

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

CHAITANYA KADIYALA and KELLY SHARKEY, on
behalf of themselves individually and others
similarly situated,

Plaintiffs,

v.

OLYMPUS CORPORATION, TSUYOSHI
KIKUKAWA, and SHUICHI TAKAYAMA,

Defendants.

No. 11-cv-7103 (JLS)

**NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT OF CLASS ACTION**

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED OLYMPUS CORPORATION
("OLYMPUS") AMERICAN DEPOSITORY RECEIPTS ("ADRs") BETWEEN MAY 8, 2007 AND NOVEMBER 7,
2011, INCLUSIVE (THE "CLASS PERIOD").

Please read this Notice carefully and in its entirety. Your rights may be affected by proceedings in this Litigation. Please note that if you are a Class Member, you may be entitled to share in the proceeds of the Settlement described in this notice. To claim your share of this fund, you must submit a valid Proof of Claim and Release postmarked on or before May 24, 2014.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Eastern District of Pennsylvania (the "Court"). The purpose of this Notice is to inform you of the pendency and proposed settlement of this Class Action and of the upcoming court hearing to consider the fairness, reasonableness, and adequacy of the Settlement. This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Litigation or the merits of the claims or defenses asserted. This Notice describes the rights you may have in connection with the Settlement and what steps you may take in relation to the Settlement and this Class Action.

This class action was prosecuted by Lead Plaintiff Chaitanya Kadiyala and additional plaintiff Kelly Sharkey (together, "Plaintiffs") against Olympus and certain of the Company's former officers. As is described in more detail in Section III A., Plaintiffs, on their own behalf and on behalf of other Olympus ADR purchasers, alleged that Olympus and the other defendants violated United States securities laws by making false and misleading statements about Olympus' financial condition.

Pursuant to the Settlement, Olympus has paid \$2,603,500.00 in cash into an interest-bearing account to create a Settlement Fund for distribution to qualified Class Members, after payment of court-approved expenses. Your recovery from this fund will depend on a number of factors, including the number of Olympus ADRs you purchased between May 8, 2007 and November 7, 2011, inclusive, and the timing of your purchases and any sales. Depending on the number of Olympus ADRs purchased by Class Members who elect to participate in the Settlement and when those securities were purchased and sold, Plaintiffs believe that the estimated average recovery will be approximately \$3.37 per Olympus ADR (which Plaintiffs believe represents approximately 42.6% of estimated average damages per Olympus ADR), before deduction of Court-approved fees and expenses.

Plaintiffs and Olympus do not agree on the average amount of damages per ADR that would be recoverable if the Plaintiffs were to have prevailed on each claim alleged. The issues on which the parties disagree include: (1) the appropriate economic model for determining the amount by which the price of Olympus ADRs was allegedly artificially inflated (if at all) during the Class Period; (2) the amount by which the price of Olympus ADRs was allegedly artificially inflated (if at all) during the Class Period; (3) the effect of various market forces influencing the trading price of Olympus ADRs at various times during the Class Period; (4) the extent to which external factors, such as general market and industry conditions, influenced the trading price of Olympus ADRs at various times during the Class Period; (5) the extent to which the various matters that Plaintiffs alleged were materially false or misleading influenced (if at all) the trading price of Olympus ADRs at various times during the Class Period; (6) the extent to which the various allegedly adverse material facts that Plaintiffs alleged were omitted influenced (if at all) the trading price of Olympus ADRs at various times during the Class Period; and (7) whether the statements allegedly made or facts allegedly omitted were material, false, misleading or otherwise actionable under the securities laws.

