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Securities Code: 7733

June 3, 2019

To Shareholders

2951 Ishikawa-machi, Hachioji-shi, Tokyo
OLYMPUS CORPORATION
Representative Director: Yasuo Takeuchi

Notice Regarding the Convocation of the General Meeting of Shareholders For the 151st Term (from April 1, 2018 to March 31, 2019)

OLYMPUS CORPORATION will be holding the General Meeting of Shareholders for the 151st 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 24, 2019 (Monday).

- 1. Date/Time:** June 25, 2019 (Tuesday) 10:00 a.m.
(Reception desk is scheduled to open at 9:00 a.m.)
- 2. Location** 6-6-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Kiku Ballroom, 4th Floor, Hilton 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 151st term (from April 1, 2018 to March 31, 2019)
 2. The Non-Consolidated Financial Statements for the 151st term (from April 1, 2018 to March 31, 2019)

Matters to be resolved:

- 1st Agenda:** Dividends from Surplus
- 2nd Agenda:** Partial Amendments to the Articles of Incorporation
- 3rd Agenda:** Election of Fifteen Directors

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 14 of the Company’s Articles of Incorporation, among documents to be attached to this notice, “Matters Concerning Subscription Rights to Shares, etc.,” “Framework to Ensure Fairness of Operations,” “Overview of Status of Management of Framework to Ensure Fairness of Operations,” “Basic Policy on Control of Company,” “Consolidated Statement of Changes in Equity,” “Notes to Consolidated Financial Statements,” “Non-Consolidated Statement of Changes in Net Assets” and “Notes to 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 Accounting Auditor and the Audit & Supervisory Board Members in preparing the Audit Reports.

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

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

The Company’s Website: (<https://www.olympus.co.jp/ir/stock/meeting.html>)

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 25, 2019 (Tuesday) 10:00 a.m.
(Reception desk is scheduled to open at 9:00 a.m.)

Venue: Kiku Ballroom, 4th Floor, Hilton 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 24, 2019 (Monday) 5:30 p.m.

[Exercising Voting Rights via the Internet]

Access the Company's designated website for voting (<https://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 24, 2019 (Monday) 5:30 p.m.

For details, please refer to the following page.

<To institutional investors>

An electronic voting rights exercise platform operated by ICJ, Inc. 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: <https://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 24, 2019 (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 personal seal and PIN number.
- A certain number of erroneous password entries will lock the password 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

- 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.)

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 Business. Based on this, our basic strategy is to implement dividend distribution in consideration of performance, etc., 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 ¥30 per share.

Year-end dividend

(1) Class of distributable assets

Cash

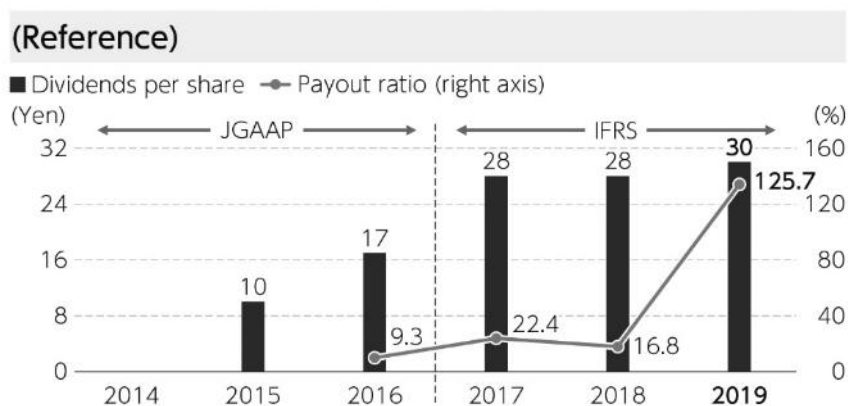
(2) Matters related to the disbursement of dividend and the total amount

Dividends: ¥30 per share of common stock of the Company

Total amount: ¥10,242,624,870

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

June 26, 2019



Dividend per share is ¥30, increased by ¥2 from the previous year.

The payout ratio is 125.7%. (The total return ratio is 125.7%.)

2nd Agenda: Partial Amendments to the Articles of Incorporation

1. Reason for the Proposal

Based on our vision “Transform Olympus,” a corporate transformation plan announced on January 11, 2019, the Company is transforming into a company with Nominating Committees, etc. to accelerate decision-making for business execution, reinforce corporate governance, and further enhance transparency, in order to become a truly global company.

To this end, necessary changes will be made such as the addition of provisions for each Committee and Executive Officers and deletion of provisions related to the Audit & Supervisory Board and its members.

Moreover, along with the above-mentioned changes to the Articles of Incorporation, in relation to the separation of the supervision of management from the execution of operations, we will add new provisions (Article 23 and Article 29 of the proposed Articles of Incorporation) which enable the board of directors to release Directors and Executive Officers from liabilities to the extent provided in laws and regulations based on Article 426 of the Companies Act. Through this change, we can create an environment in which Directors and Executive Officers can better perform their respective expected roles (i.e., supervisory function for Directors and prompt execution of operations for Executive Officers). In relation to these amendments, we will also change the numbers of Articles and make other necessary amendments.

We have obtained the consent of each of Audit & Supervisory Board member for the changes to Article 23 and Article 29 of the proposed Articles of Incorporation.

2. Details of the Amendments

The following are the details of the amendments.

The amendments to the Articles of Incorporation pertaining to this agenda shall take effect at the conclusion of this General Meeting of Shareholders.

(Underlined portions represent amendments)

Current Articles of Incorporation	Proposed Amendments
<p>Article 1. to Article 3. (Omitted)</p> <p><i>(Functional Body)</i></p> <p>Article 4. The Company shall have the following <u>functional bodies other than</u> the general meeting of shareholders and <u>the Board of Directors</u>. (1) <u>Meeting of the Board of Directors</u> (2) <u>Corporate Auditors</u> (3) <u>Board of Corporate Auditors</u> (4) Accounting Auditors</p> <p>Article 5. to Article 12. (Omitted)</p>	<p>Article 1. to Article 3. (Unchanged)</p> <p><i>(Organization)</i></p> <p>Article 4. The Company shall have the following <u>organizations in addition to</u> the general meeting of shareholders and Directors. (1) Board of Directors; (2) <u>Nominating Committee, Compensation Committee and Audit Committee;</u> (3) <u>Executive Officers; and</u> (4) Accounting Auditor</p> <p>Article 5. to Article 12. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p><i>(Convener and Chairman)</i> Article 13.</p> <ol style="list-style-type: none"> 1. <u>General Meetings of Shareholders shall be convened and chaired by the Representative Director.</u> 2. <u>In the event that the Representative Director is unable to serve as the chair under extraordinary circumstances, one of the other Directors shall serve as substitute, in the order determined by the Board of Directors in advance.</u> <p>Article 14. to Article 19. (Omitted)</p>	<p><i>(Convener and Chairperson)</i> Article 13.</p> <ol style="list-style-type: none"> 1. <u>A general meeting of shareholders shall be convened by a director determined in advance by the Board of Directors unless otherwise provided by laws and regulations. In a case where an accident befalls the director, another director shall convene a general meeting of shareholders in the order determined in advance by the Board of Directors.</u> 2. <u>A general meeting of shareholders shall be chaired by a director or an executive officer determined in advance by the Board of Directors. In a case where an accident befalls the director or the executive officer, another director or executive officer shall chair a general meeting of shareholders in the order determined in advance by the Board of Directors.</u> <p>Article 14. to Article 19. (Unchanged)</p>
<p><i>(Representative Director and Director With Titles)</i> Article 20.</p> <ol style="list-style-type: none"> 1. <u>The Representative Director shall be elected by resolution of the Board of Directors.</u> 2. <u>The Board of Directors may, by its resolution, elect one (1) Chairman, one (1) President, one (1) Vice-President, and one (1) or more Senior Managing Directors and Managing Directors.</u> 	<p>(Deleted)</p> <p>(Deleted)</p>
<p><i>(Convocation Notice for Meetings of the Board of Directors)</i> Article 21.</p> <ol style="list-style-type: none"> 1. <u>A convocation notice shall be sent to each Director or Corporate Auditor at least 3 days before any meeting of the Board of Directors; provided, however, that such period may be shortened in case of an emergency.</u> 2. <u>The above procedure for convening a meeting of the Board of Directors may be omitted upon the unanimous consent of all Directors and Corporate Auditors.</u> 	<p><i>(Convocation Notice for Meetings of the Board of Directors)</i> Article 20.</p> <ol style="list-style-type: none"> 1. <u>A notice of a meeting of the Board of Directors shall be dispatched to each director not less than three (3) days prior to the day of the meeting; provided, however, that such period may be shortened in case of emergency.</u> 2. <u>A meeting of the Board of Directors may be held without the procedures of convocation if the consent of all directors is obtained.</u>
<p>Article 22. to Article 23. (Omitted)</p>	<p>Article 21. to Article 22. (Unchanged)</p>
<p><i>(Remuneration, etc.)</i> Article 24. <u>Remuneration, bonus and any other asset benefits paid by the Company to the Directors for compensation for performance of their duties (“Remuneration, etc.”) shall be determined by resolution of the General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><i>(Limitation of Liability Agreements with Directors)</i> Article <u>25</u>.</p> <p>(Newly Established)</p> <p>(Omitted)</p>	<p><i>(Liability Exemption for Directors and Liability Limitation Agreement with Directors)</i> Article <u>23</u>.</p> <p>1. <u>The Company may, by a resolution of the Board of Directors, exempt directors (including former directors) from their liabilities provided for Article 423, Paragraph 1 of the Companies Act to the extent of the amount obtained by subtracting the minimum liability amount prescribed by laws and regulations from the amount for which the directors are liable in a case where the requirements prescribed by laws and regulations has been satisfied.</u></p> <p>2. (Unchanged)</p>
<p><u>CHAPTER V. CORPORATE AUDITORS AND THE BOARD OF CORPORATE AUDITORS</u></p>	<p>(Deleted)</p>
<p><i>(Number of Corporate Auditors)</i> Article <u>26</u>.</p> <p><u>The Company shall have up to four (4) Corporate Auditors.</u></p>	<p>(Deleted)</p>
<p><i>(Method of Election)</i> Article <u>27</u>.</p> <p>1. <u>Corporate Auditors shall be elected at the General Meeting of Shareholders.</u></p> <p>2. <u>Any resolution to elect Corporate Auditors shall require the presence of shareholders holding one-third (1/3) of the total voting rights of shareholders who have rights to exercise the voting rights and a majority of the voting rights of the shareholders present shall be in favor thereof.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p>
<p><i>(Term of Office)</i> Article <u>28</u>.</p> <p>1. <u>The term of office of a Corporate Auditor shall expire at the conclusion of the Ordinary General Meeting of the Shareholders held with respect to the last business year ending within four (4) years after the election.</u></p> <p>2. <u>The term of office of a Corporate Auditor elected to replace a former Corporate Auditor who resigned before the completion of his/her duties shall be the same as the remaining term of the Corporate Auditor who retired from office.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p>
<p><i>(Standing Corporate Auditor)</i> Article <u>29</u>.</p> <p><u>Standing Corporate Auditor(s) shall be elected by resolution of the Board of Corporate Auditors.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Convocation Notice for Meetings of the Board of Corporate Auditors)</u> <u>Article 30.</u> 1. <u>A convocation notice shall be sent to each Corporate Auditor at least 3 days before any meeting of the Board of Corporate Auditors; provided, however, that such period may be shortened in case of an emergency.</u> 2. <u>The above procedure for convening a meeting of the Board of Corporate Auditors may be omitted upon the unanimous consent of all Corporate Auditors.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p>
<p><u>(Rules of the Board of Corporate Auditors)</u> <u>Article 31.</u> <u>Any matters concerning the Board of Corporate Auditors shall be governed by the Rules of the Board of Corporate Auditors, which are prescribed by the Board of Corporate Auditors, in addition to any applicable laws and regulations and these Articles of Incorporation.</u></p>	<p>(Deleted)</p>
<p><u>(Remuneration, etc.)</u> <u>Article 32.</u> <u>Remuneration, etc., to the Corporate Auditors shall be determined by resolution at a General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>
<p><u>(Auditors and Contractual limitation of Liability)</u> <u>Article 33.</u> <u>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with auditors 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.</u></p>	<p>(Deleted)</p>
<p>(Newly Established)</p>	<p><u>CHAPTER V. Nominating Committee, Compensation Committee and Audit Committee</u></p>
<p>(Newly Established)</p>	<p><u>(Method of Election)</u> <u>Article 24.</u> <u>The members of the Nominating Committee, the Compensation Committee, and Audit Committee shall be appointed from among directors by a resolution of the Board of Directors.</u></p>
<p>(Newly Established)</p>	<p><u>(Regulations of Each Committee)</u> <u>Article 25.</u> <u>Matters related to each Committee shall be governed by laws and regulations or these Articles of Incorporation as well as each Committee Regulations prescribed by the Board of Directors.</u></p>
<p>(Newly Established)</p>	<p><u>CHAPTER VI. Executive Officer</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly Established)	<p><i>(Method of Election)</i> <u>Article 26.</u> <u>Executive officers shall be elected by a resolution of the Board of Directors.</u></p>
(Newly Established)	<p><i>(Term of Office)</i> <u>Article 27.</u> <u>The term of office of executive officers shall continue until the last day of business year ending within one (1) year from the time of their election.</u></p>
(Newly Established)	<p><i>(Representative Executive Officer and Executive Officer with Title)</i> <u>Article 28.</u> <u>1. Representative Executive Officers shall be appointed by a resolution of the Board of Directors.</u></p>
(Newly Established)	<p><u>2. The Board of Directors may, by its resolution, appoint Executive Officers with Title.</u></p>
(Newly Established)	<p><i>(Liability Exemption for Executive Officers)</i> <u>Article 29.</u> <u>The Company may, by a resolution of the Board of Directors, exempt executive officers (including former executive officers) from their liabilities provided for Article 423, Paragraph 1 of the Companies Act to the extent of the amount obtained by subtracting the minimum liability amount prescribed by laws and regulations from the amount for which the executive officers are liable in a case where the requirements prescribed by laws and regulations has been satisfied.</u></p>
<p>CHAPTER <u>VI.</u> ACCOUNTING AUDITORS</p> <p>Article <u>34.</u> to Article <u>35.</u> (Omitted)</p>	<p>CHAPTER <u>VII.</u> ACCOUNTING AUDITOR</p> <p>Article <u>30.</u> to Article <u>31.</u> (Unchanged)</p>
<p>CHAPTER <u>VII.</u> ACCOUNTING</p> <p>Article <u>36.</u> to Article <u>39.</u> (Omitted)</p>	<p>CHAPTER <u>VIII.</u> ACCOUNTING</p> <p>Article <u>32.</u> to Article <u>35.</u> (Unchanged)</p>

