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## Olympus Corporation

Director, Representative Executive Officer, President and CEO, Yasuo Takeuchi

Contact for inquiries: Investor Relations, Vice President, Takaaki Sakurai

Securities Code: 7733

<https://www.olympus-global.com/>

The status of corporate governance of Olympus is as set out below.

## I Basic concepts of corporate governance, capital structure, corporate attributes, and other basic information

### 1. Basic concepts

Olympus has formulated basic concepts and policies concerning corporate governance in the “Basic Policy on Corporate Governance” set forth below.

[Basic Policy on Corporate Governance]

#### Our Corporate Philosophy

All our activities are based on our Corporate Philosophy, “Making people’s lives healthier, safer and more fulfilling.” Following this philosophy, we aim to improve our company’s continuous development and mid- and long-term corporate value for all stakeholders, including shareholders.

#### Basic Concepts Regarding Corporate Governance

Based on our fiduciary responsibility to shareholders and our responsibility to stakeholders including clients, employees and local communities, etc. as well as the above Corporate Philosophy, our company has implemented basically the principles of the Corporate Governance Code and developed this policy with the aim of realizing effective corporate governance.

#### 1. Securing Shareholders’ Rights and Equality

(1) We respect shareholders’ rights and secure their substantial equality.

(2) We take appropriate steps to improve the environment pertaining to the exercise of rights at the general meeting of shareholders.

(3) If it is judged that listed shares will contribute to the improvement of Olympus group’s corporate value in the mid- to long-term, then, upon verifying the economic rationality and the future prospects for the mid- to long-term, we will hold the listed shares. Every year, the Board of Directors will verify the suitability of ownership considering comprehensively the purpose of holding, the benefits associated with holding and the risks, and gradually reduce shares that we judged not to be suitable for possession. In order to exercise shareholders’ rights regarding policy shareholdings, we will exercise its voting rights on all agenda items, and from the viewpoint of improving the mid- to long-term corporate value of an enterprise issuing such shares, will consider said enterprise’s financial condition and decide appropriately about whether to approve or disapprove each agenda item.

(4) In the case of conducting related party transactions, Olympus and its subsidiaries are required to obtain the approval of the Board of Directors of each company in accordance with the “Job Authority Rules” and any other related rules. Its subsidiaries are required to report to Olympus after obtaining approval from the regional headquarters.

#### 2. Cooperation with Stakeholders other than Shareholders

Under our Corporate Philosophy, “Making people’s lives healthier, safer and more fulfilling.” we endeavor to cooperate as appropriate with various stakeholders including employees, clients, business connections, creditors and local communities.

We will present its values regarding appropriate cooperation with stakeholders, respect for their interests, and ethics for sound business activities, and stipulate and implement a code of conduct to be complied with by such members. Specifically, we have formulated the “Corporate Philosophy,” “Our Behaviors” and the “Olympus Global Code of Conduct” as a code of conduct for all groups, and have widely disseminated them among all officers and employees who belong to Olympus group.

We promote diversity and inclusion for the entire organization and aim for specialized and sustainable growth by providing opportunities to empower diverse personnel, placing the right person in the right position, irrespective of gender, disability, nationality, or race.

As a supervisor responsible for compliance-related matters, we have appointed a Chief Compliance Officer (CCO). Furthermore, we have established a global contact desk which can be available 24 hours a day in multiple languages for any employees and external stakeholders in addition to local internal compliance-related reporting system in each region. We reports the status of use thereof to the Audit Committee regularly and to the Board of Directors as necessary.

### 3. Complete Information Disclosure and Secured Transparency

Under the basic concept for all corporate activities, our Corporate Philosophy, “Making people’s lives healthier, safer and more fulfilling,” we will disclose corporate information, such as management policy, financial condition, status of business activities and sustainability in a fair, timely, appropriate and active manner for the purpose of obtaining all stakeholders’ correct understanding and trust.

### 4. Basic Concepts on Sustainability Related Initiatives

We identify important ESG areas and important issues (materiality) that should be the focus in our Corporate Strategy and actively implement measures to contribute to the realization of a sustainable society through responsible corporate activities based on our Corporate Philosophy.

### 5. Responsibility of the Board of Directors, etc.

#### (1) Role of the Board of Directors

The Board of Directors determines basic management policy, matters related to the internal control system, and other important matters, and supervises directors and executive officers, in the execution of their duties.

#### (2) Qualification of Directors

Having high ethical standards as well as the experience, knowledge and ability required to create mid- to long-term corporate value, our directors spend a sufficient amount of time for the Board of Directors in order to fulfill their own obligations and responsibilities.

#### (3) Diversity of the Board of Directors

We consider the diversity of the composition of the Board of Directors in terms of internationality, gender, career and age, as well as experience, knowledge and ability, etc.

#### (4) Scale of the Board of Directors

Based on Olympus group’s scale and business lines, we maintain an appropriate number of members, 15 or fewer persons, as stipulated in the Articles of Incorporation, in order to effectively and efficiently exercise the functions of the Board of Directors.

#### (5) Independent Outside Director

From the viewpoint of increasing the supervisory functions of the Board of Directors, more than half of the directors are independent outside directors. The independence standards are set forth by the Nominating Committee.

#### (6) Chairman of the Board of Directors

For the purpose of securing the supervisory function of the Board of Directors, an independent outside director serves as the chairman of the Board of Directors.

#### (7) Committees for Nomination, Compensation and Audit

The Board of Directors shall set up a Nominating Committee, Compensation Committee and Audit Committee.

#### [Nominating Committee]

- The Nominating Committee shall deliberate matters related to human resources at the director and executive officer level, and shall determine the content of proposals submitted to the general meeting of shareholders in relation to the appointment and dismissal of directors.
- The Nominating Committee consists of three or more committee members selected from among the directors by the Board of Directors, and independent outside directors constitute the absolute majority thereof. An independent outside director serves as the chairman.

#### [Compensation Committee]

- The Compensation Committee shall deliberate matters related to compensation of directors and executive officers, and prescribe policy in relation to determining the details of compensation, etc. for individuals, and in accordance with the policy, determine the contents of compensation, etc. for individuals.
- The Compensation Committee consists of three or more committee members selected from among the directors by the Board of Directors, and independent outside directors constitute the absolute majority thereof. An independent outside director serves as the chairman.

#### [Audit Committee]

- The Audit Committee shall carry out the following duties.
  - 1) Auditing the execution of duties by executive officers and directors, and creating audit reports
  - 2) Determining the content of proposals relating to the appointment, dismissal and non-reappointment of accounting auditors
  - 3) Other duties prescribed by law or by the Articles of Incorporation, and other matters recognized as necessary by the Audit Committee
- The Audit Committee shall consist of at least three individuals selected from among the directors by the Board of Directors, of whom more than half shall be independent outside directors. The chairman of the committee shall be an independent outside director. Moreover, at least one member shall be an individual who possesses extensive knowledge related to financial and accounting.

(8) Appointment Process of the Directors

The Nominating Committee shall deliberate director candidates while making reference to the selection criteria, hold interviews, and determine the content of proposals submitted to the general meeting of shareholders in relation to the appointment and dismissal of directors.

(9) Fostering and Deciding the CEO's Successor

The Nominating Committee periodically discusses a succession plan for the CEO.

As for determining the successor, the Nominating Committee discusses whether the candidates have qualifications that are suitable for the CEO, and provides opinions and advice to the Board of Directors. Thereafter, the successor is decided by the Board of Directors.

(10) Compensation System

Regarding officers' compensation (directors and executive officers), the basic policy is to provide compensation that is suited to their duties, and to increase the awareness among the officers in order to: "Meet expectations of various stakeholders by aiming to maximize corporate values." Based on said policy, the Compensation Committee focuses on appropriately setting the compensation ratio linked to short and mid- and long-term performance, and decides officers' compensation.

(11) Management of the Board of Directors Meeting

For the purpose of deciding on important matters and supervising business operations, agenda items for, time of, and the frequency of holding the Board of Directors meeting are set in order to facilitate necessary and sufficient discussion. In order to facilitate constructive discussions and the exchange of opinions at the Board of Directors meeting, materials are previously sent regarding matters to be discussed and matters to be reported at the Board of Directors meeting in consideration of the time required for the attendees to prepare for the Board of Directors meeting. Moreover, the Board of Directors meeting schedule and expected agenda items are prepared in advance.

(12) Assembly for Outside Directors Only

We hold an "Executive Session," which is held after the conclusion of every Board of Directors meeting and an "Opinion Exchange Meeting for Outside Directors," which is held four times a year (once per quarter). These are meetings in which only outside directors can participate. At each meeting, the outside directors aim to share their recognition while extracting management issues and providing feedback on the details to the executive officers.

(13) Evaluation of the Board of Directors Meeting

Every year, the effectiveness of the Board of Directors is analyzed and evaluated including a third party's perspectives, and we aim to improve the effectiveness of the Board of Directors by extracting the issues and aiming for improvements, as necessary. Most importantly, we aim to improve our sustainable growth and medium- to long-term corporate value. An overview of the evaluation result is released.

(14) Information Acquisition and Support System

- We endeavor to actively provide the directors with information helpful for effectively fulfilling their roles and duties.
- The outside directors of Olympus may, whenever deemed necessary or appropriate, request an explanation or report from internal directors, executive officers or employees, or request the submission of internal materials.
- We are working to stimulate discussions at the Board of Directors, providing outside directors with explanation of agendas in advance and setting opportunities for debate about corporate strategy, as necessary.

- So that the Nominating Committee, Compensation Committee, Audit Committee and any other committees can execute their duties appropriately, we shall set up an office for each committee. The offices shall be staffed with suitable personnel, etc.

(15) Training for Directors

The directors endeavor to improve themselves including by acquiring and updating, etc. their knowledge in order to fulfill their roles and duties. We provide newly-appointed outside directors with various programs for acquiring knowledge concerning Olympus, including tours to our business office and factory, as well as study groups on our business, etc.

6. Interaction with Shareholders

For the purpose of our continuous development and improvement of mid- to long-term corporate value, the Board of Directors has stipulated and announced the Policy for Improving the System and Initiatives for Promoting Constructive Interactions with Shareholders.

Policy for Improving the System and Initiatives for Promoting Constructive Interactions with Shareholders

1) Basic Policy

For the purpose of our continuous development and improvement of mid- to long-term corporate value, we, centering on the CEO and the CFO, actively conduct constructive interactions with shareholders. The IR function assists such initiatives through internal information exchange and improving the system for providing shareholders' opinions as feedback, etc. to the upper management team.

2) Policy for Interactions by the CEO and CFO

The President and the financial officer play a central role in conducting overall interactions with shareholders toward the realization of constructive interactions. Specifically, the CEO and the CFO will proactively establish opportunities for direct interactions with shareholders by conducting the following in addition to individual interviews with shareholders: briefing sessions for every quarterly settlement, small meetings, telephone conferences with overseas investors, domestic and international road shows on a regular basis, and participation in conferences held by securities firms, etc.

3) Policy for IR Activities by the IR Function

By putting the IR function in charge of IR activities, we actively implement IR activities toward solid interactions with shareholders. Specifically, in addition to conducting individual interviews at any time as requested by shareholders, we will regularly implement IR events, such as briefing sessions for individual investors and facility tours. Moreover, we will actively provide information to shareholders through the website, integrated reports, business reports for shareholders and the Convocation of the General Meeting of Shareholders, etc.

4) Policy for Internal Information Exchange by the IR Function

The IR function, as needed, exchanges information with the Corporate Strategy and Planning, Internal Control, the Treasury, the Accounting, and the Legal Affairs functions etc. on a daily basis, and establishes a project team if necessary, in order to build a coordinated collaboration system. Moreover, the IR function reports shareholders' opinions and concerns obtained from interactions with shareholders centering on institutional investors at the Group Executive Committee as well as the Board of Directors meeting, if necessary. Thereafter, the contents of such opinions and concerns will be discussed.

5) Policy for Insider Information Management when Interacting with Shareholders

In accordance with the "Regulations for Insider Trading Prevention," insider information is strictly managed. When interacting with shareholders, the IR function issues a reminder to the person in charge of the interaction, thereby preventing the divulgence of insider information.

7. Revision and Abolition of this Policy

Revision and abolition of this Policy shall be subject to a resolution of the Board of Directors.

**[Reasons for non-compliance with the principles of the Corporate Governance Code]** Updated

Olympus complies with all the principles of the Corporate Governance Code.

**[Disclosure based on the principles of the Corporate Governance Code]** Updated

[Principle 1-4 Policy shareholdings]

- In line with the "Basic Policy on Corporate Governance," the Board of Directors specifically gives comprehensive consideration to the benefits and risks of its holdings, verifying the necessity of holdings for each individual issue, and sells shares which are not reasonable to hold. As of the end of March 2016 Olympus held 64 issues worth 68 billion yen. This have been gradually reduced and as of March 31, 2022, hold 1.6 billion yen in 11 issues.

- Details of shares held by Olympus have been disclosed in annual securities reports, for your reference.

Annual Securities Report For the Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

<https://www.olympus.co.jp/ir/data/pdf/annual154PA.pdf>

- If a company that holds Olympus' shares as policy shareholdings other than pure investment makes an offer to sell, etc., the sale cannot be prohibited.

- Our policy regarding possession of listed shares as a policy measure and the criteria for exercise of voting rights for such policy shareholdings is stated in 1. -(3) of the "Basic Policy on Corporate Governance," for your reference.

[Principle 1-7 Related party transactions]

Information concerning the framework of procedures when Olympus and its subsidiaries conduct transactions with related parties is stated in 1. -(4) of the "Basic Policy on Corporate Governance," for your reference.

[Supplementary principle 2-4-1 Ensuring diversity in the promotion to core human resources]

<Policies and voluntary and measurable goals for ensuring diversity and their status>

As our approach is to aim for a balance in work and personal life, we promote Work-Life Integration (WLI) and support diverse personnel exercising their capabilities. In promoting WLI, Olympus has set the promotion of women's participation and advancement as an important issue and formulated a plan of action which we disclose on our website.

General Employer Action Plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace

<https://www.olympus-global.com/csr/social/woman.html?page=csr>

While aiming to be a truly global medtech company, we have been actively promoting non-Japanese employees to global management positions over the past several years, and the percentage of non-Japanese employees in the top 40 positions has increased to approximately 50%. Furthermore, as we introduce a job-based personnel system, we are advancing the mid-career hiring of personnel with the high level of expertise required for the job, and the percentage of mid-career hires in managerial positions in Japan is approximately 30%. We will continue to further facilitate diversity and inclusion at the global level to create an organization in which a diverse workforce can fully participate and thrive and develop human resources going forward.

<Policies for human resources development and internal environment development to ensure diversity, and the status of their implementation>

We are introducing a global-scale human resources system that enables the placement of the right person in the right position at a global level. We are working to create a human resources system that encourages the desire for growth among the Olympus Group's employees and building a corporate culture that allows them to use their individual abilities to the maximum for the development of Olympus, irrespective of nationality, age or gender.

(1) Introducing a "position-style human resources system"

We introduced a human resources system for managers that determines treatment based on the scale of job responsibilities and results in April 2019. (We intend to enhance a system based on a similar concept for general employees as well).

(2) Implementing talent reviews

In April 2020, we implemented a system to discover and cultivate Group employees worldwide who are candidates with medium to long-term potential to become global leaders.

(3) Diversity and equal opportunity

We are building a working environment where people in different situations—including people with disabilities, people who are also providing care or afflicted with long-term illnesses, and those of a sexual minority (LGBT, etc.)—can work fully.

Diversity and Equal Opportunity

<https://www.olympus-global.com/csr/social/diversity/?page=csr>

[Principle 2-6 Exercising the functions of corporate pension asset owners]

Regarding the corporate pension fund of Olympus, the Asset Management Committee, which is charged with deliberations and proposals concerning the investment management of pension assets, submits proposal to various conference bodies, such as the Governing Board and the Representatives Committee, where proposals are deliberated upon and after verification of the appropriateness thereof executed by the Olympus corporate pension fund.

The Olympus corporate pension fund is subject to investment trust and pension insurance arrangements in accordance with policies and portfolios approved by the Asset Management Committee and the Representatives Committee. The actual fund management is mandated to a financial institution, with the investment status including stewardship activities being subject to quarterly monitoring in regular operations briefing sessions. The Asset Management Committee and the Representatives Committee consist of persons from the fields of human resources, accounting, and finance who have specialist expertise in the subject functions, as well as employee representatives, forming a framework capable of verifying the sound operations of the pension funds from the perspectives of professional expertise and beneficiary protection.

[Principle 3-1 Complete information disclosure]

In addition to appropriate disclosure based on laws and regulations, Olympus voluntarily disseminates the following information in order to ensure transparency and fairness in decision-making and to realize effective corporate governance.

(1) Corporate Philosophy and Corporate Strategy

• Corporate Philosophy

Employing the concept of responding to fundamental requests for health, safety and fulfillment from people around the world and society and widely contributing to society through its business activities as "Meaning of our existence," its Corporate Philosophy, the Olympus Group restates the concept as "Making people's lives healthier, safer and more fulfilling," and all its activities are based on this philosophy.