Court-appointed Lead Plaintiff's Co-Counsel Vianale & Vianale LLP and Sarraf Gentile LLP and liaison counsel Lite, DePalma, Greenberg LLC, who have been prosecuting this case on a wholly contingent basis since its inception in 2011, have not received any payment of attorneys' fees or reimbursement of expenses incurred in prosecuting this case. Among other things, Lead Plaintiff's Counsel have (1) conducted an extensive investigation, which included analyzing

thousands of pages of documents, interviewing witnesses, and retaining and directing the efforts of a financial expert; (2) drafted an initial complaint and three amended complaints; (3) responded to two rounds of motions to dismiss by the Defendants; and (4) engaged in extensive negotiations with defense counsel prior to agreement being reached on the Settlement. If the Settlement is approved by the Court, Lead Plaintiff's Counsel will apply to the Court for attorneys' fees of not more than 33 1/3% of the Settlement Fund, and reimbursement of counsel's out-of-pocket expenses not to exceed \$100,000 to be paid from the Settlement Fund. Plaintiffs will also seek reimbursement of their expenses in representing the Class in the Litigation, including lost wages, not to exceed \$5,000 for Chaitanya Kadiyala and \$2,000 for Kelly Sharkey. If the Court approves the attorneys' fee and expense reimbursement requested, Plaintiffs estimate that the average cost per share will be \$1.26. Additional information concerning Plaintiffs' request for payment of attorneys' fees and expenses is contained in Section XI of this Notice.

For further information regarding this settlement you may contact Lead Plaintiff's Counsel: Julie Vianale, Esq., Vianale & Vianale LLP, 2499 Glades Road – Suite 112, Boca Raton, Florida 33431, Telephone: (561) 392-4750, or Ronen Sarraf, Esq., Sarraf Gentile LLP, 1055 Franklin Ave., Suite 204, Garden City NY 11530, Telephone: (516) 699-8890.

Lead Plaintiff's principal reason for entering into the Settlement is the substantial cash benefit the Settlement has obtained for the Class. The cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or, indeed, no recovery at all – might be achieved after further litigation or a trial and the likely appeals that would follow a trial, a process that could last many months, or even years, into the future. Olympus, denying all allegations of wrongdoing or liability whatsoever, is entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

I. NOTICE OF HEARING ON PROPOSED SETTLEMENT

A fairness hearing on the proposed settlement will be held on May 12, 2014 at 2:00 p.m., at the courtroom of Honorable Jeffrey L. Schmehl, United States District Judge, Madison Building, 400 Washington Street, Room 401, Reading, Pennsylvania (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine: (1) whether the Class Action settlement, which will result in a settlement fund consisting of \$2,603,500.00 plus interest in return for a release of the Class Members' "Released Claims" against the "Released Parties" (both of these terms are defined in Section II, below) and dismissal of the Class Action with prejudice, should be approved as fair, reasonable, and adequate; (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation," described in Section VIII, below) should be approved as fair, reasonable, and adequate; (3) whether Lead Plaintiff's Counsel's request for an award of attorneys' fees and reimbursement of expenses should be approved; (4) whether the Court should approve Plaintiffs' request for reimbursement of their expenses, including lost wages, in representing the Class in this Litigation, and (5) any other matter properly before the Court in connection with the Settlement. The Court may adjourn or continue the Settlement Hearing without further notice to the Class. If you plan on attending the Settlement Hearing, please contact Lead Plaintiff's Counsel in advance to re-confirm the date, time and location of the hearing.

II. DEFINITIONS USED IN THIS NOTICE

"Class" means any person or entity, including their legal representatives, heirs, successors or assigns, who purchased or otherwise acquired Olympus ADRs between May 8, 2007 and November 7, 2011, inclusive, and were allegedly damaged thereby. Excluded from the Class are Olympus, current or former officers and directors of Olympus, any entity in which Olympus has or had a majority interest, and the legal representatives, successors, affiliates and assigns of Olympus. Also excluded are all persons who, although otherwise entitled to be in the Class, timely and validly request exclusion from the Class pursuant to the procedures for exclusion described in Section VII, below.

"Class Member" or "Member of the Class" means a Person who falls within the definition of the Class provided above.

"Class Period" means the period from May 8, 2007 to November 7, 2011, inclusive.

