To Shareholders

Internet Disclosure for Notice Regarding the Convocation of the General Meeting of Shareholders For the 147th Term

June 4, 2015

OLYMPUS CORPORATION

Pursuant to applicable laws and regulations, and the provisions of the Articles of Incorporation of Olympus Corporation (the "Company"), the items listed above are deemed to have been provided to shareholders because they have been posted on the Company's website (http://www.olympus.co.jp/jp/ir/stock/meeting/).

I. Matters Concerning Subscription Rights to Shares, etc.

1. Summary of Subscription Rights to Shares

Date of resolution of issue	Number of subscription rights to shares	Class and number of shares to be issued upon exercise of subscription rights to shares	Paid-in amount for subscription rights to shares	Value of property contributed upon exercise of subscription rights to shares	Exercise period	Grantees
August 8, 2013 (The first subscription rights to shares)	401	Common stock 40,100 shares	¥2,940 per share	¥1 per share	(Note) 1.	Directors or Executive Officers
June 26, 2014 (The second subscription rights to shares)	410	Common stock 41,000 shares	¥3,625 per share	¥1 per share	(Note) 1.	Directors or Executive Officers

Notes: 1. (a) A holder of subscription rights to shares may exercise the rights only during a period of 10 years that starts after one year has passed since the day immediately following the day on which the holder loses his/her position of either Director or Executive Officer of the Company.

(b) Should a holder of subscription rights to shares assume the position of Audit & Supervisory Board Member after his/her retirement from the position of Director or Executive Officer, he/she may exercise the rights only during a period of 10 years that starts after one year has passed since the day immediately following the day on which the holder loses his/her position of Audit & Supervisory Board Member of the Company.

(c) Other terms and conditions are stipulated in the Agreement on the Allocation of Subscription Rights to Shares.

2. In accordance with the provisions of the Agreement on the Allocation of Subscription Rights to Shares, the "Number of subscription rights to shares" for the first subscription rights to shares above and that for the second subscription rights to shares above each decreased by 10 due to the retirement of Executive Officers.

2. Subscription Rights to Shares Granted to as Compensation for the Duties Performed and Held by the Company's Directors and Audit & Supervisory Board Members at the End of the Fiscal Year

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

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

Category	Issue number	Number of subscription rights to shares	Class and number of shares to be issued upon exercise of subscription rights to shares	Number of grantees
Executive Officers	The second subscription rights to shares	281	Common stock 28,100 shares	20

Notes: 1. Executive Officers do not include those who also serve as Directors.

2. In accordance with the provisions of the Agreement on the Allocation of Subscription Rights to Shares, the "Number of subscription rights to shares" above decreased by 10 during the fiscal year due to the retirement of Executive Officers.

II. Basic Policy on Control of Company

1. Summary of basic policy

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

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

Nonetheless, there are some forms of a large-scale acquisition that benefits neither the corporate value of the target company nor, in turn, the common interests of its shareholders. Unless a person who would make a large-scale acquisition of the Company's shares understands the source of the Company's corporate value and would ensure and enhance these elements over the medium-to-long term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed. The Company believes that persons who would make a large-scale acquisition of the Company's shares in a manner that does not contribute to the corporate value of the Company and, in turn, the common interests of its shareholders would be inappropriate to become persons who would control decisions on the Company's financial and business policies. The Company also believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition of the Company's shares by such persons.

2. Measures for realization of basic policies

(1) Summary of special measures for the realization of basic policies

The Company, through its new management formed in April 2012, announced in June 2012 its new Medium-Term Vision for the five years from fiscal year ended March 2013. This vision is based on the three management policies under the new management: "Return to Basics," "One Olympus", and "Profitable Growth." Based on the these management policies, we are implementing the following four basic strategies to rebuild Olympus and create new corporate value: (i) rebuilding of the business portfolio and optimal allocation of management resources, (ii) review of cost structures, (iii) restoration of financial health, and (iv) restructuring of governance. Also, in addition to the business and capital alliance with Sony Corporation announced in September 2012, the Company made financing of approximately ¥110 billion by issuance of new shares, etc. in July 2013. Through those measures we aim to enhance our corporate value by improving our financial basis and accelerating the accomplishment of Medium-Term Vision.

Due to occurrence of series of problems involving deferral of posting of losses at the Company, in order to prevent recurrence of misconducts, under the supervision of the new management formed in April 2012, we are solidly implementing measures to prevent recurrence compiled by the working team with advice from the Management Reform Committee comprised of outside experts, and are continuously working to strengthen corporate governance, organize internal control system and review compliance.

(2) Summary of measures to prevent control of financial and business policy decisions by inappropriate parties from the perspective of basic policies

(i) The Company renewed the plan for the former countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) (the "Plan") by resolution of the 146th Ordinary General Meeting of Shareholders held on June 26, 2014.

(ii) Details of the Plan

The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons who would propose a large-scale acquisition of the Company's shares in a manner that does not contribute to the corporate value of the Company and, in turn, the common interests of its shareholders, to deter large-scale acquisitions of the Company's shares that are detrimental to the corporate value of the Company and, in turn, the common interests of its shareholders, and on the occasion that it receives a proposal from an acquirer for large-scale acquisition of the Company's shares, to ensure the necessary time and information for shareholders to decide whether or not to accept the large-scale acquisition proposal or for the Company's Board of Directors to present an alternative proposal to the shareholders, or to enable the Board of Directors to negotiate for the benefit of the shareholders.

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) a purchase or other acquisition that would result in the holding ratio of share certificates, etc. *(kabuken tou hoyuu wariai)* of a holder (*hoyuusha*) totaling at least 20% of the share certificates, etc. (*kabuken tou*) issued by the Company; or (ii) a tender offer (*koukai kaitsuke*) that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariai*) and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*) totaling at least 20% of the share certificates, etc. (*kabuken tou*) issued by the Company, or any similar action, or a proposal for such action (except for such action as the Company's Board of Directors separately determines not to be subject to the Plan; the "Acquisition") will take place. The party effecting the Acquisition (the "Acquirer") shall follow the procedures prescribed in the Plan.