• Corporate Strategy

As announced in January 2019, aiming to develop itself as a truly global medtech company while reaching a milestone of the centennial anniversary of the foundation, we developed a transformation plan "Transform Olympus," and has striven to establish a foundation that ensures sustainable growth of the Olympus Group as a truly global medtech company by carrying out activities such as 1. establishing centralized global group management, 2. globally integrating human resources management, 3. optimizing and simplifying medical device business "Transform Medical," 4. diversifying the Board of Directors, and 5. migrating to a company with Nominating Committee, etc. In November 2019, we also developed a medium- to long-term Corporate Strategy as the first step of developing itself as a truly global medtech company and for the purposes of fostering a more competitive corporate culture that encourages high performance and creating value for customers under our Corporate Philosophy "Making people's lives healthier, safer and more fulfilling."

Our strategic aspiration in this Corporate Strategy is to "become a globally-leading medtech company contributing to people's health around the world through innovative value that benefits customers, such as patients and healthcare professionals, medical institutions and the medical economy," and we have stipulated the core components for business growth and enhanced profitability as follows.

1. Selection of and concentration on the corporate portfolio, 2. Strengthening our overwhelming position in Endoscopic Solutions Business, 3. Focus and scale the Therapeutic Solutions Business, 4. Leading the next-generation minimally invasive surgery market

• Our Corporate Philosophy and Corporate Strategy are published on our website and in integrated reports available for reference.

Corporate Philosophy

<https://www.olympus-global.com/company/philosophy/philosophy.html>

Corporate Strategy

<https://www.olympus-global.com/company/philosophy/strategy.html>

(2) Basic concepts concerning corporate governance of Olympus

• As set out in the above section 1 "Basic concepts," based on the respective principles of the Corporate Governance Code, we have formulated as its "Basic Policy on Corporate Governance" basic concepts and basic policies concerning corporate governance, which are available for reference.

(3) Compensation of directors and executive officers

• As a company with a Nominating Committee, etc., Olympus has a Compensation Committee consisting of at least three members and a majority of whom are independent outside directors. The Committee is chaired by an independent outside director to ensure transparency and to determine compensation in a fair and appropriate manner. The basic policy of our executive compensation system is to make executives strongly aware of their responsibility to maximize corporate value and meet the expectations of various stakeholders, and to treat them appropriately in accordance with their responsibilities. In accordance with this effect, the Compensation Committee has established the following policy regarding the determination of individual compensation received by directors and executive officers, and determines the amount of individual compensation received by directors and executive officers in accordance with this policy. For details, please refer to the announcement in the section "II.1. Matters pertaining to organ structure and organization management, etc. [Compensation for Directors and Executive Officers]" of this Report.

(4) Election of directors and executive officers

• At Olympus, proposals for director candidate elections and dismissals are determined by the Nominating Committee, which is chaired by an independent outside director and whose members consist in the majority of independent outside directors, after it is discussed whether the candidate has experience, insight, etc. appropriate for directors. In addition, elections of executive corporate officers are determined by the Board of Directors after the Nominating Committee discusses whether the candidate has experience, insight, etc. appropriate for executive officers and develops proposals for elections.

(5) The reasons for the election of each director

• The reasons for the election of each director and skill matrix are described in the reference documentation to proposals for the election of directors, which is part of the convocation notice of the general meeting of shareholders and in this report (II. Business management organization and other corporate governance structures related to business decisions, execution, and supervision, 1. Matters pertaining to organ structure and organization management, etc. and Directors Skills Matrix).

Notice Regarding the Convocation of the General Meeting of Shareholders For the Fiscal Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

[https://www.olympus-global.com/ir/stock/pdf/meetingFY2022\\_02.pdf](https://www.olympus-global.com/ir/stock/pdf/meetingFY2022_02.pdf)

[Supplementary principle 3-1-3 Initiatives on sustainability and so on]

<Initiatives on sustainability>

Olympus continues the pursuit of "Making people's lives healthier, safer and more fulfilling" through responsible corporate activities based on our Corporate Philosophy.

We consider ESG to be an important issue for our company's growth as a competitive global medtech company and to contribute to the realization of a sustainable society. We incorporate key ESG areas for focus in our Corporate Strategy, identify materiality and actively promote initiatives.

Please refer to our website where we publish our initiatives on sustainability.

Sustainability

<https://www.olympus-global.com/csr/?page=csr>

<Investments in human capital>

Olympus incorporates key ESG areas for focus in our Corporate Strategy and identifies materiality and is implementing initiatives to promote diversity and inclusion, which is one materiality. We believe the promotion of diversity and inclusion across the entire organization will achieve innovative business development that is more attractive and competitive. Therefore, we aim to provide meaningful jobs to diverse personnel irrespective of gender, disability, nationality or race, and to achieve specialized and sustained growth. In addition, all our activities are based on our Corporate Philosophy of "Our Purpose" and "Our Core Values." We review core personnel and aim to strategically develop global leaders based on our common values, which refer to as "Our Core Values."

We disclose personnel-related initiatives on the Company's website and in our integrated reports.

Sustainability

<https://www.olympus-global.com/csr/?page=csr>

Integrated Report

<https://www.olympus-global.com/ir/data/?page=ir>

We are also building a global personnel data base for the unified collation of data concerning the human resources of all group companies that will enable monitoring. This should be operational by the autumn of 2022.

<Investments in intellectual properties>

Olympus analyzes benchmarks of other companies in the same industry and aims to reduce intellectual property costs by optimizing the number of patents held based on the results. To strengthen the intellectual properties that firmly support core components for business growth and enhance profitability in the Corporate Strategy, we conduct intellectual property activities management such as forming a patent portfolio consistent with each core component and acquiring strong patent rights that can adequately keep other companies in check.

<The impact of climate change-related risks and earning opportunities on our business activities and profits>

Olympus recognizes that climate change is the biggest threat to the global environment and a major issue that will impact on our Group's business activities. As part of our response to the materiality of "contributing to the realization of a carbon neutral society in coordination with society" we announced our endorsement of the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) in May 2021. In line with the TCFD framework, we also disclose our Group's climate change-related initiatives on our website and in integrated reports.

Environmental Policy and Strategy

<https://www.olympus-global.com/csr/environment/management/?page=csr>

Integrated Report

<https://www.olympus-global.com/ir/data/?page=ir>

[Supplementary principle 4-1-1 Scope of delegation to the management team]

We aim to accelerate decision making in the execution of duties, to strengthen governance and further increase the transparency, and for these purposes, in 2019, it transitioned to a company with Nominating Committee, etc.

The Board of Directors aims to accelerate management decision making and execution by having a structure that focuses on deciding important matters on core managerial elements and management supervision, delegating more authority to executive officers concerning decision making on the execution of duties and matters related to business execution. In addition, the Board of Directors makes decisions on statutory matters and matters set out in the Articles of Incorporation, etc., as well as important matters related to management, such as basic policies on management and the Corporate Strategy, and receives reports from executive officers. Matters to be referred to the Board of Directors are set forth in Regulations of the Board of Directors and The Board of Directors Resolutions/Reporting Criteria.

[Principle 4-9 Qualifications and standards for independent judgments by independent outside directors]

The Board of Directors determines criteria for ensuring the independence of independent outside directors, which are detailed in this report, section II. 1. “Matters pertaining to organ structure and organization management, etc.,” sub-section “Independent officers.” The Nominating Committee, which consists in the majority of independent outside directors, assesses the independence of candidates, thereby ensuring practical effectiveness, and at the same time verifies that the selected candidates can be expected to contribute to the Board of Directors.

[Supplementary principle 4-10-1 The mandates and roles as well as the policy regarding the independence of the composition of each committee]

The mandates and roles as well as the policy regarding the independence of the composition of each committee are described in the section “Basic Policy on Corporate Governance,” sub-section “5. Responsibility of the Board of Directors, etc.”

[Supplementary principle 4-11-1 Balance, diversity and scale for the Board of Directors, and policies and procedures for election of the Directors]

At Olympus, the Nominating Committee creates a matrix of the experience and insight required from directors of Olympus, and determines director candidates. Balance and diversity for the Board of Directors, and policies and procedures for election of the Directors are stated in the section on “Basic Policy on Corporate Governance,” sub-section “5. Responsibility of the Board of Directors, etc.”

As for the current composition, of 12 directors, nine are independent outside directors to ensure the effectiveness and diversity of the Board of Directors functioning as a monitoring board. In addition, of 12 directors, four have a citizenship other than Japanese nationality, and one is female. With multiple human resources equipped with abundant experience and insight in corporate management, finance and international business deployment, which are required of the global medtech company that Olympus aims to become, the Board has a composition with consideration for internationality and gender as well.

The reasons for the election of each director and skill matrix are described in the reference documentation to proposals for the election of directors, which is part of the convocation notice of the general meeting of shareholders and in this report (P.12 and separate table “Skill Matrix of Directors”).

Notice Regarding the Convocation of the General Meeting of Shareholders For the Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

[https://www.olympus-global.com/ir/stock/pdf/meetingFY2022\\_02.pdf](https://www.olympus-global.com/ir/stock/pdf/meetingFY2022_02.pdf)

[Supplementary principle 4-11-2 Situation of concurrent posts for directors and audit & supervisory board members]

Directors’ status as concurrently serving officers of other listed companies is disclosed annually as reference document to the notices regarding the convocation of the general meeting of shareholders, in business reports and in annual securities reports.

Notice Regarding the Convocation of the General Meeting of Shareholders For the Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

[https://www.olympus-global.com/ir/stock/pdf/meetingFY2022\\_02.pdf](https://www.olympus-global.com/ir/stock/pdf/meetingFY2022_02.pdf)

Annual Securities Report For the Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

<https://www.olympus.co.jp/ir/data/pdf/annual154PA.pdf>

[Supplementary principle 4-11-3 Self-evaluation for the Board of Directors]

At the Board of Directors of Olympus, an analysis and evaluation of the effectiveness of the Board of Directors overall is annually conducted, including from a third-party perspective. Since 2015, we have continuously implemented evaluations, primarily with self-evaluations through a questionnaire, and are sharing problems and promoting improvement to enhance effectiveness. After the transition to a company with Nominating Committee, etc. in 2019, we also have conducted questionnaires for executive officers, and directors have discussed to identify areas for improvement to further enhance the effectiveness of the Board of Directors and each committee (Nominating Committee, Compensation Committee, and Audit Committee) and been promoting improvement.

[Overview of the evaluation regarding the effectiveness of the Board of Directors during the term of office of directors in FY2021]

We identified last year the responsibilities of the Board of Directors of Olympus as follows: “in order to contribute to the enhancement of Olympus’ corporate value through cooperation with the executives,” the Board of Directors will “(i) deepen the recognition and insight of the business environment and management issues through constructive discussions with the executives; (ii) effectively monitor management decision-making and execution from a strategic and broad perspective; and (iii) support the promotion of

measures for the growth of Olympus as a truly global medtech company.” Based on this approach, in the evaluation of the Board of Directors for the current fiscal year (conducted from February 2022 through June 2022), the Board of Directors measured the effectiveness of initiatives, shared understanding and evaluation of matters, in particular, that saw improvement, and confirmed shared awareness of issues. The Board of Directors also worked to reach an agreement on the viewpoint of having the initiatives’ deliverables be solidly put into practice in the operation of the Board of Directors.

• Evaluation method

For the evaluation, we conducted questionnaires on the Board of Directors and each committee for 11 directors and five executive officers and held discussions with directors. The questionnaire was conducted to measure the effectiveness of initiatives aimed at improving the effectiveness and review whether or not streamlining is required and conducted based on the knowledge of external consultants in order to objectively grasp the results and issues. Based on the results of the questionnaire, we evaluated the current state of the Board of Directors and discussed future issues. External consultants facilitated the discussion to objectively organize the issues and support the discussion. Subsequently, the Board of Directors shared initiatives, etc., to improve the effectiveness of the Board of Directors based on the analysis results based on the discussions.

• Summary of evaluation results

As a result of analysis and evaluation, among the initiatives evaluated by the Board of Directors in the last fiscal year (a summary of results was published in June 2021), the “Succession Plan of the Board of Directors” aimed at realizing management strategies has been put into practice and implemented, facilitating the enhancement of diversity in the composition of the Board of Directors. As well, the Chairman of the Board of Directors and the CEO respectively demonstrate leadership in the Board of Directors and the executive structure, having cooperated closely to strengthen and collaborate on supervisory and executive functions based on their mutual relationship of trust. Therefore, the Board assessed that laying the foundation for fulfilling the responsibilities mentioned above was nearing completion. In particular, we confirmed that a relationship “under the mutual trust relationship, between supervision and execution, whereby the executive promotes rapid and decisive management to adapt to environmental changes, and the Board of Directors provides advisory functions and management supervision from a strategic and broad perspective through constructive discussions with executives and support improvement of management quality” is being fostered as part of the “culture of the Board of Directors”. The Board of Directors of Olympus confirmed that inheriting this “Board of Directors’ culture” facilitates building the foundation for fulfilling the duties of Olympus’ Board of Directors mentioned above, and on this foundation, continuing to adjust the responsibilities of the Board of Directors, the optimal structure of the Board of Directors, and the operation approach contributes to the enhancement of the corporate value of Olympus in responding to changes in the business environment and management issues.

• Future initiatives

In order to further foster the “Board of Directors’ culture” and to make the Board of Directors more effective in fulfilling its responsibilities, the Board of Directors will strengthen mainly the following initiatives as we advance.

- (1) Deliberate on the agenda of the Board of Directors in a more systematic manner in relation to management strategies by working together with the Chairman, CEO, and Secretariat to “properly narrow down the agenda” and “timely response to environmental changes,” among other things.
- (2) With regard to Executive Officers’ reports on the status of their business execution, while focusing on evolving into a global medtech company, we will work to figure out ways such as focusing on the “focus points of the Board of Directors,” which are fostered as a common understanding through mutual feedback on supervision and execution, based on the priorities of management issues and the monitoring items that the Board of Directors attaches importance to.
- (3) The Nomination, Compensation, and Audit Committees and the Board of Directors shall make reasonably necessary efforts based on priority issues while further strengthening cooperation.

An overview of the evaluation of the Board of Directors is published on our website.

Evaluation of effectiveness of the Board of Directors:

[https://www.olympus-global.com/company/governance/pdf/effectiveness\\_of\\_board\\_of\\_directors\\_2022.pdf](https://www.olympus-global.com/company/governance/pdf/effectiveness_of_board_of_directors_2022.pdf)

[Supplementary principle 4-14-2 Training for directors and audit & supervisory board members]

With regard to training for directors, we support the acquisition of knowledge about Olympus by carrying out visits to our major business bases such as business offices and factories, etc., briefing sessions, and business study sessions such as presentations for directors and technical results presentation meetings, in addition to providing opportunities to acquire knowledge about our Corporate Strategy and corporate governance structure for newly inaugurated directors including outside directors. In addition, on a required basis, we arrange for and cover the cost of external training sessions for directors to acquire the basic knowledge necessary for the performance of directors’ duties with a view to deepening directors’ understanding of their roles and responsibilities.

[Principle 5-1 Policy concerning constructive interaction with shareholders]

Policies concerning the creation of frameworks and efforts to promote the constructive interaction with shareholders are described in the section “Basic Policy on Corporate Governance,” sub-section “6. Interaction with Shareholders.”

• Capital structure

Foreign shareholder ratio

30% or more



**[Main shareholders]** Updated

Name	Number of shares held (shares)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust accounts)	243,809,100	19.15
JP MORGAN CHASE BANK 385632	87,088,376	6.84
Custody Bank of Japan, Ltd. (trust accounts)	78,118,300	6.14
SSBTC CLIENT OMNIBUS ACCOUNT	48,860,900	3.84
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust)	39,509,300	3.10
SSBTC CLIENT OMNIBUS ACCOUNT BRITISH VIRGIN ISLANDS/U.K.	38,216,084	3.00
MUFG Bank, Ltd.	30,522,344	2.40
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS	23,670,841	1.86
Nippon Life Insurance Company	21,258,572	1.67
MSCO CUSTOMER SECURITIES	20,972,600	1.65

Controlling shareholders (excluding parent company)	-----
Parent company	None

Supplementary information
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### 3. Corporate attributes

Listed Stock Market and Market Section <a href="#">Update</a>	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	March
Industry type	Precision instruments
Number of group employees at the end of the previous fiscal year	1,000 or more
Consolidated sales in the previous fiscal year	100 billion yen to under 1 trillion yen
Number of consolidated subsidiaries at the end of the previous fiscal year	100 to 299

### 4. Guidance on measures to protect minority shareholders when conducting transactions with controlling shareholders

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### 5. Other special circumstances that may have significant impact on corporate governance

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## II Business management organization and other corporate governance structures related to business decisions, execution, and supervision

### 1. Matters pertaining to organ structure and organization management, etc.

Organizational form	A company with Nominating Committee, etc.
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#### [Directors]

Number of directors pursuant to the Articles of Incorporation	15
Tenures of directors pursuant to the Articles of Incorporation	1 year
Chairman of the Board of Directors	Outside directors
Number of directors <span style="background-color: #d4edda; padding: 2px;">Updated</span>	12

#### [Outside Directors]

Number of outside directors <span style="background-color: #d4edda; padding: 2px;">Updated</span>	9
Number of outside directors designated independent officers <span style="background-color: #d4edda; padding: 2px;">Updated</span>	9

Company relationships (1) <span style="background-color: #d4edda; padding: 2px;">Updated</span>
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Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Sumitaka Fujita	From another company											
Tetsuo Iwamura	From another company											
Yasumasa Masuda	From another company											
David Robert Hale	From another company											
Jimmy C. Beasley	From another company											
Sachiko Ichikawa	From another company											
Yasushi Shingai	From another company											
Kohei Kan	From another company											
Gary John Pruden	From another company											

\* Item selection concerning relationship with the Company

\* Marked “○” if recently or currently applicable to the person in question and marked “△” if previously applicable.