"Lead Plaintiff" means Chaitanya Kadiyala.

"Lead Plaintiff's Counsel" means court-appointed Co-Lead Counsel in the Class Action: Vianale & Vianale LLP and Sarraf Gentile LLP.

"Litigation" means *Kadiyala, et al. v. Olympus Corp., et al.*, No. 11-cv-7103 (JLS) (E.D. Pa.), pending in the United States District Court for the Eastern District of Pennsylvania, before the Honorable Jeffrey L. Schmehl.

"Olympus" means Olympus Corporation and its past or present parents, subsidiaries, divisions, affiliates, predecessors, successors, officers, directors, employees, and assigns.

"Person" means an individual, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives or assignees.

"Plaintiffs" means Chaitanya Kadiyala and Kelly Sharkey.

"Released Claims" means any and all claims, debts, demands, rights or causes of action, suits, matters, and issues or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liabilities whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-

liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, including both known claims and Unknown Claims (as defined below), (i) that have been asserted in this Litigation by the members of the Class or any of them against any of the Released Parties (as defined below), or (ii) that could have been asserted in any forum by the members of the Class or any of them or the successors or assigns of any of them against any of the Released Parties that arise out of, are based upon, or relate to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Litigation and relate to the purchase, sale, holding, or other acquisition or disposition of Olympus ADRs.

“Released Parties” means Olympus and each and all of its past or present subsidiaries, parents, principals, affiliates, general or limited partners or partnerships, successors and predecessors, assigns, officers, directors, agents, employees, attorneys, advisors, investment advisors, investment bankers, underwriters, auditors, accountants, insurers, co-insurers, re-insurers, consultants, administrators, and any other entity in which Olympus has a controlling interest or which is related to or affiliated with Olympus.

“Settlement Fund” means the principal amount of Two Million, Six Hundred and Three Thousand, Five Hundred Dollars (\$2,603,500.00) in cash to be paid pursuant to the Stipulation of Settlement executed between Plaintiffs and Olympus Corporation on December 23, 2013, plus all interest earned thereon pursuant to the Stipulation, less any and all taxes due, owing, or paid on the interest accrued.

“Settling Parties” means, collectively, Plaintiffs, on behalf of themselves and each of the other Class Members, and Olympus.

“Unknown Claims” means all claims, demands, rights, liabilities and causes of action of every nature and description which any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Parties, or might have affected his, her or its decision not to object to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Plaintiffs shall expressly waive, and each of the Class Members shall be deemed to have waived, and by operation of the Judgment shall have waived, the provisions, rights and benefits of California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiffs shall expressly waive and each of the Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principal of common law or international or foreign law, which is similar, comparable or equivalent to California Civil Code §1542. Plaintiffs and Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Plaintiffs and Olympus shall expressly fully, finally and forever settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Olympus acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

III. THE LITIGATION

A. The Allegations against Olympus

The initial Complaint and the subsequent amended complaints alleged that Olympus made false statements during the Class Period about the Company's financial condition. The complaints alleged that in the late 1980's, Olympus began losing money on its product sales in the United States. Olympus tried to make up for this sales shortfall by trading in speculative securities. That strategy resulted in Olympus suffering trading losses topping more than a billion dollars. The complaints allege that instead of disclosing these losses to investors, Olympus carried out a fraudulent scheme to mask its trading losses as “goodwill” on its corporate acquisitions – goodwill which could be written down on its books over time. The scheme was successful for decades. But Olympus could not indefinitely shield its fraud from public exposure. In a press release on November 7, 2011, the Company admitted that it had conducted and concealed an elaborate financial fraud going back to the 1990's. Olympus' stock price dropped on the news, causing damages to Plaintiffs and other purchasers of Olympus ADRs.