3rd Agenda: Election of Fifteen Directors

Subject to the approval of the 2nd Agenda “Partial Amendments to the Articles of Incorporation,” the Company will transition from a company with an Audit & Supervisory Board into a company with Nominating Committees, etc. In that regard, as the terms of office of eleven Directors and four Audit & Supervisory Board Members will expire, the Company proposes to elect fifteen Directors subject to the approval and the coming into effect of the 2nd Agenda.

The candidates for Director are as follows:

No.	Name	Present position and responsibility in the Company			Attendance at meetings of the Board of Directors
1	Yasuo Takeuchi	President and Representative Director Chief Executive Officer (CEO)	Reelection		28 of 28 (100%)
2	Hiroyuki Sasa	Director	Reelection		28 of 28 (100%)
3	Stefan Kaufmann	Corporate Officer Chief Administrative Officer (CAO)	New election		- (-%)
4	Nobuyuki Koga	Standing Audit & Supervisory Board Member	New election		28 of 28* (100%)
5	Masashi Shimizu	Standing Audit & Supervisory Board Member	New election		28 of 28* (100%)
6	Sumitaka Fujita	Outside Director	Reelection	Independent Outside	28 of 28 (100%)
7	Takayuki Katayama	Outside Director	Reelection	Independent Outside	27 of 28 (96.4%)
8	Susumu Kaminaga	Outside Director	Reelection	Independent Outside	28 of 28 (100%)
9	Michijiro Kikawa	Outside Director	Reelection	Independent Outside	26 of 28 (92.9%)
10	Tetsuo Iwamura	Outside Director	Reelection	Independent Outside	28 of 28 (100%)
11	Yasumasa Masuda	Outside Director	Reelection	Independent Outside	21 of 21 (100%)
12	Katsuya Natori	Outside Audit & Supervisory Board Member	New election	Independent Outside	27 of 28* (96.4%)
13	Atsushi Iwasaki	Outside Audit & Supervisory Board Member	New election	Independent Outside	25 of 28* (89.3%)
14	D. Robert Hale		New election	Outside	- (-%)
15	Jim C. Beasley		New election	Independent Outside	- (-%)

* The status of attendance at Board of Directors meetings as an Audit & Supervisory Board Member

1. Yasuo Takeuchi (February 25, 1957)

Reelection



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: Corporate Officer, the Company
October 2011: Executive Managing Director and Chairman of the Board, Olympus Europa Holding GmbH
April 2012: Director, the Company (present)
Senior Corporate Managing Officer, the Company
Group President of Group Management Office, the Company
Chairman of the Board, Olympus Corporation of the Americas (present)
Director, Olympus Corporation of Asia Pacific Limited
March 2013: Administrative Board and Managing Director, Olympus Europa Holding SE
April 2015: Head of Corporate Management Office, the Company
April 2016: Director, Vice President, the Company
Chief Financial Officer (CFO), the Company
Chief Regional Representative Officer, the Company
April 2019: Representative Director, the Company (present)
President, the Company (present)
Chief Executive Officer (CEO), the Company (present)

Number of shares of the Company held:

13,587 shares

Years served as Director:

7 years

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

28 of 28 (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 an 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.

2. Hiroyuki Sasa (September 14, 1955)

Reelection



Number of shares of the Company held:

15,097 shares

Years served as Director:

7 years

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

28 of 28 (100%)

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: Corporate Officer, the Company
Director, Olympus Medical Systems Corp.
April 2012: Representative Director, the Company
President, the Company
April 2019: Director, the Company (present)

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 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.

3. Stefan Kaufmann (January 24, 1968)

New election



Number of shares of the Company held:

0 shares

Years served as Director:

- year

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

- (%)

Profile, and position and responsibility in the Company

September 1990: Various roles in operational and strategic HR functions, Karstadt AG
October 2000: Head of HR Development, Thomas Cook
May 2003: General Manager Human Resources, Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)
April 2008: Managing Director Corporate Division, Olympus Europa GmbH
November 2011: Executive Managing Director, Olympus Europa SE & Co. KG
September 2013: Managing Director Consumer Business, Olympus Europa SE & Co. KG
April 2017: Corporate Officer, the Company (present)
April 2019: Chief Administrative Officer (CAO), the Company (present)
Supervisory Board (Chairman), Olympus Europa Holding SE (present)

Important concurrent positions

Mr. Kaufmann does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Kaufmann be elected Director of the Company because he has accumulated extensive experiences of leading management, efficiency improvement projects and human resource matters in reputable European-based business enterprises as well as those in our overseas subsidiaries, and the Company believes that his global and diversified Business and Corporate experiences and knowledge will contribute to integrate the Company's global business infrastructure and HR management system across the Group and to strengthen its management structure as a truly global medtech company.

Special interest between the candidate and the Company

There is no special interest.

4. Nobuyuki Koga (September 14, 1955)

New election



Number of shares of the Company held:

13,100 shares

Years served as Audit & Supervisory Board Member:

2 years

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

28 of 28 (100%)*

* The status of attendance at Board of Directors meetings as an Audit & Supervisory Board Member

Profile, and position and responsibility in the Company

- April 1978: Joined the Company
- April 2002: President and Representative Director, Shirakawa Olympus Co., Ltd.
- April 2006: General Manager, Human Resources Dept., the Company
- June 2009: Corporate Officer, the Company
Director, Olympus Medical Systems Corp.
- July 2009: Division Manager, Manufacturing Service Division, Olympus Medical Systems Corp.
- April 2010: President and Representative Director, Aizu Olympus Co., Ltd.
- April 2014: Division Manager, Corporate Service Division, the Company
- June 2017: Standing Audit & Supervisory Board Member, the Company (present)

Important concurrent positions

Mr. Koga does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Koga be elected Director of the Company because he has a wealth of knowledge about business and operations through his long experience in the manufacturing and human resources divisions as well as a considerable track record of management and oversight through his service as President of Shirakawa Olympus Co., Ltd. and Aizu Olympus Co., Ltd. as well as executive officer of subsidiaries.

