

April 28, 2017

News Release

Company: Olympus Corporation
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Notice Concerning the Acquisition of Image Stream Medical, Inc. (USA)

Olympus Corporation (“Olympus”) announced that they obtained resolution from Board of Directors during today’s Board of Directors meeting regarding the acquisition of 100% shares of Image Stream Medical, Inc. (Headquartered: Massachusetts, USA; CEO: Eddie Mitchell) (“ISM”), a U.S. operating room imaging systems integrator, through its wholly owned subsidiary, Olympus Corporation of the Americas (“OCA”). Through the use of a special purpose vehicle (the “MergerSub”) and the subsequent merger between the MergerSub and ISM, OCA will acquire the shares of surviving corporation ISM, resulting in ISM becoming a wholly owned subsidiary of OCA (the “Transaction”). After the resolution from Board of Directors, OCA, ISM and the MergerSub have entered into a mutual agreement for the Transaction. Further details of the Transaction are as follows:

1. Acquisition Rationale

As outlined within the 2016 Corporate Strategic Plan (“16CSP”) that Olympus had announced on March 30, 2016, in order to improve corporate value by strengthening the company’s foundations and developing an aggressive business portfolio for sustainable future growth, Olympus is concentrating management resources on the medical business. By focusing on “early diagnosis” and “minimally invasive treatments”, Olympus aims to increase profitability and expand its presence within the medical field.

Image Stream Medical, a healthcare systems integrator in the US market, has developed a deep knowledge of Internet Protocol (IP)-based image management solutions and has a strong track record of introducing its systems to core institutions such as university hospitals.

Through this acquisition, Olympus seeks to acquire ISM’s technology and know-how, and consequently strengthen its operating room systems integration business as described in the 16CSP, with the aim to provide better medical environments, and thereby contributing to society by making the lives of people around the world healthier, safer and more fulfilling.

2. Overview of ISM

(1) Name	Image Stream Medical, Inc.
(2) Location	Massachusetts, USA
(3) Title and name of representative	Eddie Mitchell, CEO
(4) Description of business	Proposing, selling, delivery and maintenance services for video management equipment and system integration solutions for operating rooms
(5) Turnover during most recent fiscal year	Approx. US\$31M (fiscal year ending December 2016)

3. Acquisition Mechanism

In accordance with the Delaware General Corporation Law in the U.S., the Transaction will be executed by utilizing the “Reverse Triangular Merger” method, with cash as the sole consideration. Specifically, MergerSub will be absorbed into ISM, with ISM remaining as the surviving corporation after the merger is in effect. ISM's shareholders will receive cash from OCA and ISM's legacy shares will be cancelled. Further, all of MergerSub's shares which OCA possesses will be converted into ISM's common shares and OCA will continue to hold onto all of its shares. Through this acquisition method, OCA will obtain 100% shares of the surviving corporation, ISM. As a result of this Transaction, ISM will become OCA's wholly owned subsidiary.

4. Shares acquired, acquisition price, and shares owned before and after the acquisition

(1) Shares owned before the acquisition	0 shares (Number of voting rights: 0)
(2) Shares acquired	100 shares (Number of voting rights: 100) (Ratio of voting rights: 100%)
(3) Acquisition price	US\$ 78 million (maximum of US\$ 87 million)*
(4) Shares owned after the acquisition	100 shares (Number of voting rights: 100) (Ratio of voting rights: 100%)

*The acquisition price mentioned above is the valuation amount of the enterprise value of Image Stream Medical. The actual acquisition price is subject to certain adjustments, based on items (for example, net debt, net working capital and others) of ISM as at the closing date of this Transaction.

In addition, additional consideration may be paid in the future up to this maximum amount, based on the performance, progress of development and sales activities of ISM.

5. Schedule

(1) Date of Resolution by Board of Directors	April 28, 2017
(2) Date of Merger Agreement signing	April 28, 2017
(3) Effective Date*	Early June, 2017 (provisional schedule)

*The completion of the Transaction is subject to the submission of any required notifications the necessary governmental authorities, based on U.S. regulations.

6. Future Outlook

Olympus is in the process of carefully assessing the potential impact of the Transaction on its consolidated performance for this fiscal year. In the event whereby any matter which requires disclosure arise, Olympus shall promptly give notice.

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