B. The Litigation

On November 14, 2011, Lloyd Graham filed a Class Action Complaint in the United States District Court for the Eastern District of Pennsylvania (the “Court”) on behalf of a putative class of all persons or entities who purchased or otherwise acquired Olympus ADRs between November 7, 2006 and November 7, 2011, inclusive, styled *Graham v. Olympus Corp., et al.*, No. 11-cv-7103. The defendants in this initial complaint were Olympus and three former officers and directors of Olympus, Tsuyoshi Kikukawa and Shuichi Takayama (the “Individual Defendants”), and Michael C.

Woodford. The *Graham* action alleged violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"). On November 17, 2011, a substantially similar Amended Complaint was filed under the same case number replacing Graham with Chaitanya Kadiyala as named plaintiff.

On September 24, 2012, the Court appointed Kadiyala as Lead Plaintiff and approved his selection of Vianale & Vianale LLP and Sarraf Gentile LLP as Co-Lead Counsel ("Lead Plaintiff's Counsel") and Lite DePalma Greenberg, LLC as Liaison Counsel.

On January 15, 2013, Plaintiffs filed their Second Amended Class Action Complaint, which added Kelly Sharkey as a named plaintiff and removed Michael C. Woodford as a defendant. On March 5, 2013, Olympus and the Individual Defendants moved to dismiss the Second Amended Complaint. Following briefing by both sides, the Court, on May 9, 2013, granted Plaintiffs leave to amend further the Second Amended Class Action Complaint.

Pursuant to the Court's May 9, 2013 order, Plaintiffs filed their Third Amended Class Action Complaint on June 7, 2013. The Third Amended Complaint alleged a class period of May 8, 2007 to November 7, 2011, inclusive. Olympus and the Individual Defendants moved to dismiss the Third Amended Complaint on June 24, 2013. Plaintiffs' opposition brief was filed on July 11, 2013, and Olympus and the Individual Defendants filed their reply briefs on July 23, 2013. Oral argument on the motions to dismiss was scheduled for September 30, 2013.

C. Negotiation of the Settlement

Following arm's-length discussions, Olympus and the Plaintiffs reached an agreement in principle to settle the Litigation on or about September 26, 2013, and entered into a Memorandum of Understanding ("MOU") setting forth the general terms of the agreement. The Settling Parties informed the Court of the settlement in principle, and oral argument on the motions to dismiss was taken off the Court's calendar. Pursuant to the MOU, and for the purpose of effectuating the Settlement, on September 26, 2013, Plaintiffs filed a stipulation dismissing the Individual Defendants from the Litigation without prejudice.

IV. CLAIMS OF THE PLAINTIFFS AND REASONS FOR SETTLEMENT

Plaintiffs believe that the claims asserted in the Litigation have merit and that the evidence developed to date supports the claims. However, Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against the Defendants through trial and appeals. Plaintiffs also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation. Plaintiffs also are mindful of the inherent problems of proof under, and possible defenses to, the securities law claims asserted in the Litigation. Plaintiffs believe that the settlement set forth in the Stipulation confers substantial benefits upon the Class. Based on their evaluation, Plaintiffs and Lead Plaintiff's Counsel have determined that the settlement set forth in the Stipulation is fair, reasonable, and adequate and in the best interests of Plaintiffs and the Class.

V. OLYMPUS' DENIALS OF WRONGDOING AND LIABILITY

Olympus has denied and continued to deny each and all of the claims and contentions alleged by the Plaintiffs in the Litigation. Olympus expressly has denied and continues to deny all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, including Unknown Claims, in the Litigation. Olympus also has denied and continues to deny, *inter alia*, the allegations that Plaintiffs or the Class have suffered damage, that the prices of Olympus ADRs were artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, and that Plaintiffs or the Class were harmed by any of the conduct alleged or allegations made in the Litigation. Nonetheless, Olympus has concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

VI. TERMS OF THE PROPOSED SETTLEMENT AND RELEASES

The aggregate sum of \$2,603,500 in cash was paid by Olympus into an interest-bearing settlement account on February 6, 2014.

