange, the average exchange rate during the period was ¥100.24 against the U.S. dollar (¥83.10 in the previous fiscal year) and ¥134.37 against the euro (¥107.14 in the previous fiscal year), which caused net sales and operating income to rise by ¥95,500 million and ¥25,900 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.

- Notes:
1. For monetary amounts indicated in units of ¥1 million, fractions of ¥1 million are rounded off.
 2. As of April 1, 2014, the Life Science and Industrial Systems Group was renamed the Scientific Solutions Business Group.

2. Results of the Business Activities by Business Segment

Medical Systems Business

Principal products and business
Manufacture and sale of medical endoscopes, surgical endoscopes, ultrasound endoscopes and endo-therapy devices

Consolidated net sales in the Medical Systems Business amounted to ¥492,296 million (up 24.7% year on year), while operating income amounted to ¥112,735 million (up 29.5% year on year).

In our flagship gastrointestinal endoscope field, sales of the endoscopy platform systems “EVIS EXERA III” and “EVIS LUCERA ELITE,” which were launched in the previous fiscal year, were both strong. In the surgical and therapeutic devices field, sales of the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery, continued to grow. These positive factors resulted in sales growth in the Medical Systems Business.

Operating income in the Medical Systems Business increased due to the substantial increase in sales.

Life Science and Industrial Systems Business

Principal products and business
Manufacture and sale of biological microscopes, industrial microscopes, industrial endoscopes and non-destructive testing equipment

Consolidated net sales in the Life Science and Industrial Systems Business amounted to ¥98,510 million (up 15.2% year on year), while operating income amounted to ¥4,935 million (up 39.9% year on year).

In the life science field, sales of products including “FLUOVIEW FVMPE-RS,” a new product in our series of laser scanning microscopes for use in cutting-edge life science research, were strong, and in the industrial field, sales grew for products such as “IPLEX RX” and “IPLEX RT,” which are new products in industrial videoscopes that have the best imaging quality in the series and the “OmniScan SX” series of compact and lightweight ultrasonic phased array flaw detectors, leading to higher sales in both fields.

Operating income in the Life Science and Industrial Systems Business increased because of the increase in sales.

Imaging Systems Business

Principal products and business
Manufacture and sale of digital cameras and voice recorders

Consolidated net sales in the Imaging Systems Business amounted to ¥96,111 million (down 10.7% year on year), while operating loss amounted to ¥9,182 million (compared with an operating loss of ¥23,073 million in the previous fiscal year).

In the digital single-lens camera field, we launched “OM-D E-M1,” our flagship model of mirrorless single-lens camera that offers image quality comparable to full-size single-lens cameras, and “OM-D E-M10,” a mirrorless single-lens camera that condenses leading edge technology into an ultra-slim, stylish body. As a result, our sales were strong. Meanwhile, in response to shrinkage in the compact camera market as a whole, we limited the number of units sold in this field. Consequently, there was a decline in sales in the Imaging Systems Business overall.

We reduced operating loss in this business by arranging cost structures in line with the business scale and striving to cut costs.

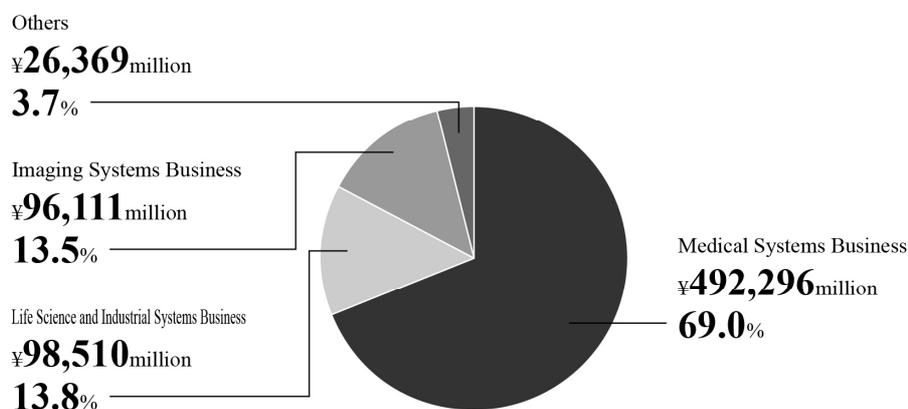
Others

Principal products and business
System development, manufacture and sale of biomedical materials etc.

Consolidated net sales for other businesses amounted to ¥26,369 million (down 36.8% year on year) and operating loss was ¥5,356 million (compared with an operating loss of ¥4,870 million in the previous fiscal year).

In order to allocate management resources to our business domains in a more concentrated manner, we reorganized our non-core business domains, which also included profitable businesses. As a result, sales declined and operating loss increased in other businesses.

Share of Net Sales by Segment



3. Changes in Assets and Results of Operation

		143 rd term	144 th term	145 th term	146 th term (current fiscal year)
Net sales	(Millions of yen)	847,105	848,548	743,851	713,286
Operating income	(Millions of yen)	38,379	35,518	35,077	73,445
Ordinary income	(Millions of yen)	23,215	17,865	13,046	50,913
Net income (loss)	(Millions of yen)	3,866	(48,985)	8,020	13,627
Total assets	(Millions of yen)	1,019,160	966,526	960,239	1,027,475
Net assets	(Millions of yen)	115,579	48,028	151,907	331,284
Net income (loss) per share	(Yen)	14.39	(183.54)	28.96	41.05
Net assets per share	(Yen)	421.37	167.76	493.30	962.83

- Notes:
1. The above figures for the 143rd term are amounts based on the corrected financial statements for that term.
 2. In the 144th 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. Effective from the 146th term (current fiscal year), IAS No. 19, "Employee Benefits" (revised on June 16, 2011) has been applied at certain overseas subsidiaries. Since this change in accounting policy has been applied retroactively, the amounts of total assets, net assets and net assets per share for the 145th term reflect this retroactive application.
 4. See "I Review of Group Operations 1. Review of Operations" on pages 54 to 55 above for details on results for the 146th term (current fiscal year).