\* Marked “●” if recently or currently applicable to a relative in question and marked “▲” if previously applicable.

a Business executive of a listed company or its subsidiary

b Business executive or non-executive director of a listed company’s parent

c Business executive of a listed company’s affiliate or subsidiary

d Person whose main transaction counterparty is a listed company or a business executive thereof

e Main transaction counterparty of a listed company or a business executive thereof

f Consultant, accounting expert, or legal expert deriving from a listed company large financial gains or other property (other than officers’ remuneration)

g Main shareholder of a listed company (if that shareholder is a corporation, a business executive thereof)

h Business executive (only the person in question) of a transaction counterparty of a listed company (other than items d, e, and f)

i Business executive of an entity in a relationship of mutual employment as outside officers (only the person in question)

j Business executive of a recipient of a donation from a listed company (only the person in question)

k Other

Name	Committee affiliation			Independent officer	Supplementary explanation concerning applicable items	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
Sumitaka Fujita	○			○	There is no fact that falls under attribute information.	Mr. Sumitaka Fujita has extensive experience and diverse knowledge as a business manager at ITOCHU Corporation. He also possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus through his experience as the Chairman of the Japan Association for Chief Finance Officers, in addition to his experience as an Outside Director and Outside Auditor at multiple companies. Since Mr. Fujita took the post of Olympus' Outside Director in April 2012, he has been giving guidance/advice to our business management at the Board of Directors. In addition, he contributed to the development of a transparent director compensation system as the Chairman of the Compensation Committee which was established voluntarily. Since June 2018, he has been leading the Board of Directors as the Chairman of the Board of Directors of Olympus. Furthermore, after the transition to a company with Nominating Committee, etc., in June 2019, he facilitated decisions of contents of an agenda item to elect directors as the Chairman of the Nominating Committee in addition to the supervision of the business execution at the Board of Directors. We expect that Outside Directors will supervise management from the perspective of achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, we have determined that he is an indispensable person for the composition of the Board of Directors and nominated him. In addition, the Company considers that there is no risk of conflicts of interest with general shareholders and designates him as an independent officer because he meets the standards for the independence of outside officers stipulated by the Tokyo Stock Exchange and the "standards for the independence of outside officers" stipulated by Olympus.
Tetsuo Iwamura		○		○	There is no fact that falls under attribute information.	Mr. Tetsuo Iwamura has an extensive experience and diverse knowledge as a business manager at Honda Motor Co., Ltd. In addition, through his long experience in global expansion in the sales marketing, manufacturing and development field at Honda Motor Co., Ltd., he has a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus. Since Mr. Iwamura took the post of Olympus' Outside Director in June 2017, he has been giving guidance/advice to our business management at the Board of Directors and the Nominating Committee and Compliance Committee voluntarily established. After the transition to a company with Nominating Committee, etc., in June 2019, he facilitated decisions of contents of an agenda item to elect directors as a member of the Nominating Committee in addition to the supervision of the business execution at the Board of Directors. In addition, since July 2020, he has

Name	Committee affiliation			Independent officer	Supplementary explanation concerning applicable items	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
						<p>facilitated decisions regarding executive compensation as a member of the Compensation Committee. Furthermore, he will lead the Compensation Committee as chairman from June 2022. We expect that Outside Directors will supervise management from the perspective of achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, we have determined that he is an indispensable person for the composition of the Board of Directors and nominated him. In addition, the Company considers that there is no risk of conflicts of interest with general shareholders and designates him as an independent officer because he meets the standards for the independence of outside officers stipulated by the Tokyo Stock Exchange and the “standards for the independence of outside officers” stipulated by Olympus.</p>
Yasumasa Masuda			○	○	There is no fact that falls under attribute information.	<p>Mr. Yasumasa Masuda has extensive experience and diverse knowledge as a business manager in the healthcare industry at Astellas Pharma Inc. In addition, through his experience as an independent non-executive officer at the Deloitte Tohmatsu Group, he possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus. Since Mr. Masuda took the post of Olympus’ Outside Director in June 2018, he has been giving guidance/advice to our business management at the Board of Directors and the Nominating Committee established voluntarily. After the transition to a company with Nominating Committee, etc., in June 2019, he facilitated decisions of contents of an agenda item to elect directors, and decided directors’ compensations as a member of the Nominating Committee and the Compensation Committee in addition to the supervision of the business execution at the Board of Directors. Also, from June 2021, as the Chairman of the Audit Committee, he promoted audits of the execution of duties by the Executive Officers and Directors of Olympus.</p> <p>We expect that Outside Directors will supervise management from the perspective of achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, we have determined that he is an indispensable person for the composition of the Board of Directors and nominated him. In addition, the Company considers that there is no risk of conflicts of interest with general shareholders and designates him as an independent officer because he meets the standards for the independence of outside officers stipulated by the Tokyo Stock Exchange and the “standards for the independence of outside officers” stipulated by Olympus.</p>

Name	Committee affiliation			Independent officer	Supplementary explanation concerning applicable items	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
David Robert Hale	○			○	There is no fact that falls under attribute information.	<p>Mr. David Robert Hale is a Partner of Value Act Capital Management L.P. (hereinafter called “VAC”), one of our shareholders. He has a track record of helping global companies transform themselves with his knowledge of the global capital markets and the healthcare industry as a business management consultant and investor with experience in diverse industries, and he possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus. Since Mr. Hale took the post of Olympus’ Outside Director in June 2019, he has been giving guidance/advice to the business management at the Board of Directors. In addition, he has participated in decisions on the evolution of the board as a member of the Nominating Committee. We expect that Outside Directors will supervise management from the perspective of achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, we have determined that he is an indispensable person for the composition of the Board of Directors and nominated him.</p> <p>In addition, the Company considers that there is no risk of conflicts of interest with general shareholders and designates him as an independent officer because he meets the standards for the independence of outside officers stipulated by the Tokyo Stock Exchange and the “standards for the independence of outside officers” stipulated by Olympus.</p>
Jimmy C. Beasley		○		○	There is no fact that falls under attribute information.	<p>Through his 30 years of global business experience and extensive management experience in the C. R. Bard Group, one of the world’s leading companies in the healthcare industry, Mr. Jimmy C. Beasley possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus. Since Mr. Beasley took the post of Olympus’ Outside Director in June 2019, he has been giving guidance/advice to the business management at the Board of Directors. In addition, he facilitated decisions of directors’ compensations as a member of the Compensation Committee. We expect that Outside Directors will supervise management from the perspective of achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, we have determined that he is an indispensable person for the composition of the Board of Directors and nominated him.</p> <p>In addition, the Company considers that there is no risk of conflicts of interest with general shareholders and designates him as an independent officer because he meets the standards for the independence of outside officers stipulated by the Tokyo Stock Exchange and the “standards for the independence of outside officers” stipulated by Olympus.</p>

Name	Committee affiliation			Independent officer	Supplementary explanation concerning applicable items	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
Sachiko Ichikawa			○	○	There is no fact that falls under attribute information.	<p>Ms. Sachiko Ichikawa has extensive experience, broad knowledge and a global perspective as an attorney (in Japan and New York, U.S.A.) and a certified public accountant in the U.S. In addition, through her experience as an Outside Director and Outside Audit &amp; Supervisory Board Member at other companies and as a Director of The Board Director Training Institute of Japan, she possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus.</p> <p>Since becoming a Director of Olympus in June 2021, she has provided guidance and advice to the management of Olympus at the Board of Directors. In addition, as a member of the Audit Committee, she promoted audits of the execution of duties by the Executive Officers and Directors of Olympus. We expect that Outside Directors will supervise management from the perspective of achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, we have determined that she is an indispensable person for the composition of the Board of Directors and nominated her.</p> <p>In addition, the Company considers that there is no risk of conflicts of interest with general shareholders and designates her as an independent officer because she meets the standards for the independence of outside officers stipulated by the Tokyo Stock Exchange and the “standards for the independence of outside officers” stipulated by Olympus.</p>
Yasushi Shingai	○	○		○	There is no fact that falls under attribute information.	<p>Mr. Yasushi Shingai has a wealth of experience and broad knowledge as a manager of Japan Tobacco Inc (hereinafter called “JT”). In addition to the abundant experience, he has as a manager of the JT Group’s Overseas Business Management Companies, he possesses expertise not only in corporate finance but also in acquisitions of global companies, as well as management and governance after the acquisitions. Through his experience as an outside director in multiple other companies, he possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus. We expect that Outside Directors will supervise management from the perspective of achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, we have determined that he is an indispensable person for the composition of the Board of Directors and nominated him. He is expected to be involved from an objective and neutral position as a member of the Nominating Committee and the Compensation Committee.</p> <p>In addition, the Company considers that there is no risk of conflicts of interest with general shareholders and designates him as an independent officer because he meets the</p>

Name	Committee affiliation			Independent officer	Supplementary explanation concerning applicable items	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
						standards for the independence of outside officers stipulated by the Tokyo Stock Exchange and the “standards for the independence of outside officers” stipulated by Olympus.
Kohei Kan			○	○	There is no fact that falls under attribute information.	<p>Mr. Kohei Kan has extensive experience and diverse knowledge as a certified public accountant, as well as a wealth of experience and broad knowledge as an overall representative of Tohatsu LLC. In addition, as a person in charge of overseas assignments and overseas audit and assurance operations, he possesses the experience with a global perspective, as well as a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus. In addition, he is currently elected as a board member of the International Federation of Accountants. We expect that Outside Directors will supervise management from the perspective of achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, we have determined that he is an indispensable person for the composition of the Board of Directors and nominated him. He is expected to be involved from an objective and neutral position as a member of the Audit Committee.</p> <p>In addition, the Company considers that there is no risk of conflicts of interest with general shareholders and designates him as an independent officer because he meets the standards for the independence of outside officers stipulated by the Tokyo Stock Exchange and the “standards for the independence of outside officers” stipulated by Olympus.</p>
Gary John Pruden		○		○	There is no fact that falls under attribute information.	<p>Mr. Gary John Pruden has more than 30 years of global business experience and extensive management experience and expertise in the Johnson &amp; Johnson Group, one of the world’s leading companies in the health care sector. He also has experience as an outside director of several U.S. companies. We expect that Outside Directors will supervise management from the perspective of achieving the sustainable growth of Olympus and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, we have determined that he is an indispensable person for the composition of the Board of Directors and nominated him. He is also expected to be involved from an objective and neutral position as a member of the Compensation Committee. Moreover, we have determined that he will contribute to achieving sustainable growth of the Company and enhancing corporate value over the medium to long term, as well as fulfilling the Company’s aim of enhancing the internationality and diversity of the Board of Directors as a global medtech company</p> <p>In addition, the Company considers that there is</p>



Name	Committee affiliation			Independent officer	Supplementary explanation concerning applicable items	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
						no risk of conflicts of interest with general shareholders and designates him as an independent officer because he meets the standards for the independence of outside officers stipulated by the Tokyo Stock Exchange and the “standards for the independence of outside officers” stipulated by Olympus.

**[Committees]** Updated

Committee compositions and chairman attributes

	Total number of members	Number of full-time members	Number of internal directors	Number of outside directors	Chairman
<b>Nominating Committee</b>	4	0	1	3	Outside director
<b>Compensation Committee</b>	4	0	0	4	Outside director
<b>Audit Committee</b>	4	1	1	3	Outside director

**[Executive officers]**

Number of executive officers Updated 6

Concurrently held positions Updated

Name	Representative authority	Concurrent position as director			Concurrent position as employee
			Nominating Committee member	Compensation Committee member	
Yasuo Takeuchi	Yes	Yes	○	×	No
Nacho Abia	No	No	×	×	No
Chikashi Takeda	No	No	×	×	No
Stefan Kaufmann	No	Yes	×	×	No
Tetsuo Kobayashi	No	No	×	×	No
Andre Roggan	No	No	×	×	No

**[Audit framework]**

Directors and employees assigned to assist with the duties of the Audit Committee Yes

Matters concerning relevant directors' and employees' independence from executive officers

We shall allocate a dedicated employee who will assist with the Audit Committee's duties. Employees can be deployed in dual roles as needed. In addition, we shall set forth internal corporate regulations to ensure independence from execution as stated below, and ensure effectiveness of directions from the Audit Committee to such employees.

- 1) While employees who have been assigned to assist in the duties of the Audit Committee assist in those duties, directors (excluding Audit Committee members), executive officers and employees, etc. shall not give them commands or instructions.
- 2) The appointment, dismissal, transfer, wage or personnel evaluation of employees who are assisting the Audit Committee with their duties shall be decided only after obtaining the approval of the Audit Committee.

The Audit Committee members have, at the Audit Committee meetings, received reports from the internal audit function and the accounting auditor, respectively, and engaged in cooperation, such as by exchanging opinions with the internal audit function and the accounting auditor. Moreover, outside directors receive through the meetings of the Board of Directors regular reports from the Audit Committee.

### [Independent officers]

Number of independent officers <span style="background-color: #d4edda; padding: 2px;">Updated</span>	9
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#### Other matters concerning independent officers

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We designated nine outside directors as independent officers. No special interest relation exists between outside directors and Olympus

[Concepts concerning the independence of outside officers]

We have established the following “Criteria concerning the independence of outside officers” to clarify the concepts of outside officers’ independence.

[Criteria concerning the independence of outside officers]

- 1) No remuneration (excluding officer remunerations from Olympus) or other property was directly received from Olympus or an affiliate of Olympus in any of the last 10 years (collectively, the “Olympus Group”) in an amount exceeding 10 million yen. If the person in question is a consultant, accounting professional, or legal specialist, no affiliated organization of the person in question has received from the Olympus Group a remuneration or other payment in an amount exceeding 10 million yen.
- 2) In the last 10 years, the person in question has held no position as executive director, executive officer, corporate officer, or as employee in a position as general manager or higher in a company that meets any of the following conditions.
  - (1) In any fiscal year of the past 10 years, the transaction amount with the Olympus Group exceeds 2% of consolidated revenue on either side.
  - (2) A large shareholder of Olympus (directly or indirectly holding more than 5% of the total voting rights of Olympus. The same applies in the following.).
  - (3) The Olympus Group is a large shareholder.
  - (4) Effectively an interested party in relation to the Olympus Group (main bank, consultant, etc.).
  - (5) The Olympus Group and the relevant company have a relationship in which they mutually dispatch and appoint directors.
- 3) The livelihood of the person in question is not predicated on a person corresponding to items 1) or 2) above.
- 4) The person in question is not the spouse or a relative up to the third degree of a director, executive director, corporate officer, or of an employee holding a position at the Olympus Group as general manager or higher.
- 5) The person in question does not belong to an audit firm that conducts statutory audits of the Olympus Group.
- 6) Further to the foregoing items, the person in question has no relationship of significant interest that renders independence doubtful.

## [Incentives]

Implementation status of incentives for directors and executive officers

Introduction of a performance linked compensation system

Supplementary explanation of relevant items

Details on our compensation system are provided in the section “Disclosure content of policy for determining compensation amount or the calculation method.”

Stock option awardees

Supplementary explanation of relevant items

## [Compensations of directors and executive officers]

Disclosure status (compensation of individual director)

Individual compensation is partially disclosed

Disclosure status (compensation of individual executive officer)

Individual compensation is partially disclosed

Supplementary explanation of relevant items Updated

We have disclosed the following compensation results for directors and executive officers for the fiscal year ended March 31, 2022 in its business report and annual securities report.

<Compensation for the fiscal year ended March 31, 2022>

(1) Total amount by type of compensation, etc., and the number of officers subject to compensation, etc.