Lead Plaintiff's Counsel will ask the Court to approve reimbursement from the Settlement Fund of certain administrative expenses, including costs of printing and mailing this Notice, the cost of publishing a newspaper notice, payment of any taxes assessed against the Settlement Fund and costs associated with processing the claims submitted. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to Lead Plaintiff's Counsel as attorneys' fees and to reimburse case-related expenses incurred by Lead Plaintiff's Counsel and Plaintiffs. The balance of the Settlement Fund (the "Net Settlement Fund") will be distributed according to the Plan of Allocation described in Section VIII to Class Members who submit valid and timely Proof of Claim and Release forms. In return for this payment, Plaintiffs and all Class Members will release all of the Released Claims (defined above) against all of the Released Parties (defined above), and the Class Action will be dismissed with prejudice against Olympus.

VII. THE RIGHTS OF CLASS MEMBERS

If you are a Class Member, you may receive the benefit of, and you will be bound by, the terms of the proposed settlement described in Section VI of this Notice when and if the proposed settlement is approved by the Court.

If you are a Class Member, you have the following options:

1. **File a Proof of Claim and Release Form.** You may file the Proof of Claim and Release Form accompanying this Notice, seeking payment from the Settlement Fund. If you choose this option, you will remain a Class Member. If the Settlement is approved by the Court, you will share in the proceeds of the proposed settlement if your claim is timely, valid and results in a recognized loss under the Plan of Allocation, and you will be bound by the Judgment and by the Release described in Sections II and VI. To be valid, your completed Proof of Claim and Release Form must be postmarked on or before May 24, 2014 and delivered to the Claims Administrator at the following address:

Olympus ADR Class Action Litigation
c/o Gilardi & Co., LLC
P.O. Box 8040
San Rafael, CA 94912

2. **Request Exclusion from the Class.** If you do not wish to be included in the Class and you do not wish to participate in the proposed settlement described in this Notice, you may request to be excluded. To exclude yourself from the Class you must state in writing: (a) your name, address, and telephone number; (b) each of your purchases or acquisitions and/or sales of Olympus ADRs made between May 8, 2007 and November 7, 2011, inclusive, including the dates of purchase or acquisition and/or sale, the number of securities purchased, acquired and/or sold, and the number of Olympus ADRs currently held; (c) that you wish to be excluded from the Class. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Settlement Fund, and shall not be bound by the Stipulation or the Judgment entered in the Litigation. All exclusion requests ("Request for Exclusion") must be mailed, postmarked by April 21, 2014, to both of the following addresses:

Olympus ADR Class Action Litigation
c/o Gilardi & Co., LLC
P.O. Box 8040
San Rafael, CA 94912

Counsel for Olympus
BRIAN H. POLOVOY
SHEARMAN & STERLING LLP
599 LEXINGTON AVENUE
NEW YORK, NY 10022-6069

NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS IT IS POSTMARKED BY APRIL 21, 2014 AND ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED.

If you validly request exclusion from the Class, (a) you will be excluded from the Class, (b) you will not share in the proceeds of the Settlement Fund, (c) you will not be bound by any judgment entered in the Class Action, and (d) you will retain the rights you have, if any, to prosecute the Released Claims against the Released Parties.

3. **Do Nothing.** You may do nothing at all – neither file a Proof of Claim and Release Form nor request exclusion from the class. If you choose this option, you will not share in the proceeds of the Settlement, but you will be bound by any judgment entered by the Court, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the Released Claims against the Released Parties.

If you are a Member of the Class and you have not excluded yourself in the manner described above, and you disagree with the Settlement, the Plan of Allocation, and/or the application of Lead Plaintiff's Counsel for an award of attorneys' fees and reimbursement of expenses, you may file an objection in the manner set forth in Section IX below (page 7). A Class Member who objects may also file a Proof of Claim and Release Form. However, if your objection is rejected you will be bound by the Settlement and the Judgment just as if you had not objected.