(iii) Procedures and Triggering Requirements of the Plan

The Acquirer is required to provide the Board of Directors with a document which includes an undertaking that the Acquirer will comply with the procedures set out in the Plan in the form separately prescribed by the Company and a document containing specific information necessary for shareholders to make decisions (the "Acquisition Document") in a form designated by the Company, before commencing or effecting the Acquisition. Upon receiving the Acquisition Document, the Board of Directors will send the document to the Special Committee composed of members including Outside Directors.

The Special Committee will consider the acquisition terms including information provided by the Acquirer and the Board of Directors, collect information on materials such as the management plans and business plans of the Acquirer and the Board of Directors for comparison, and consider any alternative plans presented by the Company's Board of Directors. Further, it will discuss with the Acquirer or conduct any similar action. The Special Committee may, at the Company's expense, obtain the advice of an independent third party. If the Special Committee determines that any particular trigger event has occurred, such as a case where the Acquisition by the Acquirer is not in compliance with the procedures prescribed in the Plan, or where the Acquisition threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders and it is reasonable to implement the gratis allotment of stock acquisition rights, the Special Committee will recommend the Board of Directors to trigger the Plan through the gratis allotment of stock acquisition rights, except in certain specific cases. The Special Committee may recommend implementation of the gratis allotment of stock acquisition rights subject to obtaining approval at the general meeting of shareholders in advance, and the Board of Directors may convene a general meeting of shareholders and confirm the intent of the Company's shareholders regarding this issue. The Board of Directors will make a resolution relating to the implementation or non-implementation of a gratis allotment of stock acquisition rights respecting to the maximum extent any recommendation by the Special Committee described above. If the general meeting of shareholders described above is convened, the Board of Directors will comply with any resolution passed by shareholders.

The stock acquisition rights to be allotted to our shareholders under the Plan are exercised to obtain one share of common stock per stock acquisition right, in principle, by paying the amount decided by the Board of Directors within the range of a minimum of one (1) yen and the maximum of the amount equivalent to one-half of the market value of one share in the Company. Furthermore, exercise conditions whereby the non-qualified party may not exercise stock acquisition rights (except if an exceptional event occurs), and provisions for acquisition whereby the Company will acquire one stock acquisition right that has not been exercised from parties other than the non-qualified party in exchange for one share in the Company have been provided.

The effective period of the Plan is, in principle, until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within one year of the conclusion of the 146th Ordinary General Meeting of Shareholders held on June 26, 2014.

(3) Board of Directors' views on measure in (2) above and reasons thereof

The Plan was introduced to ensure and enhance the corporate value of the Company and, in turn, the common interests of its shareholders in accordance with the basic policy. The Company primarily introduced the Plan to assure fairness and objectivity on the condition that: (i) it is subject to approval at a general meeting of shareholders; (ii) it is based on a system to confirm the intent of the Company's shareholders regarding the triggering of the Plan in some cases; (iii) the effective period thereof is to be one year and the Plan may be abolished at any time by a resolution at a general meeting of shareholders or by the Board of Directors; (iv) the Special Committee composed of members including Outside Directors has been established as an organization independent of the management of the Company and the Plan must never be triggered without a decision of the Special Committee; (v) the Special Committee may, at the Company's expense, obtain the advice of an independent third party; and, (vi) reasonable and objective requirements regarding the triggering thereof are established. Accordingly, the purpose of the Plan is not to maintain the position of the Company's Directors and Audit & Supervisory Board Members, but to contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

III. Consolidated Statement of Changes in Net Assets (April 1, 2014 to March 31, 2015)

(Millions of yen)

Items	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total Shareholders' equity
Balance at the beginning of the year	124,520	131,871	81,534	(1,098)	336,827
Cumulative effects of changes in accounting policies			89		89
Restated balance	124,520	131,871	81,623	(1,098)	336,916
Changes during the year					
Net loss			(8,737)		(8,737)
Transfer to retained earnings from capital surplus		(40,931)	40,931		–
Acquisition of treasury stock				(13)	(13)
Net changes in items other than shareholders' equity					
Net changes during the year	–	(40,931)	32,194	(13)	(8,750)
Balance at the end of the year	124,520	90,940	113,817	(1,111)	328,166

Items	Accumulated other comprehensive income				
	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	Net unrealized gains (losses) on hedging derivatives, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at the beginning of the year	11,836	(1)	(13,411)	(5,732)	(7,308)
Cumulative effects of changes in accounting policies					
Restated balance	11,836	(1)	(13,411)	(5,732)	(7,308)
Changes during the year					
Net loss					
Transfer to retained earnings from capital surplus					
Acquisition of treasury stock					
Net changes in items other than shareholders' equity	12,928	(7)	28,696	(7,013)	34,604
Net changes during the year	12,928	(7)	28,696	(7,013)	34,604
Balance at the end of the year	24,764	(8)	15,285	(12,745)	27,296

Items	Subscription rights to shares	Minority interests	Total net assets
Balance at the beginning of the year	115	1,650	331,284
Cumulative effects of changes in accounting policies			89
Restated balance	115	1,650	331,373
Changes during the year			
Net loss			(8,737)
Transfer to retained earnings from capital surplus			–
Acquisition of treasury stock			(13)
Net changes in items other than shareholders' equity	145	(118)	34,631
Net changes during the year	145	(118)	25,881
Balance at the end of the year	260	1,532	357,254

IV. Notes to Consolidated Financial Statements

Important Items That Form the Basis for Preparing the Consolidated Financial Statements

1. Scope of consolidation

(1) Status of consolidated subsidiaries

Number of consolidated subsidiaries: 133

Names of principal consolidated subsidiaries:

Olympus Medical Systems Corp., Olympus Imaging Corp., Olympus Corporation of the Americas, Olympus Europa Holding SE and Olympus Corporation of Asia Pacific Limited

Change in scope of consolidation

Excluded companies: 20

E-Globaledge Corporation and 3 other companies have been excluded from consolidated subsidiaries due to sale of shares during the current fiscal year.

Olympus Imaging America Inc. and 8 other companies have been excluded from consolidated subsidiaries due to merger with other consolidated subsidiaries during the current fiscal year.

Olympus Leasing Co., Ltd. and 6 other companies have been excluded from consolidated subsidiaries due to liquidation during the current fiscal year.

(2) Status of non-consolidated subsidiaries

Names of principal non-consolidated subsidiaries:

Olympus-Supportmate Corp. and 1 other company

The 2 non-consolidated subsidiaries are all small and not material when measured by the impact of total amounts of assets, net sales, net income, and retained earnings (based on the Company's ownership percentage) of those companies on consolidated financial statements. They have therefore been excluded from the scope of consolidation.

2. Application of the equity method

(1) Status of affiliated companies accounted for under the equity method

Number of affiliated companies accounted for under the equity method: 4

Names of principal affiliated companies:

Adachi Co., Ltd., Olympus Opto Systems India Private Limited, OLYMPUS-RMS CORP. and Sony Olympus Medical Solutions Inc.

(2) Olympus-Supportmate Corp. and 1 other non-consolidated subsidiary have not been accounted for under the equity method because the impact of all those companies on consolidated net income and retained earnings is not material.

3. Items concerning accounting principles

(1) Important asset valuation principles and methods

(a) Securities

Held-to-maturity securities	Amortized cost method
Available-for-sale securities	
Items with market value	Market value method based on fair market value on the account settlement date (the net unrealized gains and losses on these securities are reported as a separate component of net assets, and the cost of sales is calculated by the moving-average method)
Items without market value	Cost method based on the moving-average method Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported using a method that treats the amount (net) equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement.

(b) Claims and liabilities from derivatives transactions

Market value method

(c) Inventories — Mainly reported using the first-in first-out cost method (for the value stated in the balance sheet, the book value is written down based on the decreased profitability)

(2) Depreciation and amortization method for important depreciable and amortizable assets

(a) Property, plant and equipment (excluding lease assets)

Mainly by the declining balance method

Vehicles, tools and fixtures	Mainly based on useful lives as per the Corporation Tax Act

Other property, plant and equipment — Mainly based on useful lives prescribed by the Company, determined in accordance with estimated functional useful years

(b) Intangible assets (excluding lease assets)

Straight-line method
Mainly based on estimated useful lives
Software for internal use is reported using the usable period within the Company (3 to 5 years).

(c) Lease assets

Finance lease assets not involving the transfer of ownership

Lease assets are calculated on the straight-line method over the lease period as the useful lives and assuming no residual value.
The accounting treatment for finance lease transactions not involving the transfer of ownership whose transaction commenced on or before March 31, 2008 follows the same method as for ordinary operating lease transactions.

(3) Accounting method for important allowances and reserves

(a) Allowance for doubtful accounts

To provide for losses due to unrecoverable claims such as accounts receivable and loans receivable, ordinary claims are accounted using the historical loan loss ratio and doubtful and other specified claims are reported in amounts expected to be unrecoverable considering the recoverability of each claim separately.

(b) Provision for product warranties

Due to the accounting of after service cost expected within the guarantee period with respect to products sold, the provision for product warranties is accounted using prescribed standards based on actually incurred past after service cost.

(c) Provision for retirement benefits for directors and audit & supervisory board members

To provide for retirement benefit payments for directors and audit & supervisory board members, the necessary payment amount at the end of the fiscal year is accounted by domestic consolidated subsidiaries based on their respective internal regulations.

(d) Provision for loss on business liquidation

To provide for losses arising from the business liquidation to be carried out by the Group, the expected amount of these losses is accounted.

(e) Provision for loss on litigation

To provide for losses related to lawsuits and the like, in light of the progress of lawsuits, the expected amount of these losses is accounted based on a reasonable estimate of the amount deemed necessary.

(f) Provision related to the U.S. Anti-kickback Act

Considering the progress of the investigation of the U.S. Department of Justice based on the U.S. Anti-kickback Act and the U.S. False Claims Act concerning the Medical Systems Business, the Company recorded an estimated amount of future loss.

(4) Other important items that form the basis for preparing consolidated financial statements

(a) Treatment method for important deferred assets

Stock issuance expense and bond issuance expense	
	Total expense recorded at the time of occurrence

(b) Accounting principles for net defined benefit liability

To provide for retirement benefit payments to employees, the difference between projected benefit obligation and plan assets is recorded as "net defined benefit liability," based on the projected benefit obligation and plan assets as of the end of the current fiscal year. In calculating the projected benefit obligation, the benefit formula basis is used to attribute expected benefits to periods up to the end of the fiscal year under review.

Pertaining to past service costs, the pro-rata amount calculated using a fixed number of years (mainly 5 years) within the average remaining service period of employees at the time of occurrence of such past service liabilities, is accounted as an expense.

Pertaining to the actuarial gain or loss, the pro-rata amount calculated using a fixed number of years (mainly 5 years) within the average remaining service period of employees at the time of occurrence of such actuarial gain or loss is accounted as an expense starting from the following fiscal year.

Unrecognized actuarial gain or loss and unrecognized past service costs are recorded as remeasurements of defined benefit plans under accumulated other comprehensive income in the net assets section, after adjusting for tax effects.

(c) Accounting principles for income and costs

Accounting principles for income involving finance lease transactions	
	Income involving finance lease transactions mainly follows a method of accounting net sales and cost of sales on the commencement date of the lease transaction

(d) Important hedge accounting methods

The deferred hedge treatment method is used. Foreign currency-denominated monetary claims and liabilities under foreign exchange forward contracts are accounted by translation at the foreign exchange rate stipulated in the contracts. Pertaining to interest rate swaps, a special treatment is used for those whose requirements for special treatment are satisfied.

Hedging instruments and hedged items

Hedging instruments	Foreign exchange forward contracts, currency option contracts, currency swap contracts, interest rate swap contracts
Hedged items	Forecasted transactions for foreign currency-denominated monetary claims and liabilities, borrowings

Hedging policy

Foreign exchange rate fluctuation risk and interest rate fluctuation risk are hedged based on internal regulations that stipulate authorization relating to derivatives and transaction limits.

Method of assessing hedge effectiveness

The effectiveness is assessed by checking whether there exists a high correlation among the value fluctuations of hedged items, the cash flow and hedging instruments.

(e) Amortization of goodwill and amortization period

Goodwill is amortized equally mainly over a period of 5 to 20 years.

(f) Treatment of consumption taxes

Treated using the tax exclusive method.

(g) Application of the consolidated tax payment system

The consolidated tax payment system where Olympus Corporation and some consolidated subsidiaries are designated as respective parent companies is adopted.

Changes in Accounting Policy

Application of accounting standard for retirement benefits, etc.

Regarding the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015), effective from the fiscal year ended March 31, 2015, the Company has applied the provisions of the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits, reviewed its calculation method for projected benefit obligation and current service costs, and changed its method of attributing expected benefits to periods from the straight-line basis to the benefit formula basis. In addition, the Company has changed the method for determining the discount rate to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

Application of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of the revision to the calculation method for projected benefit obligation and current service costs has been added to or deducted from retained earnings as of April 1, 2014. As a result, as of April 1, 2014, net defined benefit liability decreased ¥142 million, and retained earnings increased by ¥89 million. The effect of this application on profit and loss for the fiscal year ended March 31, 2015, is immaterial.

Moreover, the effect of this application on net assets per share and net loss per share for the fiscal year ended March 31, 2015, is immaterial.

Changes in presentation method

Consolidated Statement of Income

In the current fiscal year, "Settlement package" and "Provision for loss on litigation," which were presented separately under "Extraordinary losses" in the previous fiscal year, are included in "Loss related to securities litigation" as one item, in light of their similarity in content.

In the current fiscal year, "Dividend received," which was included in "Other" in the previous fiscal year, is presented separately as one item due to an increase in materiality.

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral and obligations secured by such collateral

(1) Assets pledged as collateral

Lease receivables and lease investment assets	¥14,781 million
Other assets under Investments and other assets	¥6,369 million
Total	¥21,150 million

(2) Obligations secured by such collateral

Short-term borrowings	¥14,781 million
Long-term borrowings, less current maturities	¥6,369 million
Total	¥21,150 million

2. Accumulated depreciation for property, plant and equipment

¥274,809 million

3. Contingent liabilities

(1) Liabilities for guarantees

Guaranteed party	Description of guarantee	Amount
Sony Olympus Medical Solutions Inc.	Bank loans	¥3,798 million
Employees	Housing fund loans, etc.	¥49 million
Total		¥3,847 million

(2) Lawsuits, etc.

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 against the Company. Among these the Company has recorded provision for loss on litigation for some portion of these claims by lawsuits. Moreover, although there is a possibility that other claims by lawsuits and claims for compensation for damage may have an impact on the Company's consolidated financial results by providing related reserves depending on future developments pertaining to the claims, it is not possible to make a reasonable estimate of this impact at present.

The lawsuits for which provision for loss on litigation was recorded as of March 31, 2015, are a lawsuit filed in relation to complaints by the Teachers' Retirement System of the State of Illinois and others on June 28, 2012, and a lawsuit filed in relation to complaints by the California State Teachers' Retirement System and others on June 27, 2013.

(3) Steps and actions concerning laws and regulations compliance

Since November 2011, Olympus Corporation of the Americas, the Company's supervising company for the America region, has been under investigation by the U.S. Department of Justice relating to the U.S. Anti-kickback Act and the U.S. False Claims Act, and Olympus Corporation of the Americas is currently continuing discussions with the Department of Justice to resolve this matter. Considering the progress of the investigation, in order to prepare for future losses, the Company recorded ¥58,883 million (US$490 million) as a "provision related to the U.S. Anti-kickback Act" for the fiscal year ended March 31, 2015. Additional liabilities may arise in the future depending on developments in the aforementioned investigation.

4. Notes receivable discounted ¥209 million
(including discounted bills of exchange for export ¥209 million)

5. Allowance for doubtful accounts
¥7,211 million of allowance for doubtful accounts is the amount expected to be unrecoverable with respect to ¥7,211 million of long-term accounts receivable-other that is commission fees related to Receiver Funds, and included as an excess amount in "Other assets" under Investments and other assets. Although these fees were paid to the external partners of multiple Receiver Funds, the Company plans to request payment from these external partners of Receiver Funds because the fees were not agreed.

Notes to Consolidated Statement of Changes in Net Assets

1. Class and total number of issued shares at the end of the current fiscal year
Common stock 342,671,508 shares

2. Items concerning dividends
(1) Paid dividends
No items to report

(2) Dividends whose record date falls in the current fiscal year and that have an effective date in the next fiscal year
It is proposed that at the Ordinary General Meeting of Shareholders to be held on June 26, 2015, the following matters regarding dividends will be brought up for resolution.

Class of shares	Total dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Common stock	3,422	Retained earnings	10	March 31, 2015	June 29, 2015

Financial Instruments

1. Items concerning status of financial instruments
With regard to fund management, the Olympus Group primarily uses short-term deposits. For financing, it uses loans from bank and other financial institutions and bond issuances.
Notes and accounts receivable, which are exposed to customer credit risks, are hedged based on internal regulations. Further, market prices of investment securities are checked on a quarterly basis.

We use loans to fund working capital (mainly, short-term) and business investments (long-term). We hedge interest rate fluctuation risks using interest rate swaps for some long-term borrowings. Our policy for derivatives is to use them based only on actual demand, in accordance with internal regulations.

2. Items concerning fair value of financial instruments

Consolidated balance sheet amounts and fair value as of March 31, 2015 (consolidated balance sheet date for the current fiscal year), and their variances, of financial instruments are as follows. However, financial instruments that have low materiality and whose fair value is deemed to be extremely difficult to determine are not included (please refer to Note 2).

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Variance
(1) Cash and time deposits	209,875	209,875	–
(2) Notes and accounts receivable	148,127	148,127	–
(3) Investment securities	67,483	67,483	–
Total assets	425,485	425,485	–
(4) Notes and accounts payable	39,155	39,155	–
(5) Short-term borrowings	29,118	29,118	–
(6) Bonds (including current maturities of bonds)	55,000	55,669	669
(7) Long-term borrowings, less current maturities (including current maturities of long-term borrowings)	270,303	275,195	4,892
Total liabilities	393,576	399,137	5,561
(8) Derivatives	(1,236)	(1,236)	–

* Net receivables and payables arising from derivative transactions are shown in net amounts. Figures in parentheses are posted to liabilities.

Note 1: Items concerning the method of determining the fair value of financial instruments

(1) Cash and time deposits, and (2) Notes and accounts receivable

Because these accounts are settled in a short period, their fair value is nearly equal to their book value. Therefore, book value is taken to be fair value.

(3) Investment securities

The fair value of stocks is the price on the relevant stock exchange, while that of bonds and investment trusts is the price on the relevant stock exchange or price presented by financial institutions with which the Company does business.

(4) Notes and accounts payable, and (5) Short-term borrowings

Because these accounts are settled in a short period, their fair values are nearly equal to their book values. Therefore, book value is taken to be fair value.

(6) Bonds

The fair value of bonds issued by the Company is its present value at which the sum of principals is calculated at the rate obtained in consideration of the remaining periods of bonds and credit risks.

(7) Long-term borrowings, less current maturities

The fair value is the value at which the sum of principal and interest is discounted at the rate obtained assuming that a similar loan is newly provided. Long-term borrowings with variable interest rates are subject to special treatment of interest rate swaps (refer to Item (8)). The fair value of such borrowings is the value at which the sum of principal and interest, which are treated in combination with the said interest rate swap, is discounted at a reasonable rate estimated for a similar new loan.

(8) Derivatives

The fair value of a derivative is the price presented by financial institutions with which the Company does business and entered into an agreement.

Derivatives that are subject to special treatment of interest rate swaps and are translated at a foreign exchange rate to foreign currency-denominated accounts receivable are treated together with hedged items, and the fair value of such derivatives is therefore included in the fair value of the hedged items.

Note 2: Financial instruments whose fair values are deemed to be extremely difficult to determine

(Millions of yen)

Classification	Consolidated balance sheet amount
(1) Unlisted shares	226
(2) Other	1,843
Total	2,069

These items do not have market prices and a considerable cost is likely to be incurred to estimate future cash flow. They are not therefore included in "(3) Investment securities" because it is deemed to be extremely difficult to determine their fair value.

Per-Share Information

1. Net assets per share ¥1,038.64
2. Net loss per share ¥(25.53)

Significant Subsequent Events

Transactions under common control

On April 1, 2015, the Company succeeded to the medical systems business of its wholly owned subsidiary Olympus Medical Systems Corp. (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) by an absorption-type split, and absorbed its wholly owned subsidiary Olympus Imaging Corp. by an absorption-type merger. In addition to the above reorganization, the Company also conducted an absorption-type merger with its wholly owned subsidiary Olympus Intellectual Property Services Co., Ltd. These actions were in accordance with resolutions of a Board of Directors meeting held on December 19, 2014.

1. Overview of transactions

(1) Absorption-type split

(i) Name and description of business involved in combination

Name of business	Medical Systems Business
Description of business	Manufacture and sales of medical endoscopes and other medical devices (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.)
Total assets	¥143,544 million
Liabilities	¥106,397 million
Net assets	¥37,147 million

(ii) Date of business combination

April 1, 2015

(iii) Legal form of business combination

Absorption-type split in which Olympus Medical Systems Corp. becomes a splitting company and the Company becomes the succeeding company.

(iv) Name of company after combination

Olympus Corporation

(2) Absorption-type merger

(i) Name of companies involved in the merger and description of their business

Names of companies

Olympus Imaging Corp.

Description of business	Manufacture and sales of digital cameras and others
Total assets	¥39,298 million
Liabilities	¥30,485 million
Net assets	¥8,813 million

Olympus Intellectual Property Services Co., Ltd.

Description of business	Research and analysis on, and management of, intellectual property rights
Total assets	¥269 million
Liabilities	¥156 million
Net assets	¥113 million

(ii) Date of business combination

April 1, 2015

(iii) Legal form of business combination

Absorption-type merger in which the Company becomes the surviving company, and Olympus Imaging Corp. and Olympus Intellectual Property Services Co., Ltd. become disappearing companies

(iv) Name of company after combination

Olympus Corporation

(3) Description of transaction including purpose of the transaction

The Company seeks to promote its Medium-Term Vision, further advance One Olympus to achieve further growth under its next medium and long-term management plan, and achieve optimal allocation and maximum utilization of companywide management resources. To this end, the Company reviewed its business unit structure and other aspects in the Medical Systems and Imaging Systems Businesses, and consequently conducted a reorganization between itself and two companies: namely the Medical Systems business unit, Olympus Medical Systems Corp., and the Imaging business unit, Olympus Imaging Corp. Moreover, in addition to the above reorganization, the Company also took steps to streamline the Group's intellectual property operations, and strengthen their functions, by conducting an absorption-type merger with its wholly owned subsidiary Olympus Intellectual Property Services Co., Ltd. at the same time.

2. Outline of accounting treatment applied

These transactions are treated as transactions under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008) and Guidance on Accounting Standard for Business Combinations and Business Divestitures (ASBJ Guidance No. 10, December 26, 2008).

Other Notes

1. Future conditions

Following the Company's announcement on November 8, 2011 concerning its postponing of recognition of losses on securities investments, etc., investigations by overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and U.S.) remain ongoing. The consolidated financial statements may be corrected if any further important information comes to light in such investigations in the future.

In addition, concerning the Company's postponing of recognition of losses mentioned above, the investigation by the UK Serious Fraud Office that had been ongoing was completed and on September 3, 2013, prosecution was brought against the Company and its subsidiary Gyrus Group Limited ("GGL") on charges of breaching Section 501 of the UK Companies Act 2006 in relation to the explanation made to the auditors of GGL subsidiaries concerning the documents related to GGL's financial accounts. The trial of this case is currently ongoing in the UK courts.

The prosecution's effect on the financial results of the Olympus Group is not clear since it is difficult to calculate its financial impact at this stage.

2. Impairment losses

Impairment losses are accounted for the following asset groups.

(Millions of yen)

Application	Type	Location	Impairment loss
Idle assets	Buildings and structures	Aomori Prefecture	119
Total			119

In principle, the Group's business assets are grouped mainly by segment, assets scheduled for disposal are grouped by assets to be disposed of by abandonment, sale, etc., and idle assets are grouped by individual asset.

During the fiscal year ended March 31, 2015, for idle assets that are not used for business, their book value is reduced to the recoverable amount. The recoverable amount is measured according to the realizable value (fair value less costs to sell) or the value in use, whichever is the higher amount. Assessment of the realizable value is based on the appraisal value and assessment of the value in use is based on future cash flows.

3. Loss related to securities litigation

The Company has received claims for compensation for damages from several individual and institutional investors, for losses sustained as a result of the Company's false statements for the purpose of postponing recognition of losses in the Annual Securities Reports, Semi-Annual Securities Reports and Quarterly Securities Reports for the period from the fiscal year ended March 31, 2001 through the first quarter of the fiscal year ended March 31, 2012. "Loss related to securities litigation" represents losses relating to these claims for compensation for damages. The main component of the losses is compensation for damage.

4. Loss related to the U.S. Anti-kickback Act

The Company's U.S. subsidiary, Olympus Corporation of the Americas has been the subject of an investigation by the U.S. Department of Justice relating to potential issues concerning its medical business under the Anti-kickback Act and the False Claims Act in the U.S. The Company recorded ¥53,866 million (US$490 million) for “Loss related to the U.S. Anti-kickback Act” as the expected loss burden to prepare for future losses in light of the status of the investigation proceedings.

5. Adjustment of deferred tax assets and deferred tax liabilities due to change in corporation tax rates
   Following the promulgation on March 31, 2015, of the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 9 of 2015), and the “Act for Partial Amendment of the Local Tax Act, etc.” (Act No. 2 of 2015), the corporation tax rates were changed for the fiscal years beginning on or after April 1, 2015. In line with these changes, the effective tax rate used to measure deferred tax assets and liabilities was changed from the previous rate of 35.6% to 33.1% for temporary differences expected to be eliminated in the fiscal year beginning on April 1, 2015, and to 32.3% for temporary differences expected to be eliminated in the fiscal years beginning on or after April 1, 2016.
   As a result of the impact from this tax rate change, deferred tax assets (net of deferred tax liabilities) decreased by ¥791 million and income taxes, deferred, increased by ¥1,858 million, net unrealized holding gains/losses on available-for-sale securities increased by ¥874 million and remeasurements of defined benefit plans increased by ¥193 million.

V. Non-Consolidated Statement of Changes in Net Assets (April 1, 2014 to March 31, 2015)

(Millions of yen)

Items	Shareholders' equity			
	Common stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the year	124,520	99,216	32,655	131,871
Changes during the year				
Transfer of surplus		(8,276)	(32,655)	(40,931)
Net income				
Acquisition of treasury stock				
Reversal of reserve for advanced depreciation				
Net changes in items other than shareholders' equity				
Net changes during the year	–	(8,276)	(32,655)	(40,931)
Balance at the end of the year	124,520	90,940	–	90,940

Items	Shareholders' equity			
	Retained earnings			
	Legal reserve	Other retained earnings		Total retained earnings
		Reserve for advanced depreciation	Retained earnings carried forward	
Balance at the beginning of the year	6,626	1,878	(49,435)	(40,931)
Changes during the year				
Transfer of surplus	(6,626)		47,557	40,931
Net income			34,174	34,174
Acquisition of treasury stock				
Reversal of reserve for advanced depreciation		(191)	191	–
Net changes in items other than shareholders' equity				
Net changes during the year	(6,626)	(191)	81,922	75,105
Balance at the end of the year	–	1,687	32,487	34,174

Items	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	Total valuation and translation adjustments		
Balance at the beginning of the year	(1,098)	214,362	11,418	11,418	115	225,895
Changes during the year						
Transfer of surplus		–				–
Net income		34,174				34,174
Acquisition of treasury stock	(13)	(13)				(13)
Reversal of reserve for advanced depreciation		–				–
Net changes in items other than shareholders' equity		–	12,340	12,340	145	12,485
Net changes during the year	(13)	34,161	12,340	12,340	145	46,646
Balance at the end of the year	(1,111)	248,523	23,758	23,758	260	272,541

VI. Notes to Non-Consolidated Financial Statements

Items Related to Important Accounting Policies

1. Asset valuation principles and methods
   (1) Securities
      (a) Held-to-maturity securities — Amortized cost method
      (b) Investment securities in subsidiaries and affiliates — Cost method based on the moving-average method
      (c) Available-for-sale securities
         Items with market value — Market value method based on fair market value on the account settlement date (the net unrealized gains and losses on these securities are reported as a separate component of net assets, and the cost of sales is calculated by the moving-average method)
         Items without market value — Cost method based on the moving-average method
         Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported using a method that treats the amount (net) equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement.

   (2) Claims and liabilities from derivatives transactions — Market value method

   (3) Inventories — Reported using the first-in first-out cost method (for the value stated in the balance sheet, the book value is written down based on the decreased profitability)

2. Depreciation and amortization method for fixed assets
   (1) Property, plant and equipment (excluding lease assets) — Declining balance method
      (a) Vehicles, tools and fixtures — Based on useful lives as per the Corporation Tax Act
      (b) Other property, plant and equipment — Based on useful lives prescribed by the Company determined in accordance with estimated functional useful years

(2) Intangible assets (excluding lease assets)

Straight-line method
Based on useful lives as per the Corporation Tax Act
Software for internal use is reported using the usable period within the Company (3 to 5 years).

(3) Lease assets

Finance lease assets not involving the transfer of ownership

Calculated on the straight-line method over the lease period as the useful lives and assuming no residual value.
The accounting treatment for finance lease transactions not involving the transfer of ownership whose transaction commenced on or before March 31, 2008 follows the same method as for ordinary operating lease transactions.

3. Accounting principles for allowances and reserves

(1) Allowance for doubtful accounts

To provide for losses due to unrecoverable claims such as accounts receivable and loans receivable, ordinary claims are accounted using the historical loan loss ratio and doubtful and other specified claims are reported in amounts expected to be unrecoverable considering the recoverability of each claim separately.

(2) Provision for product warranties

Due to the accounting of after service cost expected within the Company's guarantee period with respect to products sold, the provision for product warranties is accounted using the prescribed Company's standards based on actually incurred past after service cost.

(3) Provision for retirement benefits

To provide for retirement benefit payments to employees, the cost recognized as occurring at the end of the current fiscal year is accounted based on the projected benefit obligation and plan assets as of the end of the current fiscal year.
Pertaining to past service liabilities, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such past service liabilities is accounted as an expense.
Pertaining to the actuarial gain or loss, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such actuarial gain or loss is accounted as an expense starting from the following fiscal year.

(4) Provision for loss on business liquidation

To provide for losses arising from the business liquidation to be carried out by certain subsidiaries of the Company, the expected amount of these losses is accounted.

(5) Provision for loss on litigation

To provide for losses related to lawsuits and the like, in light of progress of lawsuits, the expected amount of these losses is accounted based on a reasonable estimate of the amount deemed necessary.

4. Other important items that form the basis for preparing non-consolidated financial statements

(1) Treatment method for important deferred assets

Stock issuance expense and bond issuance expense

Total expense recorded at the time of occurrence

(2) Hedge accounting methods

(a) Hedge accounting methods

The deferred hedge treatment method is used. Foreign currency-denominated accounts receivable under foreign exchange forward contracts are accounted for upon translation at the foreign exchange rate stipulated in the contracts. Pertaining to interest rate swaps, requirements for special treatment are satisfied, therefore a special treatment is used.

(b) Hedging instruments and hedged items

- Hedging instruments — Foreign exchange forward contracts, interest rate swap contracts
- Hedged items — Forecasted transactions for foreign currency-denominated accounts receivable, borrowings

(c) Hedging policy

Foreign exchange rate fluctuation risk and interest rate fluctuation risk are hedged based on internal regulations that stipulate authorization relating to derivatives and transaction limits.

(d) Method of assessing hedge effectiveness

The effectiveness is assessed by checking whether there exists a high correlation among the value fluctuations of hedged items, the cash flow and hedging instruments.

(3) Treatment of consumption taxes

Treated using the tax exclusive method.

(4) Application of the consolidated tax payment system

The consolidated tax payment system is adopted.

Changes in Accounting Policy

Application of accounting standard for retirement benefits, etc.

The Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015), effective from the fiscal year ended March 31, 2015, reviewed its calculation method for projected benefit obligation and current service costs, and changed its method of attributing expected benefits to periods from the straight-line basis to the benefit formula basis. In addition, the Company has changed the method for determining the discount rate to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

This application has no impact on retained earnings at the beginning of the fiscal year and profit and loss for the fiscal year ended March 31, 2015.

Changes in presentation method

Non-Consolidated Statement of Income

In the current fiscal year, "Settlement package" and "Provision for loss on litigation," which were presented separately under "Extraordinary losses" in the previous fiscal year, are included in "Loss related to securities litigation" as one item, in light of their similarity in content.

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation for property, plant and equipment ¥72,053 million

2. Contingent liabilities

(1) Liabilities for guarantees ¥12,356 million

The above amount includes ¥12,307 million in contracted guarantees to subsidiaries and affiliates.

(2) Lawsuits, etc.

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 against the Company. Among these the Company has recorded provision for loss on litigation for some portion of these claims by lawsuits. Moreover, although 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 by providing related reserves depending on future developments pertaining to the claims, it is not possible to make a reasonable estimate of this impact at present.

The lawsuits for which provision for loss on litigation was recorded as of March 31, 2015, are a lawsuit filed in relation to complaints by the Teachers' Retirement System of the State of Illinois and others on June 28, 2012, and a lawsuit filed in relation to complaints by the California State Teachers' Retirement System and others on June 27, 2013.

3. Short-term monetary claims to subsidiaries and affiliates ¥93,128 million

4. Long-term monetary claims to subsidiaries and affiliates ¥23,253 million

5. Short-term monetary liabilities to subsidiaries and affiliates ¥40,303 million

6. Discounted bills of exchange for export ¥86 million

7. Allowance for doubtful accounts

¥7,211 million of allowance for doubtful accounts is the amount expected to be unrecoverable with respect to ¥7,211 million that is commission fees related to Receiver Funds, and included as an excess amount in "Long-term accounts receivable-other" under Investments and other assets. Although these fees were paid to the external partners of multiple Receiver Funds, the Company plans to request payment from these external partners of Receiver Funds because the fees were not agreed.

Notes to Non-Consolidated Statement of Income

Total transactions with subsidiaries and affiliates	
Amounts resulting from business transactions	
Net sales	¥73,585 million
Net purchases	¥21,463 million
Other business transactions	¥9,493 million
Amount resulting from non-business transactions	¥41,695 million

Notes to Non-Consolidated Statement of Changes in Net Assets

1. Class and total number of issued shares at the end of the current fiscal year
   Common stock 342,671,508 shares

2. Class and total number of treasury shares at the end of the current fiscal year
   Common stock 434,236 shares
   Treasury share of common stock at the end of the current fiscal year increased by 3,173 as a result of the purchase of shares constituting less than one unit.

Tax Effect Accounting

1. Breakdown of deferred tax assets and liabilities by main cause

Deferred tax assets		
Inventories	¥627	million
Prepaid expenses	¥1,348	million
Accrued bonuses	¥1,506	million
Fixed assets	¥5,213	million
Investment securities	¥3,461	million
Investment securities in subsidiaries and affiliates	¥24,821	million
Provision of allowance for doubtful accounts	¥7,126	million
Provision for loss on litigation	¥4,331	million
Other	¥3,493	million
Loss brought forward	¥27,755	million
Subtotal of deferred tax assets	¥79,681	million
Valuation allowance	¥(63,476)	million
Total deferred tax assets	¥16,205	million
Deferred tax liabilities		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	¥(8,328)	million
Reserve for advanced depreciation	¥(764)	million
Prepaid pension expenses	¥(2,471)	million
Other	¥(148)	million
Total deferred tax liabilities	¥(11,711)	million
Net deferred tax assets	4,494	million

2. Additional Information

Following the promulgation on March 31, 2015, of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 9 of 2015), and the “Act for Partial Revision of the Local Tax Act, etc.” (Act No. 2 of 2015), the corporation tax rates was changed for the fiscal years beginning on or after April 1, 2015. In line with these changes, the effective tax rate used to measure deferred tax assets and liabilities was changed from 35.6% to 33.1% for temporary differences expected to be eliminated in the fiscal year beginning on April 1, 2015, and to 32.3% for temporary differences expected to be eliminated in the fiscal years beginning on or after April 1, 2016. As a result of the impact from this tax rate change, deferred tax assets (net of deferred tax liabilities) have increased by ¥325 million and income taxes, deferred increased by ¥536 million, and net unrealized holding gains on available-for-sale securities increased by ¥861 million.

Leased Fixed Assets

In addition to the fixed assets accounted in the Non-Consolidated Balance Sheet, a portion of the microscope manufacturing equipment and computers are used under leasing agreements.

Transactions with Related Party

Type	Name	Voting rights ownership ratio (%)	Relation	Details of transaction	Amount (Millions of yen)	Item	Ending balance (Millions of yen)
Subsidiary	Altis Co., Ltd.	Direct Ownership 95.9	Financial support, Interlocking of officers	—	—	Claims provable in bankruptcy, claims provable in rehabilitation and other (Note 2)	4,518
	Humalabo Co., Ltd.	Direct Ownership 87.3	Financial support, Interlocking of officers	—	—	Claims provable in bankruptcy, claims provable in rehabilitation and other (Note 2)	5,521
	Olympus Biotech International Ltd.	Direct Ownership 100.0	Financial support,	Loan (Note 1)	1,939	Claims provable in bankruptcy, claims provable in rehabilitation and other (Note 2)	3,871
	Olympus Business Creation Corp.	Direct Ownership 100.0	Interlocking of officers	Receipt of dividends-in -kind	4,001	—	—

Terms of transactions and method for determining them

Notes: 1. The interest rates on loans are determined by considering market interest rates. The Company has not obtained any collateral in relation to this loan.

2. With regard to claims provable in bankruptcy, claims provable in rehabilitation and other provided to the subsidiaries, the Company recognized an allowance for doubtful accounts of ¥13,910 million.

Per-Share Information

1. Net assets per share ¥795.59
2. Net income per share ¥99.85

Significant Subsequent Events

(Transactions under common control)

On April 1, 2015, the Company succeeded to the medical systems business of its wholly owned subsidiary Olympus Medical Systems Corp. (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) by an absorption-type split, and absorbed its wholly owned subsidiary Olympus Imaging Corp. by an absorption-type merger. In addition to the above reorganization, the Company also conducted an absorption-type merger with its wholly owned subsidiary Olympus Intellectual Property Services Co., Ltd. These actions were in accordance with resolutions of a Board of Directors meeting held on December 19, 2014.

1. Overview of transactions

(1) Absorption-type split

(i) Name and description of business involved in combination

Name of business	Medical Systems Business
Description of business	Manufacture and sales of medical endoscopes and other medical devices (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.)
Total assets	¥143,544 million
Liabilities	¥106,397 million
Net assets	¥37,147 million

(ii) Date of business combination

April 1, 2015

(iii) Legal form of business combination

Absorption-type split in which Olympus Medical Systems Corp. becomes a splitting company and the Company becomes the succeeding company.

(iv) Name of company after combination

Olympus Corporation

(2) Absorption-type merger

(i) Name of companies involved in the merger and description of their business

Names of companies

Olympus Imaging Corp.

Description of business	Manufacture and sales of digital cameras and others
Total assets	¥39,298 million
Liabilities	¥30,485 million
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Description of business	Research and analysis on, and management of, intellectual property rights
Total assets	¥269 million
Liabilities	¥156 million
Net assets	¥113 million

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April 1, 2015

(iii) Legal form of business combination

Absorption-type merger in which the Company becomes the surviving company, and Olympus Imaging Corp. and Olympus Intellectual Property Services Co., Ltd. become disappearing companies

(iv) Name of company after combination

Olympus Corporation

(3) Description of transaction including purpose of the transaction

The Company seeks to promote its Medium-Term Vision, further advance One Olympus to achieve further growth under its next medium and long-term management plan, and achieve optimal allocation and maximum utilization of companywide management resources. To this end, the Company reviewed its business unit structure and other aspects in the Medical Systems and Imaging Systems Businesses, and consequently conducted a reorganization between itself and two companies: namely the Medical Systems business unit, Olympus Medical Systems Corp., and the Imaging business unit, Olympus Imaging Corp. Moreover, in addition to the above reorganization, the Company also took steps to streamline the Group's intellectual property operations, and strengthen their functions, by conducting an absorption-type merger with its wholly owned subsidiary Olympus Intellectual Property Services Co., Ltd. at the same time.

2. Outline of accounting treatment applied

These transactions are treated as transactions under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008) and Guidance on Accounting Standard for Business Combinations and Business Divestitures (ASBJ Guidance No. 10, December 26, 2008).

As a result of applying this treatment to the financial statements for the fiscal year ending March 31, 2016, ¥31,716 million in gain on extinguishment of tie-in shares is expected to be recorded as extraordinary income and ¥139 million in loss on extinguishment of tie-in shares is expected to be recorded as extraordinary losses.

Notes on Company Subject to Consolidated Dividend Regulations

The Company is subject to consolidated dividend regulations.

Other Notes

1. Future conditions

Following the Company's announcement on November 8, 2011 concerning its postponing of recognition of losses on securities investments, etc., investigations by overseas investigative authorities, supervisory bodies and other public bodies (including those in the U.K. and U.S.) remain ongoing. The financial statements and their supplementary schedules may be corrected if any further important information comes to light in such investigations in the future.

In addition, concerning the Company's postponing of recognition of losses mentioned above, the investigation by the UK Serious Fraud Office that had been ongoing was completed and on September 3, 2013, prosecution was brought against the Company and its subsidiary Gyrus Group Limited (“GGL”) on charges of breaching Section 501 of the UK Companies Act of 2006 in relation to the explanation made to the auditors of GGL subsidiaries concerning the documents related to GGL’s financial accounts. The trial of this case is currently ongoing in the UK courts.

The prosecution’s effect on the financial results of the Company is not clear since it is difficult to calculate its financial impact at this stage.

2. Loss related to securities litigation

The Company has received claims for compensation for damages from several individual and institutional investors, for losses sustained as a result of the Company’s false statements for the purpose of postponing recognition of losses in the Annual Securities Reports, Semi-Annual Securities Reports and Quarterly Securities Reports for the period from the fiscal year ended March 31, 2001 through the first quarter of the fiscal year ended March 31, 2012. “Loss related to securities litigation” represents losses relating to these claims for compensation for damages and the main component is settlement packages.