Officer classification		Total amount of compensation, etc. (in millions of yen)	Total compensation by type (in millions of yen)			Number of subject officers (persons)
			Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Director	Inside	919	514	224	181	3
	Outside	138	116	–	22	10
	Total	1,057	630	224	203	13
Executive Officer		666	282	234	150	3

Notes:

1. Basic compensation shows the amount paid for the fiscal year ended March 31, 2022. Performance-linked compensation, etc., show the amounts of short-term incentive compensation for the applicable period, the fiscal year ended March 31, 2022 (to be paid in July 2022), and non-monetary compensation, etc., shows the amount of long-term incentive compensation to be recorded as expenses for the fiscal year ended March 31, 2022. Performance-linked stock compensation (PSU: Performance Share Unit) of 227 million yen is only recorded in non-monetary compensation, etc., and is not recorded in performance-linked compensation, etc.
2. There are two other executive officers (who double as director) in addition to the three executive officers mentioned above, compensation, etc., of the two are included in compensation, etc., for inside directors.
3. We do not pay performance-linked compensation, etc. to directors who do not double as an executive officer.
4. The aforementioned outside directors include the two outside directors who retired at the close of the General Meeting of Shareholders for the fiscal year ended March 31, 2021 held on June 24, 2021.
5. One outside director has requested to decline his compensation and the Compensation Committee has decided to not pay the compensation to him. However, he is included in the number of outside directors mentioned above.

(2) Total amount of consolidated remuneration, etc. for each officer of the submitting company whose total amount of consolidated remuneration, etc. is 100 million yen or more.

(i) The total amount of consolidated compensation, etc., for the fiscal year ended March 31, 2022 for each officer is as follows.

Name	Officer classification	Total amount of compensation, etc. (in millions of yen)	Total compensation by type (in millions of yen)		
			Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.
Yasuo Takeuchi	Director, Executive Officer	302	91	103	109
Stefan Kaufmann	Director, Executive Officer	661	472	121	68
Akihiro Taguchi	Executive Officer	144	42	56	47
Chikashi Takeda	Executive Officer	102	32	42	28
Nacho Abia	Executive Officer	338	130	136	71

Notes:

1. The "base compensation" in the table above shows the amount paid for the fiscal year ending March 31, 2022. With regard to Executive Officers who are employed by an overseas company and serve our company, in addition to base compensation, the amount of benefits and allowances provided in accordance with the laws of the relevant country and the system of the relevant company are included. "Performance-linked compensation, etc." shows the amount of short-term incentive compensation paid with the fiscal year ending March 31, 2022 as the evaluation period. "Non-monetary compensation" includes the amount of long-term incentive compensation (post-delivery restricted stock compensation and performance-linked stock compensation) with the fiscal year ending March 31, 2022 as an evaluation period and is recorded as an expense in the fiscal year under review. Amounts expensed for performance-linked stock compensation are not included in "Performance-Linked Compensation, etc."

2. Stefan Kaufmann is an executive officer of our company while working for an overseas corporation, and his principal place of residence is Japan. We make the necessary adjustments to Mr. Kaufmann's income taxes to ensure that his tax burden is consistent with that of a resident of the country concerned. The amount of taxes, etc. incurred in connection with such treatment is also included in the amount shown under "Base compensation" in the table above.

(3) Target and actual values related to performance-linked compensation

(i) Short-term incentive compensation (STI: Short Term Incentive)

For short-term incentive compensation (STI) for executive officer with the applicable evaluation period of the fiscal year ended March 31, 2022, the target and actual values of the respective performance indicators are as follows.

Performance-linked compensation, etc. (STI)		Target value	Actual value	Achievement rate	Payment rate
Performance evaluation index	Revenue (30%)	¥785.7 billion	¥801.1 billion	142.4%	42.7%
	Operating profit margin (40%)	17.5%	19.3%	172%	68.8%
	Strategic goals (30%)	—	—	70%	21%

Notes:

1. Revenue: After foreign exchange adjustment

2. Operating profit margin: Calculated using operating profit adjusted by reducing other income and expenses.

As a result of the above, the payment rate is 132.5% for the total payment rate of each performance evaluation index. In addition, the payment amount was determined by multiplying this payment rate by the standard amount of performance-linked compensation (STI).

(ii) Long-term incentive compensation (19PSU: Performance Share Unit)

Target and actual values of each performance indicator for 19PSU are as follows.

Performance evaluation index	Target value	Minimum value	Actual value
Total profit for applicable period	¥221.7 billion	¥110.8 billion	¥225.1 billion
Average rate of revenue growth over applicable period	6.5%	3.25%	5.67%

Notes:

1. Regarding the total profit, to evaluate the achievement rate, the target value did not change and the value adjusted by deducting the one-time costs due to the transfer of the Imaging Business from the company-wide actual value was used as the actual value.

2. For the revenue growth, the achievement rate was evaluated using the target value and actual value of the company-wide revenue excluding that of the Imaging Business.

As a result, the total payment amount is 51,905,112 yen. In addition, based on this total payment amount, the total number of shares to be granted is 19,796.

(iii) Stock compensation with units granted for the fiscal year ended March 31, 2022

Stock compensation with units granted for the fiscal year ended March 31, 2022 is as follows:

Type	Name	Eligible person	Date of granting unit	Total number of unit granted
subsequent grant-type restricted stock compensation (RSU)	FY2022-RSU	Non-executive Directors	June 24, 2021	10,456
		Executive Officers	April 1, 2021	91,866
	Transformational FY2022-RSU	Executive Officers (CEO/CTO)	April 1, 2021	9,380
performance-linked stock compensation (PSU)	FY2022-PSU	Executive Officers	April 1, 2021	137,800

Availability of policy for determining compensation amount or the calculation method Updated

Available

Disclosure content of policy for determining compensation amount or the calculation method

(1) Basic policy

Our basic policy regarding the officer compensation system is to make officers have a strong sense of awareness that maximize the corporate value and meet expectations of various stakeholders, and reward their responsibilities with suitable and appropriate treatments.

(2) Details of policy to determine the amount of compensation, etc., for officers or the calculation method thereof and how the policy is determined

- (i) As a company with a Nominating Committee, etc., the Company has established the Compensation Committee, which consists of three or more members and a majority of independent Outside Directors. The Compensation Committee is chaired by an Outside Director to ensure transparency and to determine fair and appropriate remuneration.
- (ii) The Compensation Committee, in accordance with the purpose of the basic policy mentioned in (1) above, decides the policy on the determination of compensation for individual Directors and Executive Officers. In accordance with this policy, the Compensation Committee determines the amount of compensation, etc., for individual Directors and Executive Officers and reports them to the Board of Directors.
- (iii) The Company has judged that the content of compensation, etc., for the fiscal year ended March 31, 2022, is in line with the said determination policy as it was determined following deliberations on matters related to the determination of compensation, etc., such as the consistency among the determination policy of compensation, etc., for Directors and Executive Officers, the content of compensation, etc., and the determination method for the amount, as well as the rationality of the process of determining the content and amount of compensation, etc., by factoring numerical values and other related factors in the determination method.
- (iv) The Compensation Committee retained “Pay Governance,” an international independent compensation consultant, to provide objective and professional advice and information for compensation for Directors and Executive Officers, and to support investigations. They attended 10 of 11 meetings of the Compensation Committee held from April 2021 through March 2022.

<Details of remuneration of compensation for Directors and Executive Officers during the fiscal year ended March 31, 2022>

(1) Compensation level

An appropriate compensation level is established commensurate with roles/responsibility in consideration of objective outside data, evaluation data, economic environment, the industry trend, and management status to establish a competitive compensation level that enables the securing/retention of brilliant talents. Specifically, compensation levels of global medtech companies and compensation levels of medtech companies in a country the officer is originally from are set as benchmarks, and the compensation level will be determined annually by making a relative comparison.

(2) Compensation structure

<Directors>

■ Compensation ratio by type of Directors

Given a position to supervise the business management, compensation for Directors is paid by fixed compensation as Basic Salary (BS). In addition, with importance placed on the concept that directors and investors share interests, non-performance linked stock compensation (non-monetary compensation) is granted in addition to basic salary (BS). The stock compensation here is to be subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit), and the right will be defined at retirement for those directors who live in Japan. The right will be defined on an individual basis in accordance with a general method of stock compensation in each region for those directors who do not live in Japan. In addition, stock-based compensation will be set at ¥3 million for both Japanese and non-Japanese residents. The number of shares to be given will be calculated based on the share price at the time of assumption of office at the General Meeting of Shareholders, and the number of shares will be given after vesting.

Director	Base Salary (BS)	Long-Term Incentive Compensation (LTI)
		RSU
	81 to 91%	9 to 19%

Notes:

1. The above table shows a compensation ratio by type as to directors who are from Japan. As for directors who are not from Japan, a payment level of RSU is the same as directors who are from Japan, but a compensation ratio by type is different because of difference in total compensation.
2. For those who double as Executive Officer, cash compensation paid for management and supervisory functions performed as Director is separate from compensation of Executive Officer for those who are from Japan. For those who are not from Japan, cash compensation paid for management and supervisory functions performed as Director is included in compensation of Executive Officer. In addition, for those who double as Executive Officer, RSU is set for compensation of Executive Officer. Therefore, RSU as Director’s compensation shall not be paid.

<Executive Officers>

In order to achieve our management strategy and to create corporate value, it is essential that we have a compensation system that ensures that we have capable management personnel and that they can fully demonstrate their abilities. To this end, we have decided on a compensation system based on the following concepts. Additionally, Executive Officers in this paragraph include Executive Officers who also serve as Directors.

1. Establish a more powerful incentive program which can compete with global medtech companies

2. Establish an incentive program which is consistent with the management strategy
3. Establish a program with focuses on value creation and performance evaluation utilizing Long-Term Incentive compensation (LTI).
4. Pay a competitive basic salary (BS) compared to leading Japanese global companies
5. Ensure a sound management of incentives by putting claw-back clauses and shareholding guidelines in place.
6. Enhance the motivation of Executive Officers by setting challenging and achievable targets.

While a standardized, global compensation system is desirable for compensation design for executive officers who are responsible for global management, differences in compensation levels by region make it difficult to attract and retain talented executives by pay levels of Japan. As such, the compensation structure of all Executive Officers will be the same. However, actual compensation levels are determined by taking into account differences in pay levels in the country of origin of the Executive Officer.

■ Compensation ratio by type of Executive Officers (in the case where a target achievement rate is 100%)

Compensation for Executive Officers is to be a combination of Basic Salary, a fixed compensation (BS: Base Salary), Short-Term Incentive Compensation which is linked to business results by every fiscal year (STI: Short Term Incentive), and Long-Term Incentive Compensation (LTI: Long Term Incentive). Focusing on achieving management strategies aimed at enhancing medium- to long-term corporate value and shareholder value, the ratio of performance-linked compensation, particularly long-term incentive compensation (LTI), was raised, and the standard amount of short-term incentive compensation (STI) and long-term incentive compensation (LTI) was set as follows:

Representative Executive Officer BS:STI:LTI=1:1:2

Executive Officer BS:STI:LTI=1:1:1.5

Long-term incentive compensation (LTI) consists of subsequent grant-type restricted stock compensation (RSU) and performance-linked stock compensation (PSU). Regarding the ratio of the long-term incentive compensation (LTI) started in the fiscal year ended March 31, 2022 and finishing the fiscal year ending March 31, 2024, subsequent grant-type restricted stock compensation (RSU) was set to 40% and performance-linked stock compensation (PSU) was set to 60%.

The composition ratio of compensation as a whole is shown as below:

Representative Executive Officer	Base Salary (BS)	Short-Term Incentive Compensation (STI) [Bonuses]	Long-Term Incentive Compensation (LTI)	
			RSU	PSU
	25%	25%	20%	30%

Note: The above table shows a compensation ratio by type of compensation paid for the role of Executive Officer, and it does not include compensation paid for the role of supervision of a person who doubles as a Director.

Executive Officer	Base Salary (BS)	Short-Term Incentive Compensation (STI) [Bonuses]	Long-Term Incentive Compensation (LTI)	
			RSU	PSU
	28.5%	28.5%	17%	26%

■ Matters relating to non-monetary compensation (i): subsequent grant-type restricted stock compensation (RSU)

Subsequent grant-type restricted stock compensation (RSU) has a transfer restriction period of three years, and a number of shares equivalent to 40% of the standard amount for long-term incentive compensation (LTI) for the current fiscal year (basic salary multiplied by a factor of 1.5 or 2) is determined at the beginning of the transfer restriction period. This number of shares is provided after three years have passed.

Based on the new management strategy from the fiscal year ending this March, after considering various reform themes undertaken under “Transform Olympus,” the Corporate Reform Plan, and one-off expenses incurred in the fiscal year ended March 31, 2021, due to the transfer of the Imaging Business, as well as the effects of the expansion of the novel coronavirus infectious disease (COVID-19), although the actual performance indicators fell below the lower limit of the performance targets linked to executive compensation, the Compensation Committee determined that management efforts made by Executive Officers have delivered achievements that will lead to the fiscal year ending March 31, 2022, and beyond. In light of the above results and management efforts of the Executive Officers, and in the midst of an uncertain business environment, we, at the discretion of the Compensation Committee, granted the following subsequent grant-type restricted stock compensation “Transformational FY22-RSU” to the Executive Officers to encourage them to continue to strive to maximize corporate value and increase shareholder value after the fiscal year ended March 31, 2022, as well as to encourage them to hold shares in order to further strengthen the sharing of interests with shareholders.

1. Grantees

Chief Executive Officer (CEO) and Chief Technology Officer (CTO)

2. Granting form

The unit grant date for “Transformational FY22-RSU” shall be April 1, 2021, and the rights will be vested three years later or upon retirement at the Company’s request. In the event of retirement that is not due to the Company’s request, the Compensation Committee will decide its response.

3. Units granted

The standard amount for “Transformational FY22-RSU” is set at 18% of the basic salary for the fiscal year ended March 31, 2022.

The number of shares to be given will be calculated based on the share price on the business day prior to the grant date, and the number of shares will be given after vesting.

For performance-linked stock compensation (PSU) which is also non-monetary compensation, etc., refer to “Matters relating to

performance linked compensation, etc. (ii) non-monetary compensation: performance-linked stock compensation (PSU)” below.

■ Matters relating to performance linked compensation, etc. (i) short-term incentive compensation (STI)

The standard amount of short-term incentive compensation (STI) is the same type of compensation as basic salary (BS), and after the end of the applicable period, the Compensation Committee evaluates the performance of indicators and decides the payment rate and amount.

[Evaluation index, evaluation weigh and reasons for selecting]

Considering the importance of steadily implementing long-term and strategic initiatives for each fiscal year, the Company has decided to increase the composition ratio of strategic goals among the targets for short-term incentive compensation (STI) for the current fiscal year. The composition ratios of revenue, operating profit, and strategic goals are set as follows:

Revenue 30%	Operating profit 40%	Strategic goals 30%
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(Note) The composition ratio of indices set in the fiscal year ended March 31, 2020 was 30% for revenue, 50% for operating profit, and 20% for strategic goals.

a. Revenue: 30%

Revenue of “Forecast for the Fiscal Year Ending March 31, 2022” stated in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 was set as a target. However, as this consolidated forecast was updated, the target has changed to revenue of the forecast of consolidated financial results stated in the financial results for the three months of the fiscal year ended March 31, 2022. A total of 100% payment is provided when the achievement rate of targets is 100% and the evaluation table is set in the range from the lower limit of 0% to the upper limit of 200%.

b. Operating profit: 40%

Operating profit of “Forecast for the Fiscal Year Ending March 31, 2022” stated in the Financial Results for the Fiscal Year Ended March 31, 2021 was set as a target. However, the target has changed to the adjusted operating margin, which is calculated based on the forecast of consolidated financial results in the statements of profit or loss presented in the consolidated financial results for the three months of the fiscal year ended March 31, 2022. A total of 100% payment is provided when the achievement rate of targets is 100% and the evaluation table is set in the range from the lower limit of 0% to the upper limit of 200%.

c. Strategic goals: 30%

Target items are set on important company-wide issues in the fiscal year ending March 31, 2022 explained at the financial results meeting for the fiscal year ended March 31, 2021 held on May 7, 2021 and set as common goals for all executive officers. The payment rate for the achievement rate of each target is set in the range from the lower limit of 0% to the upper limit of 200%.

- Deepening profitable growth strategy in Medical business
- Further improvement of efficiency and effectiveness through Transform Olympus
- Continued steady investment in product development for future growth

■ Matters relating to performance linked compensation, etc.: (ii) non-monetary compensation, performance-linked stock compensation (PSU)

In performance-linked stock compensation (PSU), a number of shares are provided according to the achievement rate of performance metrics determined in advance for the performance evaluation period at the end of the performance evaluation period.

The following details the performance-linked stock compensation (PSU) of which the evaluation period begins in the fiscal year ended March 31, 2020 and ends in the fiscal year ended March 31, 2022.

[Evaluation index and reasons for selecting]

For the purposes of stimulating motivation to increase medium- to long-term business growth and profitability and rewarding the results of such efforts, an applicable period was set to three fiscal years and (1) the total profit attributable to owners of parent (hereinafter “Profit”) for the applicable period and (2) the average rate of revenue growth over the applicable period were adopted as a performance. In addition, the PSU has been set to grant a number of common shares of the Company equivalent to an amount adjusted within the range of 0 to 150% according to the achievement rate of the targets at the end of the applicable period. However, as the Imaging Business was transferred during the evaluation period, the Compensation Committee considered it appropriate that figures for the Imaging Business be deducted from the target value and actual value of the performance evaluation index within a possible range. The total payment amount and the total number of shares to be granted are calculated as follows:

$$\text{Total payment amount} = \{(\text{total amount of Profit for the three fiscal years} - \text{¥110.8 billion}) \times 0.046219567\% + (\text{average revenue growth rate for the three fiscal years} - 3.25\%) \times \text{¥675,923,077}\} \times (\text{total sum of individual points for each subject Director and Executive Officer} / 7,323)$$

The number of shares to be granted to each officer is determined on a pro rata basis of the total number of shares to be granted which is calculated by dividing the total payment amount calculated as above by the closing price of the Company’s common shares at the Tokyo Stock Exchange, Inc. on the business day prior to the day when the allocation of the Company’s common shares is resolved at the Company’s Compensation Committee, according to points determined for each individual and the term of office.