Any Member of the Class may enter an appearance in the Litigation, individually or through counsel of their own choice, at their own expense. Any Class Member wishing to enter an individual appearance, or to address the Court at the Settlement Hearing, must file with the Court and deliver a copy to all counsel, no later than April 28, 2014 a "Notice of Appearance and of Intention to Appear at Settlement Hearing." This Notice must state the Class Member's name, address and telephone number, and must establish that the filer is a Member of the Class. The addresses for filing the Notice of Appearance with the Court and sending copies to the attorneys are in Section XI of this Notice. Any Class Member who does not file a Notice of Appearance will be represented by Lead Plaintiff's Counsel.

VIII. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Class Members who submit valid, timely Proof of Claim and Release forms ("Authorized Claimants") under the Plan of Allocation described below. The Plan of Allocation provides that you will be eligible to participate in the distribution of the Net Settlement Fund only if you have a net loss on all transactions in Olympus ADRs during the Class Period.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Lead Plaintiff's Counsel conferred with damage consultants and the Plan of Allocation reflects an assessment of the damages that they believe could have been recovered had Plaintiffs prevailed at trial.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

A claim will be calculated as follows:

1. For each share of Olympus ADRs purchased between May 8, 2007 and October 13, 2011, inclusive and:
 - a) Sold prior to the close of trading on October 13, 2011, the Recognized Loss is \$0.00.
 - b) Sold at a loss on October 14, 2011, the Recognized Loss shall be the lesser of: a) \$5.79 per share; or b) the difference between the purchase price per share and the sales price per share.
 - c) Sold at a loss between October 15, 2011 and November 7, 2011, the Recognized Loss shall be the lesser of: a) \$12.06 per share; or b) the difference between the purchase price per share and the sales price per share.
 - d) Sold at a loss between November 8, 2011 and February 6, 2012, the Recognized Loss shall be the lesser of: a) \$16.62 per share; b) the difference between the purchase price per share and the sales price per share; or c) the difference between the purchase price per share and the mean trading price per share beginning November 8, 2011 through the date of sale.
 - e) Held as of the close of trading on February 6, 2012, the Recognized Loss shall be the lesser of: a) \$16.62 per share; or b) the difference between the purchase price per share and \$13.57 per share, if greater than zero.¹
2. For each share of Olympus ADRs purchased on October 14, 2011 and:
 - a) Sold prior to the close of trading on October 14, 2011, the Recognized Loss is \$0.00.
 - b) Sold at a loss between October 15, 2011 and November 7, 2011, the Recognized Loss shall be the lesser of: a) \$6.27 per share; or b) the difference between the purchase price per share and the sales price per share.
 - c) Sold at a loss between November 8, 2011 and February 6, 2012, the Recognized Loss shall be the lesser of: a) \$10.83 per share; b) the difference between the purchase price per share and the sales price per share; or c) the difference between the purchase price per share and the mean trading price per share beginning November 8, 2011 through the date of sale.
 - d) Held as of the close of trading on February 6, 2012, the Recognized Loss shall be the lesser of: a) \$10.83 per share; or b) the difference between the purchase price per share and \$13.57 per share, if greater than zero.
3. For each share of Olympus ADRs purchased between October 15, 2011 and November 7, 2011, inclusive and:
 - a) Sold prior to the close of trading on November 7, 2011, the Recognized Loss is \$0.00.
 - b) Sold at a loss between November 8, 2011 and February 6, 2012, the Recognized Loss shall be the lesser of \$4.56 per share; or the difference between the purchase price per share and the mean trading price per share beginning November 8, 2011 through the date of sale.
 - c) Held as of the close of trading on February 6, 2012, the Recognized Loss shall be the lesser of: a) \$4.56 per share; or b) the difference between the purchase price per share and \$13.57 per share, if greater than zero.

The date of acquisition or sale is the "contract" or "trade" date as distinguished from the "settlement" date.