Special interest between the candidate and the Company

There is no special interest.

5. Masashi Shimizu (December 19, 1957)

New election



Profile, and position and responsibility in the Company

April 1982: Joined Nippon Life Insurance Company
March 2007: General Manager, Credit Department, Nippon Life Insurance Company
April 2012: Standing Audit & Supervisory Board Member, the Company (present)

Important concurrent positions

Mr. Shimizu does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Shimizu be elected Director 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 at the company.

Special interest between the candidate and the Company

There is no special interest.

Number of shares of the Company held:

2,500 shares

Years served as Audit & Supervisory Board Member:

7 years

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

28 of 28 (100%)*

* The status of attendance at Board of Directors meetings as an Audit & Supervisory Board Member

6. Sumitaka Fujita (December 24, 1942)

Reelection
Independent Outside Director



Number of shares of the
Company held: 2,000 shares
Years served as Outside
Director: 7 years
Attendance at meetings of the
Board of Directors during
current fiscal year:
28 of 28 (100%)

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
Director, Furukawa Electric Co., Ltd. (present)
Audit & Supervisory Board Member, NIPPONKOA Insurance
Company, Limited (currently Sompo Japan Nipponkoa Insurance
Inc.)
June 2009: Director, Nippon Sheet Glass Co., Ltd.
April 2010: Director, NKSJ Holdings, Inc. (currently Sompo 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.

7. Takayuki Katayama (October 9, 1945)

Reelection
Independent Outside Director



Number of shares of the
Company held: 700 shares
Years served as Outside
Director: 3 years
Attendance at meetings of the
Board of Directors during
current fiscal year:
27 of 28 (96.4%)

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
April 2005: CSRO, Teijin Limited
June 2006: Executive Vice President, Teijin Limited
April 2009: CFO, Teijin Limited
June 2011: Senior Advisor to CEO, Teijin Limited (present)
June 2012: Director, Santen Pharmaceutical Co., Ltd.
Audit & Supervisory Board Member, Toyo Seikan Group Holdings, Ltd.
June 2016: Director, the Company (present)

Important concurrent positions

Mr. Katayama does not hold any important concurrent positions.

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.

8. Susumu Kaminaga (December 3, 1946)

Reelection
Independent Outside Director



Number of shares of the
Company held: 300 shares
Years served as Outside
Director: 3 years
Attendance at meetings of the
Board of Directors during
current fiscal year:
28 of 28 (100%)

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.
October 2012: Representative Director & Chief Executive, SK Global Advisers Co., Ltd. (Present)
Executive Senior Adviser, SPP Technologies Co., Ltd. (Present)
December 2012: Director, DEFTA Capital Inc. (Present)
June 2016: Director, the Company (present)

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.

9. Michijiro Kikawa (August 2, 1947)

Reelection
Independent Outside Director



Number of shares of the
Company held: 0 shares
Years served as Outside
Director: 3 years
Attendance at meetings of the
Board of Directors during
current fiscal year:
26 of 28 (92.9%)

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.
April 2005: Representative Executive Officer and Executive Vice President, Hitachi Construction Machinery Co., Ltd.
June 2005: Representative Executive Officer, Executive Vice President and Director, Hitachi Construction Machinery Co., Ltd.
April 2006: Representative Executive Officer, President, Chief Executive Officer and Director, Hitachi Construction Machinery Co., Ltd.
April 2012: Director, Hitachi Construction Machinery Co., Ltd.
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.
June 2016: Director, the Company (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.

10. Tetsuo Iwamura (May 30, 1951)

Reelection
Independent Outside Director



Number of shares of the
Company held: 400 shares
Years served as Outside
Director: 2 years
Attendance at meetings of the
Board of Directors during
current fiscal year:
28 of 28 (100%)

Profile, and position and responsibility in the Company

April 1978: Joined Honda Motor Co., Ltd.
June 2000: Director, Honda Motor Co., Ltd.
April 2003: President and Director, Honda South America Ltda.
President and Director, Moto Honda da Amazonia Ltda.
President and Director, Honda Automoveis do Brasil Ltda.
June 2006: Managing Director, Honda Motor Co., Ltd.
April 2007: President and Director, Honda North America, Inc.
President and Director, American Honda Motor Co., Inc.
June 2008: Senior Managing Director, Honda Motor Co., Ltd.
April 2011: Senior Managing Officer and Director, Honda Motor Co., Ltd.
June 2011: Senior Managing Officer, Honda Motor Co., Ltd.
April 2012: Executive Vice President, Executive Officer, Honda Motor Co., Ltd.
June 2012: Representative Director, Honda Motor Co., Ltd.
April 2013: Risk Management Officer, Honda Motor Co., Ltd.
April 2014: Corporate Brand Officer, Honda Motor Co., Ltd.
Chairman and Director, American Honda Motor Co., Inc.
June 2017: Director, the Company (present)

Important concurrent positions

Mr. Iwamura does not hold any important concurrent positions.

Reason for election

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

Special interest between the candidate and the Company

There is no special interest.

11. Yasumasa Masuda (February 27, 1957)

Reelection
Independent Outside Director



Number of shares of the Company held: 100 shares
Years served as Outside Director: 1 year
Attendance at meetings of the Board of Directors during current fiscal year: 21 of 21 (100%)

Profile, and position and responsibility in the Company

- April 1980: Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
- June 2008: Corporate Executive, Vice President, Corporate Finance & Control, Astellas Pharma Inc.
- June 2011: Corporate Executive, Vice President, Corporate Finance & Control, and Chief Financial Officer, Astellas Pharma Inc.
- April 2012: Corporate Executive, Vice President and Chief Financial Officer, Astellas Pharma Inc.
- June 2012: Senior Corporate Executive, Senior Vice President and Chief Financial Officer, Astellas Pharma Inc.
- April 2017: Senior Corporate Executive, Senior Vice president and Assistant to President, Astellas Pharma Inc.
- June 2017: Independent Non-Executive, Deloitte Touche Tohmatsu LLC (present)
- June 2018: Independent Non-Executive, Deloitte Tohmatsu LLC (present) Director, the Company (present)

Important concurrent positions

- Independent Non-Executive, Deloitte Touche Tohmatsu LLC
- Independent Non-Executive, Deloitte Tohmatsu LLC

Reason for election

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

Special interest between the candidate and the Company

There is no special interest.

12. Katsuya Natori (May 15, 1959)

New election
Independent Outside Director



Number of shares of the Company held: 2,000 shares
Years served as Outside Audit & Supervisory Board Member: 7 years

Attendance at meetings of the Board of Directors during current fiscal year: 27 of 28 (96.4%)*

* The status of attendance at Board of Directors meetings as an Audit & Supervisory Board Member

Profile, and position and responsibility 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 JXTG Nippon Oil & Energy Corporation)
January 1995: Joined Apple Computer Co., Ltd. (currently Apple Japan, Inc.)
January 1997: Director, Sun Microsystems, Inc. (currently Oracle Information Systems (Japan) G.K.)
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: Outside Audit & Supervisory Board Member, the Company (present)
March 2015: Director, MODEC, INC. (present)
April 2016: Supervisory Director, Global One Real Estate Investment Corp. (present)

Important concurrent positions

Chief, Natori Law Office
Director, MODEC, INC.
Supervisory Director, Global One Real Estate Investment Corp.

Reason for election

It is proposed that Mr. Natori be elected Outside Director of the Company, so that 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.

13. Atsushi Iwasaki (January 9, 1959)

New election
Independent Outside Director



Number of shares of the Company held: 1,500 shares
Years served as Outside Audit & Supervisory Board Member: 3 years

Attendance at meetings of the Board of Directors during current fiscal year: 25 of 28 (89.3%)*

* The status of attendance at Board of Directors meetings as an Audit & Supervisory Board Member

Profile, and position and responsibility in the Company

- November 1990: Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
March 1991: Registered as certified public accountant
March 1997: Registered as real estate appraiser
December 1997: Partner, Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
September 2005: Chief, Iwasaki CPA Office (present)
June 2013: Director, ISEKI & CO., Ltd. (present)
June 2015: Audit & Supervisory Board Member, NH Foods Ltd. (assuming the office of Director on June 25, 2019)
June 2016: Outside Audit & Supervisory Board Member, the Company (present)

Important concurrent positions

- Chief, Iwasaki CPA Office
Director, ISEKI & CO., Ltd.
Audit & Supervisory Board Member, NH Foods Ltd. (assuming the office of Director on June 25, 2019)

Reason for election

It is proposed that Mr. Iwasaki be elected Outside Director of the Company, so that his extensive experience and diverse knowledge as a certified public accountant may be applied to audit of 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 Director appropriately for the above-mentioned reasons.

Special interest between the candidate and the Company

There is no special interest.

14. D. Robert Hale (December 21, 1984)

New election
Outside Director



Profile, and position and responsibility in the Company

September 2007: Joined The Parthenon Group (currently EY-Parthenon)
January 2009: Assigned as Analyst to Strategic Value Capital, an investment subsidiary of The Parthenon Group
June 2009: Senior Associate, The Parthenon Group
May 2010: Principal, The Parthenon Group
January 2011: Joined ValueAct Capital Management L.P.
December 2012: Vice President, ValueAct Capital Management L.P.
May 2014: Partner, ValueAct Capital Management L.P. (present)
March 2015: Director, MSCI Inc.
August 2015: Director, Bausch Health Companies Inc. (present)

Number of shares of the
Company held:

0 shares

Years served as Outside
Director:

- year

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

- (-%)

Important concurrent positions

Partner, ValueAct Capital Management L.P.
Director, Bausch Health Companies Inc.

Reason for election

It is proposed that Mr. Hale be elected Outside Director of the Company because of his experience helping global companies transform themselves and his expertise in global capital markets and the healthcare industry. Mr. Hale has worked as a business management consultant, investor and outside director in diverse industries. The Company has judged that he will bring diversity to the Company's board composition as a partner of ValueAct Capital Management L.P., a Company's shareholder, and he will contribute to enhancement of our corporate value by strengthening the Company's management structure. The Company has conducted extensive due diligence on ValueAct Capital's track record of working with global companies and serving on boards and believe that this experience will contribute to the Company as it pursues its transformation and growth strategy.

Special interest between the candidate and the Company

There is no special interest.

15. Jim C. Beasley (April 6, 1963)

New election
Independent Outside Director



Number of shares of the Company held: 0 shares
Years served as Outside Director: - year
Attendance at meetings of the Board of Directors during current fiscal year: - (-%)

Profile, and position and responsibility in the Company

March 1986: Territory Manager, Roche Laboratories (Division of Hoffman La Roche)
June 1989: Various roles of increasing responsibility in sales and marketing including Vice President of Sales and Marketing, Bard Access Systems Division, C.R. Bard Inc.
June 2003: President, Bard Access Systems Division, C.R. Bard Inc.
April 2007: President, Bard Peripheral Vascular Division, C.R. Bard Inc.
May 2009: Group Vice President, C.R. Bard Inc.
June 2013: Group President, C.R. Bard Inc.
May 2018: Consultant and Executive Advisor to ValueAct Capital Management L.P.
*The executive advisor role is a consulting role to ValueAct Capital; it is not an employee position. This consulting agreement finished at the end of March 2019.

Important concurrent positions

Mr. Beasley does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Beasley be elected Outside Director of the Company because he has global business experience and an abundant expertise and insight as a senior management team member of C.R. Bard Group, a leading, global medical device company over 30 years, and the Company has judged that his unique experiences and knowledge as a senior executive of a global medtech company will bring diversity to the Company's board composition and will help to strengthen the Company's management structure as the Company pursues its transformation and growth strategy.

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, 2019.
2. Process for determining the new candidate for Director
In response to the retirement of Messrs. Akihiro Taguchi, Haruo Ogawa and Kiichi Hirata as well as transition to a company with a three committees board structure, a proposal from the Company's President for Messrs. Stefan Kaufmann, Nobuyuki Koga, Masashi Shimizu, Katsuya Natori, Atsushi Iwasaki, D. Robert Hale and Jim C. Beasley 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, their nomination was approved.
3. Messrs. Sumitaka Fujita, Takayuki Katayama, Susumu Kaminaga, Michijiro Kikawa, Tetsuo Iwamura, Yasumasa Masuda, Katsuya Natori, Atsushi Iwasaki, D. Robert Hale and Jim C. Beasley are candidates for Outside Director.
4. The Company has notified Tokyo Stock Exchange, Inc. of Messrs. Sumitaka Fujita, Takayuki Katayama, Susumu Kaminaga, Michijiro Kikawa, Tetsuo Iwamura, Yasumasa Masuda, Katsuya Natori and Atsushi Iwasaki as independent directors as stipulated by the regulations of Tokyo Stock Exchange Inc. If they are elected, the Company plans to maintain their positions as independent directors. In addition, the Company plans to notify Tokyo Stock Exchange, Inc. of Jim C. Beasley as an independent director as stipulated by the regulations of Tokyo Stock Exchange Inc.
5. Special notes concerning the candidates for Outside Director

- (1) Furukawa Electric Co. Ltd., where Mr. Sumitaka Fujita has served as Outside Director since June 2008, received from China a decision in which the company was fined 34.56 million Yuan for a violation of the Chinese Anti-Monopoly Law in August 2014 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 served as Outside Audit & Supervisory Board Member from June 2012 to June 2016, 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 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.
- (3) ISEKI & CO., Ltd., where Mr. Atsushi Iwasaki has served as Outside Director since June 2013, received a cease and desist order and an order for payment of a surcharge from the Japan Fair Trade Commission for its violations of the Antimonopoly Act related to bidding for construction work in March 2015, February 2016, and February 2017. Although he was not aware of the facts until they came to light, he had made recommendations and promoted awareness at Board of Directors' meetings of ISEKI from the viewpoint of legal compliance and internal controls. Since these facts were revealed, he has performed the duty of preventing their recurrence by calling for thorough implementation of regulations for operations in general and further reinforcement of corporate ethics.

6. Limitation of Liability Agreement with Directors

The Company has prescribed in the Articles of Incorporation that the Company may enter into an agreement with Directors (excluding those who are operating directors, etc.) 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. Sumitaka Fujita, Takayuki Katayama, Susumu Kaminaga, Michijiro Kikawa, Tetsuo Iwamura and Yasumasa Masuda are elected, the Company plans to continue the limitation of liability agreement with each of them. In addition, if Messrs. Hiroyuki Sasa, Nobuyuki Koga, Masashi Shimizu, Katsuya Natori, Atsushi Iwasaki, D. Robert Hale and Jim C. Beasley are elected, the Company plans to enter into the limitation of liability agreement with each of them.

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, Executive Officer, Corporate 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 revenue 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, Corporate 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.

<Reference> Planned Committee Member Appointments for Each Committee After Election of Director

Candidates

The fifteen candidates for Director will accept office as below after they are elected at this General Meeting of Shareholders.

Each committee will be chaired by an Independent Outside Director.

Name	Position and responsibility	Nominating Committee	Compensation Committee	Audit Committee
Yasuo Takeuchi	Director, Representative Executive Officer, President and Chief Executive Officer (CEO)	○		
Hiroyuki Sasa	Director			
Stefan Kaufmann	Director and Executive Officer Chief Administrative Officer (CAO)			
Nobuyuki Koga	Director			○
Masashi Shimizu	Director			○
Sumitaka Fujita	Outside Director	○		
Takayuki Katayama	Outside Director		○	
Susumu Kaminaga	Outside Director		○	
Michijiro Kikawa	Outside Director			○
Tetsuo Iwamura	Outside Director	○		
Yasumasa Masuda	Outside Director	○	○	
Katsuya Natori	Outside Director			○
Atsushi Iwasaki	Outside Director			○
D. Robert Hale	Outside Director	○		
Jim C. Beasley	Outside Director		○	

Business Report

(April 1, 2018 to March 31, 2019)

I Review of Group Operations

1. Review of Operations

In the global economy during the fiscal year under review, while an overall moderate recovery had been expected, the situation remained unclear due to trade friction between the U.S. and China and the U.K.'s actions regarding its withdrawal from the EU. The Japanese economy continued to recover gradually, mainly as employment conditions improved and personal consumption showed signs of picking up, while weakness is seen in exports and industrial production in some sectors.

Olympus Group continued to work to achieve sustainable growth by announcing its business transformation plan “Transform Olympus” in January 2019 to develop itself as a truly global medtech company, in addition to having conducted business operations in accordance with the “Business to Specialist” Company and One Olympus basic policies of the five-year medium-term management plan, 2016 Corporate Strategic Plan (“16CSP”), which was launched in the fiscal year ended March 31, 2017.

The Olympus Group's overall consolidated revenue increased to ¥793,862 million (up 0.9% year on year) due to increased sales in the Medical Business and Scientific Solutions Business. Operating profit was ¥28,281 million (down 65.1% year on year), mainly due to a monetary settlement of ¥19,380 million following damages claim securities litigation settlements; ¥6,174 million in costs associated with the restructuring of the Imaging Business's manufacturing locations; a provision of ¥3,817 million for damages resulting from the judgment regarding a lawsuit involving a Chinese production subsidiary; and recording a provision for additional taxes of ¥5,328 million anticipated in relation to a voluntary inspection regarding indirect taxation conducted by the Company's overseas subsidiary. Operating profit's year-on-year decrease despite revenue growth in the Medical Business was due to one-time costs incurred in connection with ¥9,653 million in costs associated with the plea agreement with the U.S. Department of Justice (DOJ). Meanwhile, the Scientific Solutions Business saw an increase in operating profit year-on-year due to increased sales. Moreover, an increase in finance costs associated with exchange losses resulted in profit attributable to owners of parent of ¥8,147 million (down 85.7% year on year).

In the mainstay Medical Business, although the gastrointestinal endoscope field is reaching the second half of its product life cycle, steady sales were maintained, and in the surgical field, for which strong growth is expected in 16CSP, sales were strong for the “VISERA ELITE II,” introduced in earnest in Japan and Europe in the previous fiscal year, as well as for the “THUNDERBEAT” energy device. In North America, through synergies with US company Image Stream Medical, which was acquired in the previous fiscal year, sales were steady for both 4K surgical endoscopes and system integration products, posting record-breaking revenue.

On the other hand, in the Imaging Business, sales and profits declined, mainly reflecting the impact of restrictions on the supply of certain existing products and the number of new products associated with the restructuring of manufacturing bases, as well as the impact of an increasingly competitive environment for mirrorless cameras.

During the fiscal year under review, the Olympus Group invested ¥93,968 million on research and development, and spent ¥66,830 million on capital investments.

Regarding foreign exchange, the yen remained level against the U.S. dollar and appreciated against the euro compared to the previous fiscal year. The average exchange rates during the period were ¥110.91 against the U.S. dollar (¥110.85 in the previous fiscal year) and ¥128.41 against the euro (¥129.70 in the previous fiscal year). Revenue was decreased by ¥3,473 million year on year due to the impact of strong yen against the euro, while operating profit increased by ¥758 million, mainly due to the depreciation of certain currencies against the euro.

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

2. Results of the Business Activities

Medical Business

Revenue ¥634,301 million (up 2.9% year on year)

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

Consolidated revenue in the Medical Business amounted to ¥634,301 million (up 2.9% year on year), while operating profit amounted to ¥111,934 million (down 8.1% year on year).

In the gastrointestinal endoscope field, although the mainstay endoscopy platform systems are reaching the second half of their product cycle, steady sales were maintained. In the surgical field, sales of VISERA ELITE II, a new surgical endoscope system, maintained their initial momentum, and sales of THUNDERBEAT, an integrated energy device with both advanced bipolar and ultrasonic energy, continued to grow. In the therapeutic device field, sales of single-use products for endoscopic diagnosis and treatment of biliary and pancreatic ducts and others were strong.

Operating profit in the Medical Business decreased mainly due to the recording of expenses accompanying the conclusion of a plea bargain deal with the US Department of Justice.

Scientific Solutions Business

Revenue ¥104,225 million (up 4.2% year on year)

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

Consolidated revenue in the Scientific Solutions Business amounted to ¥104,225 million (up 4.2% year on year), while operating profit amounted to ¥8,135 million (up 26.6% year on year).

Sales of biological microscopes for hospitals and life science research were strong in North America and China. Moreover, in addition to strong sales of industrial microscopes for semiconductors and electronic component inspection, sales of non-destructive testing equipment for oil and gas markets increased overseas, mainly in China and Asia, leading to higher revenue year on year.

Operating profit in the Scientific Solutions Business rose due to increased revenue and efficient cost control.

Imaging Business

Revenue ¥48,679 million (down 19.3% year on year)

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

Consolidated revenue in the Imaging Business amounted to ¥48,679 million (down 19.3% year on year), while operating loss amounted to ¥18,268 million (compared with an operating loss of ¥1,200 million in the previous fiscal year).

Sales of the Imaging Business decreased due to intensifying competition in the mirrorless camera market, in addition to an incident in which reorganization of manufacturing bases constrained supplies of some existing products and the number of new products.

An operating loss was recognized in the Imaging Business mainly due to lower revenue, the recording of expenses for the reorganization of manufacturing bases, and the recording of ¥1,990 million as an impairment loss.

Others

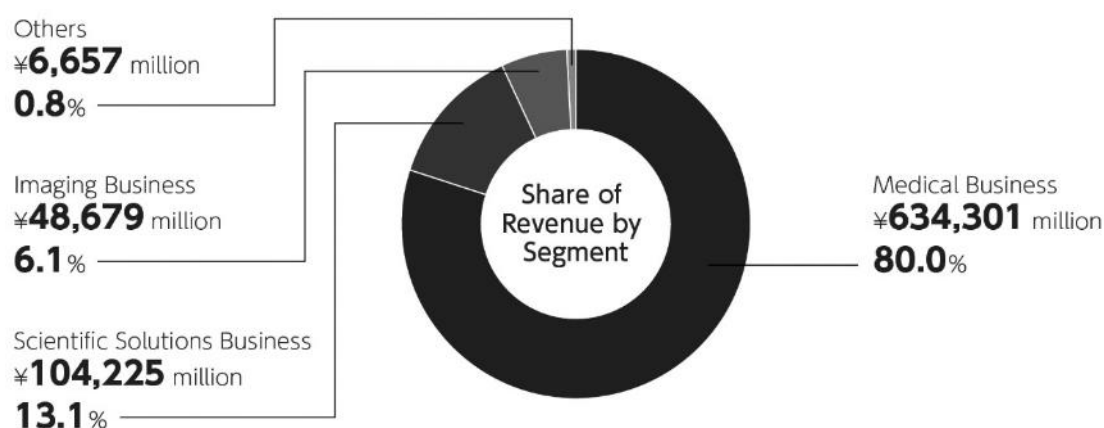
Revenue ¥6,657 million (down 32.4% year on year)

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

Consolidated revenue for other businesses amounted to ¥6,657 million (down 32.4% year on year) and operating loss was ¥3,521 million (compared with an operating loss of ¥4,966 million in the previous fiscal year).

Revenue of other businesses declined primarily due to the termination of external sales of lens units for compact cameras.

An operating loss was contracted mainly due to the reorganization of non-core business segments and the business transfer of subsidiaries during the previous year in efforts to concentrate management resources on core-business domains.



3. Changes in Assets and Results of Operation

		Japanese GAAP		IFRS		
		148 th term	149 th term	149 th term	150 th term	151 st term
Revenue	(Millions of yen)	804,578	748,050	740,557	786,497	793,862
Operating profit	(Millions of yen)	104,464	76,487	71,192	81,029	28,281
Profit before tax	(Millions of yen)	90,898	62,149	62,481	76,665	20,117
Profit attributable to owners of parent	(Millions of yen)	62,594	78,191	42,783	57,064	8,147
Total assets	(Millions of yen)	1,000,614	991,062	960,032	978,663	932,030
Total equity	(Millions of yen)	384,283	430,880	396,228	444,259	442,387
Basic earnings per share	(Yen)	45.72	57.12	31.25	41.71	5.97
Equity attributable to owners of parent per share	(Yen)	279.31	313.24	288.36	324.25	323.06

- Notes: 1. See “I Review of Group Operations 1. Review of Operations” on pages 30 and 31 for details on results for the 151st term (current fiscal year).
2. Effective from the 150th term, the Company adopted the International Financial Reporting Standards (the “IFRS”), replacing the Japanese Generally Accepted Accounting Principles (the “JGAAP”) previously applied. For reference, figures for the 149th term conforming to IFRS are shown alongside.
3. Status of assets and income/loss for the preceding three fiscal years are presented with accounting terminology in accordance with the IFRS. The account items of “profit attributable to owners of parent,” “total equity,” “basic earnings per share,” and “equity attributable to owners of parent per share” in accordance with the IFRS correspond respectively to “net profit attributable to owners of the parent,” “net assets,” “net profit per share,” and “net assets per share” in accordance with JGAAP.
4. The Company conducted a four-for-one stock split of common shares on April 1, 2019. On the assumption that the stock split took place at the start of the 148th term, “basic earnings per share” and “equity attributable to owners of parent per share” reflect the stock split.

4. Financing and Capital Investment

(1) Financing

During the fiscal year under review, the Company issued the 23rd unsecured straight corporate bonds of ¥10,000 million in March 2019, in addition to carrying out financing of ¥10,000 million by means of long-term borrowings in July 2018.

(2) Capital investment

A total of ¥66,830 million was spent this fiscal year in capital investment. Main expenditures included R&D assets, manufacturing equipment, equipment for demonstration, and rental and expansion of factories for the Medical Business.

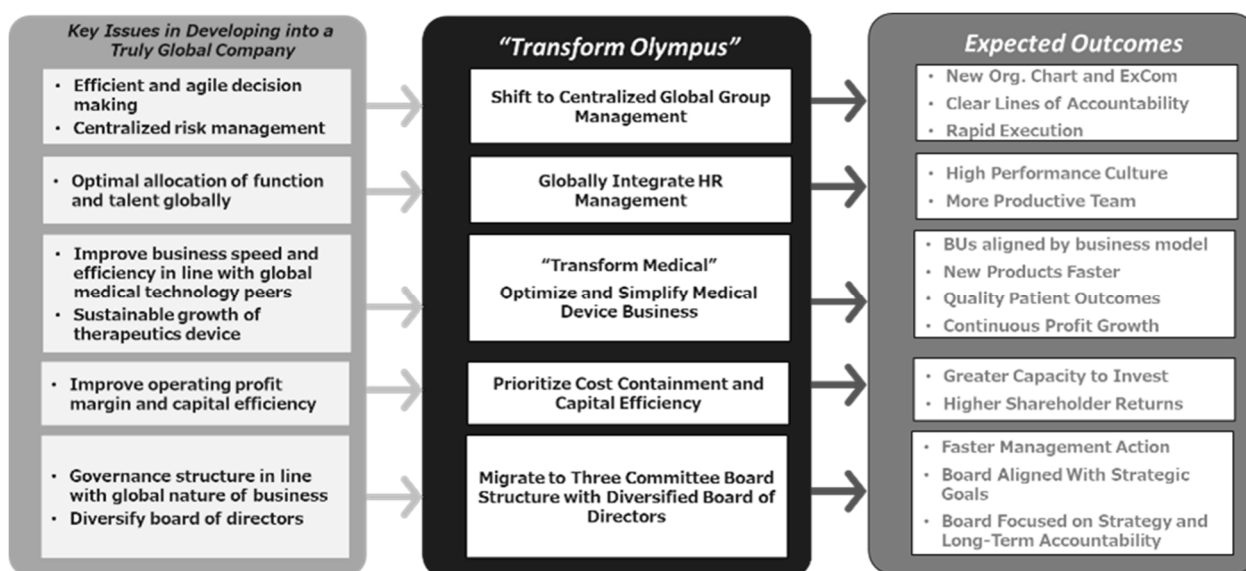
5. Future Challenges

Amid a global economy expected to slow in general, there remains downside risk mainly due to prolonged US and China trade tensions, deceleration of China's economy, and fluctuations in the capital markets.

In the Japanese economy, despite the likelihood of ongoing recovery on the back of improved corporate earnings, prospects ahead remain uncertain amid negative factors that include growing uncertainties regarding the global economy and volatility in financial and capital markets.

Under such circumstances, the Group is committed to steadily implementing the 2016 Corporate Strategic Plan ("16CSP"), a five-year medium-term management plan, which took effect in the fiscal year ended March 31, 2017, and simultaneously, we will carry out activities toward sustainable development in order to realize "Transform Olympus," the transformation plan released in January 2019, to establish a foundation that ensures sustainable growth of the Group as a truly global medtech company.

(1) Outline of "Transform Olympus"



(i) Transition to a global group executive management structure

- Reinforcement of leadership under a global management structure and five Executive Officers
- Prompt decision-making and integrated control over risks

(ii) Transition to globally integrated HR management

The Group will integrate the HR management system across the Group to establish an HR system that enables the Group to proactively recruit, appoint, and assign appropriate and talented individuals, regardless of nationality, to appropriate places.

- Talent development: Early selection and appointment and training professionals and specialists for each function.
- Talent appointment and assignment: Appointing and assigning talent regardless of nationality and age. Establishment of a talent information system.
- Talent acquisition: Recruitment of required individuals and integration of HR system at global level.

- HR governance: Direct governance and monitoring of successors for individuals in key positions.

(iii) Reorganization of the Medical Business (“Transform Medical”)

The Group reorganized its medical device business into two divisions—Endoscope Solutions and Therapeutic Solutions—from five business divisions consisting of Gastrointestinal and Respiratory, General Surgery, Urology and Gynecology, ENT (Ear, Nose, and Throat), and Medical Service.

Current Business Units	April 2019 onwards	Key Features	Products
Gastrointestinal and Respiratory	Endoscopic Solutions Division	<ul style="list-style-type: none"> • Global Division Headquarters in Japan • Improve existing infrastructure and processes 	<ul style="list-style-type: none"> • Gastrointestinal (GI), Respiratory and Surgical endoscopy capital products • Software • Reprocessing • Repair service • Systems Integration
General Surgery			
Urology / Gynecology	Therapeutic Solutions Division	<ul style="list-style-type: none"> • Global Division Headquarters in US • Global decision making from US, the largest therapeutic device market with better access to the medical industry cluster 	<ul style="list-style-type: none"> • EndoTherapy (single-use therapeutic) devices for GI and Respiratory fields • Energy and other surgical single-use devices • Urology, Gynecology and ENT products
Ear, Nose, and Throat (ENT)			
Medical Service			

(iv) Activities to cut costs and improve capital efficiency

We will strive to significantly improve efficiency to the same level as competitors in the global medical product market.

- Improve operating profit ratio

Reduce SG&A expenses for the fiscal year ending March 31, 2020 to the level of the fiscal year ended March 31, 2018.

- Improve capital efficiency

Review capital investment and working capital of each business and sustainable growth of free cash flows toward strategic business investment and shareholder returns.

(v) Transformation to a company with Nominating Committees, etc., which involves diversification of the Board of Directors

The Company will tailor the Board of Directors system to the globalization of businesses and strengthen supervision of management.

- Accelerate decision-making in business execution, strengthen governance, and improve transparency.
- Reinforce the supervisory function of the Board of Directors over the execution of strategies and best practice by management.
- Enhance the flexibility of management to recruit candidates for directors with experience at leading a global company.

(2) Strategy of Each Business

In respect of the Medical Business, the Company will reorganize the Medical Business in accordance with “Transform Medical,” one of plans constituting “Transform Olympus” in order to optimize and streamline the operational structure in an attempt to strengthen competitiveness in the global medtech industry. In the Scientific Solutions Business, we will establish an earnings platform by promoting strategies oriented to each customer group, while also taking steps geared to enhancing shared business functions and streamlining operations through globally integrated management. In the Imaging Business, we will establish a profitable operating structure by boosting business efficiency, while also pursuing initiatives geared to improving our responsiveness to the changing market and working on variable measures to establish a solid position for our brand.

Marking its 100th anniversary in 2019, the Group will strive to enhance its corporate value by solidifying a foundation that realizes sustainable growth as a truly global medical technology company for the next 100 years and by building an aggressive business portfolio.

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

6. Major Subsidiaries, etc.

There are 91 consolidated subsidiaries, including the following 4 major subsidiaries, and 2 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
Olympus (China) Co., Ltd.	US\$31,000,000	100	Holding company to conduct comprehensive management planning for subsidiaries and affiliates in China

7. Principal Places of Business and Plants (As of March 31, 2019)

(1) Principal places of business of the Company

Head Office	Hachioji-shi, 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 and Fukuoka
Sales Offices	Niigata, Matsumoto, Shizuoka, Kanazawa, Kyoto, Okayama, Matsuyama and Kagoshima

(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	Hamburg, Germany
Olympus Corporation of Asia Pacific Limited	Hong Kong Special Administrative Region, China
Olympus (China) Co., Ltd.	Beijing, China

8. Employee Situation of the Group (As of March 31, 2019)

Segment	Numbers of employees		Increase/decrease from the previous fiscal year	
Medical Business	23,317	(1,152)	909	(-39)
Scientific Solutions Business	4,193	(88)	66	(-23)
Imaging Business	4,570	(15)	-1,617	(-58)
Others	859	(57)	-31	(5)
Management division	2,185	(84)	-136	(-)
Total	35,124	(1,396)	-809	(-115)

- 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 Business compared to the previous fiscal year is mainly due to the strengthening of the sales system.
3. The decrease in the number of employees in the Imaging Business compared to the previous fiscal year is mainly due to the adjustment of production in the overseas factories.

9. Principal Lenders (As of March 31, 2019)

(Millions of yen)

Lender	Balance of borrowing
Sumitomo Mitsui Banking Corporation	58,918
MUFG Bank, Ltd.	42,607

10. Other Important Matters Concerning Group Operations

(1) With regard to inappropriate financial reporting associated with the Company's postponing of the recognition of past losses, the Company's shareholders and others filed lawsuits against the Company.

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. Both parties entered into a settlement in court on July 31, 2018 and agreed that the Company pay ¥19,028 million as settlement monies to six banks.

Other lawsuits were also settled by December 13, 2018, putting an end to all lawsuits against the Company concerning postponement of the recognition of past losses, seeking compensation for losses.

(2) 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 ¥3,610 million against 19 former directors and a lawsuit seeking damages of ¥1,000 million against five former Audit & Supervisory Board

Members, and other three lawsuits, in June 2012 and October 2014, seeking damages of ¥1,200 million in total (Subsequently, the claims expanded to reach a total of ¥1,700 million.) 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 payment of the settlement monies was made to the Company. As to the lawsuit for damages we filed against the remaining six former directors (concerning one of the six defendants, however, three heirs acted in substitution), the Tokyo District Court rendered a judgment on April 27, 2017 to order them to jointly pay maximum ¥58,786 million to the Company (the abovementioned amount is that in respect of the claims of the lawsuit intervened by the Company's shareholders as co-parties (the two lawsuits were consolidated)). However, the Company appealed to the Tokyo High Court on May 11, 2017 because it was dissatisfied with the dismissal of a part of its claims against five former directors, while former directors also filed appeals against the judgement. In the hearing of the appeals, the Tokyo High Court found breaches of duties of due care of prudent manager and duties of loyalty as directors for all five former directors on May 16, 2019, finding that three of the five former directors were obligated to provide compensatory liability to the Company and rendering a judgment to order those liable to pay jointly and severally an upper limit of ¥59,405 million (the said amount being the amount claimed for the incident by a shareholder joint suit (class action) by shareholders of the Company). The remaining one former director had withdrawn from the appeal and accepted the decision of the first trial, and the Company received payment of ¥37 million from said director based on said decision.

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 and with one former Audit & Supervisory Board Member on November 28, 2016, with both parties agreeing that a total of ¥34 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 to the Company.

Regarding lawsuits seeking compensation for damages against two of five external collaborators, the Tokyo District Court issued an appeal trial judgement on June 15, 2017, ordering the two to pay ¥1,000 million to the Company jointly and severally. Subsequently, The Supreme Court of Japan rejected the appeal and decided not to accept it on February 26, 2019. The case was determined. Regarding a lawsuit against another external collaborator, the Tokyo District Court ordered the defendant to pay the Company ¥200 million on September 25, 2018. The defendant appealed, and the lawsuit is pending in the Tokyo District Court. Lawsuits against the remaining two external collaborators are pending in the Tokyo District Court.

- (3) Shenzhen Anping Tai Investment and Development Co., Ltd. (Anpingtai), on December 23, 2016, filed a lawsuit against Olympus (Shenzhen) Industrial Ltd. (OSZ), an Olympus subsidiary in China, with the Shenzhen Intermediate People's Court, seeking compensation for damage of about ¥4,643 million in connection with a consideration for consultancy services with which OSZ entrusted Anpingtai. On July 30, 2018, the Shenzhen Intermediate People's Court handed down a judgment on the lawsuit ordering OSZ to pay about ¥3,357 million of compensation for damage and delinquent charges to Anpingtai. OSZ objected to the judgement and on August 17, 2018, it filed an appeal to the Guangdong Higher People's Court.

Moreover, the Company has resolved, at the Board of Directors meeting held on December 25, 2018, to execute a framework agreement concerning transfer of all the equity interests of OSZ, owned by Olympus (China) Co., Ltd., a consolidated subsidiary of the Company, to Shenzhen YL Technology Co., Ltd. (Shenzhen, China).

- (4) In March and August 2015, subpoenas were issued to Olympus Medical Systems Corp. (OMSC), a subsidiary of the Company, by the U.S. Department of Justice (DOJ), seeking information relating to duodenoscopes that OMSC manufactures and sells, and the Department had continued an investigation relating to the U.S. Federal Food, Drug and Cosmetic Act (FDCA). On December 3, 2018, OMSC entered into a plea agreement with the DOJ regarding this matter. The agreement was approved by a U.S. federal court and thus became final on December 10, 2018. With respect to this matter, OMSC has agreed on the following matters in the plea agreement, regarding FDCA violations related to filing and supplementing Medical Device Reports (MDRs) to the U.S. Food and Drug Administration (FDA) about adverse events.
- (i) it will enter a guilty plea to three criminal misdemeanors in the U.S. District Court for the District of New Jersey for failure to submit, to the FDA, two required supplemental MDRs and one initial MDR for events in Europe between August 2012 and October 2014.
 - (ii) it will pay a criminal fine in the amount of US\$80 million (approximately ¥9,086 million) and criminal forfeiture in the amount of US\$5 million (approximately ¥568 million).
 - (iii) it will undertake steps to enhance its regulatory compliance processes and procedures, and to regularly make certain certifications that the company is meeting the expectations of the settlement.
- (5) Olympus Corporation of the Americas (OCA), an Olympus subsidiary was investigated by the US Department of Justice for conduct raising concerns under the U.S. Anti-Kickback Statute and US False Claim Act by OCA's medical business in the US between 2006 and 2011. On February 29, 2016, OCA entered into a Deferred Prosecution Agreement with the DOJ in connection with this matter. In addition, OCA had been investigated by the DOJ from October 2011 for alleged violations of the U.S. Foreign Corrupt Practice Act by the medical business of Olympus Latin America, Inc. (OLA), an indirect US subsidiary of the Company, and Olympus Optical do Brasil, Ltda, a Brazilian subsidiary of OLA. On February 29, 2016, these subsidiaries, etc. entered into a Deferred Prosecution Agreement with the DOJ in connection with this matter. The DOJ filed motions with a court seeking dismissal of complaints concerning the cases. The court approved the motion on March 12, 2019, and the complaints have been dismissed. The case was closed.

II Matters Concerning Shares (As of March 31, 2019)

1. **Total Number of Shares Authorized to be Issued:** 1,000,000,000 shares
2. **Total Number of Issued Shares:** 341,420,829 shares
(Excluding treasury stock 1,292,520 shares)

Note: By resolution of the meeting of the Board of Directors held on June 26, 2018, new shares were issued as restricted share remuneration on July 26, 2018. As a result, the total number of issued shares increased by 22,125 shares.

3. **Number of Shareholders as of March 31, 2019:** 24,949
4. **Principal Shareholders (Top 10)**

Name of Shareholders	Numbers of shares held	Holding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	35,321,100 shares	10.35%
State Street Bank and Trust Company 505010	19,392,800	5.68%
Japan Trustee Services Bank, Ltd. (trust account)	18,237,500	5.34%
Sony Corporation	17,243,950	5.05%
Nippon Life Insurance Company	13,286,618	3.89%
SMBC Trust Bank Ltd. (Olympus shares in Sumitomo Mitsui Banking Corporation's retirement benefit trust account)	11,404,000	3.34%
MUFG Bank, Ltd.	10,880,586	3.19%
State Street Bank and Trust Company 505223	8,958,065	2.62%
Japan Trustee Services Bank, Ltd. (trust account 5)	5,845,100	1.71%
Goldman Sachs & Co. LLC regular account	5,830,751	1.71%

Note: The holding ratio is computed by excluding treasury stock (1,292,520 shares).

5. Other Important Matters Concerning Shares

Stock split

The Company resolved at a Board of Directors meeting held on February 8, 2019 that it would split its common shares four-for-one, effective April 1, 2019. On that day, the Company changed the total number of shares authorized to be issued provided in the Articles of Incorporation.

With this, the total number of shares authorized to be issued is 4,000,000,000, and the total number of issued shares is 1,370,853,396 (including treasury stock).

III Matters Concerning Directors and Audit & Supervisory Board Members

1. Name of Directors and Audit & Supervisory Board Members (As of March 31, 2019)

Appointment	Name	Position and responsibility in the Company and important concurrent positions at other organizations
Representative Director	Hiroyuki Sasa	
Director	Yasuo Takeuchi	Chief Financial Officer (CFO) Chief Regional Representative Officer
Director	Akihiro Taguchi	Head of Sales and Marketing Group Business Management Officer of Medical Business Head of General Surgery Business Unit
Director	Haruo Ogawa	Chief Technology Officer (CTO) Head of R&D Group Head of Technology Innovation Office
Director	Kiichi Hirata	Chief Administrative Officer (CAO)
Outside Director	Sumitaka Fujita	Director, Furukawa Electric Co., Ltd. Chairman, Japan Association for CFOs
Outside Director	Takayuki Katayama	
Outside Director	Susumu Kaminaga	Representative Director & Chief Executive, SK Global Advisers Co., Ltd. Executive Senior Adviser, SPP Technologies Co., Ltd. Director, DEFTA Capital Inc.
Outside Director	Michijiro Kikawa	
Outside Director	Tetsuo Iwamura	
Outside Director	Yasumasa Masuda	Independent Non-Executive, Deloitte Touche Tohmatsu LLC Independent Non-Executive, Deloitte Tohmatsu LLC
Standing Audit & Supervisory Board Member	Nobuyuki Koga	
Standing Audit & Supervisory Board Member	Masashi Shimizu	
Outside Audit & Supervisory Board Member	Katsuya Natori	Chief, Natori Law Office Director, MODEC, INC. Supervisory Director, Global One Real Estate Investment Corp.
Outside Audit & Supervisory Board Member	Atsushi Iwasaki	Chief, Iwasaki CPA Office Director, ISEKI & CO., Ltd. Audit & Supervisory Board Member, NH Foods Ltd.

- Notes: 1. The above all Directors assumed their post on June 26, 2018. Audit & Supervisory Board Members Masashi Shimizu, Katsuya Natori, and Atsushi Iwasaki assumed their post on June 28, 2016. Audit & Supervisory Board Member Nobuyuki Koga assumed his post on June 28, 2017.
2. Directors Sumitaka Fujita, Takayuki Katayama, Susumu Kaminaga, Michijiro Kikawa, Tetsuo Iwamura, and Yasumasa Masuda are Outside Directors. The Company has notified Tokyo Stock Exchange, Inc. of them as independent directors.
3. Audit & Supervisory Board Members Katsuya Natori and Atsushi Iwasaki are Outside Audit & Supervisory Board Members. The Company has notified Tokyo Stock Exchange, Inc. of them as independent audit & supervisory board members.
4. Audit & Supervisory Board Member Atsushi Iwasaki is a certified public accountant and has

considerable knowledge of finance and accounting.

5. The following are the main changes to the positions, responsibilities in the Company, and important concurrent positions at other organizations of Directors and Audit & Supervisory Board Members during and at the end of the current fiscal year.

Name	Date of the changes	Position and responsibility in the Company and important concurrent positions at other organizations	
		(After the changes)	(Before the changes)
Hiroyuki Sasa	April 1, 2019	Director	President and Representative Director * Retired on March 31, 2019
Yasuo Takeuchi	April 1, 2019	President and Representative Director Chief Executive Officer (CEO)	Director, Vice President Chief Financial Officer (CFO) Chief Regional Representative Officer
Akihiro Taguchi	October 1, 2018	Director, Senior Corporate Managing Officer Head of Sales and Marketing Group Business Management Officer of Medical Business Head of General Surgery Business Unit	Director, Senior Corporate Managing Officer Head of Sales and Marketing Group Business Management Officer of Medical Business
	April 1, 2019	Director, Senior Corporate Managing Officer Chief Operating Officer (COO)	Director, Senior Corporate Managing Officer Head of Sales and Marketing Group Business Management Officer of Medical Business Head of General Surgery Business Unit
Haruo Ogawa	March 1, 2019	Director, Senior Corporate Managing Officer Chief Technology Officer (CTO) Head of R&D Group Head of Technology Innovation Office	Director, Senior Corporate Managing Officer Chief Technology Officer (CTO) Head of R&D Group
	April 1, 2019	Director, Senior Corporate Managing Officer Chief Technology Officer (CTO)	Director, Senior Corporate Managing Officer Chief Technology Officer (CTO) Head of R&D Group Head of Technology Innovation Office
Kiichi Hirata	April 1, 2019	Director, Corporate Managing Officer Regional Representative Officer, Japan Chief Administrative Officer (Deputy Position)	Director, Corporate Managing Officer Chief Administrative Officer (CAO)
Takayuki Katayama	June 26, 2018	Outside Director	Outside Director Director, Santen Pharmaceutical Co., Ltd.

6. Under the Company's corporate officer system, the following are corporate officers as of March 31, 2019. The "*" mark indicates individuals serving concurrently as Directors.

Appointment	Name
President *	Hiroyuki Sasa
Vice President *	Yasuo Takeuchi
Senior Corporate Managing Officer *	Akihiro Taguchi
Senior Corporate Managing Officer	Shigeo Hayashi
Senior Corporate Managing Officer *	Haruo Ogawa
Corporate Managing Officer	Yasushi Sakai
Corporate Managing Officer	Nobuhiro Abe
Corporate Managing Officer *	Kiichi Hirata
Corporate Managing Officer	Naohiko Kawamata
Corporate Managing Officer	Masamichi Handa
Corporate Managing Officer	Ken Yoshimasu
Corporate Officer	Masahito Kitamura
Corporate Officer	Tetsuo Kobayashi
Corporate Officer	Toshihiko Okubo
Corporate Officer	Yoshihito Shimizu
Corporate Officer	Katsuhiko Inadomi
Corporate Officer	Hidenao Tsuchiya
Corporate Officer	Yoshitake Saito
Corporate Officer	Katsuyuki Saito
Corporate Officer	Koji Ando
Corporate Officer	Yoshio Tashiro
Corporate Officer	Kazutaka Eguchi
Corporate Officer	Nacho Abia
Corporate Officer	Stefan Kaufmann
Corporate Officer	Akira Hasegawa
Corporate Officer	Hideki Kusuda
Corporate Officer	Tomohisa Sakurai
Corporate Officer	Shigemi Sugimoto

Notes: 1. The following corporate officers retired on March 31, 2019.

President	Hiroyuki Sasa
Senior Corporate Managing Officer	Shigeo Hayashi
Corporate Managing Officer	Naohiko Kawamata
Corporate Officer	Yoshihito Shimizu

2. The following corporate officer had a change to his appointment on April 1, 2019.

President	Yasuo Takeuchi
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2. Overview of content of limited liability agreement

The Company has entered into an agreement with all of its Outside Directors and 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.

Remuneration for Directors (excluding Outside Directors) consists of monthly remuneration, a bonus as a short-term incentive, and restricted share and performance-linked share-based remuneration as a long-term incentive system. 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 by taking into consideration consolidated operating profit excluding other income, other expenses and share of profit (loss) of investments accounted for using equity method for an accounting period in question. The restricted share and performance-linked share-based remuneration is intended to provide an incentive for sustainable improvement of the Company's corporate value as well as to enhance value-sharing with shareholders. The restricted share remuneration is subject to continuous service as a Director of the Company for a certain period, while performance-linked share-based remuneration is subject to achieving the predetermined performance targets. The restricted share remuneration and the performance-linked share-based remuneration are provided by means of issuing common stocks of the Company separately from existing monthly remuneration and a bonus for targeted Directors. The maximum amount of the remuneration for both the restricted share remuneration and performance-linked share-based remuneration is ¥500 million per year and 150,000 shares, as approved at the General Meeting of Shareholders for the 149th term, and of which a portion of 82% is allocated to the performance-linked share-based remuneration. Moreover, Outside Directors are paid only monthly remuneration, not a bonus or restricted share and performance-linked share-based remuneration.

For remuneration, etc. 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 restricted share and performance-linked share-based remuneration.

■ 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)		50%	
Variable compensation	Short-term incentive	Bonus	25%	
	Long-term incentive	Restricted share remuneration	6%	25%
		Performance-linked share-based remuneration	19%	
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	12	¥460 million
Audit & Supervisory Board Member	4	¥83 million

- Notes: 1. Since there are no Directors who are also employees, there is no payment of employee salaries.
2. By resolution of the 143rd General Meeting of Shareholders held on June 29, 2011, the maximum amount of monthly remuneration for Directors is set at ¥100 million and the maximum amount of annual bonus for Directors is ¥350 million. By resolution of the 149th General Meeting of Shareholders held on June 28, 2017, the maximum amount of annual restricted share and performance-linked share-based remuneration for Directors excluding Outside Directors is set at ¥500 million.
3. By resolution of the 138th General Meeting of Shareholders held on June 29, 2006, the maximum amount of monthly remuneration for Audit & Supervisory Board Members is set at ¥10 million.
4. 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 (7 Outside Directors, 2 Outside Audit & Supervisory Board Members) is ¥110 million.
5. The numbers of Directors and Audit & Supervisory Board Members who received remuneration shown in the above table include 1 Director who retired on June 26, 2018 upon the conclusion of the General Meeting of Shareholders for the 150th 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, 2019)

Position	Name	Important concurrent positions at other organizations
Outside Director	Sumitaka Fujita	Director, Furukawa Electric Co., Ltd. Chairman, Japan Association for CFOs
Outside Director	Susumu Kaminaga	Representative Director & Chief Executive, SK Global Advisers Co., Ltd. Executive Senior Adviser, SPP Technologies Co., Ltd. Director, DEFTA Capital Inc.
Outside Director	Yasumasa Masuda	Independent Non-Executive, Deloitte Touche Tohmatsu LLC Independent Non-Executive, Deloitte Tohmatsu LLC
Outside Audit & Supervisory Board Member	Katsuya Natori	Chief, Natori Law Office Director, MODEC, INC. Supervisory Director, Global One Real Estate Investment Corp.
Outside Audit & Supervisory Board Member	Atsushi Iwasaki	Chief, Iwasaki CPA Office Director, ISEKI & CO., Ltd. Audit & Supervisory Board Member, NH Foods Ltd.