4. Financing and Capital Investment

(1) Financing

During the current fiscal year, Olympus issued 37,000,000 shares of new common stock (paid in amount per share was ¥2,766.96) in overseas markets and procured total funds of ¥102,400 million through receiving paid in amounts by issuing these shares on July 25, 2013.

Furthermore, the Company sold off 4,000,000 shares of common stock held as treasury stock (paid in amount per share was ¥2,766.96) in overseas markets and procured total funds of ¥11,100 million through receiving paid in amounts by disposal of treasury stock on July 25, 2013.

(2) Capital investment

A total of approximately ¥37,800 million was spent this fiscal year in capital investment. Major expenditures included fixed assets for demonstrations and for lease in the Medical Systems Business and metal molds for new products in the Imaging Systems Business.

5. Future Challenges

Looking ahead, although a moderate recovery trend in the global economy mainly in the U.S. is continuing and the ongoing weak economic activity in Europe appears to have hit bottom, the risk of economic downturn still remains due to such factors as the slowing growth in the emerging economies. In the Japanese economy, despite it showing a trend of recovery on the back of yen depreciation and an improving employment situation, the outlook remains uncertain due to concerns such as the effect of the consumption tax hike.

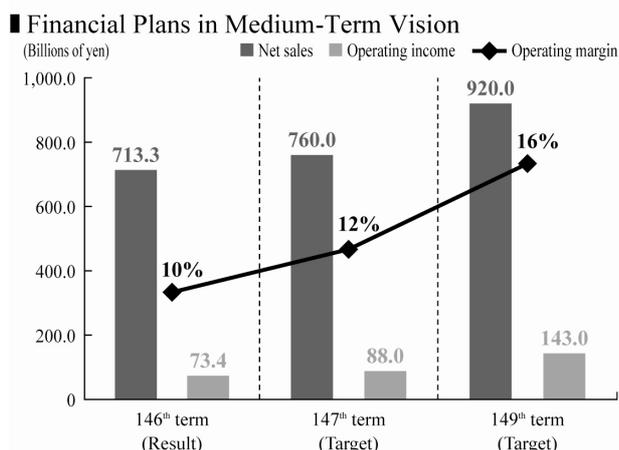
Given this environment, the Olympus Group will steadily implement the “Medium-Term Vision” (medium-term management plan). In addition to soundly achieving the Medium-Term Vision, we also aim to make long-term strategic investment in the main businesses for future growth, particularly in the Medical Systems Business, and to accelerate growth and strengthen our business base.

In addition, the Olympus Group will maximize the performance of the whole group by strategically allocating its business resources and making the most of its resources in order to build the optimal business portfolio after precisely determining changes in the business environment. In order to do so, it is important to conduct business in line with “One Olympus,” one of the management policies. One aspect of this is examining how to build the optimal group organization by revising the system of separate companies for the Medical Systems Business and Imaging Systems Business and restructuring the group organization. Through these efforts, the Group is striving to strengthen the headquarters’ functions, eliminate redundant functions between organizations, and improve its cost competitiveness by increasing the efficiency of business resources.

Regarding the initiatives in each business segment, in the Medical Systems Business, we will achieve aggressive business expansion by such means as further strengthening the sales system in the surgical business and expanding sales of the energy device “THUNDERBEAT,” which is a strategic product. Meanwhile, in the Scientific Solutions Business, the new name for the business formerly called the Life Science and Industrial Systems Business, we will make efforts to improve investment efficiency by selection and concentration of fields based on customer groups and aim to improve profitability by making business organizations more efficient. In the Imaging Systems Business, while continuing to narrow down our numerical targets for units sold to counter an expected further shrinkage in the compact camera market, we will lift the sales share of the highly profitable “OM-D” series to accelerate the shift to the mirrorless interchangeable-lens field, which is expected to grow.

We are continuing to work to reinforce corporate governance and promote compliance. We will strengthen the system to promote these efforts, including the system of internal controls, and continue to foster high ethics and raise awareness throughout the Olympus Group.

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



	146 th term (Result)	147 th term (Forecast)	149 th term (Target)
Return on invested capital (ROIC)	5.9%	–	10% or more
Operating margin	10.3%	11.6%	10% or more
Free cash flow (Cash flow from operating activities + cash flow from investing activities)	¥52.1 billion	–	¥70.0 billion or more
Equity ratio	32.1%	–	30% or more

6. Major Parent Companies and Subsidiaries, etc.

(1) Parent companies

There is no relevant information.

(2) Major subsidiaries, etc.

There are 153 consolidated subsidiaries, including the following 5 major subsidiaries, and 4 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.	¥19,500 million	100	Manufacture and sale of image-related products
Olympus Corporation of the Americas	US\$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 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) Places of business of the Company's major subsidiaries

Olympus Medical Systems Corp.	Shinjuku-ku, Tokyo (Main office)
Olympus Imaging Corp.	Hachioji-shi, Tokyo (Main office)
Aizu Olympus Co., Ltd.	Aizuwakamatsu-shi, Fukushima
Aomori Olympus Co., Ltd.	Kuroishi-shi, Aomori
Shirakawa Olympus Co., Ltd.	Nishishirakawa-gun, Fukushima
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

8. Employee Situation of the Group

Segment	Numbers of employees		Increase/decrease from the previous fiscal year	
Medical Systems Business	17,150	(1,195)	+1,616	(+177)
Life Science and Industrial Systems Business	4,209	(75)	-285	(-6)
Imaging Systems Business	6,229	(1,654)	-882	(+585)
Others	1,340	(50)	-364	(-16)
Management division	1,774	(4)	-80	(-2)
Total	30,702	(2,978)	+5	(+738)

- 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 increase in the number of employees in the Medical Systems Business compared to the previous fiscal year is mainly due to the strengthening of the sales system.
 3. The decrease in the number of employees in the Imaging Systems Business compared to the previous fiscal year is mainly due to the consolidation of production bases.

9. Principal Lenders

(Millions of yen)

Lender	Balance of borrowing
Sumitomo Mitsui Banking Corporation	98,860
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	81,147

10. Other Important Matters Concerning Group Operations

As a result of inappropriate financial reporting associated with the Company's postponing of the recognition of past losses, certain shareholders of the Company, etc. have filed lawsuits 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. As of May 14, 2014 (hereinafter "as of present"), the total amount of damages claimed in relation to this matter is ¥86.3 billion, of which the main lawsuits are as follows.

The Company reported ¥11.0 billion as provision for loss on litigation in current liabilities, considering the progress status of the lawsuits (i) and (iii) mentioned below, which are part of the lawsuits in relation to this matter.

- (i) On June 28, 2012 (the date of the service of the complaint was November 12, 2012) a total of 49 companies (of which one company withdrew its claim before the complaint was served), including the Teachers' Retirement System of the State of Illinois and other overseas institutional investors and pension funds that are shareholders of the Company, filed a lawsuit against the Company, to seek 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 damages 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. Furthermore, as two of the plaintiff companies withdrew their claims on June 28, 2013 and the amount of damages claimed by them was ¥9 million, the total amount of damages claimed as of present has been changed to ¥20,842 million and 5% per annum interest on this amount for the period from November 8, 2011 up to the payment of the principal.
- (ii) On December 13, 2012 (the date of the service of the complaint was March 29, 2013), a total of 68 companies, including California Public Employees' Retirement System and other overseas institutional investors that are shareholders of the Company, filed a lawsuit against the Company, to seek damages of ¥5,892 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 two of the plaintiff companies withdrew their claims on April 4, 2013 and the amount of damages claimed by them was ¥18 million, the total amount of damages claimed was changed to ¥5,875 million and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal. Moreover, as four of the plaintiff companies withdrew their claims on September 11, 2013 and the amount of damages claimed by them was ¥112 million, the total amount of damages claimed was changed to ¥5,763 million and 5% per annum interest on this amount for the period

from October 14, 2011 up to the payment of the principal. In addition, as one of the plaintiff companies withdrew its claim on February 4, 2014 and the amount of damage claimed by it was ¥2 million, the amount of damages claimed was changed to ¥5,762 million and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal.

Furthermore, on May 14, 2014, as one of the plaintiff companies withdrew its claim and the amount of damages claimed by it was ¥3 million, the total amount of damages claimed as of present has been changed to ¥5,759 million and 5% per annum interest on this amount for the period from October 14, 2011 up to the payment of the principal.

(iii) On June 27, 2013 (the date of the service of the complaint was July 16, 2013) a total of 43 companies, including California State Teachers' Retirement System and other overseas institutional investors and pension funds that are shareholders of the Company, filed a lawsuit against the Company, to seek damages of ¥16,832 million and 5% per annum interest on this amount for the period from November 8, 2011 up to the payment of the principal.

(iv) On April 7, 2014 (the date of the service of the complaint was April 17, 2014), a total of six banks, Mitsubishi UFJ Trust and Banking Corporation and five other trust banks, filed a lawsuit against the Company to seek damages of ¥27,915 million and 5% per annum interest on the amount of damage incurred relating to each of the shares for the period from the day immediately following the trade date of such shares up to the payment of the principal.

The Tokyo District Public Prosecutor's Office filed charges with the Tokyo District Court against the Company for violations of the Securities and Exchange Act and the Financial Instruments and Exchange Act. On July 3, 2013, the Tokyo District Court rendered a judgment including a fine of ¥700 million, and the Company fully paid the fine on August 9, 2013.

In addition, on July 23, 2012, Terumo Corporation, a shareholder of the Company, filed a lawsuit against the Company seeking 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. On November 18, 2013, a court-mediated settlement was reached, and on December 18, 2013, the Company paid ¥6.0 billion to settle the case as stipulated in the settlement agreement.

In order to clarify responsibility for the series of problems related to postponing of the recognition of past losses, we established the Director Liability Investigation Committee and the Non-director Management Liability Investigation Committee and conducted a strict and thorough investigation. Based on the results of the investigation, we filed a lawsuit seeking damages of approximately ¥3.6 billion against 19 former directors and a lawsuit seeking damages of approximately ¥1.0 billion against 5 former Audit & Supervisory Board Members in January 2012, and another lawsuit seeking damages of ¥500 million against two outsiders who helped the same incident was filed in June 2012. All of the three lawsuits are now pending in the Tokyo District Court.

II Matters Concerning Shares

1. Total Number of Shares Authorized to be Issued: 1,000,000,000 shares

2. Total Number of Issued Shares: 342,240,445 shares

(Excluding treasury stock 431,063 shares)

Note: The Company sold off 4,000,000 common shares held as treasury stock in overseas market, and on July 25, 2013, the funds from the sale were paid in.

3. Number of Shareholders as of March 31, 2014: 26,173

4. Principal Shareholders (Top 10)

(As of March 31, 2014)

Shareholders	Numbers of shares held	Shareholding ratio
Sony Corporation	34,487,900 shares	10.08%
State Street Bank and Trust Company 505223	18,637,748	5.45%
The Master Trust Bank of Japan, Ltd. (trust account)	16,038,100	4.69%
Nippon Life Insurance Company	13,286,618	3.88%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,286,586	3.88%
Japan Trustee Services Bank, Ltd. (trust account)	12,172,000	3.56%
Japan Trustee Services Bank, Ltd. (Olympus shares in Sumitomo Mitsui Banking Corporation's retirement benefit trust account are entrusted to Sumitomo Mitsui Trust Bank, Limited, which consigns their management to Japan Trustee Service Bank, Ltd.)	11,404,000	3.33%
State Street Bank and Trust Company	10,563,272	3.09%
Sumitomo Mitsui Banking Corporation	8,350,648	2.44%
Terumo Corporation	5,581,000	1.63%

Note: The shareholding ratio is calculated with the amount of treasury stock (431,063 shares) deducted.

III Matters Concerning Subscription Rights to Shares, etc.

1. Summary of Subscription Rights to Shares

Date of issue	Number of subscription rights to shares	Class and number of shares to be issued upon exercise of subscription rights to shares	Amount to be paid in for subscription rights to shares	Value of property contributed upon exercise of subscription rights to shares	Exercise period	Grantees
August 8, 2013 (The first subscription rights to shares)	391	Common stock 39,100 shares	¥2,940 per share	¥1 per share	(Notes)	Directors or Executive Officers

- Notes:
1. A holder of subscription rights to shares may exercise the rights 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 loses his/her position of either Director or Executive Officer of the Company.
 2. Should a holder of subscription rights to shares assume the position of Audit & Supervisory Board Member after his/her retirement from the position of Director or Executive Officer, he/she may exercise the rights 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 loses his/her position of Audit & Supervisory Board Member of the Company.
 3. Other terms and conditions are stipulated in the Agreement on the Allocation of Subscription Rights to Shares.

2. Subscription Rights to Shares Granted to as Compensation for the Duties Performed and Held by the Company's Directors and Audit & Supervisory Board Members as of March 31, 2014

Category	Issue number	Number of subscription rights to shares	Class and number of shares to be issued upon exercise of subscription rights to shares	Number of holders
Directors (excluding Outside Directors)	The first subscription rights to shares	129	Common stock 12,900 shares	5

3. Subscription Rights to Shares Granted to the Company's Employees, etc. as Compensation for the Duties Performed during the Fiscal Year

Category	Issue number	Number of subscription rights to shares	Class and number of shares to be issued upon exercise of subscription rights to shares	Number of grantees
Directors (excluding Outside Directors)	The first subscription rights to shares	129	Common stock 12,900 shares	5
Executive Officers	The first subscription rights to shares	262	Common stock 26,200 shares	20

Note: Executive Officers do not include those who also serve as Directors.

IV Matters Concerning Directors and Audit & Supervisory Board Members

1. Name of Directors and Audit & Supervisory Board Members (As of March 31, 2014)

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	Group President of Group Management Office
Director	Shigeo Hayashi	Group President of Corporate Monozukuri Innovation Center
Outside Director	Takuya Goto	Director, JSR Corporation President, Japan Marketing Association President, Asia Marketing Federation
Outside Director	Shiro Hiruta	Audit & Supervisory Board Member, Nikkei Inc.
Outside Director	Sumitaka Fujita	Director, Furukawa Electric Co., Ltd. Director, Nippon Sheet Glass Co., Ltd. Chairman, Japan Association for CFOs
Outside Director	Motoyoshi Nishikawa	Audit & Supervisory Board Member, NKSJ Holdings, Inc.
Outside Director	Hikari Imai	
Outside Director	Kiyotaka Fujii	Representative Director & President, Eastgate Group, Inc. Representative Director & President, Hailo Network Japan Co., Ltd.
Outside Director	Keiko Unotoro	Professor, Faculty of Modern Business Administration, Toyo Gakuen University
Outside Director	Kenichiro Yoshida	Member of the Board, M3, Inc. Member of the Board, So-net Corporation Corporate Executive Officer, EVP, CSO and Deputy CFO, Sony Corporation Member of the Board, Actvila Corporation
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
Outside Audit & Supervisory Board Member	Katsuya Natori	Chief, Natori Law Office

- Notes:
1. The above directors assumed their post on June 26, 2013, 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, Kiyotaka Fujii, Keiko Unotoro and Kenichiro Yoshida are Outside Directors stipulated by Article 2, Paragraph 15 of the Company Law. Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa, Hikari Imai, Kiyotaka Fujii and Keiko Unotoro are also 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, 2014	Director and Senior Executive Managing Officer Group President of the Corporate Center	Director and Senior Executive Managing Officer Group President of the Corporate Center, in charge of Olympus Business Creation Corp.

6. Under the Company's executive officer system, the following are executive officers as of March 31, 2014. The "*" mark indicates individuals serving concurrently as Directors.

Appointment	Name
President and CEO *	Hiroyuki Sasa
Senior Executive Managing Officer *	Hideaki Fujizuka
Senior Executive Managing Officer *	Yasuo Takeuchi
Senior Executive Managing Officer	Akihiro Taguchi
Executive Managing Officer *	Shigeo Hayashi
Executive Managing Officer	Haruo Ogawa
Executive Managing Officer	Toshiaki Gomi
Executive Managing Officer	Masao Kuribayashi
Executive Managing Officer	Yasushi Sakai
Executive Officer	Kazuhiro Watanabe
Executive Officer	Shinichi Nishigaki
Executive Officer	Koichi Karki
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	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 retired on March 31, 2014.

Executive Managing Officer Masao Kuribayashi
 Executive Officer Kazuhiro Watanabe
 Executive Officer Yasuo Yoda

2. The following executive officers were newly elected on April 1, 2014.

Executive Officer Kiichi Hirata
 Executive Officer Toshihiko Okubo
 Executive Officer Mitsuhiro Hikosaka

3. The following executive officer had a change to his appointment on April 1, 2014.

Executive Managing Officer Akira Kubota

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

(1) Amount of remuneration for Directors and Audit & Supervisory Board Members, guidelines for deciding on the method for calculating remuneration, and method for deciding

The basic concept behind remuneration for Directors and Audit & Supervisory Board Members is to strengthen their awareness of their mission to maximize corporate value and meet shareholders' needs and to create new corporate value, taking into consideration the management policies of "Back to Basics," "One Olympus," and "Profitable Growth" and to provide a position and compensation appropriate for those responsibilities.

Compensation for Directors (excluding Outside Directors) consists of fixed monthly remuneration, bonus, and share-based compensation stock options. The monthly remuneration is set according to the base remuneration for each position and factors such as contribution to the company. The amount of the total bonus is decided upon taking into consideration consolidated operating income and consolidated net income for the accounting period. Share-based compensation stock option system is to allot subscription rights to shares for the purpose of incentivizing Directors to work for medium- to long-term performance improvement and corporate value enhancement. Outside Directors are paid only monthly remuneration, not a bonus or share-based compensation stock options.

Remuneration for Audit & Supervisory Board Members is set based on consultations with Audit & Supervisory Board Members but does not include a bonus or share-based compensation stock options.

- Composition of Directors' compensation by type (excluding Outside Directors)
(assuming targets for variable compensation are all 100% achieved)

Type of compensation		Ratio to total compensation	
Fixed compensation	Monthly remuneration (Base remuneration)	77%	
Variable compensation	Bonus (short-term incentive)	15%	23%
	Share-based compensation stock options (long-term incentive)	8%	
Total		100%	

(2) Number of Directors and Audit & Supervisory Board Members paid and total amount of remuneration

	Number of Directors and Audit & Supervisory Board Members	Total amount of remuneration
Director	13	¥460 million
Audit & Supervisory Board Member	4	¥80 million

Notes: 1. By resolution of the 143rd 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 145th General Meeting of Shareholders held on June 26, 2013, the maximum remuneration paid in subscription rights to shares allocated as share-based compensation stock options to Directors (excluding Outside Directors) is ¥200 million annually. By resolution of the 138th General Meeting of Shareholders held on June 29, 2006, the maximum monthly remuneration for Audit & Supervisory Board Members is set at ¥10 million.

2. Since there are no Directors who are also employees, there is no payment of employee salaries.
3. Of the above amount of remuneration for Directors and Audit & Supervisory Board Members, the total amount paid to Outside Directors and Outside Audit & Supervisory Board Members (8 Outside Directors, 2 Outside Audit & Supervisory Board Members) is ¥105 million.

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, 2014)

Position	Name	Important concurrent positions at other organizations
Outside Director	Takuya Goto	Director, JSR Corporation President, Japan Marketing Association President, Asia Marketing Federation
Outside Director	Shiro Hiruta	Audit & Supervisory Board Member, Nikkei Inc.
Outside Director	Sumitaka Fujita	Director, Furukawa Electric Co., Ltd. Director, Nippon Sheet Glass Co., Ltd. Chairman, Japan Association for CFOs
Outside Director	Motoyoshi Nishikawa	Audit & Supervisory Board Member, NKSJ Holdings, Inc.
Outside Director	Kiyotaka Fujii	Representative Director & President, Eastgate Group, Inc. Representative Director & President, Hailo Network Japan Co., Ltd.
Outside Director	Keiko Unotoro	Professor, Faculty of Modern Business Administration, Toyo Gakuen University
Outside Director	Kenichiro Yoshida	Member of the Board, M3, Inc. Member of the Board, So-net Corporation Corporate Executive Officer, EVP, CSO and Deputy CFO, Sony Corporation Member of the Board, Actvila Corporation
Outside Audit & Supervisory Board Member	Nobuo Nagoya	Chief, Nagoya CPA Office
Outside Audit & Supervisory Board Member	Katsuya Natori	Chief, Natori Law Office

- Notes:
1. Sony Corporation is a major shareholder of the Company, and the Company has entered into business alliance agreements and capital alliance agreements with Sony Corporation.
 2. There is no special interest between the Company and the organizations where Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa, Kiyotaka Fujii, Keiko Unotoro, Nobuo Nagoya and Katsuya Natori assume important concurrent positions.
 3. Outside Director Kiyotaka Fujii assumed the position of Representative Director & President of The RealReal Japan Inc. on April 17, 2014. There is no special relationship between the Company and The RealReal Japan.
 4. Outside Director Kenichiro Yoshida assumed the position of Representative Corporate Executive Officer, EVP and CFO of Sony Corporation on April 1, 2014.
 5. The above important concurrent positions at other organizations are stated for persons who held office from the following day of the conclusion of the 145th General Meeting of Shareholders held on June 26, 2013 until the end of the current fiscal year.

(2) Major activities during current fiscal year

Takuya Goto, Director

Mr. Goto attended all 19 Board of Directors' meetings (excluding ones held without a resolution as stipulated in Article 370 of the Company Law; hereinafter the same) held during the current fiscal year 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 all 19 Board of Directors' meetings held during the current fiscal year 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 all 19 Board of Directors' meetings held during the current fiscal year 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 19 Board of Directors' meetings held during the current fiscal year 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 19 Board of Directors' meetings held during the current fiscal year 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 19 Board of Directors' meetings held during the current fiscal year 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., Eastgate Group, Inc., 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.

Keiko Unotoro, Director

Ms. Unotoro attended all 15 Board of Directors' meetings held during the current fiscal year after her assumption of office as Director at the 145th General Meeting of Shareholders held on June 26, 2013, and made statements and recommendations as she saw fit, based on her profound knowledge and broad insight at the Japan Fair Trade Commission.

Kenichiro Yoshida, Director

Mr. Yoshida attended 14 of the 15 Board of Directors' meetings held during the current fiscal year after his assumption of office as Director at the 145th General Meeting of Shareholders held on June 26, 2013 and made statements and recommendations as he saw fit, based on his profound knowledge and broad insight as a business manager at So-net Entertainment Corporation (current So-net Corporation).

Nobuo Nagoya, Audit & Supervisory Board Member

Mr. Nagoya attended all 19 Board of Directors' meetings and all 33 Audit & Supervisory Board's meetings held during the current fiscal year and made statements and recommendations 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 17 of the 19 Board of Directors' meetings and 28 of the 33 Audit & Supervisory Board's meetings held during the current fiscal year and made statements and recommendations 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.

V 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	¥205 million
Total amount of money and other financial interests to be paid by the Company and its subsidiaries	¥292 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 of these compensation types is presented for remuneration to Accounting Auditor for the current fiscal year.
 2. Among the important subsidiaries of the Company, Olympus Corporation of the Americas, Olympus Europa Holding SE 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

As for non-auditing services, the Company requested the Accounting Auditor issue a comfort letter related to the issuance of new shares as well as disposal of treasury stock overseas and paid compensation for the service.

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.

VI 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, 2014)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		LIABILITIES:	
Current assets	576,512	Current liabilities	276,306
Cash and time deposits	252,121	Notes and accounts payable	45,409
Notes and accounts receivable	132,233	Short-term borrowings	69,017
Merchandise and finished goods	51,613	Accrued expenses	73,736
Work in process	24,827	Income taxes payable	13,403
Raw materials and supplies	22,155	Provision for product warranties	8,937
Deferred income taxes	35,925	Provision for loss on business liquidation	4,683
Other current assets	61,024	Provision for loss on litigation	11,000
Allowance for doubtful accounts	(3,386)	Other current liabilities	50,121
Fixed assets	450,963	Non-current liabilities	419,885
Property, plant and equipment	135,440	Long-term bonds, less current maturities	55,000
Buildings and structures	48,257	Long-term borrowings, less current maturities	291,814
Machinery and equipment	9,864	Net defined benefit liability	27,291
Tools, furniture and fixtures	52,725	Provision for retirement benefits for directors and audit & supervisory board members	58
Land	15,561	Other non-current liabilities	45,722
Lease assets	7,483		
Construction in progress	1,550	Total liabilities	696,191
Intangible assets	173,559	NET ASSETS:	
Goodwill	106,850	Shareholders' equity	336,827
Others	66,709	Common stock	124,520
Investments and other assets	141,964	Capital surplus	131,871
Investment securities	56,076	Retained earnings	81,534
Deferred income taxes	12,247	Treasury stock, at cost	(1,098)
Net defined benefit asset	28,217	Accumulated other comprehensive income	(7,308)
Other assets	55,387	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	11,836
Allowance for doubtful accounts	(9,963)	Net unrealized gains (losses) on hedging derivatives, net of taxes	(1)
		Foreign currency translation adjustments	(13,411)
		Remeasurements of defined benefit plans	(5,732)
		Subscription rights to shares	115
		Minority interests	1,650
		Total net assets	331,284
Total assets	1,027,475	Total liabilities and net assets	1,027,475

Consolidated Statement of Income

(April 1, 2013 to March 31, 2014)

(Millions of yen)

Accounts	Amount
Net sales	713,286
Cost of sales	272,830
Gross profit	440,456
Selling, general and administrative expenses	367,011
Operating income	73,445
Non-operating income	4,327
Interest income	1,068
Others	3,259
Non-operating expenses	26,859
Interest expenses	11,470
Foreign currency exchange loss	2,022
Advanced repayment expenses	1,528
Net loss of investment in affiliated companies carried on the equity method	1,457
Others	10,382
Ordinary income	50,913
Extraordinary income	1,154
Gain on sales of investments in subsidiaries and affiliates	496
Gain on sales of noncurrent assets	102
Gain on sales of investment securities	556
Extraordinary losses	35,642
Impairment loss on fixed assets	4,871
Loss on sales of investments in subsidiaries and affiliates	209
Loss on valuation of investment securities	177
Soil improvement cost	808
Settlement package	6,256
Loss on valuation of investments in subsidiaries and affiliates	30
Loss on liquidation of business	11,591
Penalty charges	700
Provision for loss on litigation	11,000
Income before provision for income taxes	16,425
Income taxes, current	19,740
Income taxes for prior periods	(230)
Income taxes, deferred	(16,712)
Income before minority interests	13,627
Minority interests in income of consolidated subsidiaries	0
Net income	13,627

Consolidated Statement of Changes in Net Assets

(April 1, 2013 to March 31, 2014)

(Millions of yen)

Items	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total Shareholders' equity
Balance at the beginning of the year	73,332	79,788	68,000	(11,255)	209,865
Cumulative effects of changes in accounting policies					
Restated balance	73,332	79,788	68,000	(11,255)	209,865
Changes during the year					
Issuance of common stock	51,189	51,189			102,378
Net income			13,627		13,627
Changes of scope of consolidation			(93)		(93)
Acquisition of treasury stock				(16)	(16)
Disposal of treasury stock		894		10,173	11,067
Net changes in items other than shareholders' equity					
Net changes during the year	51,189	52,083	13,534	10,157	126,963
Balance at the end of the year	124,520	131,871	81,534	(1,098)	336,827

Items	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 liability adjustment of foreign subsidiaries	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at the beginning of the year	6,295	20	(58,029)	(9,046)	-	(60,760)
Cumulative effects of changes in accounting policies				(500)		(500)
Restated balance	6,295	20	(58,029)	(9,546)	-	(61,260)
Changes during the year						
Issuance of common stock						
Net income						
Changes of scope of consolidation						
Acquisition of treasury stock						
Disposal of treasury stock						
Net changes in items other than shareholders' equity	5,541	(21)	44,618	9,546	(5,732)	53,952
Net changes during the year	5,541	(21)	44,618	9,546	(5,732)	53,952
Balance at the end of the year	11,836	(1)	(13,411)	-	(5,732)	(7,308)

Items	Subscription rights to shares	Minority interests	Total net assets
Balance at the beginning of the year	-	3,302	152,407
Cumulative effects of changes in accounting policies			(500)
Restated balance	-	3,302	151,907
Changes during the year			
Issuance of common stock			102,378
Net income			13,627
Changes of scope of consolidation			(93)
Acquisition of treasury stock			(16)
Disposal of treasury stock			11,067
Net changes in items other than shareholders' equity	115	(1,652)	52,415
Net changes during the year	115	(1,652)	179,378
Balance at the end of the year	115	1,650	331,284

Non-Consolidated Balance Sheet

(As of March 31, 2014)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		LIABILITIES:	
Current assets	224,932	Current liabilities	119,398
Cash and time deposits	144,634	Notes payable	44
Notes receivable	4,519	Accounts payable	6,523
Accounts receivable	17,103	Current maturities of long-term borrowings	51,900
Finished goods	5,579	Lease liabilities	542
Work in process	2,153	Other payable	7,340
Materials	84	Accrued expenses	12,795
Short-term loans receivable	18,421	Income taxes payable	139
Other receivables	15,633	Deposits received	28,629
Income taxes receivable	5,162	Provision for product warranties	9
Deferred income taxes	10,098	Provision for loss on litigation	11,000
Other current assets	2,521	Other current liabilities	477
Allowance for doubtful accounts	(975)	Non-current liabilities	341,313
Fixed assets	461,674	Long-term bonds, less current maturities	55,000
Property, plant and equipment	31,199	Long-term borrowings, less current maturities	276,100
Buildings	15,688	Lease liabilities	657
Structures	537	Deferred income taxes	4,330
Machinery and equipment	1,180	Provision for loss on business liquidation	4,620
Vehicles	1	Long-term deposits received, less current maturities	606
Tools, furniture and fixtures	2,565		
Land	10,074	Total liabilities	460,711
Lease assets	1,150		
Construction in progress	4	NET ASSETS:	
		Shareholders' equity	214,362
Intangible assets	1,973	Common stock	124,520
Patent right	152	Capital surplus	131,871
Software	1,520	Legal capital surplus	99,216
Software in progress	202	Other capital surplus	32,655
Lease assets	49	Retained earnings	(40,931)
Right of using facilities, etc.	50	Legal reserve	6,626
Investments and other assets	428,502	Other retained earnings	(47,557)
Investment securities	50,462	Reserve for advanced depreciation	1,878
Investment securities in subsidiaries and affiliates	363,100	Retained earnings carried forward	(49,435)
Investments in capital of subsidiaries and affiliates	278	Treasury stock, at cost	(1,098)
Long-term loans receivable	7,644	Valuation and translation adjustments	11,418
Prepaid pension cost	4,665	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	11,418
Long-term accounts receivable-other	7,211		
Claims provable in bankruptcy, claims provable in rehabilitation and other	12,263	Subscription rights to shares	115
Other assets	3,988	Total net assets	225,895
Allowance for doubtful accounts	(21,109)	Total liabilities and net assets	686,606
Total assets	686,606		

Non-Consolidated Statement of Income

(April 1, 2013 to March 31, 2014)

(Millions of yen)

Accounts	Amount
Net sales	82,556
Cost of sales	35,156
Gross profit	47,400
Selling, general and administrative expenses	44,947
Operating loss	2,453
Non-operating income	30,952
Interest income	794
Dividends income	29,044
Others	1,114
Non-operating expenses	13,828
Interest expenses	8,842
Interest on bonds	1,476
Foreign currency exchange loss	42
Others	3,468
Ordinary income	19,577
Extraordinary income	518
Gain on sales of investments in subsidiaries and affiliates	232
Gain on sales of noncurrent assets	103
Gain on sales of investment securities	183
Extraordinary losses	26,009
Impairment loss on fixed assets	400
Loss on valuation of investments in subsidiaries and affiliates	685
Loss on valuation of investment securities	124
Provision for loss on litigation	11,000
Penalty charges	700
Settlement package	6,256
Provision of allowance for doubtful accounts	2,224
Provision for loss on business liquidation	4,620
Loss before provision for income taxes	5,914
Income taxes, current	(12,312)
Income taxes, deferred	(7,490)
Net income	13,888

Non-Consolidated Statement of Changes in Net Assets

(April 1, 2013 to March 31, 2014)

(Millions of yen)

Items	Shareholders' equity			
	Common stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the year	73,332	48,027	31,761	79,788
Changes during the year				
Issuance of common stock	51,189	51,189		51,189
Net income				
Acquisition of treasury stock				
Disposal of treasury stock			894	894
Reversal of reserve for advanced depreciation				
Net changes in items other than shareholders' equity				
Net changes during the year	51,189	51,189	894	52,083
Balance at the end of the year	124,520	99,216	32,655	131,871

Items	Shareholders' equity			
	Retained earnings			
	Legal reserve	Other retained earnings		Total retained earnings
		Reserve for advanced depreciation	Retained earnings carried forward	
Balance at the beginning of the year	6,626	1,985	(63,430)	(54,819)
Changes during the year				
Issuance of common stock				
Net income			13,888	13,888
Acquisition of treasury stock				
Disposal of treasury stock				
Reversal of reserve for advanced depreciation		(107)	107	
Net changes in items other than shareholders' equity				
Net changes during the year		(107)	13,995	13,888
Balance at the end of the year	6,626	1,878	(49,435)	(40,931)

(Millions of yen)

Items	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	Total valuation and translation adjustments		
Balance at the beginning of the year	(11,255)	87,046	5,984	5,984	-	93,030
Changes during the year						
Issuance of common stock		102,378				102,378
Net income		13,888				13,888
Acquisition of treasury stock	(16)	(16)				(16)
Disposal of treasury stock	10,173	11,067				11,067
Reversal of reserve for advanced depreciation		-				-
Net changes in items other than shareholders' equity			5,434	5,434	115	5,549
Net changes during the year	10,157	127,316	5,434	5,434	115	132,865
Balance at the end of the year	(1,098)	214,362	11,418	11,418	115	225,895

Independent Auditor's Report

May 14, 2014

The Board of Directors
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, Section 4 of the Companies Act, we have audited the accompanying 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") applicable to the fiscal year from April 1, 2013 through March 31, 2014.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the 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 these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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 results of operations of the OLYMPUS Group, which consisted of the Company and

consolidated subsidiaries, applicable to the fiscal year ended March 31, 2014 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matters

1. We draw attention to “1. Future conditions” in the Other Notes, which describes that following the Company’s announcement on November 8, 2011 concerning its deferral of recognition of losses on securities investments, investigations by overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and the U.S.) have been launched and remain underway. The consolidated financial statements may need to be restated depending on the results of such investigations in the future. In addition, as a result of inappropriate financial reporting by the Company, certain shareholders and shareholder groups, etc. have filed lawsuits against the Company, and there is a risk that additional claims or lawsuits may be brought against the Company in the future for similar reasons.
2. We draw attention to “4. Contingent liabilities related to lawsuits” in the Notes to Consolidated Balance Sheet, as a result of inappropriate financial reporting by the Company, certain shareholders and shareholder groups, etc. have filed lawsuits against the Company. The Company has recorded provision for loss on litigation for a portion of these lawsuits, and there is a possibility that other lawsuits may have an impact on the Company’s consolidated financial results, depending on future developments pertaining to the lawsuits.
3. We draw attention to “1. Filing of lawsuit against the Company” in the Notes to Significant Subsequent Events, a lawsuit has been filed against the Company by six trust banks.

Our opinion is not qualified in respect of these matters.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

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

Independent Auditor's Report

May 14, 2014

The Board of Directors
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, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying 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") applicable to the 146th fiscal year from April 1, 2013 through March 31, 2014.

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

Management is responsible for the preparation and fair presentation of these 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 the 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 these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

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 results of operations of OLYMPUS CORPORATION applicable to the 146th fiscal year ended March 31, 2014 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matters

1. We draw attention to “1. Future conditions” in the Other Notes, which describes that following the Company’s announcement on November 8, 2011 concerning its deferral of recognition of losses on securities investments, investigations by overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and the U.S.) have been launched and remain underway. The financial statements and the related supplementary schedules may need to be restated depending on the results of such investigations in the future. In addition, as a result of inappropriate financial reporting by the Company, certain shareholders and shareholder groups, etc. have filed lawsuits against the Company, and there is a risk that additional claims or lawsuits may be brought against the Company in the future for similar reasons.
2. We draw attention to “3. Contingent liabilities related to lawsuits” in the Notes to Non-Consolidated Balance Sheet, as a result of inappropriate financial reporting by the Company, certain shareholders and shareholder groups, etc. have filed lawsuits against the Company. The Company has recorded provision for loss on litigation for a portion of these lawsuits, and there is a possibility that other lawsuits may have an impact on the Company’s financial results, depending on future developments pertaining to the lawsuits.
3. We draw attention to “1. Filing of lawsuit against the Company” in the Notes to Significant Subsequent Events, a lawsuit has been filed against the Company by six trust banks.

Our opinion is not qualified in respect of these matters.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

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 146th term (from April 1, 2013 to March 31, 2014), 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 14, 2014

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]