The following details the performance-linked stock compensation (PSU), the evaluation period of which begins in the fiscal year ended March 31, 2022 and ends in the fiscal year ending March 31, 2024.

In this performance-linked stock compensation (PSU), a number of shares equivalent to 60% of the standard amount of long-term incentive compensation (LTI) is determined at the start of the performance evaluation period, and a number of shares is provided according to performance after the end of the target period.

[Evaluation index, evaluation weight, and reasons for selecting]

The Company has set the evaluation index and evaluation weight as follows:



Operating profit 40%	Relative TSR 40%	ESG 20%
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a. Operating profit: 40%

Operating profit is set as an indicator of performance evaluation, as transformation continues to be promoted going forward for increasing corporate value. At the start of each fiscal year during the evaluation period, operating profit targets and a 0 to 200% payment curve are decided, and at the end of each fiscal year, the payment rate for each fiscal year is calculated from actual results. The average payment rate for the three fiscal years is then used as the payment rate for PSU's operating profit.

b. Relative TSR: 40%

Relative TSR is set as an indicator of performance evaluation. It is an important standard which makes long-term performance and pay align from the viewpoints of both shareholders and the executive management. Twenty global medtech companies are set as a peer group, and 100% will be paid if the rank of our TSR is at 50%. The evaluation table of 0 to 200% payment is calculated based on the logic reasonably set by relative comparison with the peer group.

c. ESG: 20%

Strategic goals are used as an indicator for ESG, which is announced to be reinforced in its management strategy. The index of DJSI (Dow Jones Sustainability Index) is set as an evaluation index. DJSI ratings are "World Index (W)," "Asia Pacific Index (AP)," and "Non-Index (N)" from the top ranks. We establish an assessment table that emphasizes Index to be acquired in the third year, considering the outcome in the first and second years, and decide payment rates of 200%, 150%, 100%, 50%, and 0%.

■ Clawback clause

A clawback clause has been established to prevent the management (Executive Officers) from conducting reckless investments and improper accounting. The clawback is subject to short-term incentive compensation (STI) and long-term incentive compensation (LTI) for Executive Officers. The clawback will become effective if the following events occur.

- a. An event that requires the refund of the difference between the amount of compensation paid and the amount of compensation that should have been paid caused by a revelation that the information prerequisites for receiving compensation is incorrect or different.
- b. An event that requires the return of the amount of compensation already paid as a kind of sanctions in the event of a violation of obligations, etc.

The final decision on the adoption of clawback for individual events is made by the Compensation Committee and reported to the Board of Directors.

<Details of Compensation of Directors and Executive Officers for the Fiscal Year Ending March 31, 2023>

(1) Compensation system for directors (excluding those who concurrently serve as executive officers)

1) Level of compensation for directors

(i) In order to set the Directors' compensation at competitive compensation levels for securing and retaining talented personnel, the compensation level shall be at the 50 percentile to 75 percentile level compared with the role responsibilities and the peer group in each residence.

(ii) Companies constituting the peer group are selected from companies and healthcare companies with medical devices in their business portfolios in their respective locations of the residence.

(iii) Compensation levels for each peer group are confirmed using objective compensation survey data from external specialist organizations.

(iv) If a director requests to decline compensation, the Compensation Committee will confirm and decide on the response.

2) Compensation Composition of Directors

(i) With importance placed on the concept that directors and investors share interests, non-performance-linked stock compensation (non-monetary compensation) is granted in addition to basic salary (BS).

(ii) Stock compensation for non-executive directors shall be subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit), and the right will be defined at retirement for those directors who live in Japan. The right will be defined on an individual basis in accordance with a general method of stock compensation in each region for those directors who do not live in Japan.

(iii) Stock compensation for the fiscal year ending March 31, 2023 will be set at 6 million yen for both Japanese and non-Japanese residents. The reason for the increase from the previous fiscal year is to further promote the idea of sharing interests between directors and investors by promoting shareholdings.

(iv) The number of shares to be given will be calculated based on the share price at the time of assumption of office at the General Meeting of Shareholders, and the number of shares will be given after vesting.

(v) The following shareholding guidelines are established.

1. Residents in Japan: All subsequent grant-type restricted stock compensation (RSU) is vested at the time of retirement so that shareholding guidelines have not been established.

2. Non-residents in Japan: not less than one times the base salary (BS) This level is the one to be achieved in about five years after assuming office. However, this five-year period does not take into account the impact of the sale of a prior plan for tax payment purposes.

(vi) The Chairman of the Board of Directors receives a Chairman allowance in addition to the base salary (BS).

(vii) For executive officers who concurrently serve as directors, cash compensation for the management and supervisory functions of directors shall be paid to executive officers from Japan separately from executive officer compensation. For those who are not natives of Japan, monetary compensation paid for management and supervisory functions performed as director is included in compensation of an Executive Officer.

(2) Compensation System for Executive Officers (including those who double as Directors)

1) Philosophy on compensation

- (i) In order to achieve our management strategy and to create corporate value, it is essential that we have a compensation system that ensures that we have capable management personnel and that they can fully demonstrate their abilities. To this end, we have decided on a compensation system based on the following concepts.
1. Establish a more powerful incentive program which can compete with global medtech companies
  2. Establish an incentive program which is consistent with the management strategy
  3. Establish a program with focuses on value creation and performance evaluation utilizing long-term incentive compensation, which is non-monetary compensation, etc.
  4. Establish a compensation standard that takes into account the stages of Olympus evolving into a global medtech company: a hybrid type of the global level and home labor market level
  5. Ensure a sound management of incentives by putting clawback clauses and shareholding guidelines in place.
  6. Enhance the motivation of Executive Officers by setting challenging and achievable targets.

Note: As the composition of executive officers shifts from a Japanese-centered composition to a global composition, the Compensation Committee has resolved to revise the details as above because “the provision of Competitive Base Salary (BS) in comparison with major Japanese global companies” stipulated as one of the four items in the philosophy is not met.

2) Level of compensation for executive officers

(i) Concept of Total Compensation

1. Keeping in mind “establishing a compensation standard that takes into account the stages of Olympus evolving into a global medtech company: a hybrid type of the global level and home labor market level,” we put emphasis on performance-linked compensation and stock compensation, thereby increasing their weights in light of the total compensation paid to the directors of the global medtech company.
2. The target level and allowable range are set, and the basic salary, TCC (Total Cash Compensation), and TDC (Total Direct Cash) are comprehensively compared and determined, in light of the labor market conditions in the home country of executive officers, their competitiveness in the labor market, and the roles and responsibilities of executive officers. Compensation levels in the labor market of each country are checked using objective compensation survey data from external specialist organizations.
3. The appropriateness of the compensation amount for executive officers is determined based on the payment ratio (the ratio of the CEO’s compensation to the median salary of employees living in Japan). We are also working to ensure the continuity in terms of executive officer compensation and employee compensation systems, including the provision of stock compensation to some employees (including non-residents in Japan).

3) Compensation composition of executive officers

- (i) Compensation for executive officers is a combination of fixed base compensation (BS), short-term incentive compensation (STI), which is performance-linked compensation, etc., and long-term incentive compensation (LTI), which is non-monetary compensation, etc.
- (ii) For executive officers who are not from Japan, fringe benefits, severance payments, etc., are set individually at the general level of fringe benefits and severance payments in their place of origin. The Compensation Committee decides on the amount, etc., that are set individually. The payment of Severance Pay at the time of retirement and the amount of the allowance are determined based on multiple conditions such as the term of office.
- (iii) Considering the total remuneration of global medtech companies, we increased the ratio of Short-Term Incentive Compensation (STI), which is a performance-linked remuneration, and Long-term incentive compensation (LTI), which is a non-monetary remuneration, from the previous fiscal year.

<CEO>

For the year ended March 31, 2022 = BS:STI:LTI = 1 (25%): 1 (25%): 2 (50%)

For the year ending March 31, 2023 = BS:STI:LTI = 1 (19%): 1.25 (24%): 3 (57%)

<Common to executive officers other than CEO>

For the year ended March 31, 2022 = BS:STI:LTI = 1 (29%): 1 (29%): 1.5 (42%)

For the year ending March 31, 2023 = BS:STI:LTI = 1 (24%): 1.15 (28%): 2 (48%)

- (iv) Long-term incentive compensation (LTI: Long-Term Incentive) consists of Subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit) and performance-linked stock compensation (PSU: Performance Share Unit).

4) Compensation risk management

(i) Shareholding guidelines

1. Shareholding guidelines are established to share interests between investors and management (Executive Officers).
2. Shareholding guidelines shall be as follows:

•The CEO shall hold a number of Olympus’ shares that is five times the amount of basic compensation or more.

3. The Compensation Committee revised its shareholding guidelines in line with an increase in the ratio of Long-term incentive compensation (LTI: Long-Term Incentive) to the basic salary (BS) of executive officers starting from the fiscal year ending March 31, 2023. The guidelines for shareholding are subject to the status of achievement of the targets but are set at a level that will be achieved approximately five years after the assumption of office.

(ii) Clawback clause

1. A clawback clause has been set up to deter the management (executive officers) from reckless investments and improper accounting.
2. The clawback is subject to short-term incentive compensation (STI), which is performance-linked compensation, etc., and long-term incentive compensation (LTI), which is non-monetary compensation, etc., for executive officer. The clawback will become effective if the following events occur.
  - a. An event that requires the refund of the difference between the amount of compensation that has been paid and the amount

of compensation that should have been paid caused by a revelation that the information prerequisites for compensation is incorrect or different.

b. An event that requires the return of the amount of compensation already paid as a kind of sanctions in the event of a violation of obligations, etc.

3. The final decision on the application of the clawback to individual events is made by the Compensation Committee and reported to the Board of Directors

5) Short-term incentive compensation, which is performance-linked compensation, etc. (FY2022 STI)

(i) Target composition

Short-term incentive compensation (FY2023-STI) for the fiscal year ending March 31, 2023 (FY 2023) consists of financial indicators and strategic goals. Financial indicators are set to be net sales and operating income margins aimed at assessing growth and efficiency. In addition, since it is important to steadily implement long-term and strategic efforts within each fiscal year, strategic goals are set as indicators. The ratio for each indicator, as shown in the figure below, is set at 30% for net sales, 40% for operating income margin, and 30% for strategic targets.

Revenue 30%	Operating profit margin 40%	Strategic goals 30%
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(ii) Upper and lower limit on the evaluation table and adjustment Items

1. Upper limit is set as 200% and lower limit 0% at each evaluation index.

2. Adjustment items

1. Revenue: The exchange rate applied to forecast FY 2023 results is used to make a foreign currency adjustment.
2. Operating profit: Excluding other income/other expenses

(iii) Evaluation table of revenue

1. Payment rate 200%: adjusted revenue for FY2023 business plan + {(adjusted revenue for FY2023 business plan - FY2022 actual revenue) \* 70%} = 9,822 + {(9,822-9,249) \* 70%} = 1.0223 trillion yen
2. Payment rate 110% to 200% = 110 + (X - 9,822) \* 90/401
3. Payment ratio 110%: adjusted revenue for FY2023 business plan = ¥982.2 billion
4. Payment rate 100% to 110% = 100 + (X - 9,680) \* 10/142
5. Payment rate 100%: FY 2023 revenue forecast = ¥968 billion
6. Payment rate 50% to 100% = 50 + (X - 9,249) \* 50/431
7. Payment rate 50% : FY2022 actual revenue (FX adjusted) = ¥924.9 billion
8. Payment rate 0% : no more than FY2022 actual revenue (FX adjusted)

Notes: 1. Adjusted revenue for FY2023 business plan excludes risk factors surrounding semiconductor supply and Ukraine, among other risk factors.

2. X represents FY2023 actual revenue (FX adjusted)

(iv) Evaluation table of operating profit margin

1. Payment rate 200%: 75% of the peer group's operating profit margin for the past 12 months as of March 2022 = 23.5%
2. Payment rate 110% to 200% = 110 + (Y - 22.4) \* 90/1.1
3. Payment rate 110%: Adjusted operating profit margin for FY2023 business plan = 22.4%
4. Payment rate 100% to 110% = 100 + (Y - 20.9) \* 10/1.5
5. Payment ratio 100%: FY2023 forecast operating profit margin = 20.9%
6. Payment rate 50% to 100% = 50 + (Y - 19.3) \* 50/1.6
7. Payment ratio 50%: FY2022 actual operating profit margin = 19.3%
8. Payment rate 0%: no more than FY2022 actual operating profit margin

Notes: 1. Y represents FY 2023 actual operating profit margin (Adjusted)

2. Adjusted operating profit margin for FY2023 business plan excludes risk factors surrounding semiconductor supply and Ukraine, among other risk factors.

(v) Strategic goals

1. Target items are set on "important company-wide issues" in the fiscal year ending March 31, 2023 explained at the financial results meeting for the fiscal year ended March 31, 2022 held on May 11, 2022 and they are set as common goals for all executive officers. The payment curve between 0% and 200% in the evaluation table is set for each item.
  1. Focus on diseases on which we can have a market leading impact
  2. Shape the future by investing in new ways to elevate the standard of care
  3. Enable our organization to better execute globally and at pace

6) Long-term incentive compensation, which is non-monetary compensation, etc. (FY2023 LTI)

Long-term incentive compensation (FY2023-LTI) covering the three-year period from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025 is as follows.

The ratio of subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit) and performance-linked stock compensation (PSU: Performance Share Unit) are 25% and 75%, respectively, in accordance with the basic concept of putting emphasis on performance-linked compensation. Nevertheless, in light of the current uncertain and drastically changing business climate, the Company has determined 40% for RSU and 60% for PSU for FY2023-LTI in order to secure a desirable share of total compensation.

- (i) Subsequent grant-type restricted stock compensation (FY2023-RSU)
1. Vesting
    1. One-third of the Units will be vested and paid for the shares every year after the provision of the Units. The rights will be vested after confirmation by the Compensation Committee.
    2. Units that have not yet been vested at the time of retirement from the position as Executive Officer shall be vested upon confirmation by the Compensation Committee six months after the retirement.
  2. Grant date and number of units provided
    1. The grant date shall be April 1, 2022.
    2. The stock price used in the calculation shall be the closing price of Olympus' common shares on the business day prior to the grant date.
    3. For foreign exchange, apply TTM (Telegraphic Transfer Middle Rate) on the business day before the grant date.
    4. The total basic salary of executive officers, which is the basis for granting, is 399,062,820 yen, and the total number of RUS paid is 149,130 units.
- (ii) Performance-linked stock compensation (FY2023-PSU)
1. Performance-linked stock compensation (PSU) will be decided based on the philosophy of compensation, which is to make the incentive program consistent with the management strategy, and also in consideration of the business environment.
  2. Vesting
 

The Units will be vested and the shares paid for after three years following the provision of the Units. The rights will be vested after confirmation by the Compensation Committee.
  3. Grant date and number of units provided
    1. The grant date shall be April 1, 2022.
    2. The stock price used in the calculation shall be the closing price of Olympus' common shares on the business day prior to the grant date.
    3. For foreign exchange, apply TTM (Telegraphic Transfer Middle Rate) on the business day before the grant date.
    4. The total basic salary of executive officers, which is the basis for granting, is 399,062,820 yen, and the total number of PSU paid is 223,697 units.
  4. PSU metrics consist of operating profit, relative TSR, and ESG metrics, and their ratios are as follows:

Operating profit 20%	Relative TSR 60%	ESG 20%
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5. The target values and evaluation table for each metric are set as follows:
  1. Operating profit: 20%
    - (i) Going forward, we will continuously promote reforms to increase corporate value, and the Compensation Committee has decided that the below method is suitable to measure operating profit.
    - (ii) At the start of each fiscal year, during the assessment period of performance-linked stock compensation (PSU), operating profit targets and a 0 to 200% payment curve are decided, and after the end of each fiscal year, the payment rate for each fiscal year is calculated from results. The average payment rate for the three fiscal years is then used as the payment rate for PSU's operating profit.
    - (iii) The target values and payment curve for operating profit in the fiscal year ending March 31, 2023 are as shown in the section of "Short-term incentive compensation (FY2023-STI)".
  2. Relative TSR: 60%
    - (i) The Compensation Committee determined that the relative TSR is appropriate as an indicator for evaluating the corporate value and shareholder value and that it is appropriate to increase the relative TSR ratio in order to further enhance corporate value and shareholder value.
    - (ii) The peer group consists of the following 20 companies in Japan, Europe, and the U.S. that are "manufacturers whose business portfolio includes medical devices" or "manufacturers classified in the healthcare category of the GICS code.  
Abbott Laboratories, Thermo Fisher Scientific Inc., Medtronic plc, Koninklijke Philips N.V., Danaher Corporation, Asahi Kasei Corporation, Becton, Dickinson and Company, Siemens Healthineers AG, Stryker Corporation, Baxter International Inc., Boston Scientific Corporation, Zimmer Biomet Holdings, Inc., Terumo Corporation, Agilent Technologies, Inc., HOYA Corporation, Smith & Nephew plc, Edwards Lifesciences Corporation, Intuitive Surgical, Inc., STERIS plc, Sysmex Corporation
    - (iii) If the company's TSR rank is above the 75% level, provide a payment rate of 200% ; at the 50% level, provide a payment rate of 100% , at the 25% level, provide a payment rate of 50%; and at the level below the 25% level, the payment rate is 0%. The percentage of the payment(Y), between the rank 50% and 75% level(X) is,  $Y = 4(X-50)+100$ .  
The percentage of the payment: Y, between the rank 25% and 50% level is,  $Y = 2(X-25)+50$ .
  3. ESG: 20%
    - (i) These are indicators related to ESG as stated in the management strategy to be emphasized that is the basis of corporate management.
    - (ii) In light of the business characteristics of Olympus, the Dow Jones Sustainability Index (DJSI) is set as an evaluation index for the following reasons.
      - It provides comprehensive coverage of overall corporate activities.
      - The breadth of coverage in the evaluation area contrasts with the expectations of a broad range of stakeholders.
      - It is a highly reliable external evaluation organization and ensures transparency and fairness.
    - (iii) DJSI ratings are "World Index (W)," "Asia Pacific Index (AP)," and "Non-Index (N)" from the top ranks. With the goal of meeting global standards in all areas of E (Environment), S (Society), and G (Governance), the following evaluation

table is set with an emphasis on the Index that will be achieved in the third year, in consideration of the results of the first and second years.

