

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

June 15, 2015

To Our Shareholders

OLYMPUS CORPORATION

Supplementary Explanations of the Agenda for the General Meeting of Shareholders

For the 147th term

With respect to the agenda for the general meeting of shareholders for the 147th term of Olympus Corporation (the “Company”) to be held on June 26, we hereby present the following supplementary explanations of the background and the views towards policies on the Company’s agenda issued by proxy advisory firms in order to provide a better insight to our shareholders.

1. 3rd Agenda: Election of Ten Directors

The Company proposes to reduce the number of directors from the current 13 to 10 who will be elected at the meeting.

Under the new management which was inaugurated in April, 2012, the Company formulated a five-year medium-term vision starting in the year ended in March, 2013. The success of management under this medium-term vision is measured by the return on invested capital (ROIC)*, operating margin, free cash flow and equity ratio. Increasing these values represents our focus on shareholder-first management, which we believe will lead to increases in shareholder value.

In order to reach these performance indicators, the Company strives for a continuing improvement of the corporate governance system. Under the appropriate supervision of the Board of Directors, more than half of which consists of independent outside directors, all group companies are united to their utmost to increase the shareholder value.

The general condition of the Company’s business is exceptionally good, particularly in the medical field which is our key business. Operating income has grown steadily since the inauguration of the new management, increasing to approximately 91 billion yen in the fiscal year ended March 2015 (FY2015), 24% increase from the previous period. The ROIC, which is a significant indicator of our shareholder-first endeavor, was 8% in FY2015, a considerable increase from 2.7% in the period ended March 31, 2012. In addition, the equity ratio in FY2015 was 32.9%, reaching the goal of over 30% well ahead of the target which was the period ending March 31, 2017, the final year of the medium-term vision.

In order to make accountability for compliance clear, the Company has appointed a Chief Compliance Officer (CCO), who is responsible for the overall control of compliance matters, and established the Compliance Committee

as an advisory body to the Board of Directors. The committee consists of the CCO and external representatives and is chaired by an independent outside director. The role of the Compliance Committee is to supervise and improve the compliance system and report to the Board of Directors on matters relating to compliance. The Company is carrying out a thorough revision of the system under the new management regime in order to prevent the recurrence of issues arising from violation of compliance rules.

Management of the Olympus Group has made satisfactory progress under the new organization. With a reasonable prospect of resolution of financial issues, the Company plans to resume dividend payments in FY2015 upon the approval of the shareholders, as proposed in 1st agenda for the upcoming general meeting of shareholders.

The Company understands that many of our shareholders as well as institutional investors pay attention to ROE as one management indicator. ROE was negative in FY2015 temporarily due to the effect of an extraordinary loss. Our goal of achieving higher ROE through further improvements in profitability, particularly in the medical business, and efficient deployment of capital, however, remains unchanged. The Company is determined to strive for further increases in corporate value in the next business year with “Growth Potential”, “Efficiency” and “Financial Soundness” set as key points of the management policy.

* Return on invested capital (ROIC): An indicator measuring how much profit a company generated relative to the capital it invested (IC). The Company calculates its ROIC using the following formula – Return (operating income after tax) / IC (shareholders’ equity + interest-bearing debt)

2. 4th Agenda: Renewal of Countermeasures to Large-scale Acquisition of Olympus Corporation Shares (Takeover Defense Measures)

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 its corporate value. These persons must be capable of making it possible for the Company to secure and sustain not only the corporate value but also the interest of its shareholders.

In order to secure and improve the corporate value as well as the common interest of the shareholders of the Company in particular, it is essential for the Company to exercise management that emphasizes the maintenance, protection and development of its long-established technological resources and human resources from medium- to long- term perspectives as well as the maintenance, strengthening and expansion of the network of its customers.

If a large-scale buyer of the shares of the Company does not have an understanding of the source of the Company’s corporate value and does not aspire to secure and improve it over the medium-to-long term, the corporate value as well as the common interest of the shareholders of the Company will be harmed. The Company believes that any such person who acquires shares of the Company on a large-scale in a manner which does not contribute to our corporate value as well as the common interest of our shareholders is not an appropriate person to take control of decision-making regarding the Company’s financial and business policies, and that the Company must take necessary and meaningful action against a large-scale acquisition of the shares of the Company by such a person in order to ensure the integrity of our corporate value as well as the common interest of our shareholders.

Specifically, the Company has adopted a “proactive” type of the Takeover Defense Measures in which, in the event an acquisition of 20% or more of the Company shares is proposed, the Company will have a “Special Committee”, consisting of one high independent outside director and two outside auditors, investigate the proposal

from the point of view of protecting the interest of our shareholders as well as other stakeholders, and then conduct the necessary discussions or negotiations with the party proposing the acquisition.

Only when the conclusion is reached that, as the result of discussion or negotiations with the party proposing the acquisition, the proposal is detrimental to the Company's corporate value, will the special committee recommend the activation of the Takeover Defense Measures to the Board of Directors which will decide on definitive counter action by taking the recommendation into full consideration. As more than half of the Company's Board of Directors are independent outside directors, the Company has a mechanism in place that ensures judgment based on the utmost consideration of the interest of our shareholders.

The plan will be in effect until the conclusion of the general meeting of shareholders in respect of the last business year which ends within one year of the conclusion of the upcoming general meeting of shareholders. In the event, however, (a) a resolution of the general meeting of shareholders cancels the above reference to the Board of Director regarding the decision on the gratis allotment of subscription rights to new shares in respect of the plan, or (b) a resolution of the Board of Directors cancels the plan, the plan will ceased to be in effect at that point even if its term has yet to expire.

The Takeover Defense Measures are designed from the perspectives of protecting the Company's medium-to-long term corporate value and averting harm to the common interest of the shareholders of the Company.

The Company has put both agenda after extensive discussion by the Board of Directors of 13 incumbent directors, including 7 independent outside directors. We are seeking the understanding of our shareholders and investors and urging you to approve these items at the upcoming general meeting of shareholders .

END