- Notes: 1. There is no special relationship between the Company and the organizations where Sumitaka Fujita, Susumu Kaminaga, Yasumasa Masuda, Katsuya Natori and Atsushi Iwasaki assume important concurrent positions.
2. The above important concurrent positions at other organizations are stated for persons holding concurrent positions who held office from the following day of the conclusion of the 150th General Meeting of Shareholders held on June 26, 2018 until the end of the current fiscal year.

(2) Major activities during current fiscal year

	Attendance at meetings and statements
Sumitaka Fujita, Director	Mr. Fujita served as the Chairman of the Board of Directors, attended all 28 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 experience 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.
Takayuki Katayama, Director	Mr. Katayama attended 27 of 28 Board of Directors' meetings held during the current fiscal year, and made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Teijin Limited. As a member of the Compensation Committee, which determines remuneration for directors and audit & supervisory board members, he participated in deliberations on remuneration standards for directors and audit & supervisory board members, etc., and formulated a remuneration plan.
Susumu Kaminaga, Director	Mr. Kaminaga attended all 28 Board of Directors' meetings held during the current fiscal year, and made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Sumitomo Precision Products Co., Ltd. and SK Global Advisers Co., Ltd. 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 proposed the plan to the Board of Directors. Furthermore, as a member of the Compensation Committee, which determines remuneration for directors and audit & supervisory board members, he participated in deliberations on remuneration standards for directors and audit & supervisory board members, etc. and formulated a remuneration plan.
Michijiro Kikawa, Director	Mr. Kikawa attended 26 of 28 Board of Directors' meetings held during the current fiscal year, and made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Hitachi Construction Machinery Co., Ltd. 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.
Tetsuo Iwamura, Director	Mr. Iwamura attended all 28 Board of Directors' meetings held during the current fiscal year, and made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Honda Motor Co., Ltd. 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 selected candidates. Furthermore, as a member of the Compliance Committee, which works to oversee and improve the compliance structure, he participated in deliberations on the strengthening of the internal control system, etc.
Yasumasa Masuda, Director	Mr. Masuda attended all 21 Board of Directors' meetings held during the current fiscal year after his appointment at the General Meeting of Shareholders for the 150 th term held on June 26, 2018, and made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Astellas Pharma Inc. 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 selected candidates.
Katsuya Natori, Audit & Supervisory Board Member	Mr. Natori attended 27 of 28 Board of Directors' meetings and 35 of 36 Audit & Supervisory Board's meetings held during the current fiscal year and made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Sun Microsystems, Inc., Fast Retailing Co., Ltd., and IBM Japan, Ltd., and as an attorney.
Atsushi Iwasaki, Audit & Supervisory Board Member	Mr. Iwasaki attended 25 of 28 Board of Directors' meetings and 35 of 36 Audit & Supervisory Board's meetings held during the current fiscal year, and made statements and recommendations as he saw fit, based on his profound experience and broad insight as a certified public accountant.

IV Accounting Auditor

1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

(Note) On July 1, 2018, Ernst & Young ShinNihon LLC changed its Japanese corporate name from *ShinNihon Yugen Sekinin Kansa Hojin* to *EY ShinNihon Yugen Sekinin Kansa Hojin* but left its English name unchanged.

2. Amount of Remuneration

Classification	Amount paid
Remuneration to Accounting Auditor for the current fiscal year	¥277 million
Total amount of money and other financial interests to be paid by the Company and its subsidiaries	¥340 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, Olympus Corporation of Asia Pacific Limited and Olympus (China) Co., Ltd. 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 regarding 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.

Consolidated Statement of Financial Position

(As of March 31, 2019)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		LIABILITIES:	
Current assets	456,032	Current liabilities	287,511
Cash and cash equivalents	114,426	Trade and other payables	61,724
Trade and other receivables	155,321	Bonds and borrowings	59,707
Other financial assets	2,155	Other financial liabilities	9,391
Inventories	153,623	Income taxes payable	8,043
Income taxes receivable	7,931	Provisions	10,803
Other current assets	16,867	Other current liabilities	133,311
Subtotal	450,323	Subtotal	282,979
Assets held for sale	5,709	Liabilities directly associated with assets held for sale	4,532
Non-current assets	475,998	Non-current liabilities	202,132
Property, plant and equipment	176,908	Bonds and borrowings	121,628
Goodwill	101,188	Other financial liabilities	7,799
Intangible assets	69,269	Retirement benefit liability	43,116
Retirement benefit asset	30,239	Provisions	6,468
Investments accounted for using equity method	2,440	Deferred tax liabilities	12,101
Trade and other receivables	14,618	Other non-current liabilities	11,020
Other financial assets	32,808	Total liabilities	489,643
Deferred tax assets	47,267	Equity	
Other non-current assets	1,261	Total equity attributable to owners of parent	441,193
		Share capital	124,606
		Capital surplus	91,310
		Treasury shares	(4,764)
		Other components of equity	(8,234)
		Retained earnings	238,275
		Non-controlling interests	1,194
		Total equity	442,387
Total assets	932,030	Total liabilities and equity	932,030

Consolidated Statement of Profit or Loss

(April 1, 2018 to March 31, 2019)

(Millions of yen)

Accounts	Amount
Revenue	793,862
Cost of sales	284,297
Gross profit	509,565
Selling, general and administrative expenses	437,510
Share of profit (loss) of investments accounted for using equity method	603
Other income	6,234
Other expenses	50,611
Operating profit	28,281
Finance income	2,183
Finance costs	10,347
Profit before tax	20,117
Income taxes	12,068
Profit	8,049
Profit attributable to:	
Owners of parent	8,147
Non-controlling interests	(98)
Profit	8,049

Non-Consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		LIABILITIES:	
Current assets	228,803	Current liabilities	177,650
Cash and time deposits	34,985	Accounts payable	33,643
Notes receivable	923	Current maturities of long-term borrowings	48,000
Accounts receivable	80,815	Lease liabilities	2,707
Finished goods	24,542	Other payable	11,156
Work in process	9,125	Accrued expenses	48,244
Materials	46,129	Income taxes payable	401
Short-term loans receivable	10,982	Deposits received	32,729
Other receivables	18,414	Provision for product warranties	152
Income taxes receivable	2,831	Provision for points	115
Other current assets	6,569	Other current liabilities	503
Allowance for doubtful accounts	(6,512)		
Fixed assets	516,990	Non-current liabilities	96,732
Property, plant and equipment	86,876	Long-term bonds, less current maturities	20,000
Buildings	34,384	Long-term borrowings, less current maturities	70,000
Structures	1,792	Lease liabilities	4,401
Machinery and equipment	9,929	Long-term deposits received, less current maturities	486
Vehicles	15	Provision for loss on business liquidation	1,845
Tools, furniture and fixtures	19,048		
Land	14,287	Total liabilities	274,382
Lease assets	6,937		
Construction in progress	484	NET ASSETS:	
Intangible assets	8,324	Shareholders' equity	464,256
Patent right	845	Share capital	124,606
Software	4,444	Capital surplus	91,030
Software in progress	3,022	Legal capital surplus	91,026
Right of using facilities, etc.	13	Other capital surplus	4
Investments and other assets	421,790	Retained earnings	253,384
Investment securities	19,417	Other retained earnings	253,384
Investment securities in subsidiaries and affiliates	350,063	Reserve for advanced depreciation	1,161
Investments in capital of subsidiaries and affiliates	278	Retained earnings carried forward	252,223
Long-term loans receivable	611	Treasury shares	(4,764)
Prepaid pension expenses	19,708	Valuation and translation adjustments	6,631
Long-term accounts receivable-other	7,211	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	6,631
Deferred Tax Assets	26,593	Subscription rights to shares	524
Other assets	6,175	Total net assets	471,411
Allowance for doubtful accounts	(8,266)	Total liabilities and net assets	745,793
Total assets	745,793		

Non-Consolidated Statement of Income

(April 1, 2018 to March 31, 2019)

(Millions of yen)

Accounts	Amount
Revenue	376,812
Cost of sales	195,160
Gross profit	181,652
Selling, general and administrative expenses	188,147
Operating profit	(6,495)
Non-operating income	59,483
Interest income	175
Dividends income	53,847
Others	5,461
Non-operating expenses	9,004
Interest expenses	2,459
Interest on bonds	178
Foreign currency exchange loss	1,651
Bond issuance cost	54
Commission for syndicate loan	582
Others	4,080
Ordinary profit	43,984
Extraordinary income	4,340
Gain on sale of fixed assets	1,160
Gain on sales of investment securities	2,486
Gain on liquidation of subsidiaries and affiliates	656
Income related to litigation	38
Extraordinary losses	22,274
Impairment loss	1,478
Loss on valuation of investment securities	626
Loss on sales of investment securities	205
Loss on valuation of investments in subsidiaries and affiliates	585
Loss related to securities litigation	19,380
Profit before provision for income taxes	26,050
Income taxes, current	(5,038)
Income taxes, deferred	865
Profit	30,223

Independent Auditor's Report

May 15, 2019

The Board of Directors
OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC
Hirofumi Harashina [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 statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of OLYMPUS CORPORATION (the "Company") applicable to the fiscal year from April 1, 2018 through March 31, 2019.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with the latter part of Article 120, paragraph 1 of the Company Accounting Ordinance that allows companies to prepare consolidated financial statements with the omission of a part of the disclosure items required under the International Financial Reporting Standards. This includes the improvement and application of the 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, 2019 in conformity with the latter part of Article 120, paragraph 1 of the Company Accounting Ordinance that allows companies to prepare consolidated financial statements with the omission of a part of the disclosure items required under the International Financial Reporting Standards.

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 15, 2019

The Board of Directors
OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC
Hirofumi Harashina [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 151st fiscal year from April 1, 2018 through March 31, 2019.

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 151st fiscal year ended March 31, 2019 in conformity with accounting principles generally accepted in Japan.

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 151st term (from April 1, 2018 to March 31, 2019), 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, which is described in the business report, Audit & Supervisory Board Members confirmed the details.
 - (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 statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, 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.

(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, 2019

The Audit & Supervisory Board,
OLYMPUS CORPORATION

Standing Audit & Supervisory Board Member: Nobuyuki Koga [Seal]

Standing Audit & Supervisory Board Member: Masashi Shimizu [Seal]

Outside Audit & Supervisory Board Member: Katsuya Natori [Seal]

Outside Audit & Supervisory Board Member: Atsushi Iwasaki [Seal]