Olympus ADRs "transferred into," "delivered into" or "received into" a Class Member's account will not be considered as a purchase of ADRs unless the Class Member submits documentation demonstrating that the original purchase of these ADRs occurred during the Class Period. Also, ADRs purchased and subsequently "transferred out" or "delivered out" of a Class Member's account will not be considered part of the Class Member's claim, as the right to file for those ADRs belongs to the person or party receiving the ADRs.

If you inherited or received a gift of Olympus ADRs during the Class Period, that inheritance or gift is not considered a purchase of Olympus ADRs unless your ancestor or donor was the actual purchaser of Olympus ADRs during the Class Period. You, as a recipient of a gift or inheritance, and the original purchaser may not both file a claim with regard to the same Olympus ADRs. If both you and the donor (or you and your ancestor's estate) make such a claim, only the claim filed by the recipient (or heir) will be honored.

For Class Members who held Olympus ADRs at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of ADRs during the Class Period will be matched, in

¹ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." The mean closing price of Olympus ADRs during the 90-day period beginning on November 8, 2011 and ending on February 6, 2012 was \$13.57.

chronological order, first against ADRs held at the beginning of the Class Period. The remaining sales of ADRs during the Class Period will then be matched, in chronological order, against ADRs purchased during the Class Period.

The restrictions on computing Recognized Losses set out in the two bullet points below apply to all claims. As a practical matter, however, they apply primarily to certain transactions engaged in by sophisticated traders or certain corporate or institutional Claimants:

- “Short” sales will not be recognized for any amount of loss on the cover or purchase transaction, and no Recognized Loss will be computed for any such covering purchase transaction.
- No Recognized Loss will be computed for any option premium paid or received portion where the Olympus ADRs were purchased or sold by reason of having exercised or been assigned an option.

You can make a claim only for Olympus ADRs purchased with cash during the Class Period. Olympus ADRs acquired in whole or part in return for services rendered, in return for barter, or in return for any other form of non-cash consideration will not be eligible for recovery in this case.

In the interest of economy, no payment will be made to any Authorized Claimant whose Payable Claim would be less than \$10 based on the initial allocation of the Net Settlement Fund to the Authorized Claimants.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net loss, after all profits from transactions in Olympus ADRs during the Class Period are subtracted from all losses.

The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Class Member on equitable grounds.

Nothing in this Plan of Allocation represents an admission by Olympus that there is liability or damage of any kind as a result of the allegations in the Amended Complaint or that the dollar amounts set forth in this Plan of Allocation reflect actual or potential damages to the Class.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Lead Plaintiff’s Counsel, the Claims Administrator, or the Released Parties based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further order(s) of the Court. Any Class Member who fails to complete and file a valid and timely Proof of Claim and Release form shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

IX. DISMISSAL AND RELEASES

If the proposed settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice (“Judgment”). The Judgment will dismiss the Released Claims with prejudice as to the Released Parties. The terms “Released Claims” and “Released Parties” are defined in Section II of this Notice. The Judgment will provide that Plaintiffs and all Class Members shall be deemed to have released and forever discharged all Released Claims against all Released Parties, and the Released Parties shall be deemed to have released and discharged all Class Members and Plaintiffs’ Counsel from all claims arising out of the prosecution and settlement of the Litigation.

X. APPLICATION FOR FEES AND EXPENSES

At the Settlement Hearing, Lead Plaintiff’s Counsel will request the Court to award attorneys’ fees of 33 1/3% of the Settlement Fund obtained in the Class Action, reimbursement of Lead Plaintiff’s Counsel’s expenses which were advanced in connection with the Class Action not to exceed \$100,000, plus interest thereon, and Plaintiffs’ expenses, including lost wages, not to exceed \$5,000 for Lead Plaintiff Chaitanya Kadiyala and \$2,000 for Plaintiff Kelly Sharkey. If the Court approves the attorneys’ fee and expense reimbursement requested, the average cost per share will be \$1.26.