1st Year	2nd Year	3rd Year	Payout %
W	W	W	200%
		AP	150%
		Non	50%
	AP	W	200%
		AP	150%
		Non	50%
	Non	W	150%
		AP	100%
		Non	0%
AP	W	W	200%
		AP	150%
		Non	50%
	AP	W	200%
		AP	100%
		Non	50%
	Non	W	150%
		AP	100%
		Non	0%
Non	W	W	200%
		AP	100%
		Non	0%
	AP	W	200%
		AP	100%
		Non	0%
	Non	W	150%
		AP	50%
		Non	0%

**[Support systems for outside directors]** Updated

- We established the Board of Directors Office as a dedicated organization to support the execution of duties of outside directors as well as the effective and vigorous activities of the Board of Directors, Nominating Committee and Compensation Committee.
- To support the effective execution of the roles and duties of outside directors, we work proactively to provide outside directors with information and distribute documents prior to Board of Directors meetings while setting an opportunity for the explanation of agendas in advance as necessary and working to stimulate discussions in the Board of Directors meetings.
- Additionally, we provide training for newly inaugurated directors including outside officers, comprising visits to our major business bases such as business offices and factories, etc., and business study sessions such as briefing sessions, products exhibition for directors, and technical result presentations based on a policy of promoting knowledge acquisition about Olympus. Additionally, we arrange for, and covers the cost of, external training sessions for directors to acquire basic knowledge necessary for the performance of directors' duties with a view to deepening directors' understanding of their roles and responsibilities.

**2. Matters related to functions of business execution, audit and supervision, personnel nomination, determination of compensation, etc. (Outline of the current corporate governance structure)** Updated

Organizational design is a company with Nominating Committee, etc. By having the Board of Directors specialize in deciding important items related to the core of management and in management supervision, we are working to enhance our management speed and supervisory functions. For items related to the everyday execution of duties, authority has largely been delegated to executive officers as we work to increase the speed of management decision making and execution by management. Furthermore, related to points that should be discussed at the Board of Directors and matters to be reported, we are working to increase the effectiveness of the Board of Directors by promoting improvements based on the results of the effectiveness evaluation of the Board of Directors.

[Supervisory functions of the Board of Directors]

The Board of Directors consists of 12 directors, including a majority of nine outside directors, thereof all independent outside directors. Tenures of directors continue for one year. The Board of Directors convenes once every three months and when needed. The Board of Directors determines matters related to basic policies of management and internal control systems and other important matters, and monitors the execution of the duties of directors and executive officers, etc. The Board of Directors is chaired by an independent outside director. In the exercise of supervisory functions at the Board of Directors, the nine outside directors are expected to bring their specialist knowledge to bear on management. We proactively provide directors with information to enable the effective execution of their roles and duties. The outside directors may at all times when needed or when considered appropriate require clarifications and reports or the submission of internal documents from internal directors, executive officers, and employees, so as to strengthen the functions of information transmission and supervision and to create systems to ensure the soundness of management.

So that our Board of Directors can contribute to enhancing Olympus's corporate value by cooperating with executive officers, its duties to be fulfilled are (i) improving recognition and insight into the management environment and management issues through constructive discussion with executive officers, (ii) effectively supervising management decision making and execution from a strategic, broad perspective, and (iii) supporting the promotion of strategies so Olympus can develop itself as a truly global medtech company, and it will exercise effective monitoring capabilities.

We hold an "Executive Session," which is held after the conclusion of every Board of Directors meeting and an "Opinion Exchange Meeting for Outside Directors," which is held four times a year (once per quarter). These are meetings in which only outside directors can participate. At each meeting, the outside directors aim to share their recognition while extracting management issues and the chairman provides feedback on the details to the executive officers.

[The member structure of the Board of Directors]

The member structure of the Board of Directors is shown below. The chairman of the Board of Directors is Sumitaka Fujita.

Directors

Yasuo Takeuchi, Stefan Kaufmann, Nobuyuki Koga

Outside directors

Sumitaka Fujita, Tetsuo Iwamura, Yasumasa Masuda, David Robert Hale, Jimmy C. Beasley, Sachiko Ichikawa, Yasushi Shingai, Kohei Kan, Gary John Pruden

[Activities of the Board of Directors in FY2022]

(1) Number of meetings held: 12

(2) Attendance (average attendance rate): 100%

Attendance for individual directors at meetings of the Board of Directors is described in the reference documentation to proposals for the election of directors, which is part of the convocation notice of the ordinary general meeting of shareholders.

Notice Regarding the Convocation of the General Meeting of Shareholders For the Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

[https://www.olympus.co.jp/ir/stock/pdf/meetingFY2022\\_02.pdf](https://www.olympus.co.jp/ir/stock/pdf/meetingFY2022_02.pdf)

(3) Main Agendas

Matters related to Olympus's basic management policies ; management strategies, business plans and performance forecasts, basic internal control system policies, etc.

Matters related to corporate governance; status of policy shareholdings, internal audit plan, risk management, IR activity status report, information security and quality control initiatives, evaluation of the effectiveness of the Board of Directors, executive structure for the next fiscal year, status report on each business, etc.

Matters related to the status of activities of each Committee ; e.g. audit plans of the Audit Committee, matters discussed at the Compensation Committee, and sharing of other committee proceedings, etc.

In addition to the above, the Chairman of the Board of Directors reports as necessary at the meeting of the Group Executive Committee on matters to be discussed and regularly receives status reports on the execution of duties from Executive Officers. Furthermore, separately from regular meetings of the Board of Directors, management strategy meetings were held on the state of progress and issues in the management strategy and on topics in the business plan, and active discussions took place.

[Nominating-, Compensation-, and Audit Committees]

• In addition, the three committees comprised of the Nominating-, Compensation-, and Audit Committees, each consisting in the majority of independent outside directors, determine director candidates (Nominating Committee) and the compensation of directors and executive officers (Compensation Committee), and audit the execution of the duties of directors and executive officers (Audit Committee). The members of each committee are as follows.

Nominating Committee	Chairman:	Sumitaka Fujita (Independent outside director)
	Members:	David Robert Hale, Yasushi Shingai (Independent outside directors) Yasuo Takeuchi (Director)
Compensation Committee	Chairman:	Tetsuo Iwamura (Independent outside director)
	Members:	Jimmy C. Beasley, Yasushi Shingai, Gary John Pruden (Independent outside directors)
Audit Committee	Chairman:	Yasumasa Masuda (Independent outside director)
	Members:	Sachiko Ichikawa, Kohei Kan (Independent outside directors) Nobuyuki Koga (Directors)

[Activities of the committees in FY2022]

(1) Nominating Committee (Number of meetings held: 11)

• The Nominating Committee deliberated matters related to human resources at the director and executive officer level, and determined the content of proposals submitted to the general meeting of shareholders in relation to the appointment and dismissal of directors.

• As a main item for consideration, in considering the plan for the composition of the Board of Directors, the Nominating Committee updated a matrix of the experience and knowledge required from our directors.

- In determining candidates for directors, we take into account the composition of the Board of Directors in consideration of diversity, including internationality, gender, career, and age, as well as the balance of experience, knowledge, and abilities, and utilized external consultants to deliberate and interview the candidates in light of the selection criteria in order to achieve sustainable growth and increase corporate value and ensure management transparency.
- Regarding the selection plan for executive officers, the Nominating Committee discussed their suitability and made decisions after a year-long evaluation and selection process.
- Regarding the succession plan for executive officers, the Nominating Committee discussed whether they possessed the desired experience and knowledge in accordance with expected roles in the execution of duties at Olympus.

(2) Compensation Committee (Number of meetings held: 11)

- The Compensation Committee reviewed the determination policy for individual compensation for directors and executive officers and the contents of the compensation and made decisions.
- The details are listed in the [Incentives] and [Compensations of directors and executive officers] sections above.

(3) Audit Committee (Number of meetings held: 24)

- In addition to maintaining an independent position and fair and unbiased attitude and auditing and overseeing the Accounting Auditor and internal audit department, the Audit Committee conducted effective, efficient audits by directly verifying the suitability and validity of the execution of duties by the directors and executive officers.
- In addition to monitoring and evaluating whether the Accounting Auditor maintained an independent position and performed suitable audits, the Audit Committee received reports from the Accounting Auditor on the state of execution of its duties and requested explanations where necessary.
- In addition to maintaining an independent position and fair and unbiased attitude and auditing and overseeing the Accounting Auditor and internal audit department, the Audit Committee conducts effective, efficient audits by directly verifying the suitability and validity of the execution of duties by the directors and executive officers. Additionally, due to COVID-19, from April 2020, the Audit Committee was forced to perform audits through remote online meetings. Nevertheless, it succeeded in conducting activities in line with the initial audit plan.

[Contents of limitation of liabilities agreements and directors and officers insurance agreements]

In order to enable directors to fully discharge their expected functions, we have entered with directors (excluding executive directors, etc.) into agreements based on the provisions of Article 427, paragraph (1) of the Companies Act which limit the indemnification liability pursuant to Article 423, paragraph (1) of the Companies Act, such that the indemnification liability under the said agreements corresponds to the statutory minimum indemnification liability amount.

Furthermore, we have entered into directors and officers liability insurance agreements with an insurance company with directors and officers as the insured persons pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance agreements cover damages that may arise when the insured person assumes liability for the execution of his or her duties or receives claims related to the pursuit of such liability. We will bear the full amount of the insurance premiums.

[Resolution requirements for elections of directors]

The Articles of Incorporation stipulate that our directors are elected by majority vote of the general meeting of shareholders with at least one-third of shareholders eligible to exercise voting rights in attendance and that resolutions on elections are not adopted by cumulative voting.

[Matters for resolution by the general meeting of shareholders which can be resolved on by the Board of Directors]

In order to carry out capital policy in accordance with changes in the business environment and to carry out flexible return of profits to shareholders, we stipulate in its Articles of Incorporation that matters, including dividends from surplus, set forth in each item of Article 459, paragraph (1) of the Companies Act shall be decided by resolutions of the Board of Directors, not those of general meeting of shareholders, unless otherwise provided by laws and regulations.

Furthermore, the Articles of Incorporation stipulate that in order to enable directors and executive officers to fully discharge their expected functions, we can, by a resolution of the Board of Directors, pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, in cases where the statutory requirements are satisfied, exempt directors (including former directors) and executive officers (including former executive officers) from the indemnity liability pursuant to Article 423, paragraph (1) of the Companies Act, limited to the balance of the indemnity liability amount reduced by the statutory minimum liability amount.

[Requirements for special resolutions of the general meeting of shareholders]

The Articles of Incorporation stipulate that in order to facilitate the operations of the general meeting of shareholders by relaxing the quorum requirements for special resolutions of general meetings of shareholders pursuant to Article 309, paragraph (2) of the Companies Act, special resolutions of the general meetings of shareholders are adopted by a vote of two-thirds or higher of shareholders in attendance who hold one-third of voting rights.

[Executive Officers]

Executive officers are comprised of the following six persons: Chief Executive Officer, Chief Operating Officer, Chief Technology Officer, Chief Manufacturing and Supplier Officer, Chief Financial Officer, and Chief Administrative Officer, who accelerate and streamline the decision-making system in the Olympus Group and centrally manage risk management across the Group.

### **3. Reasons for choosing the current corporate governance structure**

We aim to develop itself as a truly global medtech company, and as described below, to accelerate decision making in the execution of duties and to strengthen and further increase the transparency of governance, in June 2019, it transitioned to a company with Nominating Committee, etc.

#### **1. Acceleration of management decision making and business execution functions**

Functions are separated based on the basic principle of “separation of corporate oversight and business execution” in a “a company with nominating committee, etc.” The Board of Directors focuses on deciding important matters on core managerial elements and management supervision, and works to enhance management speed and supervisory functions. We will seek to accelerate management decision-making and execution by delegating more authority to executive officers concerning matters related to daily business execution.

#### **2. Reinforced supervisory function in management**

We will establish three committees; nominating committee, compensation committee and audit committee, which consist in the majority of independent outside directors, supervise management through the functions of each committee, and build more appropriate management supervisory system.

#### **3. Increased transparency in management**

The nominating committee, which consists in the majority of independent outside directors, will decide candidates for directors, while the compensation committee, which consists in the majority of independent outside directors, will decide compensation of directors and executive officers. These committees will improve the transparency of director and executive officer assignment and compensation decisions. We will seek to further increase its management transparency to domestic and foreign stakeholders.



### III State of implementation of measures concerning shareholders and other stakeholders

#### 1. Status of efforts at activating general meetings of shareholders and facilitating voting rights exercise Updated

	Supplementary explanation
Advance dispatch of convocation notices of general meetings of shareholders	In order to provide our shareholders with time to sufficiently review information on the convocation notice, we ship the convocation notice three weeks before the general meeting of shareholders. Additionally, a few days before shipment a PDF version of the convocation notice will be published on our website, TDnet, and the electronic voting rights exercise platform for voting rights.
Off-peak scheduling of general meetings of shareholders	The policy is to appropriately set the date on which the general meeting of shareholders is to be held with the intention of shareholders attending after adequately considering proposals.
Electronic voting rights exercise	Voting rights can be exercised electronically by using our designated voting rights exercise website or the electronic voting rights exercise platform.
Provision of English convocation (outline) notices	The text English translation of the convocation notice is available on the electronic voting rights exercise platform and our website.
Other matters	The full text of the convocation notice and resolution notice is published on the electronic voting rights exercise platform and our website. In order to gain the understanding of shareholders, visuals are used to illustrate the matters reported in general meetings of shareholders. These materials are also published on our website. Furthermore, by adopting an attendance-type virtual general meeting of shareholders in which questions can be asked and voting rights can be exercised through an online attendance method, as well as by accepting questions in advance, we are working to secure the opportunity for all shareholders to exercise their voting rights. The video that is livestreamed on the day of the general meeting of shareholders is posted in the above materials on items to be reported and on our website after the meeting is held.

#### 2. IR related activities Updated

	Supplementary explanations	Availability of explanations from the representative
Disclosure policy creation and publication	We published its “Information Disclosure Policy” on our website. In addition, in accordance with its information disclosure policy, we have established information disclosure frameworks, disclosure standards, and pertinent information management regulations, as well as Information Disclosure Regulations for timely and appropriate information disclosure.	
Regular briefing sessions for individual investors	Our website provides an overview of our businesses, its strengths, and the steps that it has taken to develop cutting-edge optical equipment products. Furthermore, as opportunities for direct dialogue, we participate in individual investor briefings and online seminars held by securities companies and IR events.	No
Regular briefing sessions for analysts and institutional investors	On the day that financial results are announced each quarter, our management holds results briefings for direct dialogue with analysts and institutional investors on the business environment, financial results, financial forecasts, and progress in the management strategy. Furthermore, in addition to holding events such as Investor Day, management strategy briefings, small meetings with our management, new product presentations, and factory tours as appropriate, we participate in conferences held by securities companies. Moreover, individual meetings are held by the Chief Executive Officer, Chief Financial Officer, and IR officers as needed, excluding the quiet period between the day quarterly results are calculated and the day financial results are announced.	Yes
Regular briefing sessions for international investors	On the day that financial results are announced each quarter, our management holds the results briefing at the same time as the briefing for domestic analysts and institutional investors. Moreover, several times a year, the Chief Executive Officer, Chief Financial Officer, or an IR officer visits overseas institutional investors and also actively participates in overseas conferences held by securities companies.	Yes

	<p>In addition, we also locate IR officers in the U.S. where many of our shareholders are located (second to Japan). We actively convene individual meetings and participate in conferences held by securities companies convened in the U.S., excluding in the quiet period up until the day quarterly results are released.</p> <p>Since FY2021, we have cancelled visits to overseas institutional investors due to the impact of COVID-19, but the Chief Executive Officer and Chief Financial Officer were proactively involved in teleconferences and online meetings in order to ensure the same opportunities for dialogue with overseas investors as in the past.</p>	
Publication of IR materials on the Company website	<p>We publish financial results information (financial results, presentation materials, numerical reference materials) and other corporate disclosures, integrated reports, convocation notices to general meetings of shareholders, shareholder communications, securities reports and quarterly reports, medical fact books, and reports on the Olympus Group's sustainability initiatives. We also publish videos of various events including Investor Day, management strategy briefings, new product presentations, and general meetings of shareholders.</p>	
IR Department (Officer)	<p>Officer in charge: Executive Officer, Chief Financial Officer Chikashi Takeda Department in charge: IR department.</p>	

### 3. Status of efforts at the integration of stakeholder viewpoints Updated

Supplementary explanations	
Regulations on the integration of stakeholder viewpoints based on internal regulations, etc.	<p>The Olympus Group has established the "Olympus Global Code of Conduct," which expressly prescribes behavior in accordance with laws and regulations and high ethical standards as well as fair and honest corporate conduct in relationships with customers, business partners, shareholders, employees, and local communities, etc.</p>

Implementation of environmental protection activities, CSR activities, etc.

The Olympus Group, based on its Corporate Philosophy of “Making people’s lives healthier, safer, and more fulfilling,” strives to respond to all stakeholder expectations at a high level, acts as a good corporate citizen, and aims to achieve sustainable growth together with society.

Olympus considers ESG to be a crucial component as we grow to become a globally leading medtech company and contribute to the creation of a sustainable society. We have defined and will promote ESG centered on six ESG areas and five important materiality items that reflect our corporate strategy, benchmarks by stakeholders and an external ESG evaluation organization’s opinions, and that have been established by the Group Executive Committee and the Board of Directors.

Olympus has six ESG fields: 1) corporate governance, 2) economic sustainability, 3) product sustainability, 4) the environment, 5) human resources, and 6) society. It also has five important issues (materiality): 1) providing a wide range of healthcare opportunities and improving outcomes, 2) focusing on compliance and product quality and safety, 3) promoting a responsible supply chain, 4) promoting diversity and inclusion, 5) contributing to the realization of a carbon-neutral and circular society in harmony with society. While strengthening and promoting our initiatives in each materiality and fulfilling our responsibilities to society and our stakeholders, we will improve Olympus’ economic value and realize sustainable growth.

In addition, some of the initiatives for materiality are as follows:

As for 3) promoting a responsible supply chain, by ensuring responsible and robust supply chain management (SCM), we foster sustainable value creation across the entire organization. Our systems and standards address environmental and social problems, including human rights, throughout our supply chain.

In June 2021, we replaced our procurement policy with a supply chain policy in line with our ESG initiatives to contribute to sound and fair transactions and the sustainable development of society. In addition, we formulated the Olympus Group Green Procurement Standards, which set out our basic environmentally conscious approach to procurement. Since then, the Olympus Group has disclosed its basic stance on its supply chain both internally and externally through its website and training sessions, while strengthening compliance with laws, regulations, and social norms. We have also established the “Request to Suppliers” as a concrete guideline for complying with laws, regulations, and social norms, including respect for human rights and the elimination of antisocial forces, prohibiting corruption and bribes, promoting fair and lawful transactions, and taking the environment into consideration. When selecting new suppliers, we review their current response to compliance with social norms and environmental issues as one of our screening criteria. Based on these principles for procurement activities, the Olympus Group strives to create and strengthen good relationships with its suppliers through fair, just, and transparent transactions.

The Group’s basic approach to social issues and social contributions and the status of initiatives is disclosed on the Company’s website.

<https://www.olympus-global.com/csr/social/?page=csr>

Further, as for 5) contributing to the realization of a carbon-neutral and circular society in harmony with society, we have set out our environmental target of achieving carbon neutrality by 2030. To achieve this target, we will promote our manufacturing improvement activities and energy-saving measures while accelerating efforts to reduce CO<sub>2</sub> by flicking the switch to renewable energy sources for the entire electricity consumption by our business offices. We also agreed with recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) and decided to work on information disclosures based on the TCFD recommendations. In February 2022, in the “Supplier Engagement Rating” conducted by an international non-profit organization, the CDP, to assess cooperation among suppliers in addressing climate change issues, Olympus has been awarded the highest rating and selected as the “CDP2021 Supplier Engagement Leader.”

We will also continue to concentrate on highly transparent information disclosure focused on analyses of the risks and opportunities posed by climate change.

The Group’s environmental initiatives are implemented in accordance with the Olympus Global Code of Conduct and the Environmental Health and Safety Policy formulated in April 2021. The basic approach and status of initiatives are disclosed on the Company’s website.

<https://www.olympus-global.com/csr/social/?page=csr>

Formulation of policies concerning the provision of information to stakeholders

In order to deepen understanding of the Group, we are striving to actively disclose and disseminate information. Initiatives related to sustainability, including the above initiatives, are disclosed on our website.

<https://www.olympus-global.com/csr/social/?page=csr>

Olympus's corporate philosophy states "making people's lives healthier, safer and more fulfilling," and serves as the fundamental idea for all its corporate activities. To this end and in order to gain proper understanding and confidence of all the stakeholders, Olympus has a policy of disclosing its management policies, financial condition, business activities, and non-financial related corporate information in a fair, timely, appropriate and proactive manner. The "Disclosure Policy" is available on our website.

<https://www.olympus.co.jp/ir/policy/disclosure.html?page=ir>

Other matters

[Initiatives for health and productivity management]

We have prepared a health declaration in order to clarify that establishing a working environment where employees can work in an active and healthy manner is a major premise of Olympus for proceeding with various activities, and that it is the management has resolved to properly support the maintenance and improvement of the health of employees and their families, in cooperation with the Health Insurance Association. We will promote health maintenance and enhancement among employees by further working to prevent second hand smoke, recommend lifestyle changes, encourage regular checkups and complete examinations for cancer screenings, and give advice when hospital visits are required. By actively developing health management initiatives, we were recognized as a “White 500” organization for six years in a row since 2017.

[Promotion of Work-Life Integration]

In order to prepare an environment where employees can demonstrate their abilities to the fullest and actively continue their career, even with different circumstances such as child-rearing or nursing care, the Olympus Group is promoting initiatives for “Work-Life Integration” to support both employees’ work and lives to achieve synergy between them, and is working to introduce flexible systems related to working styles and expand users. As an enhancement of supporting measures for both work and childcare/nursing care, the Group has introduced the “work-from-home system,” “re-entry system,” “position flex system,” and “reduced working hours system.” The Group is aiming to realize a diverse workplace, increase productivity and increase employees’ motivation by supporting both work and family life.

[Ensuring diversity in the Company including active roles for women]

At Olympus and its domestic Group companies, centered on the Human Resources Division, we establish and operate systems and policies to support active roles for diverse human resources. Through new workstyles centered on telework, by eliminating distance and time constraints, diverse personnel feel a sense of ease in their work and happiness in their growth as we work to create an environment in which they can flourish. In our hiring, promotions, and pay raises, we proactively use human resources that have both strong expertise and abilities and morals.

In facilitating work-life integration, we have positioned the promotion of women's activities as a key issue and formulated a general business owner action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace in 2016. Major initiatives include expanding the number of employees eligible for the teleworking system, providing information for employees taking childcare leave, establishing a system to balance work with infertility and cancer treatment, opening childcare centers at some workplaces, and establishing the Diversity Promotion Group, a dedicated organization to strengthen the diversity promotion structure. We support women's career development through a feed-forward approach that anticipates life events and provides them with experiences and opportunities as early as possible. In 2020, our first female corporate officer was appointed from within the company. We have set a target of increasing the percentage of female managers to 10% at the beginning of the fiscal year ending March 31, 2029, and the percentage have achieved approximately 6% at the beginning of the fiscal year ending March 31, 2023, increasing the percentage of female managers every year. We have also set a target of increasing the ratio of women to total new recruits in new graduate hiring to at least 25%, and as of the beginning of the fiscal year ending March 31, 2023, we have exceeded this target at 25.9%

Aiming for LGBT persons to feel a sense of ease and happiness in their work, to create workplaces highly accepting of diversity, we offer education and events to promote understanding and are promoting the establishment of a dedicated helpdesk.

In employing persons with disabilities, we approach disabilities as one element of individuality. We proactively hire persons with disabilities by focusing on what they can do, support them as they take their positions, and offer employee education. We see the hiring of disabled persons and their onboarding as an important issue, and in addition to engaging in regular hiring activities, we have established a specialized subsidiary and are improving our onboarding system. During the onboarding process, we provide training and education to promote understanding so that superiors and colleagues can understand the nature of their disabilities. As part of our onboarding, when disabled persons first joins Olympus, they meet with the Human Resources Division, their superior, and an industrial physician. As of June 2022, we achieved a disabled person hiring ratio of 2.76%, higher than the statutory employment rate.

We proactively hire older employees who are past retirement age and believes that it is important for personnel who have exercised strong expertise and produced results in the past to continue to have an active role in Olympus. For employees who wish to continue working

after the fixed retirement age of 60, we have created a system to allow them to continue working until 65. After improving the treatment of employees in April 2016, we began reforming our position-style human resources system, which deals with personnel based on job grade, from April 2020 for rehired personnel who have a high level of expertise in order to evaluate work after rehiring. Going forward, while considering the trends and tendencies in society, including laws and regulations, we will continue to build a vibrant working environment in which employees can exercise their expertise after mandatory retirement.

[Reforming our human resources system to support the challenge of becoming a global medtech company]

To win in future competition with competing global medtech companies, we cannot only engage in regional hiring. We must also create a comprehensive operating model for governance, operations, and human resources on an integrated, global level, and improve the management efficiency of the entire Group. To realize this goal, it is essential that we assign personnel with diverse abilities that support our global business to the appropriate positions irrespective of their home country or region. We are working to create a human resources system that encourages the desire for growth among the Group employees and to build a corporate culture that allows them to use their individual abilities to the maximum for the development of Olympus.

In April 2019, we changed our human resources evaluation system for managerial employees in Japan to a position-based wage system. The job description form clarifies the roles, responsibilities, and authorities of each employee. The treatment of employees is decided based on the scale of job responsibilities and results, and we promote a hiring system that does not consider age or nationality. Furthermore, in April 2020, we standardized goal setting and evaluation criteria for global senior management and clarified their responsibility for performance. Senior management has set forth strategic goals to achieve global shared KPI and is working toward organizational reform. As a result of promoting assignments based on capabilities and suitability rather than nationality, 40% personnel of our heads of business and capabilities are foreign nationals.

[Compliance]

The Olympus Group works to create an honest corporate culture that complies with laws and regulations. In September 2019, we established the “Olympus Group Code of Conduct,” which is published in 18 languages on the Company’s website. The status of our compliance initiatives is listed in our integrated report and posted on the Company’s website.

[Risk management]

Based on its “Internal Rules on Risk Management and Crisis Response” and related rules, the Olympus Group has built a global management system. The Group conducts risk management from the viewpoints of both “offense” that leads to the creation of sustainable growth and value for the company through proactive, sound risk-taking and “defense” to prevent fraud and accidents. We are also working to create a crisis management process to minimize the effects of unpredicted incidents on corporate value. The status of our risk management initiatives is listed in our integrated report and posted on our website.

[Information security]

The Olympus Group recognizes the proper handling and protection of information as a social responsibility and formulated the “Information Security Policy,” working to ensure information security. The details of our information security are listed in our integrated report and posted on our website.

In order to deepen understanding of the Group, we are striving to actively disclose and disseminate information.

To facilitate understanding of the Olympus Group, we strive to actively disclose information and enhance communication. Detailed information is available in integrated report and published on our website.

<https://www.olympus-global.com/ir/data/?page=ir>

## **IV Matters concerning internal control systems, etc.** Updated

### **1. Basic concepts and maintenance status on internal control systems**

All our activities are based on our Corporate Philosophy, “Making people’s lives healthier, safer and more fulfilling.”

We, based on this basic concept, shall prepare and operate a framework which ensures the effectiveness and efficiency of operations and appropriateness and reliability of financial reporting of Olympus and its subsidiaries (hereinafter, “the Olympus Group”), and make continuous improvements.

1. Framework to ensure the compliance by Executive Officers and employees of Olympus and Directors and employees of the its subsidiaries, in performance of duties, to applicable laws and regulations as well as the Articles of Incorporation

(1) In order to ensure a system in which Executive Officers and employees of subsidiaries perform their duties in compliance with applicable laws and regulations as well as the Articles of Incorporation, Olympus shall establish “Management Basic Policy,” basic policy the Board of Directors relies on when the Board supervises the execution of duties of Directors and Executive Officers. Furthermore, it shall establish the Olympus Global Code of Conduct and internal corporate regulations, based on the Corporate Philosophy, and shall instill the policies and facilitate initiatives to raise awareness of compliance in the Olympus Group through continuing education and other measures.

(2) Olympus shall also establish a compliance promotion system by appointing an officer in charge of compliance (“Chief Compliance Officer”) and establishing a function in charge of group-wide compliance. The function in charge of group-wide compliance shall be responsible for activities toward the improvement of the group compliance system based on the Global Compliance Management System. Furthermore, it shall continuously conduct education of employees and measures relating to assessment. It shall establish a global contact desk which can be available 24 hours a day in multiple languages so that any employee and external stakeholders, when suspecting there is or may be a violation of laws and regulations, etc., may make a report in addition to a local hotline contact desk in each region.

(3) In addition to having appointed the CEO as the head of CSR, Olympus has appointed an officer in charge of ESG and set goals related to ESG in the Olympus Group and shall continue to work on them. Moreover, Olympus has set ESG-related indicators as part of the performance-linked compensation for executives and will work to achieve the indicators as part of the management strategy.

(4) Olympus shall set up an internal audit function reporting directly to the Chief Executive Officer. Based on the Internal Audit Charter, the internal audit function shall conduct audits to verify the effectiveness of the various processes for risk management, control and governance. The internal audit function shall report the results of internal audits to the Chief Executive Officer of Olympus, and the Audit Committee.

(5) In order to ensure the fairness of operations of subsidiaries, Olympus shall dispatch Directors and Audit Committee to major subsidiaries and request them to obtain our approval for significant matters of subsidiaries based on the Job Authority Rules and any other related rules.

(6) In order to ensure the appropriateness and reliability of financial reporting of the Olympus Group, the internal audit function shall continue to conduct improvement activities by regularly evaluating its efforts and operations to ensure that control activities relating to financial reporting function effectively under the internal control system.

(7) Olympus shall be responsible for working with lawyers, the police and other parties to systematically stand firm against anti-social forces and organizations which threaten societal order and safety. The Olympus Group continuously shall conduct measures for excluding anti-social forces and prepare relevant rules and regulations in order to maintain its social responsibility to exclude anti-social forces.

2. Framework regarding the maintenance of records and management of information in relation to performance of duties by Executive Officers of Olympus

(1) Pursuant to laws and regulations and the internal rules on document management, Olympus shall maintain and manage documents or electronic data.

(2) Directors may access important documents such as the minutes of a meeting of the Board of Directors and documentary approvals at any time based on the internal rules on document management.

3. Regulations and other framework relating to managing risks of loss of the Olympus Group

(1) Olympus shall manage its business risks of the Olympus Group based on due deliberations held at meetings of the Board of Directors and the Group Executive Committee, among other meetings, and appropriate operation of the internal approval procedure. The Board of Directors shall determine basic management policy, matters related to the internal control system, other important matters and important matters related to business execution, as well as deciding matters to delegate to Executive Officers. Also, for important matters not decided by the Board of Directors, Executive Officers shall make a decision, and make a report to the Board of Directors.

(2) Olympus shall manage risks such as those relating to quality, product safety, export control, information security, health and safety, the environment and disasters by designating functions in charge, establishing internal corporate regulations, working for preventive risk management as the Olympus Group, and implementing education and training.

(3) Based on the Internal Control Rules and other related rules, Olympus shall prevent the emergence of serious risks resulting from the business activities of the Olympus Group, and shall create, operate appropriately, and manage a risk management system to minimize damage in the event of such risks emerging.

Moreover, pursuant to the Risk Management Operation Rules, each function in charge in the Olympus Group shall be aware of risks and take preventative measures, and Olympus has a framework which enables prompt actions in the event of an emergency. In the event of a violation of corporate ethics, or an earthquake, fire or accident, the function in charge shall make immediate reports to the Executive Officers and relevant people. The final determination in such circumstance shall be made by the Chief Executive Officer.

4. Framework to ensure the effective performance of duties by Executive Officers of Olympus and Directors of its subsidiaries

(1) The Board of Directors shall approve medium- and long-term Corporate Strategic Plans in which the business objectives of the Olympus Group are set forth, and action plans for these, which are called annual business plans. The Board of Directors shall decide on other important matters, and delegate except matters that should be resolved by the Board of Directors to Executive Officers in order to enhance efficient and agile decision-making on the execution of business. In addition, the Board of Directors shall receive reports, once a quarter, on business performance in order to evaluate the status of our annual business plan, and supervise Executive Officers' performance of duties.

(2) The Board of Directors shall determine the assignment of duties among the Executive Officers. In addition, the Board of Directors shall receive, more than once every three months, reports on their duties as performed.

(3) Based on the Job Authority Rules, Organization Rules, and other related rules, the Board of Directors shall approve the responsibilities and authorities of major job ranks. Based on internal corporate regulations including the internal rules on approval procedures and organizational matters, the Board of Directors shall approve the management organization and the separation of duties as well as the responsibility and authority of each of the Representative Director, other Operating Directors and Executive Officers, and receive reports from major management organizations on their duties as performed.

(4) With the establishment of Treasury Control Framework, which regulate financial policies as a base for financial operations of the Olympus Group, Olympus strengthens the governance of the Olympus Group from a financial aspect, and oversees and manages funding, foreign exchange, and transactions with financial institutions for the Olympus Group.

5. Framework for reporting to Olympus on matters concerning execution of duties by the Directors and employees of the subsidiaries

(1) After Olympus has clarified the management criteria of subsidiaries by means of the Affiliated Company Management Rules and other related rules, a person who is in charge of the regional headquarters shall conduct reviews of the management situation of the subsidiaries, and periodically report the results of the reviews to the CEO.

(2) Olympus shall ensure receiving reports as appropriate and in a timely manner from the subsidiaries in accordance with the Global Consolidated Accounting Control Framework to ensure that we will remain accurately informed of financial position and results of operation of the Olympus Group, and appropriately maintain and manage the consolidated accounting policies.

6. Framework for matters related to employees whose assignment is to assist in the duties of Olympus' Audit Committee, and matters related to the independence of those employees from the Executive Officers, and matters related to ensuring the effectiveness of instructions from the Audit Committee to those employees

Olympus shall allocate a dedicated employee who will assist with the Audit Committee's duties. Furthermore, if necessary, Olympus may assign employees concurrently assuming other positions. In addition, we shall set forth internal corporate regulations to ensure independence from execution as stated below, and ensure effectiveness of directions from the Audit Committee to such employees.

(1) While employees who have been assigned to assist in the duties of the Audit Committee assist in those duties, Directors (excluding Audit Committee members), Executive Officers and employees, etc. shall not give them commands or instructions.

(2) The appointment, dismissal, transfer, wage or personnel evaluation of employees who are assisting the Audit Committee with their duties shall be decided only after obtaining the approval of the Audit Committee.

7. Framework regarding reports by Directors (except those who are members of the Audit Committee), Executive Officers and employees of Olympus to the Audit Committee, and reports by Directors and employees of the subsidiaries of Olympus or personnel who have received reports from them to the Audit Committee Olympus

(1) Directors (except those who are members of the Audit Committee), Executive Officers and employees of Olympus, as well as Directors, Audit and Supervisory Board members and employees of subsidiaries shall promptly, and either directly or via the relevant function, submit a report to the Audit Committee in cases where it becomes known that there has been a significant violation of laws or regulations or of the Articles of Incorporation; or when it becomes known that there has been wrongdoing; or



when it becomes known that there is risk of substantial harm to Olympus. In other cases where the Audit Committee requests a report from an Executive Officer or employee, etc. of the Olympus Group, in accordance with laws and regulations, or Audit Committee Rules etc., the Executive Officer or employee in question shall promptly report to the Audit Committee.

(2) In case any material compliance issue arises in the Olympus Group, the Chief Compliance Officer shall make reports on details and other matters to the Board of Directors in accordance with the Compliance Management System Rule. Reports on details of issues reported and results of investigations shall also be made regularly to the Audit Committee.

(3) The internal audit function shall regularly report the status of internal audit in the Olympus Group to the Audit Committee. In addition, the Chief Compliance Officer shall report the status concerning compliance to the Audit Committee regularly.

8. Framework to ensure that any personnel who have made a report to the Audit Committee of Olympus will not be subjected to any unfair treatment due to the report made

Olympus shall set forth internal corporate regulations and shall not impose any unfair treatment (including de-facto measures such as restricting the personnel to engage in duties, or assigning the personnel solely to work on chores, in addition to measures of personnel affairs such as dismissal, demotion, pay cut and other disciplinary actions and disadvantageous transfer) to any personnel who have made a report on the grounds of having made a report to the Audit Committee.

9. Matters regarding procedures for advance payment of expenses incurred in connection with execution of duties by the Audit Committee members of Olympus and their reimbursement, and treatment of other expenses or liabilities incurred in connection with execution of the duties

In accordance with the internal corporate regulations, when an advance payment or reimbursement of expenses is requested for execution of duties of Audit Committee members, we shall promptly process disbursement except for such case that the expense is obviously deemed unnecessary for execution of duties by Audit Committee members.

10. Other systems to ensure the effectiveness of audit by the Audit Committee of Olympus

(1) Directors, Executive Officers and employees of Olympus and Directors and employees of the subsidiaries shall ensure effectiveness of the audit by cooperating with the Audit Committee for investigations by interviews and on-site inspections.

(2) Olympus shall ensure that it provides the Audit Committee with opportunities to sufficiently exchange opinions with Directors, Executive Officers, Accounting Auditors and any other personnel necessary.

(3) Olympus shall ensure that the Audit Committee is permitted to have its members attend important meetings, and that they have an opportunity to state their opinion.

(4) The Audit Committee and an internal audit function shall work closely, and the Audit Committee are allowed to exercise authority to give instructions and make commands to the internal audit function as necessary.

(5) Olympus shall ensure that it provides the Audit Committee with, upon their request, opportunities of collaboration between the Audit Committee and Audit Committee of the subsidiaries and collecting information from employees of the subsidiaries.

## **2. Elimination of organized crime - Basic concepts and their maintenance**

Olympus has in the basic policies of its internal control system defined policies against anti-social forces and has established frameworks for systematic counteraction. Specifically, we have established an internal communication network, cooperates with lawyers and the police force, and takes preventive measures by joining specialized organizations, along with information gathering and training activities. Additionally, we work to constantly and completely shield itself by stipulating in agreements with business partners the exclusion of anti-social forces.

## **V Other matters**

### **1. Adoption of takeover defense measures**

Adoption of takeover defense measure	None
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Supplementary explanation of relevant items

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### **2. Other matters concerning the corporate governance structure, etc.**

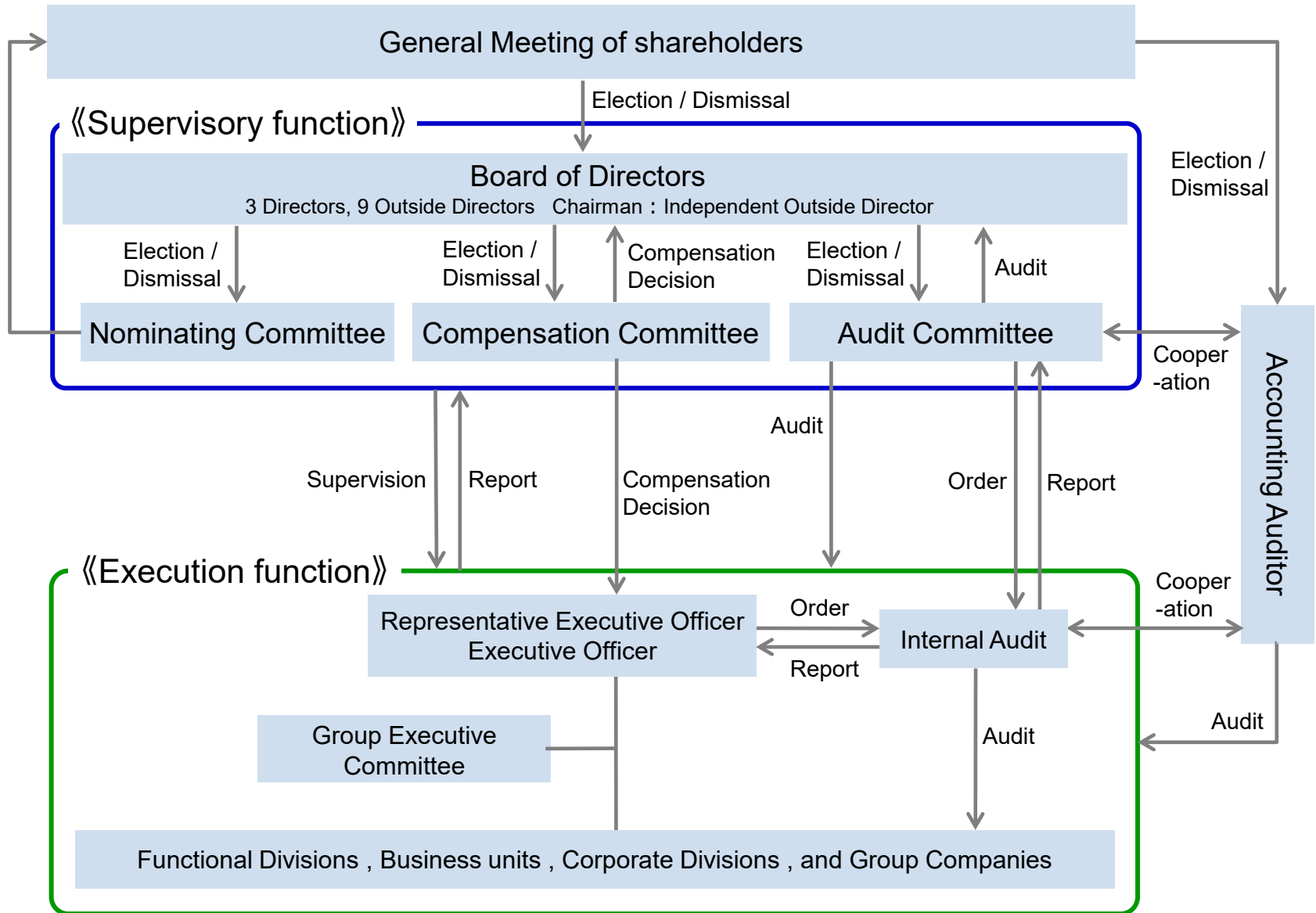
In disclosing information, Olympus shall comply with the laws and the Financial Instruments Exchange rules and shall disclose information in compliance therewith. Olympus shall also proactively disclose the information which may have a material impact on its corporate value evaluation in accordance with the Article 27-36 of the Financial Instruments and Exchange Act (so-called “Fair Disclosure Rules”) and the Internal Information Disclosure Criteria regardless whether such disclosure is not required by the laws or the rules. To this end, we have established internal corporate regulations such as “Rules on Information Disclosure” and “Detailed Rules on Information Disclosure,” and set out specific duties and procedures for information disclosure.

Based on the “Information Disclosure Flow,” information for disclosure is aggregated from the IR liaison (a person in each function/operating division who is in charge of the information disclosure as appointed by the IR Division) and the secretariats of the management meetings (the Board of Directors meeting and Group Executive Committee) and other committees, etc. and whether or not to disclose is determined by the head of Information Disclosure after deliberations with the head of the IR division and the head of the division disclosing the information.

# Corporate Governance Structure (June 2022)

Updated

Decision on proposal of election/ dismissal of directors



# Directors Skills Matrix Updated

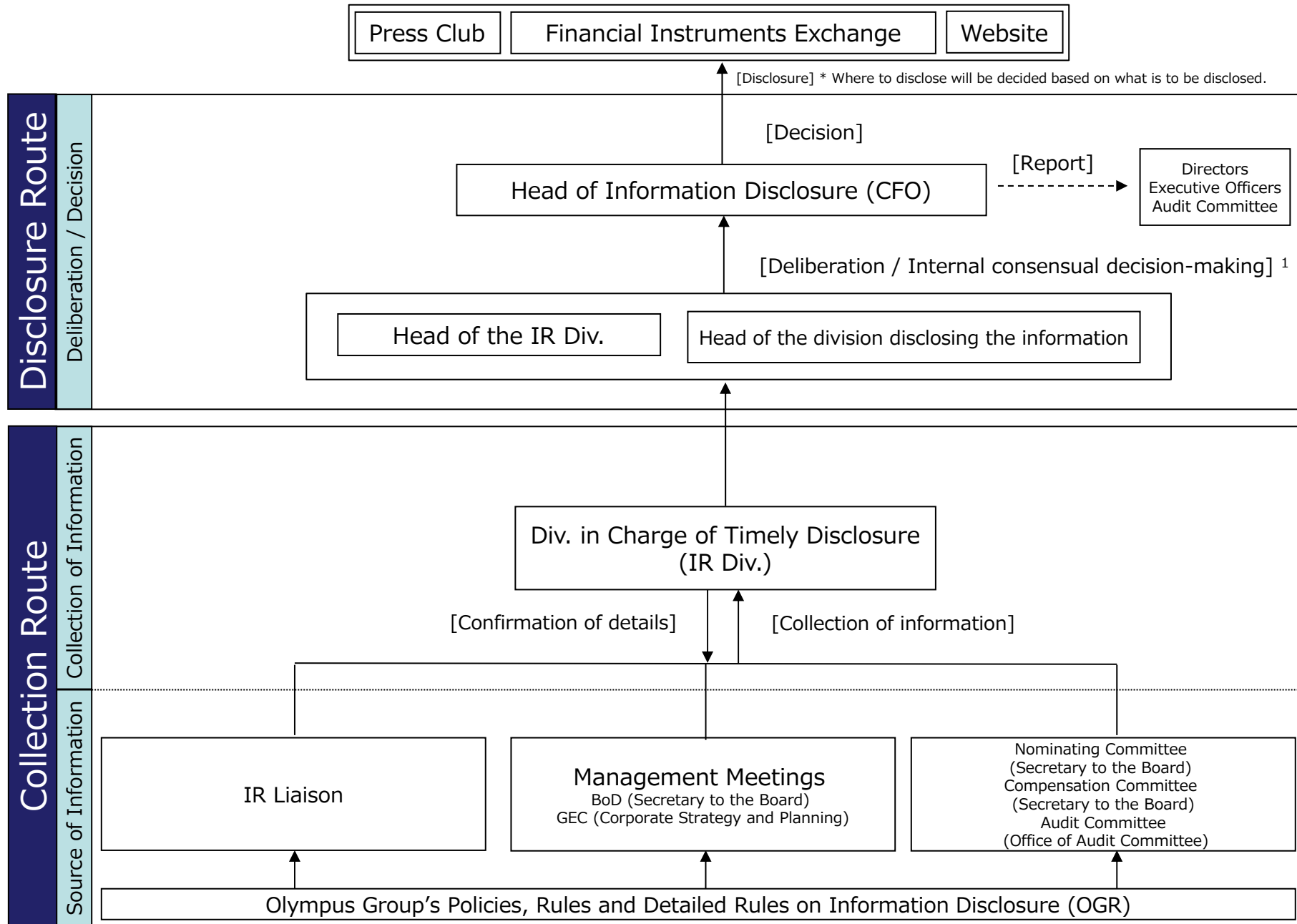
As of June 24, 2022

Name	Present position and responsibility in the Company		Area the Company expects the directors to display their capabilities in *						
			Corporate Management	Overseas Business/Diversity	Healthcare Industry	Manufacturing/Development/Research	Legal/Risk Management	Finance /Accounting	ESG
Yasuo Takeuchi	Director, Representative Executive Officer President and Chief Executive Officer (CEO)	Nominating Committee	●	●	●			●	
Sumitaka Fujita	Outside Director	Nominating Committee ★	●	●				●	●
Tetsuo Iwamura	Outside Director		●	●		●			
Yasumasa Masuda	Outside Director		●	●	●			●	
David Robert Hale	Outside Director	Nominating Committee	●	●	●			●	
Jimmy C. Beasley	Outside Director		●	●	●				
Sachiko Ichikawa	Outside Director			●			●	●	●
Yasushi Shingai	Outside Director	Nominating Committee	●	●				●	
Kohei Kan	Outside Director			●			●	●	
Gary John Pruden	Outside Director		●	●	●				
Stefan Kaufmann	Director, Executive Officer and Chief Administrative Officer (CAO) Chief Strategy Officer (CSO), ESG Officer			●	●				
Nobuyuki Koga	Director				●	●			

★Committee Chairman

\* The above table is not to indicate all the expertise/experiences the directors have.

# Information Disclosure Flow



1. When the case meets any of the Consensual Decision-Making Criteria in the Internal Information Disclosure Criteria, or when the case is not set forth in the Internal Information Disclosure Criteria and the head of the IR div. finds it necessary.