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Securities Code: 7733

June 6, 2016

To Shareholders

2951 Ishikawa-machi, Hachioji-shi, Tokyo
OLYMPUS CORPORATION
Representative Director: Hiroyuki Sasa

Notice Regarding the Convocation of the General Meeting of Shareholders For the 148th Term (from April 1, 2015 to March 31, 2016)

OLYMPUS CORPORATION will be holding the General Meeting of Shareholders for the 148th 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 27, 2016 (Monday).

- 1. Date/Time:** June 28, 2016 (Tuesday) 10:00 a.m.
(Reception desk is scheduled to open at 9:00 a.m.)
- 2. Location** 1 Kioi-cho 4-chome, Chiyoda-ku, Tokyo
Tsuru (West), Banquet Floor, the Main Building, Hotel New Otani Tokyo
- 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 148th term (from April 1, 2015 to March 31, 2016)
 2. The Non-Consolidated Financial Statements for the 148th term (from April 1, 2015 to March 31, 2016)

Matters to be resolved:

- 1st Agenda:** Dividends from Surplus
- 2nd Agenda:** Partial Amendments to the Articles of Incorporation
- 3rd Agenda:** Election of Eleven Directors
- 4th Agenda:** Election of Four Audit & Supervisory Board Members
- 5th Agenda:** Election of One Substitute Audit & Supervisory Board Member

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, “Matters Concerning Subscription Rights to Shares, etc.,” “Overview of Status of Management of Framework to Ensure Fairness of Operations,” “Basic Policy on Control of Company,” “Consolidated Statement of Changes in Net Assets,” “Notes to the Consolidated Financial Statements,” “Non-Consolidated Statement of Changes in Net Assets” and “Notes to the Non-Consolidated Financial Statements” are posted on the Company’s website and are not attached to this notice. The Attached Documents to this notice are part of the documents that were audited by the Audit & Supervisory Board and the Accounting Auditor in preparing the Audit Reports.

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- * When attending at the meeting, you are kindly requested to present the enclosed voting rights exercise form to the receptionist.
 - * Any modifications to the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders shall be posted on the Company’s website.

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 28, 2016 (Tuesday) 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

[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 27, 2016 (Monday) 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 27, 2016 (Monday) 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 27, 2016 (Monday), 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 General Meeting of Shareholders

Propositions and information:

1st Agenda: Dividends from Surplus

Aiming to boost the corporate value, premised on securing stable financial base, the Company places priority on investing in growth fields, particularly the Medical Systems Business. Based on this, our basic strategy is to implement dividend distribution in consideration of performance, in order to respond to the expectations of our shareholders.

In accordance with said basic policy, we propose to pay a year-end dividend of ¥17 per share. Since no interim dividend was paid, the annual dividend will therefore be ¥17 per share, an increase of ¥7 from ¥10 for the previous fiscal year.

Regarding dividends from surplus for the fiscal year under review, we propose to pay dividends to shareholders as follows:

Year-end dividend

(1) Class of distributable assets

Cash

(2) Matters related to the disbursement of dividend and the total amount

Dividends: ¥17 per share of common stock of the Company

Total amount: ¥5,817,993,317

(3) Effective date of the disbursement of dividends from surplus:

June 29, 2016

2nd Agenda: Partial Amendments to the Articles of Incorporation

1. Reason for the Proposal

- (1) The Company's Board of Directors resolved at the meeting held on May 8, 2015, 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, 2015 for the 147th term. The effective period of the renewed plan for countermeasures to large-scale acquisitions of the shares in the Company (the "Plan") will expire at the conclusion of this Ordinary General Meeting of Shareholders.

In the Plan, in order to ensure that when the gratis allotment of Stock Acquisition Rights is provided as part of takeover defense measures, it shall be made not by the Board of Directors of the Company based on its resolution alone but based on a decision of all the shareholders, the Company has established Article 9 of the Articles of Incorporation as a provision which serves as grounds thereof, to allow the Company to (i) resolve the Gratis Allotment of Stock Acquisition Rights by resolution of the General Meeting of Shareholders, or (ii) delegate the Board of Directors to decide on the Gratis Allotment of Stock Acquisition Rights in accordance with certain conditions determined at a General Meeting of Shareholders.

However, the business environment surrounding the Company has changed, the Company implemented various initiatives such as strengthening corporate governance, constructing internal control system, and reviewing compliance. The Company also made progress with the medium-term vision for the five years from fiscal year ended March 31, 2012, rebuilt the business portfolio and took other measures in order to achieve future growth.

Furthermore, the Company formulated a new medium-term management plan commencing in fiscal year ending March 31, 2017, and has embarked on a journey to achieve its goals.

Under these circumstances, the Company has carefully considered as to whether the Plan should be renewed, from the perspective of ensuring and enhancing its corporate value and, in turn, the common interests of its shareholders. As a result, the Company judged that the need to renew the Plan had decreased relative to the time of introduction, and decided at the board of directors meeting held on May 2, 2016 to abolish and not to renew the Plan after the conclusion of the Ordinary General Meeting of Shareholders. Accordingly, the Company proposes to delete Article 9 of the current Articles of Incorporation.

In addition, to reflect the abolition of the article, the subsequent articles following the current Article 10 of Articles of Incorporation shall be renumbered accordingly.

- (2) As "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014) came into effect on May 1, 2015 allowing a Director who is not an Operating Director, etc. and an Audit & Supervisory Board Member who is not an Outside Audit & Supervisory Board Member to conclude a Limitation of Liability Agreement, the Board of Directors resolved to partially amend the current Articles 26 and 34 of Articles of Incorporation to ensure that those Directors and the Audit & Supervisory Board Members may be able to fully play their expected roles.

In addition, the consent of the Audit & Supervisory Board has been obtained for this change of Article 26 of the current Articles of Incorporation.

2. Details of the Amendments

The following are the details of the amendments.

(Underlined portions represent amendments)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 9. (Decision-Making Body of Allotment of Share Acquisition Rights Without Consideration)</u></p> <p><u>Matters relating to the allotment of acquisition rights shall be determined by a resolution of a general meeting of shareholders, a resolution of a Board of Directors based on a delegation by a resolution of a general meeting of shareholders, as well as a Board of Directors' resolution.</u></p>	<p>(Deleted)</p>
<p><u>Article 10. to Article 25.</u></p> <p>(Omitted)</p>	<p><u>Article 9. to Article 24.</u></p> <p>(Unchanged)</p>
<p><u>Article 26. (Limitation of Liability Agreements with Outside Directors)</u></p> <p>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with <u>outside directors</u> limiting the liability for damage of outside directors in connection with their negligence of duties. Maximum liability, however, shall be the amount as set forth in applicable laws and regulations.</p>	<p><u>Article 25. (Limitation of Liability Agreements with Directors)</u></p> <p>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with <u>directors (excluding those who are operating directors, etc.)</u> limiting the liability for damage of outside directors in connection with their negligence of duties. Maximum liability, however, shall be the amount as set forth in applicable laws and regulations.</p>
<p><u>Article 27. to Article 33.</u></p> <p>(Omitted)</p>	<p><u>Article 26. to Article 32.</u></p> <p>(Unchanged)</p>
<p><u>Article 34. (Outside Auditors and Contractual limitation of Liability)</u></p> <p>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with <u>outside auditors</u> limiting the liability for damages of outside auditors in connection with their negligence of duties. Maximum liability, however, shall be the amount as set forth in applicable laws and regulations.</p>	<p><u>Article 33. (Auditors and Contractual limitation of Liability)</u></p> <p>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with <u>auditors</u> limiting the liability for damages of outside auditors in connection with their negligence of duties. Maximum liability, however, shall be the amount as set forth in applicable laws and regulations.</p>
<p><u>Article 35. to Article 40.</u></p> <p>(Omitted)</p>	<p><u>Article 34. to Article 39.</u></p> <p>(Unchanged)</p>

3rd Agenda: Election of Eleven Directors

Upon the conclusion of this General Meeting of Shareholders, the terms of office of all Directors (ten) will expire. In that regard, the Company proposes to elect eleven Directors, increasing the number of Directors by one to enhance the management system.

The candidates for Director are as follows:

No.	Name	Present position and responsibility in the Company	
1	Hiroyuki Sasa	President and Representative Director	Reelected
2	Yasuo Takeuchi	Director, Vice President Chief Financial Officer	Reelected
3	Akihiro Taguchi	Director, Senior Executive Managing Officer, Head of Sales and Marketing Group Business Management Officer of Medical Business	Reelected
4	Haruo Ogawa	Director, Senior Executive Managing Officer Chief Technology Officer Head of R&D Group	Reelected
5	Kiichi Hirata	Executive Managing Officer, Chief Administrative Officer	Newly elected
6	Shiro Hiruta	Outside Director	Reelected Independent
7	Sumitaka Fujita	Outside Director	Reelected Independent
8	Keiko Unotoro	Outside Director	Reelected Independent
9	Takayuki Katayama		Newly elected Independent
10	Susumu Kaminaga		Newly elected Independent
11	Michijiro Kikawa		Newly elected Independent

1. Hiroyuki Sasa (September 14, 1955)

To be reelected

Profile, and position and responsibility in the Company

- 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)

Number of shares of the Company held:
8,773 shares

Years served as Director:
4 years

Attendance at meetings of the Board of Directors during current fiscal year:
23 of 23 (100%)

Important concurrent positions

Mr. Sasa does not hold any important concurrent positions.

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.

Special interest between the candidate and the Company

There is no special interest.

2. Yasuo Takeuchi (February 25, 1957)

To be reelected

Profile, and position and responsibility in the Company

April 1980: Joined the Company
April 2005: General Division Manager, Olympus Medical Systems Corp.
April 2009: Director, Olympus Europa Holding GmbH
June 2009: Executive Officer, the Company
October 2011: Executive Managing Director and Chairman of the Board,
Olympus Europa Holding GmbH
April 2012: Director, the Company (present)
Senior Executive Managing Officer, the Company
Group President of Group Management Office, the Company
Chairman of the Board, Olympus Corporation of the Americas
(present)
March 2013: Administrative Board and Managing Director, Olympus Europa
Holding SE (present)
April 2015: Head of Corporate Management Office, the Company
April 2016: Director, Vice President, the Company (present)
Chief Financial Officer, the Company (present)

Number of shares of the
Company held:
5,900 shares
Years served as
Director:
4 years
Attendance at meetings
of the Board of
Directors during current
fiscal year:
23 of 23 (100%)

Important concurrent positions

Mr. Takeuchi does not hold any important concurrent positions.

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.

Special interest between the candidate and the Company

There is no special interest.

3. Akihiro Taguchi (January 26, 1958) To be reelected

Profile, and position and responsibility in the Company

April 1980:	Joined the Company
April 2009:	Division Manager, R&D Div. 2, Olympus Medical Systems Corp.
June 2010:	Executive Officer, the Company Director, Member of the Board, Olympus Medical Systems Corp. (present)
April 2012:	Senior Executive Managing Officer, the Company (present) President, Olympus Medical Systems Corp.
April 2015:	Head of Sales Group, the Company Business Management Officer of Medical Business, the Company (present)
June 2015:	Director, the Company (present)
April 2016:	Head of Sales and Marketing Group, the Company (present)

Number of shares of the
Company held:
5,400 shares
Years served as
Director:
1 year
Attendance at meetings
of the Board of
Directors during current
fiscal year:
17 of 19 (89%)

Important concurrent positions

Mr. Taguchi does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Taguchi be elected Director of the Company because, in addition to being involved in the development of endoscopes and having experience suited for leading the Medical Systems Business, the Company's core business, in his capacity as President of Olympus Medical Systems Corp., he has worked for popularization of products in the flagship gastrointestinal endoscope field, and he holds a track record in steadily achieving improvements in operating results in the Medical Systems Business.

Special interest between the candidate and the Company

There is no special interest.

4. Haruo Ogawa (April 13, 1957)

To be reelected

Profile, and position and responsibility in the Company

April 1982: Joined the Company
July 2009: Deputy Division Manager Imaging Business Div., Olympus Imaging Corp.
October 2010: Division Manager Medical Technology R&D Div., the Company
April 2011: Executive Officer, the Company
Director, Member of the Board, Olympus Imaging Corp.
April 2012: Executive Managing Officer, the Company
April 2012: President, Olympus Imaging Corp.
April 2015: Head of R&D Group, the Company (present)
Business Management Officer of Scientific Solutions and Imaging Business, the Company
June 2015: Director, the Company (present)
April 2016: Senior Executive Managing Officer, the Company (present)
Chief Technology Officer, the Company (present)

Number of shares of the Company held:

4,200 shares

Years served as

Director:

1 year

Attendance at meetings

of the Board of

Directors during current

fiscal year:

19 of 19 (100%)

Important concurrent positions

Mr. Ogawa does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Ogawa be elected Director of the Company because, in addition to having extensive experience in divisions that have led technological development such as production technology, composite precision technology, and product strategy in the Imaging Systems Business, in his capacity as President of Olympus Imaging Corp., he has a track record of promoting structural reform in the Imaging Systems Business, such as revisions to product strategy and cost reductions.

Special interest between the candidate and the Company

There is no special interest.

5. Kiichi Hirata (July 1, 1957)

To be newly elected

Profile, and position and responsibility in the Company

April 1980: Joined the Company
October 2003: General Manager, Planning Dept., Scientific Equipment Div., the Company
April 2004: General Manager, Sales and Marketing Dept., Bioscience Div., the Company
April 2006: General Manager, Logistics Development Dept., Business Support Div., the Company
November 2012: President, Olympus Logitex Co., Ltd.
October 2013: Division Manager, Corporate Service Div., the Company
April 2014: Executive Officer, the Company
April 2015: Head of Corporate Group, the Company
April 2016: Executive Managing Officer, the Company (present)
Chief Administrative Officer, the Company (present)

Number of shares of the Company held:

2,800 shares

Years served as

Director:

– years

Attendance at meetings of the Board of

Directors during current fiscal year:

– (%)

Important concurrent positions

Mr. Hirata does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Hirata be elected Director of the Company because, in addition to having extensive experience in sales, marketing, logistics facilitation, human resources strategy, etc. of microscopes through his overseas assignments and service as President of an overseas subsidiary, he has a track record of having led initiatives of strengthening the headquarters' functions as Head of Corporate Group.

Special interest between the candidate and the Company

There is no special interest.

6. Shiro Hiruta (December 20, 1941)

To be reelected, Independent Director

Profile, and position and responsibility in the Company

Number of shares of the Company held:	April 1964:	Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corporation)
1,100 shares	June 1997:	Director, Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corporation)
Years served as Director:	June 1999:	Managing Director, Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corporation)
4 years	June 2001:	Senior Managing Director, Asahi Kasei Corporation
Attendance at meetings of the Board of Directors during current fiscal year:	June 2002:	Executive Vice President, Asahi Kasei Corporation
23 of 23 (100%)	April 2003:	President and Representative Director, Asahi Kasei Corporation
	April 2010:	Director and Senior Advisor, Asahi Kasei Corporation
	June 2010:	Senior Advisor, Asahi Kasei Corporation
	March 2011:	Audit & Supervisory Board Member, Nikkei Inc.
	April 2012:	Director, the Company (present)
	June 2013:	Standing Counsellor Adviser, Asahi Kasei Corporation (present)
	April 2015:	Director, ORION ELECTRIC Co., LTD. (present)

Important concurrent positions

Director, ORION ELECTRIC Co., LTD.

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.

Special interest between the candidate and the Company

There is no special interest.

7. Sumitaka Fujita (December 24, 1942)

To be reelected, Independent Director

Profile, and position and responsibility in the Company

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
Number of shares of the Company held:	Director, Furukawa Electric Co., Ltd. (present)
1,100 shares	Audit & Supervisory Board Member, NIPPONKOA Insurance Company, Limited (currently Sompo Japan Nipponkoa Insurance Inc.)
Years served as Director:	4 years
Attendance at meetings of the Board of Directors during current fiscal year:	22 of 23 (96%)
June 2009:	Director, Nippon Sheet Glass Co., Ltd.
April 2010:	Director, NKSJ Holdings, Inc. (currently Sompo Japan Nipponkoa Holdings, Inc.)
April 2012:	Director, the Company (present)

Important concurrent positions

Director, Furukawa Electric Co., Ltd.
Chairman, Japan Association for CFOs

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.

Special interest between the candidate and the Company

There is no special interest.

8. Keiko Unotoro (October 26, 1954)

To be reelected, Independent Director

Profile, and position and responsibility in the Company

April 1977: Joined Secretariat of Japan Fair Trade Commission (“JFTC”)
April 2000: Part-time teacher, Senshu University Graduate School (present)
June 2004: Chief Hearing Examiner, General Secretariat, JFTC
January 2007: Director, Trade Practices Department of Economic Affairs Bureau, JFTC
June 2008: Senior Deputy Secretary General, Secretariat, JFTC
January 2011: Director General, Economic Affairs Bureau, JFTC
November 2012: Advisor, Oh-ebashi LPC & Partners (present)
April 2013: Professor, Faculty of Modern Business Administration, Toyo Gakuen University (present)
June 2013: Director, the Company (present)
March 2015: Director, Bridgestone Corporation

Number of shares of the Company held:

800 shares

Years served as Director:

3 years

Attendance at meetings of the Board of Directors during current fiscal year:

23 of 23 (100%)

Important concurrent positions

Professor, Faculty of Modern Business Administration, Toyo Gakuen University

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 she 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.

Special interest between the candidate and the Company

There is no special interest.

9. Takayuki Katayama (October 9, 1945) To be newly elected, Independent Director

Profile, and position and responsibility in the Company

	April 1968:	Joined Teijin Limited
	June 1997:	Director, Teijin Limited
	April 2000:	CFO, Teijin Limited
	June 2000:	Senior Managing Director, Teijin Limited
	October 2001:	CEO, Teijin- DuPont Films Joint Venture
	April 2004:	CSO, Teijin Limited
	June 2004:	Representative Director and Executive Managing Director, Teijin Limited
Number of shares of the Company held:	April 2005:	CSRO, Teijin Limited
0 shares	June 2006:	Executive Vice President, Teijin Limited
Years served as Director:	April 2009:	CFO, Teijin Limited
– years	June 2011:	Senior Advisor to CEO, Teijin Limited (Present)
Attendance at meetings of the Board of Directors during current fiscal year:	June 2012:	Director, Santen Pharmaceutical Co., Ltd. (Present)
– (–%)		Audit & Supervisory Board Member, Toyo Seikan Group Holdings, Ltd. (retiring June 28, 2016)

Important concurrent positions

Director, Santen Pharmaceutical Co., Ltd.
 Audit & Supervisory Board Member, Toyo Seikan Group Holdings, Ltd. (retiring June 28, 2016)

Reason for election

It is proposed that Mr. Katayama be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at Teijin Limited may be applied to the Company's management.

Special interest between the candidate and the Company

There is no special interest.

10. Susumu Kaminaga (December 3, 1946) To be newly elected, Independent Director

Profile, and position and responsibility in the Company

	May 1969:	Joined Sumitomo Precision Products Co., Ltd.
	March 1995:	Representative Director, Surface Technology Systems Ltd.
	June 2000:	Director, Sumitomo Precision Products Co., Ltd.
	June 2002:	Managing Director, Sumitomo Precision Products Co., Ltd.
	June 2004:	President, Sumitomo Precision Products Co., Ltd.
	June 2012:	Adviser to the Board, Sumitomo Precision Products Co., Ltd.
Number of shares of the Company held:	October 2012:	Representative Director & Chief Executive, SK Global Advisers Co., Ltd. (Present)
0 shares		Executive Senior Adviser, SPP Technologies Co., Ltd. (Present)
Years served as Director:	December 2012:	Director, DEFTA Capital Inc. (Present)
– years		
Attendance at meetings of the Board of Directors during current fiscal year:		
– (–%)		

Important concurrent positions

Representative Director & Chief Executive, SK Global Advisers Co., Ltd.
 Executive Senior Adviser, SPP Technologies Co., Ltd.
 Director, DEFTA Capital Inc.

Reason for election

It is proposed that Mr. Kaminaga be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at Sumitomo Precision Products Co., Ltd. may be applied to the Company's management.

Special interest between the candidate and the Company

There is no special interest.

11. Michijiro Kikawa (August 2, 1947)

To be newly elected, Independent Director

Profile, and position and responsibility in the Company

	April 1970:	Joined Hitachi Construction Machinery Co., Ltd.
	May 1995:	President, Hitachi Construction Machinery (China) Co., Ltd.
	June 1999:	Senior Officer and President, Hitachi Construction Machinery (China) Co., Ltd.
	June 2001:	Executive Officer and General Manager, Hitachi Construction Machinery Co., Ltd.
	June 2002:	Vice President and Executive Officer, Hitachi Construction Machinery Co., Ltd.
	April 2003:	Senior Vice President and Executive Officer, Hitachi Construction Machinery Co., Ltd.
	June 2003:	Senior Vice President and Executive Officer, Hitachi Construction Machinery Co., Ltd.
Number of shares of the Company held:	April 2005:	Representative Executive Officer and Executive Vice President, Hitachi Construction Machinery Co., Ltd.
0 shares	June 2005:	Representative Executive Officer, Executive Vice President and Director, Hitachi Construction Machinery Co., Ltd.
Years served as Director:	April 2006:	Representative Executive Officer, President, Chief Executive Officer and Director, Hitachi Construction Machinery Co., Ltd.
– years	April 2012:	Director, Hitachi Construction Machinery Co., Ltd.
Attendance at meetings of the Board of Directors during current fiscal year:	June 2012:	Chairman of the Board, Hitachi Construction Machinery Co., Ltd. Director, Hitachi, Ltd.
– (–%)	June 2014:	Consultant to the Board of Directors, Hitachi Construction Machinery Co., Ltd. (Present)

Important concurrent positions

Mr. Kikawa does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Kikawa be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a business manager at Hitachi Construction Machinery Co., Ltd. may be applied to the Company's management.

Special interest between the candidate and the Company

There is no special interest.

- Notes: 1. "Number of shares of the Company held" indicates the number of shares held as of March 31, 2016.
2. Process for determining the candidates for Director
- In response to the retirement of Messrs. Shigeo Hayashi, Takuya Goto and Motoyoshi Nishikawa, a proposal from the Company's President for Messrs. Kiichi Hirata, Takayuki Katayama, Susumu Kaminaga and Michijiro Kikawa to be made the new candidates for Director was received. Based on this proposal, the Nominating Committee held discussions, and after deliberation concerning the candidates at the Board of Directors meeting held on May 2, 2016, their nomination was approved.
3. Messrs. Shiro Hiruta, Sumitaka Fujita, Ms. Keiko Unotoro, Messrs. Takayuki Katayama, Susumu Kaminaga and Michijiro Kikawa are candidates for Outside Director and they 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
- (1) In September 2011, Furukawa Electric Co. Ltd., where Mr. Sumitaka Fujita has served as Outside Director since June 2008, 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. In August 2014, the company received from China a decision in which the company was fined 3.456 million Yuan for a violation of the Chinese Anti-Monopoly Law concerning a cartel for transactions of automobile components. 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.

- (2) Toyo Seikan Group Holdings, Ltd. where Mr. Takayuki Katayama has served as Outside Audit & Supervisory Board Member since June 2012, received from the Japan Fair Trade Commission a cease and desist order and a payment order for surcharge for a violation of the Antimonopoly Act in June 2014 concerning transactions of cardboard sheets and boxes at its consolidated subsidiaries. Although he was not aware of the facts until they came to light, Mr. Katayama had regularly made recommendations from the viewpoint of legal compliance and promoted awareness. Since facts came to light, he has performed his duties to ensure due execution of business by actively expressing opinions at the Board of Directors' meetings of the Company concerning preventive measures including investigations of the facts and renewed efforts for ensuring legal compliance in the Company.

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 Companies Act, setting the minimum amount stipulated by law as the maximum liability. If the candidates for Outside Director, Messrs. Shiro Hiruta, Sumitaka Fujita, and Ms. Keiko Unotoro are elected, the Company plans to continue the limitation of liability agreement with each of them. In addition, if the candidates for Outside Director, Messrs. Takayuki Katayama, Susumu Kaminaga and Michijiro Kikawa are elected, the Company plans to enter into the limitation of liability agreement with each of them.

4th Agenda: Election of Four Audit & Supervisory Board Members

Upon the conclusion of this General Meeting of Shareholders, the terms of office of all Audit & Supervisory Board Members (four) will expire. Therefore, the Company proposes to elect four Audit & Supervisory Board Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

No.	Name	Current Position in the Company	
1	Takashi Saito	Standing Audit & Supervisory Board Member	Reelected
2	Masashi Shimizu	Standing Audit & Supervisory Board Member	Reelected
3	Katsuya Natori	Outside Audit & Supervisory Board Member	Reelected Independent
4	Atsushi Iwasaki		Newly elected Independent

1. Takashi Saito (February 11, 1952) To be reelected

Career Summary and Position in the Company

	April 1976:	Joined the Company
	June 2005:	Executive Officer, the Company
	April 2006:	Division Manager, Business Support Division, the Company
Number of shares of the Company held:	June 2007:	President and Representative Director, Aizu Olympus Co., Ltd.
7,400 shares	June 2010:	Executive Managing Officer, the Company
Years served as Audit & Supervisory Board Member	April 2012:	President and Representative Director, Olympus Medical Science Sales Corp.
4 years		Standing Audit & Supervisory Board Member, the Company (present)
Attendance at meetings of the Board of Directors and Audit & Supervisory Board during current fiscal year:		
Board of Directors		
23 of 23 (100%)		
Audit & Supervisory Board		
30 of 30 (100%)		

Important concurrent positions

Mr. Saito does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Saito be elected Audit & Supervisory Board Member of the Company because, in addition to having many years of experience in the accounting and human resources divisions of the Company, he has a considerable track record of management and supervision through his service as President of Aizu Olympus Co., Ltd. and Olympus Medical Science Sales Corp., as well as officers of subsidiaries.

Special interest between the candidate and the Company

There is no special interest.

2. Masashi Shimizu (December 19, 1957) To be reelected

Career Summary and Position in the Company

	April 1982:	Joined Nippon Life Insurance Company
Number of shares of the Company held:	March 2007:	General Manager, Credit Department, Nippon Life Insurance Company
1,600 shares	April 2012:	Standing Audit & Supervisory Board Member, the Company (present)
Years served as Audit & Supervisory Board Member		
4 years		

Attendance at meetings of the Board of Directors and Audit & Supervisory Board during current fiscal year:

Board of Directors	
23 of 23 (100%)	
Audit & Supervisory Board	
30 of 30 (100%)	

Important concurrent positions

Mr. Shimizu does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Shimizu be elected Audit & Supervisory Board Member of the Company because he has extensive experience acquired through many years of experience in Credit Department of Nippon Life Insurance Company and overseas assignments with the Company.

Special interest between the candidate and the Company

There is no special interest.

3. Katsuya Natori (May 15, 1959)

To be reelected, Independent Audit &
Supervisory Board Member

Career Summary and Position in the Company

April 1986: Joined Masuda & Ejiri (currently Nishimura & Asahi)
June 1990: Joined Davis Wright Tremaine LLP
July 1992: Joined Wilmer, Cutler & Pickering
July 1993: Joined Esso Petroleum Corporation (currently EMG Marketing Godo Kaisha)
January 1995: Joined Apple Japan, Inc.
January 1997: Director, Sun Microsystems, Inc.
March 2002: Executive Officer, Fast Retailing Co., Ltd.
January 2004: Director and Executive Officer, IBM Japan, Ltd.
April 2010: Executive Officer, IBM Japan, Ltd.
February 2012: Chief, Natori Law Office (present)
April 2012: Audit & Supervisory Board Member of the Company (present)
July 2014: Director, 45Corporation Co., Ltd. (present)
March 2015: Director, MODEC, INC. (present)
December 2015: Director, MORITEX Corporation (present)
April 2016: Supervisory Director, Global One Real Estate Investment Corp. (present)

Number of shares of the Company held: 1,100 shares
Years served as Audit & Supervisory Board Member 4 years
Attendance at meetings of the Board of Directors and Audit & Supervisory Board during current fiscal year:
Board of Directors 22 of 23 (96%)
Audit & Supervisory Board 29 of 30 (97%)

Important concurrent positions

Chief, Natori Law Office
Director, 45Corporation Co., Ltd.
Director, MODEC, INC.
Director, MORITEX Corporation
Supervisory Director, Global One Real Estate Investment Corp.

Reason for election

It is proposed that Mr. Natori be elected Outside Audit & Supervisory Board Member of the Company as the Company believes he will contribute to the business operations of the Company through audit work by utilizing his extensive experience and broad knowledge as business manager as well as legal counsel for Sun Microsystems, Inc., Fast Retailing Co., Ltd., and IBM Japan, Ltd.

Special interest between the candidate and the Company

There is no special interest.

4. Atsushi Iwasaki (January 9, 1959)

To be newly elected, Independent Audit & Supervisory Board Member

Number of shares of the Company held: 0 shares Years served as Audit & Supervisory Board Member – years Attendance at meetings of the Board of Directors and Audit & Supervisory Board during current fiscal year: Board of Directors – (%) Audit & Supervisory Board – (%)	<p>Career Summary and Position in the Company</p> <p>November 1990: Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>March 1991: Registered as certified public accountant</p> <p>March 1997: Registered as real estate appraiser</p> <p>December 1997: Partner, Century Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>September 2005: Chief, Iwasaki CPA Office (present)</p> <p>June 2013: Director, ISEKI & CO., Ltd. (present)</p> <p>June 2015: Audit & Supervisory Board Member, NH Foods Ltd. (present)</p> <p>Important concurrent positions</p> <p>Chief, Iwasaki CPA Office</p> <p>Director, ISEKI & CO., Ltd.</p> <p>Audit & Supervisory Board Member, NH Foods Ltd.</p> <p>Reason for election</p> <p>It is proposed that Mr. Iwasaki be elected Outside Audit & Supervisory Board Member of the Company, so that his extensive experience and diverse knowledge as a certified public accountant may be applied to audit the Company's management. Although he has not been involved in corporate management in the past, the Company has judged that he can perform his duties as Outside Audit & Supervisory Board Member appropriately for the above-mentioned reasons.</p> <p>Special interest between the candidate and the Company</p> <p>There is no special interest.</p>
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- Notes: 1. "Number of shares of the Company held" indicates the number of shares held as of March 31, 2016.
2. Process for determining the new candidates for Audit & Supervisory Board Member
- In response to the retirement of Mr. Nobuo Nagoya, a proposal from the Company's President for Mr. Atsushi Iwasaki to be made the new candidates for Audit & Supervisory Board Member was received. Based on this proposal, the Nominating Committee held discussions, the consent of the Audit & Supervisory Board has been obtained, and after deliberation concerning the candidates at the Board of Directors meeting held on May 2, 2016, their nomination was approved.
3. Mr. Katsuya Natori and Mr. Atsushi Iwasaki are the candidates for Outside Audit & Supervisory Board Members, and candidates for independent audit & supervisory board members 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 Audit & Supervisory Board Member
- Iseki & Co., Ltd. where Mr. Atsushi Iwasaki has served as Outside Director since June 2013 received from the Japan Fair Trade Commission a cease and desist order and a payment order for surcharge for a violation of the Antimonopoly Act in March 2015 concerning bidding by the Company for a construction of facility and in February 2016 concerning bidding by the Company and its subsidiaries for a construction of facility. Although he was not aware of the facts until they came to light, Mr. Iwasaki had regularly made recommendations from the viewpoint of legal compliance and internal control at the Board of Directors' meetings of the Company and promoted awareness. Since the facts came to light, he has performed his duties to ensure due execution of business by actively expressing opinions at the Board of Directors' meetings of the Company concerning preventive measures including tightening disciplines in overall operations and further reinforcement of corporate ethics.

5. Limitation of Liability Agreement with Outside Audit & Supervisory Board Members

The Company has prescribed in the Articles of Incorporation that the Company may enter into an agreement with Outside Audit & Supervisory Board Members to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, setting the minimum amount stipulated by law as the maximum liability. If the candidates for Outside Audit & Supervisory Board Member, Mr. Katsuya Natori is elected, the Company plans to continue the limitation of liability agreement with him. In addition, if the candidates for Audit & Supervisory Board Members, Messrs. Takashi Saito and Masashi Shimizu and candidate for Outside Audit & Supervisory Board Member, Mr. Atsushi Iwasaki are elected, the Company plans to enter into the limitation of liability agreement with each of them. Moreover, the Company will enter into the said agreement with Messrs. Takashi Saito and Masashi Shimizu on condition that the partial amendments to the Articles of Incorporation of 2nd Agenda are approved.

5th Agenda: Election of One Substitute Audit & Supervisory Board Member

In order to maintain the continuity of auditing activities in case there is a vacancy in the Audit & Supervisory Board Member's position, it is hereby proposed that one substitute Audit & Supervisory Board Member be elected.

The validity of the election of substitute Audit & Supervisory Board Member based on this agenda can be nullified by resolution of the Board of Directors if the consent of the Audit & Supervisory Board has been obtained; provided, however, that it is only in a time before assuming office.

In addition, the consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Atsushi Teshima (October 24, 1972)

Career Summary and Position in the Company

April 2000: Joined Okamura Law Office
September 2000: Joined BDO Sanyu & Co. (Part-time)
April 2003: Registered as certified public accountant
June 2003: Company Auditor, BDO Sanyu Consulting Company, Ltd. (currently KAKUSHIN. co)
April 2004: Joined TMI Associates
June 2006: Audit & Supervisory Board Member, UNIDIO Corporation, Ltd.
January 2013: Partner, TMI Associates
March 2015: Partner, Sakamoto Teshima & Kitamura (present)

Number of shares of the Company held:

0 shares

Years served as Audit & Supervisory Board Member

– years

Attendance at meetings of the Board of Directors and Audit & Supervisory Board during current fiscal year:

Board of Directors

– (–%)

Audit & Supervisory Board

– (–%)

Important concurrent positions

Partner, Sakamoto Teshima & Kitamura

Reason for election

It is proposed that Mr. Teshima be a candidate for substitute Outside Audit & Supervisory Board Member as he has professional views and experience as legal counsel, and also holds a certificate of certified public accountant, and thus the Company believes he should be able to appropriately perform audit of the business management of the Company. Although he has not been involved in corporate management in the past, the Company has judged that he can perform his duties as Outside Audit & Supervisory Board Member appropriately for the above-mentioned reasons.

Special interest between the candidate and the Company

There is no special interest.

- Notes: 1. "Number of shares of the Company held" indicates the number of shares held as of March 31, 2016.
2. Process for determining the candidates for Substitute Audit & Supervisory Board Member
In order to maintain the continuity of auditing activities in case there is a vacancy in the Audit & Supervisory Board Member's position, a proposal from the Company's President for Mr. Atsushi Teshima to be made the new candidates for Substitute Audit & Supervisory Board Member was received. Based on this proposal, the Nominating Committee held discussions, the consent of the Audit & Supervisory Board has been obtained and after deliberation concerning the candidates at the Board of Directors meeting held on May 2, 2016, their nomination was approved.
3. Mr. Atsushi Teshima is a candidate for substitute outside Audit & Supervisory Board Member.
4. Limitation of Liability Agreement with Audit & Supervisory Board Members
The Company has prescribed in the Articles of Incorporation that the Company may enter into an agreement with Outside Audit & Supervisory Board Members to limit their liability pursuant to

Article 423, Paragraph 1 of the Companies Act, setting the minimum amount stipulated by law as the maximum liability. If Mr. Atsushi Teshima assumes the office of Audit & Supervisory Board Member, the Company plans to enter into the said limitation of liability 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.

Business Report
(April 1, 2015 to March 31, 2016)

I Review of Group Operations

1. Review of Operations

In the global economy during the fiscal year under review, in the U.S., monetary policy is moving toward normalization as seen in the hike of interest rates by the US Federal Reserve in December 2015, as a result of the economic environment continuing to be strong, while in Europe the economy has also been recovering gradually. However, signs that the overall global economy is slowing have intensified amid factors that included recessionary business conditions in emerging countries such as China along with sagging commodity prices. In the Japanese economy, despite signs of improvement in corporate earnings and the employment situation, the outlook remains uncertain due to developments such as the downside risk in the Chinese economy and drastic appreciation of the yen since February 2016.

Faced with this business environment, the Olympus Group continued to push vigorously ahead with respect to its 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,” as set forth in the Medium-Term Vision (medium-term management plan) which was initiated in the fiscal year ended March 31, 2013. As a result, not only did we steadily expand the Medical Systems Business, we further pushed forward reorganization of our non-core business domains and reinforcement of governance/compliance systems and were able to achieve the targets of the operating ratio and the equity ratio ahead of the plan.

Furthermore, under the new organizational structure associated with the Group reorganization conducted in April 2015, we promoted initiatives geared to enhancing our capacity to respond to the fast-changing business environment and efficiently allocating our management resources, setting our sights on our new medium-term management plan which is to take effect in the fiscal year ending March 31, 2017.

In the Medical Systems Business, the flagship gastrointestinal endoscope field continued to generate robust sales in Japan and overseas, and sales increased in both the surgical and therapeutic devices fields due to positive outcomes achieved from moves to strengthen sales and other initiatives to actively invest in growth. In the Scientific Solutions Business, we moved forward with organizational reforms which involved shifting away from strategies based on product lineups and more toward those oriented to customer groups, and also brought about substantial improvements in terms of our profitability by cutting manufacturing costs and other expenditures. In the Imaging Systems Business, we streamlined operations by narrowing down our product lineups and core sales areas, and also moved a step further forward with cost cutting and other structural reforms.

As a result of these measures, the Olympus Group’s overall consolidated net sales increased to ¥804,578 million (up 5.2% year on year), reflecting sales increases in the Medical Systems Business. Operating income was ¥104,464 million (up 14.8% year on year), reflecting income growth in the Medical Systems Business and the Scientific Solutions Business, and a decrease in the operating loss for the Imaging Systems Business as

well. Ordinary income was ¥90,898 million (up 24.9% year on year), due to decreases in interest expenses and other non-operating expenses in addition to the rise in operating income. In addition, extraordinary losses of ¥22,467 million mainly from loss related to the U.S. Anti-kickback Statute, and income taxes of ¥8,149 million were recognized. Consequently, net income attributable to owners of the parent was ¥62,594 million (compared with a net loss of ¥8,737 million), a considerable improvement from the previous fiscal year.

During the fiscal year under review, the Olympus Group invested ¥81,415 million on research and development, and spent ¥64,445 million on capital investments.

Regarding foreign exchange, the yen depreciated against the U.S. dollar, on the other hand, it appreciated against the euro compared to the previous fiscal year. The average exchange rate during the period was ¥120.14 against the U.S. dollar (¥109.93 in the previous fiscal year) and ¥132.58 against the euro (¥138.77 in the previous fiscal year), which caused net sales and operating income to rise by ¥19,288 million and ¥11,323 million, respectively, year on year.

- Notes: 1. For monetary amounts indicated in units of ¥1 million, fractions of ¥1 million are rounded off.
2. From the fiscal year under review, a new business previously classified under the Imaging Systems Business (a new cross-functional business field aiming for a combination of medical systems and scientific solutions based on the optical technology, electronic and imaging technology, network technology and manufacturing technology accumulated in the Imaging Systems Business, and growth in this form) has been changed to “Others.”

2. Results of the Business Activities by Business Segment

Medical Systems Business

Net sales ¥608,927 million (up 9.1% year on year)

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

Consolidated net sales in the Medical Systems Business amounted to ¥608,927 million (up 9.1% year on year), while operating income amounted to ¥140,220 million (up 12.3% year on year).

In gastrointestinal endoscope field, both sales of the endoscopy platform systems “EVIS EXERA III” and “EVIS LUCERA ELITE,” which are our mainstay products, were strong. In the surgical field, sales of the “VISERA ELITE” integrated endoscopic video system, which supports endoscopic surgery, and the 3D laparoscopy system were strong, while the sales of “THUNDERBEAT” integrated energy device with both advanced bipolar and ultrasonic energy continued to grow. In the therapeutic devices field, there was growth in sales of “VisiGlide 2” disposable guidewire for use in endoscopic diagnosis and treatment of biliary and pancreatic ducts and others. As a result, sales increased in all fields, driving an increase in sales in the Medical Systems Business.

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

Scientific Solutions Business

Net sales ¥101,608 million (down 2.2% year on year)

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

Consolidated net sales in the Scientific Solutions Business amounted to ¥101,608 million (down 2.2% year on year), while operating income amounted to ¥8,482 million (up 24.1% year on year).

In the life science field, mainly devices for research decreased sales as a result of a delay in budget spending by research institutions. In the industrial field, sales decreased slightly amid a drop in sales of non-destructive testing equipment and other products as a result of a downturn in commodity prices of such as crude oil, despite having experienced growth in sales of industrial microscopes such as the “STM7” series of measuring microscopes used in the manufacturing process for electronic components. Consequently, sales in the Scientific Solutions overall decreased

Operating income in the Science Solutions Business increased due to efficiency gains through such means as cost cuts and the integration of sales offices.

Imaging Systems Business

Net sales ¥78,284 million (down 1.5% year on year)

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

Consolidated net sales in the Imaging Systems Business amounted to ¥78,284 million (down 1.5% year on year), while operating loss amounted to ¥2,064 million (compared with an operating loss of ¥11,710 million in the previous fiscal year).

In the mirrorless interchangeable-lens camera field, the “OM-D” series and “OLYMPUS PEN-F,” etc. increased sales, with sales also boosted by a contribution from the high performance interchangeable lenses “M.ZUIKO DIGITAL PRO” series with additions of new models bringing the lineup to five models. Meanwhile, in the compact camera field, the Company continued to limit the number of units sold in response to market shrinkage. Consequently, sales in the Imaging Systems Business overall decreased year on year.

Operating loss in the Imaging Systems Business decreased, mainly due to the progress in reducing expenses.

Others

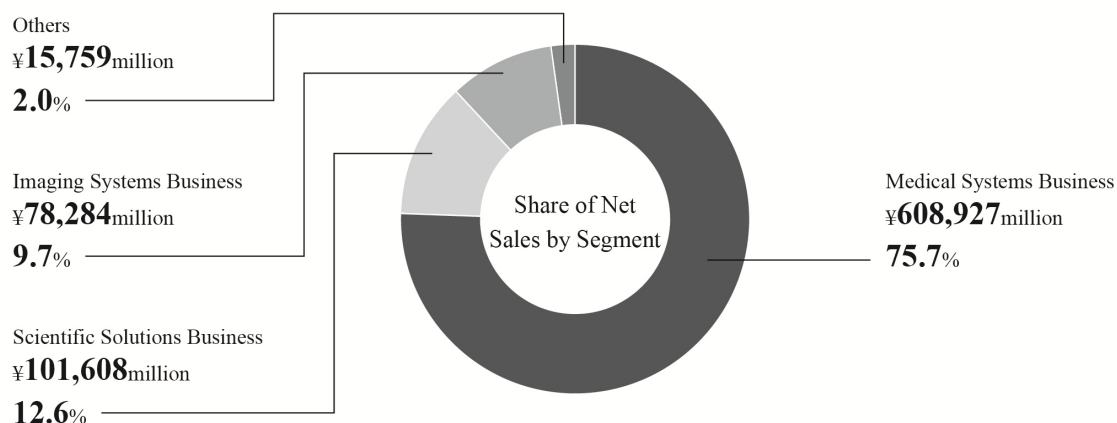
Net sales ¥15,759 million (down 31.5% year on year)

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

Consolidated net sales for other businesses amounted to ¥15,759 million (down 31.5% year on year) and operating loss was ¥5,800 million (compared with an operating loss of ¥970 million in the previous fiscal year).

Net sales for other businesses declined due to reorganization of our non-core business domains in order to allocate management resources to our business domains in a more concentrated manner.

Operating loss for other businesses increased, mainly reflecting investments in the creation of new businesses in the medical and imaging technology domains.



3. Changes in Assets and Results of Operation

	145 th term	146 th term	147 th term	148 th term
Net sales (Millions of yen)	743,851	713,286	764,671	804,578
Operating income (Millions of yen)	35,077	73,445	90,962	104,464
Ordinary income (Millions of yen)	13,046	50,913	72,782	90,898
Net income (loss) attributable to owners of the parent (Millions of yen)	8,020	13,627	(8,737)	62,594
Total assets (Millions of yen)	960,239	1,027,475	1,081,551	1,000,614
Net assets (Millions of yen)	151,907	331,284	357,254	384,283
Net income (loss) per share (Yen)	28.96	41.05	(25.53)	182.90
Net assets per share (Yen)	493.30	962.83	1,038.64	1,117.24

- Notes: 1. Effective from the 146th term, 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.
2. Effective from the fiscal year under review, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), etc. Accordingly, the presentation method for "net income (loss)" was changed to "net income (loss) attributable to owners of the parent."
3. See "I Review of Group Operations 1. Review of Operations" on pages 28 to 29 above for details on results for the 148th term (current fiscal year).

4. Financing and Capital Investment

(1) Financing

The Company made financing of 300 million dollars by means of long-term borrowings, less current from financial institutions as funds required by the Group during the current fiscal year.

(2) Capital investment

A total of ¥64,445 million was spent this fiscal year in capital investment. Major expenditures included the following new installation and expansion of major facilities and equipment for demonstrations and for lease in the Medical Systems Business.

New construction and expansion of major facilities in Medical Systems Business

- Olympus Corporation New construction of Research & Development Center
- Aizu Olympus Co., Ltd. New construction of facility buildings
- Aomori Olympus Co., Ltd. New construction of facility buildings
- Shirakawa Olympus Co., Ltd. New construction of facility buildings

5. Status of Important Corporate Restructuring, etc.

- (1) Effective April 1, 2015, the Company absorbed Olympus Medical Systems Corp. by an absorption-type split and succeeded to the rights and obligations pertaining to all of its businesses, except for part of the manufacturing functions and part of the functions for responding to the laws and regulations for medical devices in individual countries.
- (2) Effective April 1, 2015, the Company absorbed Olympus Imaging Corp. and Olympus Intellectual Property Services Co., Ltd. by an absorption-type merger and succeeded to the rights and obligations pertaining to all of the two companies' businesses.

6. Future Challenges

Looking ahead with respect to the global economy, concerns of a downturn in business conditions are likely to intensify amid developments that include slowing growth in China and other emerging economies, and sagging commodity prices. In the Japanese economy, an outlook of uncertainty is likely to prevail amid negative factors that include risk of deteriorating corporate earnings stemming from the global economic slowdown and yen appreciation, in conjunction with fears of diminishing consumer sentiment in that regard.

Given this environment, the Olympus Group has newly formulated the 2016 Corporate Strategic Plan ("16CSP"), which will act as a five-year medium-term management plan which takes effect in the fiscal year ending March 31, 2017. Under our "Business to Specialist" Company and One Olympus basic policies, we will push steadily forward in developing a firmly grounded and aggressive business portfolio geared to achieving sustainable growth.

In the Medical Systems Business, we aim to expand the scale of our operations primarily by providing value in terms of both early diagnosis and minimally invasive therapies, by proactively investing in each of this segment's business units, namely GI (gastrointestinal), Res (respiratory), GS (general surgery), Uro/Gyn (urology/gynecology), ENT (ear nose throat), and Medical Services. We will work to achieve dramatic growth in both the therapeutic devices and surgical fields while maintaining our overwhelming competitive strengths in the gastrointestinal endoscope field, while furthermore taking steps to improve profitability in the Medical Systems Business also by strengthening business involving disposable devices. In the Scientific Solutions Business, we will establish an earnings platform by promoting strategies oriented to customer groups, and aim to expand the portfolio of products and solutions. In the Imaging Systems Business, we will build a framework that ensures consistent earnings through further restructuring of operations, while also pursuing initiatives geared to improving our responsiveness to the changing market and further reducing inventory risks.

The Group will also continue striving reinforcement of compliance and enhancement of corporate governance system aligned with the global group management.

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

2016 Corporate Strategic Plan (16CSP)

1. Basic Policies

Under 16CSP, the Company has established two new operating policies, “Business to Specialist” Company and One Olympus.

■ “Business to Specialist” Company

Olympus defines a “Business to Specialist” Company as a company that can accurately understand the demands and unmet needs of highly specialized expert and aspirational customers (specialist) and respond by proposing and providing compelling solutions in a timely manner. Over the years, the Company has continued to exercise its strengths as a “Business to Specialist” Company to grow by earning the trust of customers. Going forward, we will continue to utilize these strengths as we seek to become an even-more valuable partner to our customers by calling upon our innovative thinking, expertise in advancing technology, operational excellence, and unsurpassed integrity.

■ One Olympus

We will maximize the performance of the entire Olympus Group by sharing values and strategies and making full use of management resources on a global and Groupwide basis.

Driven by this commitment, we will strive to meet or exceed the expectations of all of its stakeholders through sustainable growth and act as a good corporate citizen, thereby contributing to society by making the lives of people around the world healthier, safer, and more fulfilling.

2. Management Goals

We will work to secure an appropriate level of financial soundness and then target balanced improvements in profitability and business growth to consistently realize return on equity (ROE) of 15% and to double earnings per share (EPS) over the five-year period of 16CSP.
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Over the past four years, Olympus has successfully achieved substantial improvements in ROE while raising equity capital. Under 16CSP, we will strive to secure an appropriate level of financial soundness by increasing the equity ratio while continuing to practice management that pays heed to shareholder expectations by emphasizing capital efficiency. We therefore aim to maintain ROE at the 15% level through balanced improvements in profitability and business growth realized by increasing the operating margin and achieving a sharp rise in earnings before interest, taxes, depreciation, and amortization (EBITDA). This process is anticipated to lead to a doubling of EPS over the five-year period of the plan.

Concrete management targets are as follows.

Capital efficiency	ROE	15%	We will work to secure an appropriate level of financial soundness and then target balanced improvements in profitability and business growth to consistently realize ROE around the level of 15%.
Profitability	Operating margin	15%	While boosting profitability in the mainstay Medical Business, we will endeavor to realize further profitability improvements by decreasing SG&A expenses through increased development efficiency and streamlined back-office work and processes.
Business growth	EBITDA	Double-digit growth (average annual growth rate during 16CSP period)	We will strive to achieve sales growth that exceeds market growth rates in the Medical Systems Business while eliminating operational inefficiencies to realize high-quality (highly efficient) growth.
Financial soundness	Equity ratio	50%	We aim to raise equity capital from the viewpoint of securing an appropriate level of financial soundness for risks and an appropriate financial leverage control.

3. Priority Strategies

We have defined the following six priority strategies to ensure that we can strengthen foundations and develop an aggressive business portfolio for sustainable growth while achieving our management targets.

- (i) Take action to grow businesses
 - Expand lineups and promote sales of strategic products
 - Shift from installation based medical business model to procedure based medical business model
 - Pursue growth opportunities in peripheral businesses
- (ii) Acquire necessary management resources in a timely manner and fully leverage these resources
 - Manage portfolio of businesses in fields with low growth potential and shift management resources to growing business fields
 - Recruit and develop capable human resources in a timely manner
 - Optimize global R&D systems and production systems (production site planning)
- (iii) Advance forward-looking preparations to realize continued growth
 - Develop businesses and conduct upfront investments from a long-term perspective (technology research, exploration, and development)
 - Promote development of new businesses to advance minimally invasive treatments
 - Advance long-term measures for expanding businesses in emerging countries
- (iv) Pursue further business efficiency improvements
 - Reduce costs and improve efficiency by optimizing product lineups
 - Standardize processes and improve inventory management
- (v) Enhance management on a global and Groupwide basis
 - Strengthen and improve the efficiency of Functions
 - Develop a mindset to realize One Olympus

- (vi) Strengthen QA/RA and internal controls and promote strict compliance
- Enhance quality management systems and organizations to further business expansion in medical field
 - Further strengthen internal control functions
 - Construct and implement compliance and governance systems suited to a truly global company

4. Positioning of Each Business within Portfolio

We will prioritize the allocation of management resources to the Medical Systems Business.

The Medical Systems Business will expand the scope of its operations centered on early diagnosis and minimally invasive treatments as it seeks to further improve its earnings capacity.

The Scientific Solutions Business will push forward with strategies tailored to specific customer segments and thereby establish and strengthen earnings foundations.

Meanwhile, the Imaging Business will address the changing and contracting digital camera market while examining means of utilizing the technologies and resources of the business in other businesses.

In regard to new businesses for the future, we will explore businesses with the potential to become major pillars supporting Olympus and conduct related incubation activities. At the same time, we will seek to acquire new technologies while establishing business foundations in emerging countries.

Furthermore, we will aggressively conduct mergers, acquisitions, and other investments in strategically important fields.

7. Major Parent Companies and Subsidiaries, etc.

(1) Parent companies

There is no relevant information.

(2) Major subsidiaries, etc.

There are 118 consolidated subsidiaries, including the following 3 major subsidiaries, and 4 equity-method companies.

Name of company	Capital stock or investment	Ratio of capital contribution by the Company (%)	Principal business
Olympus Corporation of the Americas	US\$15,000	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\$1,729,704,000	100	Holding company to conduct comprehensive management planning for subsidiaries and affiliates in Asia and Oceania

- Notes: 1. Olympus Medical Systems Corp. underwent an absorption-type company split effective April 1, 2015, in which the Company was the successor company. Accordingly, Olympus Medical Systems Corp. has been excluded from major subsidiaries.
2. Olympus Imaging Corp. underwent an absorption-type merger effective April 1, 2015, whereby the Company was the surviving company in the absorption-type merger. Accordingly, Olympus Imaging Corp. has been excluded from major subsidiaries.

8. Principal Places of Business and Plants (As of March 31, 2016)

(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	Niigata, Matsumoto, Shizuoka, Kyoto, Kanazawa, Okayama, Matsuyama, Kagoshima

Note: Head Office has moved from Shibuya-ku, Tokyo to Hachioji-shi, Tokyo effective April 1, 2016.

(2) Places of business of the Company's major subsidiaries

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	Essex, U.K.
Olympus Corporation of Asia Pacific Limited	Hong Kong Special Administrative Region, China

- Notes: 1. Olympus Medical Systems Corp. underwent an absorption-type company split effective April 1, 2015, in which the Company was the successor company. Accordingly, Olympus Medical Systems Corp. has been excluded from places of business of the Company's major subsidiaries.
2. Olympus Imaging Corp. underwent an absorption-type merger effective April 1, 2015, whereby the Company was the surviving company in the absorption-type merger. Accordingly, Olympus Imaging Corp. has been excluded from places of business of the Company's major subsidiaries.

9. Employee Situation of the Group (As of March 31, 2016)

Segment	Numbers of employees		Increase/decrease from the previous fiscal year	
Medical Systems Business	19,783	(1,003)	1,174	(147)
Scientific Solutions Business	4,329	(80)	-1	(-20)
Imaging Systems Business	5,976	(116)	-29	(-268)
Others	1,444	(53)	565	(22)
Management division	1,804	(5)	87	(2)
Total	33,336	(1,257)	1,796	(-117)

- 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. In the Imaging Systems Business, the number of employees increased due to a change in the employment status mostly by converting the products into in-house production, while the number of employees decreased because the new business that used to be classified as the Imaging Systems Business changed to be classified as Others. As a result, the number of employees decreased from the previous fiscal year.
4. In the Others, the number of employees increased from the previous fiscal year because primarily the new business that used to be classified as the Imaging Systems Business changed to be classified as Others.

10. Principal Lenders (As of March 31, 2016)

(Millions of yen)

Lender	Balance of borrowing
Sumitomo Mitsui Banking Corporation	85,954
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	70,022

11. 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, the Company's shareholders and others claimed compensation for damages from the Company or filed lawsuits. These actions could have an adverse impact on the Olympus Group's business performance and financial position. As of May 16, 2016 (hereinafter "as of present"), the total amount of damages claimed in relation to this matter is ¥76,974 million, of which the main lawsuits are as follows.

- (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. After a subsequent petition to change the object of claim and withdrawal of claim by several plaintiffs, the lawsuit has now been changed so that currently 45 plaintiff companies are claiming compensation for damages of ¥20,828 million and 5% per annum interest on this amount for the period from November 8, 2011 up to the payment of the principal.

On March 27, 2015 an out-of-court settlement was reached with investors and others including the plaintiffs regarding this lawsuit for damages, under which the Company agrees to pay the counterparties up to ¥11,000 million as settlement money in total, including (iii) below, and ¥10,433 million of the total amount was paid at this stage.

- (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 for damages against the Company. After a subsequent petition to amend the complaint and withdrawal of claim by several plaintiffs, the lawsuit has been changed so that currently 59 plaintiff companies are claiming compensation for damages of ¥5,749 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 for damages against the Company. After a subsequent withdrawal of claim by a plaintiff and a merger between plaintiffs, the lawsuit has been changed so that currently 40 plaintiff companies are claiming compensation for damages of ¥16,799 million and 5% per annum interest on this amount for the period from November 8, 2011 up to the payment of the principal.

On March 27, 2015 an out-of-court settlement was reached with investors including the plaintiffs regarding this lawsuit for damages, under which the Company agrees to pay the counterparties up to ¥11,000 million as settlement money in total, including (i) above, and ¥10,433 million of the total amount was paid at this stage.

- (iv) On April 7, 2014 (the date of the service of the complaint was April 17, 2014), a total of six banks including Mitsubishi UFJ Trust and Banking Corporation and five other trust banks filed a lawsuit

against the Company seeking compensation for damages by payment of ¥27,915 million and the interest accrued to the damages incurred relating to each of the shares at the rate of 5% per annum for the period from the day immediately following the share acquisition trade date of each of the shares that incurred losses up to the payment of the incurred losses of the shares.

In order to clarify the responsibility for the series of problems related to the postponement 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, in January 2012, we filed a lawsuit seeking damages of ¥3.61 billion against 19 former directors and a lawsuit seeking damages of ¥1.0 billion against five former Audit & Supervisory Board Members, and other lawsuits, in June 2012 and October 2014, seeking damages of ¥1.2 billion in total against five outsiders who facilitated the same incident. With regard to the lawsuit seeking damages against 19 former directors, judicial settlements have been made with 13 former directors on March 24, 2016, with both parties agreeing that a total of ¥72 million shall be paid to the Company as settlement monies for this case, and during the period until present, payment of the settlement monies was made. Moreover, concerning a lawsuit seeking damages against five former Audit & Supervisory Board Members, judicial settlements have been reached with four former Audit & Supervisory Board Members (concerning one of the four defendants, however, two heirs acted in substitution) on May 12, 2016, with both parties agreeing that a total of ¥13 million shall be paid to the Company as settlement monies for this case. Other lawsuits are now pending in the Tokyo District Court.

II Matters Concerning Shares (As of March 31, 2016)

1. **Total Number of Shares Authorized to be Issued:** 1,000,000,000 shares
2. **Total Number of Issued Shares:** 342,234,901 shares
(Excluding treasury stock 436,607 shares)
3. **Number of Shareholders as of March 31, 2016:** 25,651
4. **Principal Shareholders (Top 10)**

Name of Shareholders	Numbers of shares held	Holding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	19,980,100 shares	5.84%
Sony Corporation	17,243,950	5.04%
Japan Trustee Services Bank, Ltd. (trust account)	16,349,000	4.78%
State Street Bank and Trust Company	14,422,150	4.21%
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. (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%
Sumitomo Mitsui Banking Corporation	8,350,648	2.44%
JP Morgan Chase Bank 385147	5,944,700	1.74%
GIC PRIVATE LIMITED	5,622,439	1.64%

Note: The holding ratio is computed by excluding treasury shares (436,607 shares).

III Matters Concerning Directors and Audit & Supervisory Board Members

1. Name of Directors and Audit & Supervisory Board Members (As of March 31, 2016)

Appointment	Name	Position and responsibility in the Company and important concurrent positions at other organizations
Representative Director	Hiroyuki Sasa	
Director	Yasuo Takeuchi	Head of Corporate Management Office
Director	Akihiro Taguchi	Head of Sales Group Business Management Officer of Medical Business
Director	Shigeo Hayashi	Head of Manufacturing Group
Director	Haruo Ogawa	Head of R&D Group Business Management Officer of Scientific Solutions and Imaging Business
Outside Director	Takuya Goto	President, Japan Marketing Association President, Asia Marketing Federation
Outside Director	Shiro Hiruta	Director, ORION ELECTRIC Co., LTD.
Outside Director	Sumitaka Fujita	Director, Furukawa Electric Co., Ltd. Chairman, Japan Association for CFOs
Outside Director	Motoyoshi Nishikawa	
Outside Director	Keiko Unotoro	Professor, Faculty of Modern Business Administration, Toyo Gakuen University
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 Audit & Supervisory Board Member, Kanai Scene Shop Co., Ltd.
Outside Audit & Supervisory Board Member	Katsuya Natori	Chief, Natori Law Office Director, 45Corporation Co., Ltd. Director, MODEC, INC. Director, MORITEX Corporation

- Notes: 1. Director, Hideaki Fujizuka retired due to resignation from his post as of June 21, 2015.
2. The above directors assumed their post on June 26, 2015, and audit & supervisory board members assumed their post on April 20, 2012.
3. Among the Directors, Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa and Keiko Unotoro are Outside Directors stipulated by Article 2, Paragraph 15 of the Companies Act. Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Motoyoshi Nishikawa and Keiko Unotoro are also independent directors as provided for in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
4. Among the Audit & Supervisory Board Members, Nobuo Nagoya and Katsuya Natori are Outside Audit & Supervisory Board Members and independent audit & supervisory board members as provided for in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
5. Audit & Supervisory Board Member Nobuo Nagoya is a certified public accountant and has considerable knowledge of finance and accounting.
6. 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
Yasuo Takeuchi	April 1, 2016	Director, Vice President Chief Financial Officer	Director and Senior Executive Managing Officer Head of Corporate Management Office
Akihiro Taguchi	April 1, 2016	Director and Senior Executive Managing Officer Head of Sales and Marketing Group Business Management Officer of Medical Business	Director and Senior Executive Managing Officer Head of Sales Group Business Management Officer of Medical Business
Shigeo Hayashi	April 1, 2016	Director and Senior Executive Managing Officer Head of Manufacturing Group	Director and Executive Managing Officer Head of Manufacturing Group
Haruo Ogawa	April 1, 2016	Director and Senior Executive Managing Officer Chief Technology Officer Head of R&D Group	Director and Executive Managing Officer Head of R&D Group Business Management Officer of Scientific Solutions and Imaging Business
Takuya Goto	June 17, 2015	Outside Director President, Japan Marketing Association President, Asia Marketing Federation	Outside Director Director, JSR Corporation President, Japan Marketing Association President, Asia Marketing Federation
Shiro Hiruta	April 1, 2015	Outside Director Audit & Supervisory Board Member, Nikkei Inc. Director, ORION ELECTRIC Co., LTD.	Outside Director Audit & Supervisory Board Member, Nikkei Inc.
	March 29, 2016	Outside Director Director, ORION ELECTRIC Co., LTD.	Outside Director Audit & Supervisory Board Member, Nikkei Inc. Director, ORION ELECTRIC Co., LTD.
Sumitaka Fujita	June 26, 2015	Outside Director Director, Furukawa Electric Co., Ltd. Chairman, Japan Association for CFOs	Outside Director Director, Furukawa Electric Co., Ltd. Director, Nippon Sheet Glass Co., Ltd. Chairman, Japan Association for CFOs
Keiko Unotoro	March 24, 2016	Outside Director Professor, Faculty of Modern Business Administration, Toyo Gakuen University	Outside Director Professor, Faculty of Modern Business Administration, Toyo Gakuen University Director, Bridgestone Corporation
Nobuo Nagoya	September 15, 2015	Outside Audit & Supervisory Board Member Chief, Nagoya CPA Office Audit & Supervisory Board Member, Kanai Scene Shop Co., Ltd.	Outside Audit & Supervisory Board Member Chief, Nagoya CPA Office

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
Katsuya Natori	December 10, 2015	Outside Audit & Supervisory Board Member Chief, Natori Law Office Director, 45Corporation Co., Ltd. Director, MODEC, INC. Director, MORITEX Corporation	Outside Audit & Supervisory Board Member Chief, Natori Law Office Director, 45Corporation Co., Ltd. Director, MODEC, INC.
	April 1, 2016	Outside Audit & Supervisory Board Member Chief, Natori Law Office Director, 45Corporation Co., Ltd. Director, MODEC, INC. Director, MORITEX Corporation Supervisory Director, Global One Real Estate Investment Corp.	Outside Audit & Supervisory Board Member Chief, Natori Law Office Director, 45Corporation Co., Ltd. Director, MODEC, INC. Director, MORITEX Corporation

7. Under the Company's executive officer system, the following are executive officers as of March 31, 2016. The "*" mark indicates individuals serving concurrently as Directors.

Appointment	Name
President and CEO *	Hiroyuki Sasa
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	Yasushi Sakai
Executive Managing Officer	Akira Kubota
Executive Managing Officer	Nobuhiro Abe
Executive Officer	Shinichi Nishigaki
Executive Officer	Hitoshi Kawada
Executive Officer	Naohiko Kawamata
Executive Officer	Nobuyuki Koga
Executive Officer	Hisao Yabe
Executive Officer	Masamichi Handa
Executive Officer	Ken Yoshimasu
Executive Officer	Masahito Kitamura
Executive Officer	Tetsuo Kobayashi
Executive Officer	Kiichi Hirata
Executive Officer	Toshihiko Okubo
Executive Officer	Mitsuhiro Hikosaka
Executive Officer	Yoshihito Shimizu
Executive Officer	Katsuhiko Inadomi
Executive Officer	Hidenao Tsuchiya
Executive Officer	Yoshitake Saito

Notes: 1. The following executive officers retired on March 31, 2016.

Executive Officer Shinichi Nishigaki

2. The following executive officers were newly elected on April 1, 2016.

Executive Officer Katsuyuki Saito

3. The following executive officer had a change to his appointment on April 1, 2016.

Vice President Yasuo Takeuchi

Senior Executive Managing Officer Shigeo Hayashi

Senior Executive Managing Officer Haruo Ogawa

Executive Managing Officer Kiichi Hirata

2. 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 Companies Act, setting the minimum amount stipulated by law as the maximum liability.

3. 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 maximizing corporate value and meet shareholders' needs and to provide compensation appropriate for those responsibilities.

Compensation for Directors (excluding Outside Directors) consists of 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 net income attributable to owners of the parent for the accounting period. Share-based compensation stock option system is to allot subscription rights to shares as remuneration separate from the monthly remuneration and bonus for the purpose of incentivizing Directors to work for medium- to long-term performance improvement and corporate value enhancement. Moreover, Outside Directors are paid only monthly remuneration, not a bonus or share-based compensation stock options.

With regard to remuneration for Audit & Supervisory Board Members, Audit & Supervisory Board Members are paid only monthly remuneration set based on consultations with Audit & Supervisory Board Members, not 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 Bonus (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	15	¥440 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 ¥96 million.

4. The numbers of Directors and Audit & Supervisory Board Members who received remuneration shown in the above table include 1 Director who retired on June 21, 2015 and 4 Directors who retired on June 26, 2015 upon the conclusion of the General Meeting of Shareholders for the 147th term.

4. 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, 2016)

Position	Name	Important concurrent positions at other organizations
Outside Director	Takuya Goto	President, Japan Marketing Association President, Asia Marketing Federation
Outside Director	Shiro Hiruta	Director, ORION ELECTRIC Co., LTD.
Outside Director	Sumitaka Fujita	Director, Furukawa Electric Co., Ltd. Chairman, Japan Association for CFOs
Outside Director	Keiko Unotoro	Professor, Faculty of Modern Business Administration, Toyo Gakuen University
Outside Audit & Supervisory Board Member	Nobuo Nagoya	Chief, Nagoya CPA Office Audit & Supervisory Board Member, Kanai Scene Shop Co., Ltd.
Outside Audit & Supervisory Board Member	Katsuya Natori	Chief, Natori Law Office Director, 45Corporation Co., Ltd. Director, MODEC, INC. Director, MORITEX Corporation

- Notes: 1. There is no special interest between the Company and the organizations where Takuya Goto, Shiro Hiruta, Sumitaka Fujita, Keiko Unotoro, Nobuo Nagoya and Katsuya Natori assume important concurrent positions.
2. Audit & Supervisory Board Member, Katsuya Natori assumed his post as Supervisory Director of Global One Real Estate Investment Corp. on April 1, 2016. There is no special relationship between Global One Real Estate Investment Corp. and the Company.
 3. The above important concurrent positions at other organizations are stated for persons who held office from the following day of the conclusion of the 147th General Meeting of Shareholders held on June 26, 2015 until the end of the current fiscal year.

(2) Major activities during current fiscal year

Takuya Goto, Director

Mr. Goto served as the Chairman of the Board of Directors, attended all 23 Board of Directors' meetings (excluding ones held without a resolution as stipulated in Article 370 of the Companies Act; 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 23 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 22 of 23 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 23 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 & Sumitomo Metal Corporation and his profound knowledge as an attorney. As Chairman of the Compliance Committee, which works to oversee and improve the compliance system, he chaired deliberations on enhancement of the internal control system, etc., and reported the details to the Board of Directors. Furthermore, he participated in deliberations on remuneration standards for directors and audit & supervisory board members, etc. at the Compensation Committee.

Keiko Unotoro, Director

Ms. Unotoro attended all 23 Board of Directors' meetings held during the current fiscal year and made statements and recommendations as she saw fit, based on her profound knowledge and broad insight at the Japan Fair Trade Commission. As a member of the Compliance Committee, which works to oversee and improve the compliance system, she participated in deliberations on enhancement of the internal control system, etc.

Nobuo Nagoya, Audit & Supervisory Board Member

Mr. Nagoya attended all 23 Board of Directors' meetings and all 30 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 22 of 23 Board of Directors' meetings and 29 of 30 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.

IV Accounting Auditor

1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

2. Amount of Remuneration

Classification	Amount paid
Remuneration to Accounting Auditor for the current fiscal year	¥228 million
Total amount of money and other financial interests to be paid by the Company and its subsidiaries	¥359 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 Companies Act 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. The Audit & Supervisory Board confirmed and reviewed if an audit plan of the Accounting Auditor, the status of executing duties of the accounting audit, the basis for calculation of estimated remuneration, etc. are appropriate, and agreed to the amount of remuneration, etc. of the Accounting Auditor as stipulated in Article 399, Paragraph 1 of the Companies Act.
3. 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 give advice and guidance regarding the introduction of International Financial Reporting Standards (IFRS) 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 as necessary, 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 Companies Act.

In addition to the foregoing, the Audit & Supervisory Board will determine the contents of agendas regarding 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, or when otherwise deeming the action necessary.

5. Business suspension order to which the Accounting Auditor was subjected during the past two years

Description of disciplinary action, etc. announced by the Financial Services Agency on December 22, 2015:

(1) Subject of disposition

Ernst & Young ShinNihon LLC

(2) Contents of disposition

- Partial business suspension order for three months (Suspension of accepting new engagements) (January 1, 2016 to March 31, 2016)
- Business improvement order (improvement of the operation control structure)

(3) Reason for disposition

In regard to the audit of financial statements for TOSHIBA CORPORATION in the fiscal year ended March 31, 2010, the fiscal year ended March 31, 2012, and the fiscal year ended March 31, 2013, Ernst & Young ShinNihon LLC, in negligence of due care, attested financial statements containing material false matters as those containing no material false matters. In addition, the above mentioned auditing firm's operation of the services was found to be grossly inappropriate.

V Framework to ensure fairness of operations

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 its activities.

The Company, based on this basic concept, shall prepare and operate a framework which ensures the effectiveness and efficiency of operations and appropriateness and reliability of financial reporting of the Company and its subsidiaries (hereinafter, "the Olympus Group"), and make continuous improvements.

1. Framework to ensure the compliance by Directors and employees of the Company and its subsidiaries, 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 of the Olympus Group perform their duties in compliance with applicable laws and regulations as well as the Articles of Incorporation, the Company shall establish the Olympus Group's Charter of Corporate Behavior and the Olympus Group's Code of Conduct and other basic policies and internal corporate regulations, and shall instill the policies and facilitate initiatives to raise awareness of compliance in Olympus Group through continuing education and other measures.
- (2) The Company shall establish the Compliance Committee chaired by an Outside Director as a body to supervise and improve the compliance system of the Olympus Group. 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 employees and measures relating to assessment. It shall establish a compliance helpline inside and outside the Company for consultation or provision of information on compliance related issues so that any employee, when suspecting there is or may be a violation of laws and regulations, etc., may make a report.
- (3) The Company shall establish the CSR Committee with the President responsible for CSR and chaired by the officer in charge of CSR, and regularly hold meetings to set the contents and objectives for CSR activities by the Olympus Group 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 the 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 audits of the businesses of the Company and domestic subsidiaries in general with regard to the status of their compliance with laws and regulations, the Articles of Incorporation, and internal corporate regulations, and the appropriateness of the business execution procedures and details and other matters. For overseas subsidiaries, the internal audit department of each regional business center shall regularly conduct internal audits. Their audit results shall be reported to the President, the Board of Directors and the Audit & Supervisory Board of the Company.

- (5) 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 of subsidiaries based on Olympus Group's internal control rules on approval procedures.
- (6) In order to ensure the appropriateness and reliability of financial reporting of the Olympus Group, 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.
- (7) 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 Olympus Group continuously shall conduct measures for excluding anti-social forces and prepare relevant rules and regulations in order to maintain 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 of the Company

- (1) Pursuant to applicable laws and regulations and internal corporate regulations including the internal rules on document management, 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 based on the internal rules on document management.

3. Rules relating to the risk management of the Company and its subsidiaries in the event of loss and other circumstances

- (1) The Company shall manage its business risks of the Olympus Group based on due deliberations held at meetings of the Board of Directors and the Executive Management Committee, among other meetings, and appropriate operation of the internal approval procedure. The President shall make a proposal to the Board of Directors for resolution of significant matters of the Olympus Group that are specified by the Rules of the Board of Directors following sufficient deliberations at meetings of the Executive Management Committee. The Board of Directors shall make a decision about the proposed matters after sufficient deliberations. In addition, the President shall make a decision about significant matters except for board meeting agendas after deliberations at meetings of the Executive Management Committee.
- (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, working for preventive risk management as the Olympus Group, and implementing education and training.
- (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 at the Olympus Group. Moreover, pursuant to the Rules on Risk Management and Crisis Response, each department in charge in the Company and the subsidiaries shall be aware of risks and take preventative measures, and the Company has 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 department in charge shall make immediate reports to the President, other members of the Executive Management 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 of the Company and its subsidiaries

- (1) The Board of Directors shall approve medium- and long-term Corporate Strategic Plans in which the business objectives of the Olympus Group are set forth, and action plans for these, which are called annual business plans. 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 President and other Operating Directors and approve the separation of duties of Executive Officers. In addition, the Board of Directors shall receive reports on their duties as performed.
- (3) Based on internal corporate regulations including the internal rules on approval procedures and organizational matters, the Board of Directors shall approve 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 receive reports from major management organizations on their duties as performed.
- (4) To ensure efficient execution of duties by Directors of the subsidiaries, the Company has established Group Finance Control Rules and introduced a cash management system for each of Japan, Americas, Europe and Asia.

5. Framework for reporting to the Company on matters concerning execution of duties by the Directors, etc., of the subsidiaries of the Company

- (1) Pursuant to the internal rules on management of subsidiaries and affiliates, the Company shall clearly provide for management standards applied to its subsidiaries, review management status of respective subsidiaries, and regularly make reports to the Executive Management Committee.
- (2) The Company shall receive reports from the subsidiaries through the Global Executive Management Committee held on a regular basis.
- (3) The Company shall ensure receiving reports as appropriate and in a timely manner from the subsidiaries in accordance with the Global Consolidated Accounting Control Framework to ensure that the Company will remain accurately informed of financial position and results of operation of the Olympus Group, and appropriately maintain and manage the consolidated accounting policies.

6. Matters relating to employees that assist the Audit & Supervisory Board Members of the Company upon the request of such Audit & Supervisory Board Members for assistance, matters relating to independence of the relevant employees from Directors of the Company and matters relating to effectiveness of directions given to such employees of the Audit & Supervisory Board Members of the Company to be ensured

The Company shall establish the office of Audit & Supervisory Board Members and allocate a dedicated

employee who will assist with the Audit & Supervisory Board Members' duties. The Company may also allocate non-dedicated, shared employees as necessary. In addition, the Company shall set forth internal corporate regulations to ensure independence from execution as stated below, and ensure effectiveness of directions from the Audit & Supervisory Board Members to such employees.

- i) In order to assist with Audit & Supervisory Board Members' duties, such employees shall not receive directions or guidance from any Directors and employees.
- ii) Appointment, dismissal, transfers, wages, 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.

7. Framework regarding reports by Directors and employees of the Company to Audit & Supervisory Board Members of the Company, and reports by Directors and employees of the subsidiaries of the Company or personnel who have received reports from them to the Audit & Supervisory Board Members of the Company

- (1) Directors and employees of the Company, and Directors, Audit & Supervisory Board Members and employees of subsidiaries shall make reports to the Audit & Supervisory Board of the Company any material violation of relevant laws and regulations, or the Articles of Incorporation, acts of wrongdoing, or acts that may cause material damages to the Company, directly or by way of an appropriate division in a timely manner. In addition, when Audit & Supervisory Board Members of the Company request reports from Directors and employees of the Olympus Group in accordance with relevant laws and regulations, as well as the Rules of the Audit & Supervisory Board and the Audit & Supervisory Board Members' Audit Standard, which are both established by the Audit & Supervisory Board of the Company, such Directors and employees shall immediately make a report to the Audit & Supervisory Board Members.
- (2) In case any material compliance issue arises in the Olympus Group, the Chief Compliance Officer shall make reports on details and other matters to the Board of Directors in accordance with the Rules for Compliance Helpline Operation. Reports on details of issues reported and results of investigations shall also be made regularly to Standing Audit & Supervisory Board Members.
- (3) The Internal Audit Office of the Company shall regularly report the status of internal audit in the Olympus Group to Audit & Supervisory Board Members of the Company. In addition, the Chief Compliance Officer shall report the status concerning compliance to the Audit & Supervisory Board Members as necessary.

8. Framework to ensure that any personnel who have made a report to the Audit & Supervisory Board Members of the Company will not be subjected to any unfair treatment due to the report made

The Company shall set forth internal corporate regulations and shall not impose any unfair treatment (including de-facto measures such as restricting the personnel to engage in duties, or assigning the personnel solely to work on chores, in addition to measures of personnel affairs such as dismissal, demotion, pay cut and other disciplinary actions and disadvantageous transfer) to any personnel who have made a report on the grounds of having made a report to the Audit & Supervisory Board Members.

9. Matters regarding procedures for advance payment of expenses incurred in connection with execution of duties by Audit & Supervisory Board Members of the Company and their reimbursement, and treatment of other expenses or liabilities incurred in connection with execution of the duties

The Company shall set forth internal corporate regulations. When an advance payment or reimbursement of expenses is requested for execution of duties of Audit & Supervisory Board Members, the Company shall promptly process disbursement except for such case that the expense is obviously deemed unnecessary for execution of duties by Audit & Supervisory Board Members.

10. Other systems to ensure the effectiveness of audit by Audit & Supervisory Board Members of the Company

- (1) Directors and employees of the Company and the subsidiaries shall ensure effectiveness of the audit by cooperating with the Audit & Supervisory Board Members for investigations by interviews and on-site inspections.
- (2) The Company shall ensure that it provides Audit & Supervisory Board Members with opportunities to sufficiently exchange opinions with Directors, Accounting Auditor and any other personnel necessary for the Audit & Supervisory Board Members in appropriately performing their duties.
- (3) The Company shall ensure that it provides Audit & Supervisory Board Members with opportunities to attend meetings of the Board of Directors as well as meetings of the Executive Management Committee and any other important meetings to express their opinions.
- (4) The Company shall ensure that it provides Audit & Supervisory Board Members with, upon their request, opportunities of collaboration between Audit & Supervisory Board Members and Audit & Supervisory Board Members of the subsidiaries and collecting information from employees of the subsidiaries.

Consolidated Balance Sheets

(As of March 31, 2016)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		LIABILITIES:	
Current assets	520,692	Current liabilities	266,625
Cash and time deposits	166,554	Notes and accounts payable	40,597
Notes and accounts receivable	140,666	Short-term borrowings	26,656
Merchandise and finished goods	54,245	Current maturities of bonds	30,000
Work in process	21,993	Accrued expenses	90,438
Raw materials and supplies	35,320	Income taxes payable	9,120
Deferred income taxes	38,461	Provision for product warranties	6,314
Other current assets	70,043	Provision for points	207
Allowance for doubtful accounts	(6,590)	Provision for loss on business liquidation	298
		Provision for loss on litigation	567
		Other current liabilities	62,428
Fixed assets	479,922	Non-current liabilities	349,706
Property, plant and equipment	166,064	Long-term bonds, less current maturities	25,000
Buildings and structures	56,480	Long-term borrowings, less current maturities	239,482
Machinery and equipment	12,283	Net defined benefit liability	38,645
Tools, furniture and fixtures	55,088	Provision for retirement benefits for directors and audit & supervisory board members	38
Land	22,832	Other non-current liabilities	46,541
Lease assets	9,582		
Construction in progress	9,799	Total liabilities	616,331
Intangible assets	150,797	NET ASSETS:	
Goodwill	97,190	Shareholders' equity	387,327
Others	53,607	Common stock	124,520
		Capital surplus	90,940
		Retained earnings	172,989
Investments and other assets	163,061	Treasury stock, at cost	(1,122)
Investment securities	71,141		
Deferred income taxes	11,421	Accumulated other comprehensive income	(4,968)
Net defined benefit asset	24,749	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	24,947
Other assets	64,804	Net unrealized gains (losses) on hedging derivatives, net of taxes	(7)
Allowance for doubtful accounts	(9,054)	Foreign currency translation adjustments	(8,686)
		Remeasurements of defined benefit plans	(21,222)
		Subscription rights to shares	428
		Non-controlling interests	1,496
		Total net assets	384,283
Total assets	1,000,614	Total liabilities and net assets	1,000,614

Consolidated Statement of Income

(April 1, 2015 to March 31, 2016)

(Millions of yen)

Accounts	Amount
Net sales	804,578
Cost of sales	269,341
Gross profit	535,237
Selling, general and administrative expenses	430,773
Operating income	104,464
Non-operating income	5,540
Interest income	1,085
Dividends income	1,277
Others	3,178
Non-operating expenses	19,106
Interest expenses	7,892
Foreign currency exchange loss	3,704
Net loss of investment in affiliated companies carried on the equity method	2,675
Others	4,835
Ordinary income	90,898
Extraordinary income	2,369
Gain on sales of investment securities	2,297
Legal settlement compensation	72
Extraordinary losses	22,467
Loss on sales of investment securities	183
Loss on liquidation of business	189
Business restructuring expenses	1,209
Loss related to securities litigation	2,072
Loss related to the U.S. Anti-kickback Statute	18,814
Income before provision for income taxes	70,800
Income taxes, current	10,944
Income taxes for prior periods	3,172
Income taxes, deferred	(5,967)
Net income	62,651
Net income attributable to non-controlling interests	57
Net income attributable to owners of the parent	62,594

Non-Consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		LIABILITIES:	
Current assets	259,163	Current liabilities	202,654
Cash and time deposits	57,678	Notes payable	1,035
Notes receivable	6,781	Accounts payable	60,748
Accounts receivable	94,006	Current maturities of bonds	30,000
Finished goods	21,999	Current maturities of long-term borrowings	20,000
Work in process	4,946	Lease liabilities	2,688
Materials	22,967	Other payable	25,302
Short-term loans receivable	3,141	Accrued expenses	32,305
Other receivables	23,249	Income taxes payable	2,553
Deferred income taxes	20,560	Deposits received	20,549
Other current assets	4,493	Provision for product warranties	133
Allowance for doubtful accounts	(657)	Provision for points	207
		Provision for loss on litigation	567
		Other current liabilities	6,567
Fixed assets	528,086	Non-current liabilities	211,953
Property, plant and equipment	73,704	Long-term bonds, less current maturities	25,000
Buildings	23,479	Long-term borrowings, less current maturities	171,100
Structures	1,296	Lease liabilities	5,229
Machinery and equipment	4,853	Deferred income taxes	7,380
Vehicles	30	Provision for loss on business liquidation	2,388
Tools, furniture and fixtures	14,317	Long-term deposits received, less current maturities	856
Land	14,989		
Lease assets	7,919		
Construction in progress	6,821	Total liabilities	414,607
Intangible assets	5,406	NET ASSETS:	
Patent right	1,851	Shareholders' equity	348,057
Software	2,284	Common stock	124,520
Software in progress	1,210	Capital surplus	90,940
Lease assets	7	Legal capital surplus	90,940
Right of using facilities, etc.	54	Other capital surplus	0
Investments and other assets	448,976	Retained earnings	133,719
Investment securities	68,852	Other retained earnings	133,719
Investment securities in subsidiaries and affiliates	352,795	Reserve for advanced depreciation	1,328
Investments in capital of subsidiaries and affiliates	278	Retained earnings carried forward	132,391
Long-term loans receivable	7,189	Treasury stock, at cost	(1,122)
Prepaid pension expenses	17,115	Valuation and translation adjustments	24,157
Long-term accounts receivable-other	7,211	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	24,164
Claims provable in bankruptcy, claims provable in rehabilitation and other	3,793	Net unrealized gains (losses) on hedging derivatives, net of taxes	(7)
Other assets	5,416		
Allowance for doubtful accounts	(13,673)	Subscription rights to shares	428
		Total net assets	372,642
Total assets	787,249	Total liabilities and net assets	787,249

Non-Consolidated Statement of Income

(April 1, 2015 to March 31, 2016)

(Millions of yen)

Accounts	Amount
Net sales	407,776
Cost of sales	185,983
Gross profit	221,793
Selling, general and administrative expenses	144,210
Operating income	77,583
Non-operating income	6,034
Interest income	221
Dividends income	2,383
Others	3,430
Non-operating expenses	17,231
Interest expenses	5,491
Interest on bonds	1,125
Foreign currency exchange loss	1,383
Others	9,232
Ordinary income	66,386
Extraordinary income	35,114
Gain on sales of investment securities	2,240
Gain on extinguishment of tie-in shares	31,716
Gain on liquidation of subsidiaries and affiliates	1,086
Legal settlement compensation	72
Extraordinary losses	3,194
Loss on extinguishment of tie-in shares	139
Business restructuring expenses	983
Loss related to securities litigation	2,072
Income before provision for income taxes	98,306
Income taxes, current	2,468
Income taxes, deferred	(7,130)
Net income	102,968

Independent Auditor's Report

May 16, 2016

The Board of Directors
OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC
Kenzo Oka [Seal]
Certified Public Accountant
Designated and Engagement Partner
Masanori Enomoto [Seal]
Certified Public Accountant
Designated and Engagement Partner
Masayasu Iida [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, 2015 through March 31, 2016.

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, 2016 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matters

1. We draw attention to the "Change in Method of Depreciation" in the Changes in Accounting Policy, which describes that, previously, the Company and its consolidated subsidiaries in Japan have used the declining balance

method for depreciating property, plant and equipment (excluding lease assets). However, from the fiscal year ended March 31, 2016, this has been changed to the straight-line method.

2. We draw attention to “2. Contingent Liabilities (2) Lawsuits, etc.” in the Notes to Consolidated Balance Sheet, as a result of inappropriate financial reporting by the Company, certain shareholders and shareholder groups, etc. claimed compensation for damages from the Company or filed lawsuits. Among these the Company has recorded provision for loss on litigation for some portion of these claims by lawsuits, and there is a possibility that other claims by lawsuits and claims for compensation for damages may have an impact on the Company’s consolidated financial results, depending on future developments pertaining to the claims.

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 16, 2016

The Board of Directors
OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC
Kenzo Oka [Seal]
Certified Public Accountant
Designated and Engagement Partner
Masanori Enomoto [Seal]
Certified Public Accountant
Designated and Engagement Partner
Masayasu Iida [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 148th fiscal year from April 1, 2015 through March 31, 2016.

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 controls 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 148th fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matters

1. We draw attention to the “Change in Method of Depreciation” in the Changes in Accounting Policy, which describes that, previously, the Company has used the declining balance method for depreciating property, plant and equipment (excluding lease assets). However, from the fiscal year ended March 31, 2016, this has been changed to the straight-line method.
2. We draw attention to “2. Contingent Liabilities (2) Lawsuits, etc.” in the Notes to Non-Consolidated Balance Sheet, which describes that, as a result of inappropriate financial reporting by the Company, certain shareholders and shareholder groups, etc. claimed compensation for damages from the Company or filed lawsuits. Among these the Company has recorded provision for loss on litigation for some portion of these claims by lawsuits, and there is a possibility that other claims by lawsuits and claims for compensation for damage may have an impact on the Company’s financial results, depending on future developments pertaining to the claims.

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 148th term (from April 1, 2015 to March 31, 2016), 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
 - (1) 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.
 - (2) 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, and conducted the audit by the following methods.
 - (i) 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 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.
 - (ii) 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 Companies Act as systems necessary for ensuring proper business conduct by the enterprises consisting of a stock company and its subsidiaries (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.
 - (iii) Regarding the basic policy based on Article 118, Item 3 (a) of the Ordinance for Enforcement of the Companies Act 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.
 - (iv) 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 business report and the supplementary schedules, 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 Companies Act 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 16, 2016

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]