To date, Lead Plaintiff’s Counsel have not received any payment for their services in conducting this Class Action on behalf of Plaintiffs and the Class, nor have Lead Plaintiff’s Counsel been reimbursed for their substantial out-of-pocket expenses. The fee requested by Lead Plaintiff’s Counsel will compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the Class and for their risk in undertaking this representation on a wholly contingent-fee basis.

XI. THE RIGHT TO BE HEARD AT THE HEARING

Any Class Member who objects to any aspect of the Settlement, the Plan of Allocation, or the application for attorneys’ fees and reimbursement of expenses incurred by Lead Plaintiff’s Counsel and Plaintiffs must submit their objection in writing. Objections must be received by the Court on or before April 28, 2014 at the following address:

CLERK OF THE COURT
EASTERN DISTRICT OF PENNSYLVANIA
UNITED STATES COURTHOUSE
MADISON BUILDING
400 WASHINGTON STREET
READING, PENNSYLVANIA 19601

In addition to filing the objection with the Court, an objecting Class Member must mail a copy of their objection, postmarked on or before April 28, 2014, to the attorneys for the Settling Parties at the following addresses:

Lead Plaintiff's Counsel:

RONEN SARRAF
SARRAF GENTILE LLP
1055 FRANKLIN AVE., SUITE 204
GARDEN CITY NY 11530

JULIE PRAG VIANALE
VIANALE & VIANALE LLP
2499 GLADES ROAD, SUITE 112
BOCA RATON, FL 33431

Counsel for Olympus:

BRIAN H. POLOVOY
SHEARMAN & STERLING LLP
599 LEXINGTON AVENUE
NEW YORK, NY 10022-6069

The notice of objection must contain: (1) the objector's name, address, and telephone number, (2) a statement establishing that the objector is a member of the Class, (3) a statement of all grounds upon which the Class Member objects to the Settlement, or any aspect of it, (4) copies of any papers and briefs upon which the objector intends to rely, and (5) the name of each witness, if any, whom the objector intends to rely upon or call to testify at the Settlement Hearing. If you submit an objection on time that satisfies these requirements, you may, but do not need to, attend the Settlement Hearing to address the Court regarding your objection. If you decide not to attend the Settlement Hearing, the Court will consider and decide on your objection based on the papers you file. If you intend to appear at the Settlement Hearing personally or through an attorney whom you have hired, and address the Court in connection with an objection, must file a "Notice of Appearance and of Intention to Appear at Settlement Hearing" as described in Section VII, along with your objection. Only Members of the Class who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

XII. SPECIAL NOTICE TO NOMINEES

If you currently hold or previously held Olympus ADRs purchased during the Class Period as nominee for a beneficial owner, then, within ten days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim and Release Form by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator at the following address:

Olympus ADR Class Action Litigation
c/o Gilardi & Co., LLC
P.O. Box 8040
San Rafael, CA 94912

If you choose to mail the Notice and Proof of Claim and Release Form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Proof of Claim and Release that would not have been incurred but for the obligation to forward the Notice and Proof of Claim and Release, upon submission of appropriate documentation to the Claims Administrator.

XIII. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, United States Courthouse, Madison Building, 400 Washington Street, Reading, Pennsylvania.

If you have any questions about the settlement of the Class Action, you may contact Lead Plaintiff's Counsel: **VIANALE & VIANALE LLP**, Julie P. Vianale, Esq., 2499 Glades Road, Suite 112, Boca Raton FL 33431, Tel.: (561) 392-4750 and **SARRAF GENTILE LLP**, Ronen Sarraf, 1055 Franklin Ave., Suite 204, Garden City NY 11530, Tel.: (516) 699-8890.

DO NOT TELEPHONE THE COURT, THE CLERK'S OFFICE OR ANY OF THE DEFENDANTS REGARDING THIS NOTICE

IT IS SO ORDERED.

DATED: January 27, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA