

Last updated: December 25, 2023

## Olympus Corporation

Director, Representative Executive Officer, President and CEO, Stefan Kaufmann  
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Securities Code: 7733

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

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

## I Basic Views on Corporate governance, Capital structure, Corporate attributes, and Other Key information

### 1. Basic views

Olympus has formulated basic concepts and policies concerning corporate governance in the “Basic Policy on Corporate Governance.” For details of this basic policy, please refer to Attachment 1 of this report.

### [Reasons for Non-compliance With the Principles of the Corporate Governance Code]

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

### [Disclosure Based on Each Principle of the Corporate Governance Code] Updated

[Principle 1-4 Policy shareholdings]

• In line with the “Basic Policy on Corporate Governance” on Attachment 1 of this report, 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, 2023, hold 0.5 billion yen in 8 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, 2023 (from April 1, 2022 to March 31, 2023)

<https://www.olympus.co.jp/ir/data/pdf/annual155PA.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” on Attachment 1 of this report, 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” on Attachment 1 of this report, 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>

The Olympus Group believes that promoting Diversity, Equity and Inclusion as an organization will lead to business development that is more attractive, competitive, and innovative. Therefore, it is our aim to provide challenging work to diverse people regardless of gender, disability, nationality, or race, and achieve professional and sustainable growth.

Diversity and Equal Opportunity

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

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/diversity/woman.html>

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

(1) Application of the position-based wage system

We have introduced a global-scale human resources system that enables the placement of the right person in the right position at a global level. Based on common Group standards, a personnel system where each employee is rewarded according to their achievements has been established, and effort is being made to foster a corporate culture where diverse types of human resources of different nationalities, ages and genders can have an active role. In April 2023, application of the position-based wage system was expanded to all employees in Japan, where treatment is determined by the size and performance of the job rather than the person’s years of service in the company or age. The Olympus Group endeavors to provide fair and appropriate employment, skill development, and promotion opportunities in order to help each employee be in a position to demonstrate their full potential. To

promote active participation by women, the Olympus Group is also working on development management training for candidates so that more women can be appointed to management positions.

(2) Human resource development

The Olympus Group believes that it is important to ensure that each employee has a deep understanding of the Olympus Group's common philosophy and values and that highly specialized personnel are placed in the right places on a global basis. To achieve this, we conduct activities to instill our philosophy and values, and develop skills training programs and similar initiatives. We have defined the duties required to carry out our corporate strategy, introduced a globally common talent management system, and started operation of the successor development plan starting from the most important positions. We are also working to develop a system that will enable diverse personnel, regardless of nationality, gender, etc., to play an active role and continue to demonstrate a high level of professionalism. To this end, we have established a global common leadership competency model and are putting in place programs to support demonstration of leadership. This program aims to foster a culture and develop human resources so that employees keep performing at a high level.

For details on initiatives on ensuring diversity other than those mentioned above, please refer to “[Ensuring diversity]” on pages 27 and 28 of this report.

[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 “Supporting cutting-edge medical procedures. Helping make people feel safer and more secure. Through our business activities, we aim to contribute to global society by making these things happen. This is the purpose of our existence.” that is 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 a guideline for achieving our Corporate Philosophy of “Making people’s lives healthier, safer, and more fulfilling,” our group has set three priorities, which are “patient safety and sustainability,” “innovation for growth,” and “improving productivity.” In May 2023, our new management strategy, “Beyond Transformation -Growing as a Global medtech Company-” was announced. In formulating this management strategy, the Olympus Group was able to identify four key drivers that help to improve patient experience and treatment outcomes as sources of value for supporting long-term, sustainable growth.

[Four Key Drivers]



With the change in global population dynamics and an increase in the occurrence of diseases, needs for solutions for diseases which the Olympus Group focuses on have been growing. Accordingly, we will continue to focus on targeted disease states contributing to improvements in the medical standard and provide solutions available worldwide as a global company.



In the Olympus Group’s focused areas and the related areas with expected strong growth, we will continuously enhance our product portfolio through opportunities for tuck-in M&As and contribute to improving patients’ outcome by providing comprehensive solutions. \* M&A for complementing and building up businesses matching our existing portfolio

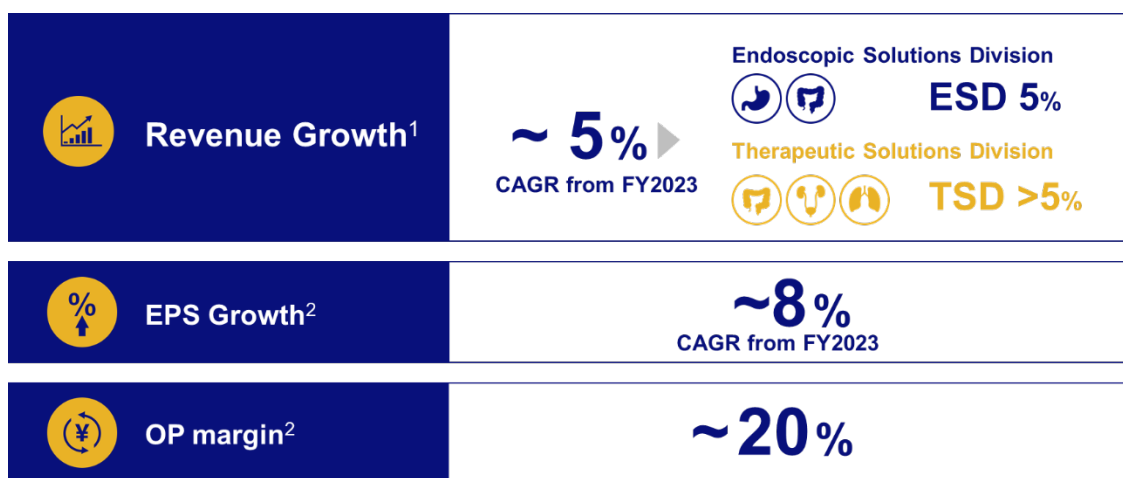


In the care pathway covering early detection and diagnosis, stage classification, treatment, and follow-up care, we will improve the experience of patients and healthcare professionals and provide access to healthcare to more patients through solutions of the Olympus Group to improve quality of care and outcomes.



By utilizing market advantages of the Olympus Group and creating an intelligent endoscopy ecosystem using AI technologies, we will realize four healthcare purposes (improving patients' outcome, improving patients' experience, improving healthcare professionals' experience, and reducing medical costs) and open new era of gastrointestinal endoscopes.

In the future, we will focus on both growth and profitability, aiming at a revenue CAGR of about 5%, operating margin of about 20% every year, and an EPS CAGR of about 8% for the fiscal years ending March 31, 2024, 2025 and 2026.



<sup>1</sup> constant currency basis  
<sup>2</sup> Adjusted for extraordinary items  
 - Exclude "Other income / expenses"  
 - No adjustment will be made for the impact of exchange rate fluctuations; actual exchange rate will be used

The Olympus Group will achieve its goal through a long-term approach, along with rigid and thorough financial management, while strengthening the foundation of management and maintaining growth and profitability. Through this, we aim to become a company highly evaluated from all stakeholders including patients, healthcare professionals, and regulatory authorities from all aspects such as quality of human resources and products, value proposition, and innovation.

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

(Action to Implement Management That Is Conscious of Cost of Capital and Stock Price) (Disclosed in English)

Olympus has made its compensation system that is conscious of stock price by adopting relative TSR and EPS growth rate for indicators of executive officer compensation, etc., and manages its business based on its own cost of capital and profitability such as analysis and evaluation of the current situation and discussion of issues for improvement in the Board of Directors. In addition, Olympus actively conduct constructive interactions with shareholders for the purpose of our continuous development and improvement of mid- to long-term corporate value. Details have been disclosed in annual securities report and integrated report.

Annual Securities Report For the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

[https://www.olympus-global.com/ir/data/pdf/annual155PA\\_en.pdf](https://www.olympus-global.com/ir/data/pdf/annual155PA_en.pdf)

Integrated Report For the Fiscal Year Ended March 31, 2023

<https://www.olympus-global.com/ir/data/integratedreport/2023.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 in Attachment 1 of this report.

(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 a 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. Organizational Composition and Operation [Compensations 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 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 Attachment 2 “Directors Skills Matrix”).

Notice Regarding the Convocation of the General Meeting of Shareholders For the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

[https://www.olympus-global.com/ir/stock/pdf/meetingFY2023\\_01.pdf](https://www.olympus-global.com/ir/stock/pdf/meetingFY2023_01.pdf)

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

<Initiatives on sustainability>

Based on our Corporate Philosophy, the Olympus Group identifies the important ESG areas and initiatives (materiality items) on which we should focus and strives to resolve various social issues through our business.

By means of the new management system that was launched in April 2023, the Olympus Group will continue working toward the realization of a sustainable society by strengthening efforts to address ESG materiality. Based on a review of our existing ESG strategy, we have positioned ESG as a priority item in the new management strategy announced on May 12, 2023, and we will continue to work on strengthening compatibility and consistency between ESG strategies and management strategies, business strategies and functional strategies.

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

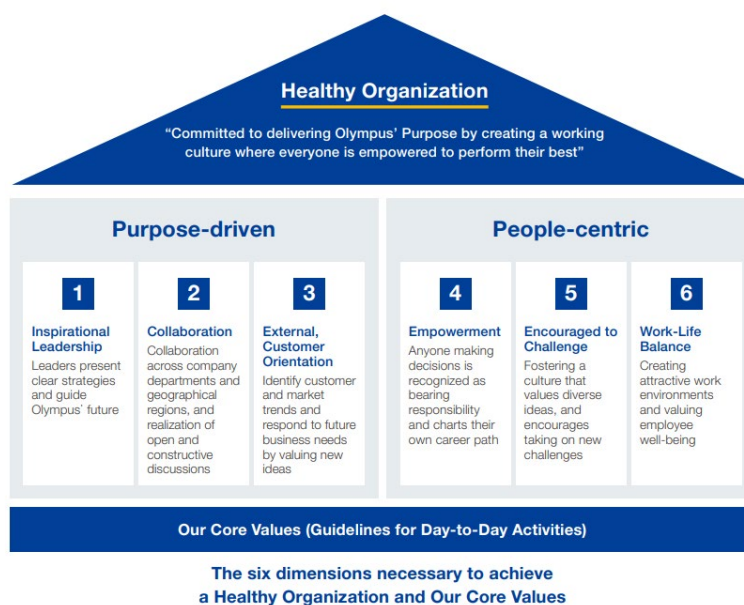
Sustainability

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

<Investments in human capital>

A healthy organizational culture and leaders who support it are important factors in achieving management strategies.

Our goal is to realize a healthy organizational culture, which we defined as “Committed to delivering Olympus’ Purpose by creating a working culture where everyone is empowered to perform their best.” We have concluded that there are six elements necessary for creating this culture. The Olympus Group is currently promoting initiatives globally for improving these six elements.



We disclose personnel-related initiatives on Olympus’s website.

Sustainability

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

In May 2023, we also started operation of a global personnel data base for the unified collation of data concerning the human resources of the Olympus Group that enables monitoring.

<Investments in intellectual properties>

We are making proactive and strategic investments based on a global perspective that fits with our management strategy. We are concentrating on patent applications in the medical field by efficiently applying for patents in harmony with the strategic importance of this field. While the Olympus Group's aim is to be a truly global medtech company, we are also making effort to analyze our competitors, and are predicting the strength of future patents through our proprietary machine learning tools. This makes it possible to evaluate the Olympus Group's patent portfolio in real time and concentrate efforts on high-quality patent applications. We are actively filing applications in markets with high potential in addition to major markets, while also keeping an eye on future growth as we carry out our activities. The Group is also strategically securing broader patent protection as we consider the emergence of new technologies and business models, along with the possibility of future litigation. By comparing the patents, the Olympus Group holds with our strategy, we are able to select those that optimize maintenance costs.

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

The Olympus Group is working to reduce the impact that the entire value chain has on the environment, including product development, procurement, manufacturing, distribution, sales, and repair. The Olympus Group is also using scenario analysis to identify risks and opportunities related to climate change in the short, medium, and long term. Although there will be some impact of climate change risks on the Olympus Group's strategy and financial plans, the degree of impact will be limited. At the same time, we will continue to develop eco-friendly products based on energy saving, etc., by viewing the growing need for products that help reduce CO2 as an opportunity related to climate change. The products of the Olympus Group are compact and consume little energy when used. Therefore, since climate change has little impact on demand for products and services, we also recognize it does not have a major impact on business activities.

We also announced our endorsement of the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) in May 2021. We disclose our Group's climate change-related initiatives which is in line with the TCFD framework on our website and in integrated reports.

Environmental Policy and Strategy

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

Integrated Report

<https://www.olympus-global.com/ir/data/integratedreport/2022.html>

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

We clearly separate the monitoring function from the executional function of management as a company with Nominating Committee, etc. to accelerate decision making in the execution of duties, to strengthen governance and further increase the transparency.

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 monitoring, 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. "Organizational Composition and Operation," sub-section "Matters Concerning Independent Directors." 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 Attachment 1 "Basic Policy on Corporate Governance," sub-section "5. Responsibility of the Board of Directors, etc." of this report.

[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 Attachment 1 "Basic Policy on Corporate Governance," sub-section "5. Responsibility of the Board of Directors, etc." of this report

As for the composition of the Board of Directors, of 13 directors, ten are independent outside directors to ensure the effectiveness and diversity of the Board of Directors functioning as a monitoring board. In addition, of 13 directors, five have a citizenship other than Japanese nationality, and two are females. 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 (page 12 and Attachment "Skill Matrix of Directors").

Notice Regarding the Convocation of the General Meeting of Shareholders For the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

[https://www.olympus-global.com/ir/stock/pdf/meetingFY2023\\_01.pdf](https://www.olympus-global.com/ir/stock/pdf/meetingFY2023_01.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, 2023 (from April 1, 2022 to March 31, 2023)

[https://www.olympus-global.com/ir/stock/pdf/meetingFY2023\\_01.pdf](https://www.olympus-global.com/ir/stock/pdf/meetingFY2023_01.pdf)

Annual Securities Report For the Fiscal Year Ended March 31, 2022 (from April 1, 2022 to March 31, 2023)

<https://www.olympus.co.jp/ir/data/pdf/annual155PA.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, and a summary of the results is disclosed. 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, directors have discussed to identify areas for improvement to further enhance the effectiveness of the Board of Directors and the legally defined committees (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 FY2023 (June 2022 to June 2023)]

In the Board of Directors Evaluation during the term of office of directors (conducted from February to June 2023), the following points have been set as main objectives.

- To measure the effectiveness of the activities for the effectiveness improvement initiatives determined in the Board of Directors Evaluation during the term of office of directors in FY2022 (the summary of the results was released in June 2022)
- To review the period (fiscal year 2021 to 2023) covered by the Corporate Strategy announced in November 2019 pursuant to the corporate transformation plan "Transform Olympus," to confirm the activities and progresses to strengthen governance and improve transparency in the past, and aim to promote "activities of the Board of Directors to further enhance the effectiveness" as a Board of global MedTech company in facilitating the "New Corporate Strategy."

• Evaluation method

The evaluation was conducted through a questionnaire for Directors (12 people), and discussion by Directors based on the result of the questionnaire. The questionnaire was used to measure the effectiveness of the Board of Directors' progress in effectiveness improvement initiatives that were determined during the term of office of directors in FY2022 and to confirm the achievements and challenges of initiatives to improve governance to date. To ensure objectivity, the questionnaire was conducted based on the knowledge of external consultants. Based on the results of the questionnaire, discussion was held to obtain frank opinions of Directors on current evaluation, its strength and future issues related to the Board of Directors. External consultants facilitated the discussion to objectively organize the issues and support the discussions. Subsequently, in the Board of Directors meeting, necessary efforts to improve the effectiveness of the Board of Directors have been shared based on the findings of the analyses based on the discussion.

• Summary of evaluation results

As a result of the analysis and evaluation, it was generally positively evaluated that steady progress had been made with respect to the following initiatives that received the evaluation of the Board of Directors in the last fiscal year: Proper narrowing down of agenda; optimization centered on the evolution of reporting on the status of execution into a global MedTech company, and the strengthening of liaison between the Nominating/Compensation/Audit Committees and the Board of Directors.

In addition, Olympus Board of Directors confirmed that the Board of Directors have defined the "responsibilities" and a "culture to be sustained" had been fostered, with affirming the achievement that concrete efforts had been made to strengthen corporate governance. The current members of the Board of Directors agreed with the definitions of "responsibilities" and "culture" established by the Board of Directors in the past and formed a consensus that they should be sustained among the members. In addition, a consensus was formed that the Board of Directors should continue to examine its structure and operations to further contribute to the enhancement of corporate value, while sustaining the practice of corporate governance reform to date.

• Future initiatives

In order to fulfill its "responsibilities," the Olympus Board of Directors will continue to sustain its culture while strengthening the following initiatives to further improve the effectiveness of the Board of Directors.

- (1) Enhanced monitoring by the Board of Directors on Quality Assurance and Regulatory Affairs (QA&RA)
- (2) Activities of the Board of Directors to effectively supervise management decision-making and execution from a strategic and broad perspective
- (3) Initiatives to continuously improve the operations of the Board of Directors (Further improve the quality of presentations from the executives, reconfirm the Board of Directors' pre-briefing method, and the creation of opportunities for "bridging" among board members and between board members and executive members)

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\\_2023.pdf](https://www.olympus-global.com/company/governance/pdf/effectiveness_of_board_of_directors_2023.pdf)

\*The “responsibilities” were defined in the Board of Directors Evaluation during the term of office of directors in FY2021 (released in June 2021), and the “culture to be sustained” was identified the Board of Directors Evaluation during the term of office of directors in FY2022 (released in June 2022). The details are published on our website above.

[Supplementary principle 4-14-2 Training for directors]

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., and business study sessions such as briefing sessions, product demonstrations, and technical result presentations. By having meetings with newly appointed Directors and Executive Officers, etc., the Olympus Group is also promoting understanding of concepts for handling and recognizing issues, and providing support to deepen understanding of the roles and responsibilities of Company Directors. We will also provide support including covering costs for gaining the necessary knowledge to carry out their duties as a Director.

[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,” in Attachment 1 of this report.

## 2. Capital Structure

Foreign shareholding ratio	30% or more
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### [Status of Major Shareholders]

Name	Number of shares held (shares)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	259,260,800	20.68
Custody Bank of Japan, Ltd. (trust account)	96,219,200	7.68
JP MORGAN CHASE BANK 385632	81,646,548	6.51
SSBTC CLIENT OMNIBUS ACCOUNT	52,109,662	4.16
SMBC Trust Bank Ltd. (Olympus shares in Sumitomo Mitsui Banking Corporation’s retirement benefit trust account)	39,509,300	3.15
Nippon Life Insurance Company	21,258,572	1.70
STATE STREET BANK WEST CLIENT - TREATY 505234	21,097,112	1.68
MUFG Bank, Ltd.	17,522,344	1.40
JP MORGAN CHASE BANK 385781	16,538,901	1.32
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS	16,043,055	1.28

Name of controlling shareholder, if applicable (excluding parent companies)	-----
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Name of parent company, if applicable	None
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Supplementary explanation
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### 3. Corporate Attributes

Listed Stock exchange and market division	Tokyo Stock Exchange, Prime Market
Fiscal year-end	March
Business sector	Precision instruments
Number of employees (consolidated) as of the end of the previous fiscal year	1,000 or more
Net sales (consolidated) in the previous fiscal year	100 billion yen or more to less than 1 trillion yen
Number of consolidated subsidiaries as of the end of the previous fiscal year	100 or more to less than 300

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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### 5. Other Special Circumstances Which May Have a Material Impact on Corporate Governance

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## II Business Management Organization and Other Corporate Governance Systems Regarding Decision-Making, Execution of Business, and Monitoring

### 1. Organizational Composition and Operation

Corporate governance system	A company with Nominating Committee, etc.
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#### [Directors]

Number of directors stipulated in the Articles of Incorporation	15
Directors' term of office stipulated in the Articles of Incorporation	1 year
Chairperson of the board	Outside director
Number of directors	13

#### [Outside Directors]

Number of outside directors	10
Number of independent directors	10

Outside directors' relationship with the company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Sumitaka Fujita	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												
Tatsuro Kosaka	From another company												
Luann Marie Pency	From another company												

\* 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

Outside directors' relationship with the company (2)

Name	Membership of committee			Designation as independent officer	Supplementary explanation of the relationship	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 an Outside Director and Outside Auditor at several other companies and his experience as the Chairperson of the Japan Association for Chief Finance Officers. Since he assumed the post of Outside Director of Olympus in April 2012, he has been giving guidance/advice regarding the business management of Olympus. In addition, he contributed to the development of a transparent director compensation system as Chairperson of the Compensation Committee, which was established voluntarily. Since June 2018, he has been leading the Board of Directors as Chairperson of the Board. After the transition to a Company with a Nominating Committee, etc. in June 2019, he monitored business execution of Olympus at the Board of Directors as well as continuing to serve as Chairperson of the Board, and as Chairperson of the Nominating Committee, he facilitated decisions regarding the contents of the agenda for election of Directors. Olympus expects that Outside Directors will monitor 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. From the above, Olympus has determined that he is an indispensable person for the composition of the Board of Directors and nominated him. In addition, Olympus 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 "Criteria for Independence of Outside Officers" stipulated by Olympus.
Yasumasa Masuda			○	○	There is no fact that falls under attribute information.	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 he assumed the post of Director of Olympus in June 2018, he has been giving guidance/advice regarding the business management of Olympus at meetings of the Board of Directors and the Nominating Committee. After the transition to a Company with a Nominating Committee, etc. in June 2019, he monitored business execution of Olympus at

Name	Membership of committee			Designation as independent officer	Supplementary explanation of the relationship	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
						<p>the Board of Directors, and as a member of the Nominating and Compensation Committees, he facilitated decisions regarding the contents of the agenda for election of Directors and regarding executive compensation. In addition, he has been promoting the audit of the execution of duties by the Executive Officers and Directors of Olympus as Chairperson of the Audit Committee since June 2021. Olympus expects that Outside Directors will monitor 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. From the above, Olympus has determined that he is an indispensable person for the composition of the Board of Directors and nominated him.</p> <p>In addition, Olympus 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 “Criteria for Independence of Outside Officers” stipulated by Olympus.</p>
David Robert Hale				○	There is no fact that falls under attribute information.	<p>Mr. David Robert Hale is a Partner of ValueAct Capital Management L.P., one of Olympus’s 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 he assumed the post of Director of Olympus in June 2019, he has been giving guidance/advice regarding the business management of Olympus at meetings of the Board of Directors. In addition, as a member of the Nominating Committee, he facilitated decisions regarding the contents of the agenda for election of Directors. Olympus expects that Outside Directors will monitor 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. From the above, Olympus has determined that he is an indispensable person for the composition of the Board of Directors and nominated him.</p> <p>In addition, Olympus 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 “Criteria for Independence of Outside Officers” stipulated by Olympus.</p>

Name	Membership of committee			Designation as independent officer	Supplementary explanation of the relationship	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
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 he assumed the post of Director of Olympus in June 2019, he has been giving guidance/advice regarding the business management at meetings of the Board of Directors. In addition, he has participated in decisions on executive compensation as a member of the Compensation Committee. Olympus expects that Outside Directors will monitor 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. From the above, Olympus has determined that he is an indispensable person for the composition of the Board of Directors and nominated him. Moreover, we have determined that he will contribute to achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term, as well as fulfilling Olympus's aim of enhancing the internationality and diversity of the Board of Directors as a global medtech company. In addition, Olympus 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 "Criteria for Independence of Outside Officers" stipulated by Olympus.</p>
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. She also possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus through her experience as an Outside Director and Outside Auditor at several other companies and her experience as Statutory Auditor of The Board Director Training Institute of Japan. Since she assumed the post of Director of Olympus in June 2021, she has been giving guidance/advice regarding the business management of Olympus at meetings of the Board of Directors. In addition, she has promoted the audit of the execution of duties by the Executive Officers and Directors of Olympus as a member of the Audit Committee. Olympus expects that Outside Directors will monitor 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. From the above, Olympus has determined that she is an</p>

Name	Membership of committee			Designation as independent officer	Supplementary explanation of the relationship	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
						<p>indispensable person for the composition of the Board of Directors and nominated her.</p> <p>In addition, Olympus 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 “Criteria for Independence of Outside Officers” stipulated by Olympus.</p>
Yasushi Shingai		○		○	There is no fact that falls under attribute information.	<p>Mr. Yasushi Shingai possesses extensive experience and diverse knowledge as a business manager at Japan Tobacco Inc. He also possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus through his experience as an Outside Director at several other companies, combined with his professional knowledge beyond corporate finance regarding acquisition of global companies as well as post-acquisition management and governance, in addition to his extensive experience as a business manager of an overseas business headquarters company of the Japan Tobacco Group. Since he assumed the post of Director of Olympus in June 2022, he has been giving guidance/advice regarding the business management of Olympus at meetings of the Board of Directors. In addition, as a member of the Nominating Committee and the Compensation Committee, he facilitated decisions regarding the contents of the agenda for election of Directors and decisions regarding executive compensation. Olympus expects that Outside Directors will monitor 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. From the above, Olympus has determined that he is an indispensable person for the composition of the Board of Directors and nominated him.</p> <p>In addition, Olympus 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 “Criteria for Independence of Outside Officers” stipulated by Olympus.</p>
Kohei Kan			○	○	There is no fact that falls under attribute information.	<p>Mr. Kohei Kan has extensive experience and diverse knowledge as Chief Executive Officer of Deloitte Touche Tohmatsu LLC, in addition to his extensive experience and diverse knowledge as a certified public accountant. He also possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus given that he has experience working abroad and experience as person in charge of auditing and assurance businesses overseas at the aforementioned company with a global perspective. In addition, he currently serves as a board member of the</p>

Name	Membership of committee			Designation as independent officer	Supplementary explanation of the relationship	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
						<p>International Federation of Accountants. Since he assumed the post of Outside Director of Olympus in June 2022, he has been giving guidance/advice regarding the business management of Olympus at meetings of the Board of Directors. In addition, he has promoted the audit of the execution of duties by the Executive Officers and Directors of Olympus as a member of the Audit Committee. Olympus expects that Outside Directors will monitor 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. From the above, Olympus has determined that he is an indispensable person for the composition of the Board of Directors and nominated him.</p> <p>In addition, Olympus 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 “Criteria for Independence of Outside Officers” stipulated by Olympus.</p>
Gary John Pruden	<input type="radio"/>			<input type="radio"/>	There is no fact that falls under attribute information.	<p>Mr. Gary John Pruden has over 30 years of global business experience and extensive experience and knowledge as a business manager at Johnson &amp; Johnson Group, one of the world’s leading companies in the healthcare industry. He also has experience as an Outside Director of several U.S. companies. Since he assumed the post of Outside Director of Olympus in June 2022, he has been giving guidance/advice regarding the business management of Olympus at meetings of the Board of Directors. In addition, as a member of the Compensation Committee, he facilitated decisions regarding executive compensation. Olympus expects that Outside Directors will monitor 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. From the above, Olympus has determined that he is an indispensable person for the composition of the Board of Directors and nominated him. Moreover, we have determined that he will contribute to achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term, as well as fulfilling Olympus’s aim of enhancing the internationality and diversity of the Board of Directors as a global medtech company.</p> <p>In addition, Olympus 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</p>

Name	Membership of committee			Designation as independent officer	Supplementary explanation of the relationship	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
Tatsuro Kosaka	○			○	There is no fact that falls under attribute information.	and the “Criteria for Independence of Outside Officers” stipulated by Olympus.  Mr. Tatsuro Kosaka has extensive experience and diverse knowledge as a top manager in the healthcare industry at CHUGAI PHARMACEUTICAL CO., LTD. He also possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus through his experience as an Outside Director and Outside Auditor at several other companies, together with his global corporate management experience at Chugai Pharmaceutical Co., Ltd. Additionally, he currently serves as Vice Chairperson of the Board of Councilors at KEIDANREN (Japan Business Federation). Olympus expects that Outside Directors will monitor 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. From the above, Olympus has determined that he is an indispensable person for the composition of the Board of Directors and nominated him. In addition, Olympus 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 “Criteria for Independence of Outside Officers” stipulated by Olympus.
Luann Marie Pendy		○		○	There is no fact that falls under attribute information.	Dr. Luann Marie Pendy has extensive experience and diverse knowledge through her work with Medtronic plc., one of the world’s leading companies in the healthcare industry, as well as with several other companies. In particular, she also possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus through her experience in the areas of Quality Assurance and Regulatory Affairs (QA&RA), as well as her experience on quality-related committees. Olympus expects that Outside Directors will monitor 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. From the above, Olympus has determined that she is an indispensable person for the composition of the Board of Directors and nominated her. Moreover, we have determined that she will contribute to achieving sustainable growth of Olympus and enhancing corporate value over the medium to long term, as well as fulfilling Olympus’s aim of enhancing the internationality and diversity of the Board of Directors as a global medtech company. In addition, Olympus considers that there is no risk of conflicts of interest with general

Name	Membership of committee			Designation as independent officer	Supplementary explanation of the relationship	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
						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 “Criteria for Independence of Outside Officers” stipulated by Olympus.

### [Supervisory Committees]

#### Committee Compositions and Chairperson Attributes

	Total number of members	Number of full-time members	Number of internal directors	Number of outside directors	Chairperson
Nominating Committee	4	0	1	3	Outside director
Compensation Committee	3	0	0	3	Outside director
Audit Committee	4	1	1	3	Outside director

### [Executive Officers]

Number of Executive Officers 10

#### Status of concurrent duties

Name	Representative authority	Concurrent position as director			Concurrent position as employee
			Nominating Committee member	Compensation Committee member	
Yasuo Takeuchi	Yes	Yes	×	×	No
Stefan Kaufmann	Yes	Yes	○	×	No
Frank Drewalowski	No	No	×	×	No
Gabriela Kaynor	No	No	×	×	No
Chikashi Takeda	No	No	×	×	No
Nacho Abia	No	No	×	×	No
Tetsuo Kobayashi	No	No	×	×	No
Andre Roggan	No	No	×	×	No
Shigeto Ohtsuki	No	No	×	×	No
Pierre Boisier	No	No	×	×	No

### [Auditing Structure]

Appointment of directors and/or staff to support 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 and 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.

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Cooperation among Audit Committee, accounting auditors and internal audit department

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To improve the effectiveness of internal audit functions and promote organizational audits, Olympus has established a dual reporting line where the internal audit function reports directly to the Chief Executive Officer (CEO) and the Audit Committee about the implementation status and results of internal audits, as well as results of evaluations on the development and operation of internal controls. When the internal audit plan is being formulated, the Audit Committee confirms the plan to make sure it is consistent with the perspective of the Audit Committee. Moreover, the internal audit function works closely with the accounting auditor and shares information on audit plans and audit results. The Audit Committee confirms the effectiveness of each risk management, control, and governance process under the supervision of Executive Officers by giving instructions to the internal audit function and regularly hearing reports on J-SOX and internal audit results, etc.

### [Matters Concerning Independent Directors]

Number of independent directors	10
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Other matters concerning independent directors

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

[Policy on independence of Outside Officers]

Olympus has established its “Criteria for Independence of Outside Officers” as described below in order to clarify its policy on the independence of Outside Officers:

[Criteria for Independence of Outside Officers]

- 1) In any of the past 10 fiscal years, the Outside Officer has not directly received more than ¥10 million in remuneration (excluding remuneration from Olympus to Officers) or other assets from Olympus and Olympus’s affiliates (hereinafter, collectively the “Group”). If the Outside Officer is a consultant, accounting expert or legal expert, the organization to which he or she belongs has not received more than ¥10 million in remuneration or similar from the Olympus Group.
- 2) During the past ten-year period, the Outside Officer has not been an Executive Director, executive officer, Corporate Officer or employee of the rank of General Manager or above at a company that falls under the following categories.
  - (1) In any of the past 10 fiscal years, the monetary amount of the relevant company’s transactions with the Olympus Group has been more than 2% of the consolidated revenue of either Olympus or the Olympus Group
  - (2) The relevant company is a principal shareholder of Olympus (holding more than 5% of the total number of voting rights of Olympus directly or indirectly; the same shall apply hereinafter).
  - (3) The Olympus Group is a principal shareholder of the relevant company
  - (4) The relevant company has substantive interests in the Olympus Group (as a 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 Outside Officer is not financially dependent on a person who falls under the categories of 1. or 2. above.
- 4) The Outside Officer is not a spouse of, or a relative within the third degree of kinship of, a Director, Executive Director, Corporate Officer or employee of the rank of General Manager or above at the Olympus Group.
- 5) The Outside Officer does not belong to an auditing firm that conducts statutory audits of the Olympus Group.
- 6) In addition to each of the above items, the Outside Officer does not have any significant interest that casts doubt on his or her independence.

### [Incentives]

Implementation status of measures related to incentives granted to directors and/or executive officers	Introduction of a performance linked compensation system
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Supplementary explanation of relevant items

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

Persons eligible for stock options

Supplementary explanation of relevant items

### [Compensations for Directors and Executive Officers]

Status of disclosure of individual executive officer’s compensation

Individual compensation is partially disclosed

Supplementary explanation of relevant items

We have disclosed the following compensation results for directors and executive officers for the fiscal year ended March 31, 2023 in its business report and annual securities report.

<Compensation, etc. for the fiscal year ended March 31, 2023>

(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	1,094	531	190	373	3
	Outside	192	151	-	41	11
	Total	1,286	682	190	414	14
Executive Officer		1,122	570	223	329	4

Notes:

1. Basic compensation includes the amount paid in the fiscal year ended March 31, 2023, and performance-linked compensation, which is a short-term incentive, and non-monetary compensation, which is a long-term incentive, include the amounts recorded as expenses in the fiscal year ended March 31, 2023. Performance-linked stock compensation (PSU: Performance Share Unit) of 387 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 four 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, 2022 held on June 24, 2022.
5. One outside director has requested to decline his compensation and the Compensation Committee has decided not to 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

The total amount of 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	381	92	81	209
Stefan Kaufmann	Director, Executive Officer	734	468	109	157
Chikashi Takeda	Executive Officer	123	33	32	58
Nacho Abia	Executive Officer	344	80	99	164
André Roggan	Executive Officer	230	117	60	53

Notes:

1. The “Basic compensation” in the table above includes the amount paid in the fiscal year ended March 31, 2023. “Performance-linked compensation, etc.” includes the amount of short-term incentive compensation with the fiscal year ended March 31, 2023 as the evaluation period and “Non-monetary compensation, etc.” includes the amount of long-term incentive compensation with the fiscal year ended March 31, 2023 as a part of the evaluation period (subsequent grant-type restricted stock compensation and performance-linked stock compensation), both of which are recorded as expenses in the fiscal year under review. Amounts recorded for performance-linked stock compensation are not included in “Performance-Linked Compensation, etc.”

2. Stefan Kaufmann, Andre Roggan and Nacho Abia have employment contracts with overseas subsidiaries and the “Basic compensation” amount in the above table includes various allowances and welfare benefits provided under such employment contracts for three of them.

3. Stefan Kaufmann and Andre Roggan are executive officers of our company having office for execution in Japan and their principle place of residence is Japan, while belonging to an overseas subsidiary. We make the necessary adjustments to ensure that their tax burden for income taxes is consistent with that of the residents of the belonging country. The amount of taxes, etc. incurred in connection with such treatment is also included in the amount shown under “Basic compensation” in the table above. In addition, unsettled taxes that are temporarily incurred in the relevant country and for which a refund is to be requested (Stefan Kaufmann: 216 million yen, Andre Roggan: 30 million yen) are not included in the compensation of the table above.

(3) Short-term incentive compensation, for which the evaluation period was the fiscal year ended March 31, 2023 (FY2023-STI)

Evaluation indicators and composition ratios for short-term incentive compensation (STI) for the fiscal year ended March 31, 2023 were: Revenue = 30%, Operating profit margin = 40%, and Strategic goals = 30%.

i. Revenue: 30%

Initially, we set the target of revenue according to the “next term outlook” of the financial statements for the fiscal year ended March 2022, however, pursuant to the decision to transfer the Scientific Solutions business it was confirmed that it will become discontinued operations, the Compensation Committee has made a resolution to define the target to the revenue of continuing operations on March 23, 2023. For achieving 100% of the target, 100% will be paid, and the payment rate will be from a lower limit of 0% to an upper limit of 200%. If Revenue (X) exceeds the target, for the payment rate of between 100% and 110% payment, it is calculated as  $\text{Payment rate} = 100 + (X - 8,300) * 10/162$ , and for the payment rate between 110% and 200% payment, it is calculated as  $\text{Payment rate} = 110 + (X - 8,462) * 90/337$ . If Revenue (X) is below the target, the pay rate between 50% and 100% payment is calculated as  $\text{Payment rate} = 50 + (X - 7,981) * 50/319$ .

ii. Operating profit margin: 40%

We set the target of operating profit margin according to the “next term outlook” of the financial statements for the fiscal year ended March 2022, however, the Compensation Committee has made a resolution to define the target to the operating profit margin of continuing operations on March 23, 2023. For achieving 100% of the target, 100% will be paid, and the payment rate will be from a lower limit of 0% to an upper limit of 200%. If Operating profit margin (Y) exceeds the target, for the payment rate of between 100% and 110% payment, it is calculated as  $\text{Payment rate} = 100 + (Y - 21.4) * 10/1.9$ , and for the payment rate between 110% and 200% payment, it is calculated as  $\text{Payment rate} = 110 + (Y - 23.3) * 90/0.2$ . If Operating profit margin (Y) is below the target, the pay rate between 50% and 100% payment is calculated as  $\text{Payment rate} = 50 + (Y - 20.1) * 50/1.3$ . If Operate profit margin is less than 20.1%, the Payment rate is 0%.

iii. Strategic goals: 30%

Matters related to the following “Materiality Topics to be Addressed Company-Wide” were determined for the fiscal year ended March 31, 2023, and were presented at the financial results briefing for the fiscal year ended March 31, 2022 that was held on May 11, 2022, which were then set as common goals for all executive officers. Payment with a lower limit of 0% to an upper limit of 200% was determined according to the achievement degree for each target.

- Focus on diseases on which we can have a market leading impact
- Shape the future by investing in new ways to elevate the standard of care
- Enable our organization to better execute globally and at a pace

Short-term incentive compensation (STI)		Target value	Actual value	Achievement rate	Payment rate
Performance	Revenue (30%)	¥830.0 billion	¥832.8 billion	101.8%	30.54%

evaluation index	Operating profit margin (40%)	21.4%	20.0%	93.5%	0%
	Strategic goals (30%)	–	–	99.1%	29.73%

Notes:

1. Revenue: After foreign exchange adjustment
2. Operating profit margin: Calculated using operating profit after adjustment by deducting other income and expenses.

As a result of the above, the consolidated payment rate of each performance index was 60.3%. In addition, the payment amount was determined by multiplying this payment rate by the standard amount of short-term incentive compensation (STI).

(4) Long-term incentive compensation (FY2021-PSU), for which the fiscal year ended March 31, 2023 was set as the final year of the evaluation period

The target period was the three years from the fiscal year ended March 31, 2021 to the fiscal year ended March 31, 2023, with (1) operating profit, (2) ROIC, (3) EPS growth rate, (4) relative TSR, and (5) ESG set as performance indicators. The purpose was to stimulate the motivation to achieve the management strategy goals that were announced in November 2019 and to provide rewards for the results. Transfer of the imaging business was completed during this period, and the transfer of the scientific solutions business was completed on April 3, 2023. Therefore, the Compensation Committee decided to evaluate the results of continuing business operations by excluding these areas.

The following table summarizes the weight for each indicator, target values for 100% payment, results, and the payment rates based thereon.

Performance evaluation index	Weight	Target (100% payment)	Actual results	Payment rate	Payment rate
(1) Operating profit margin	40%	20%	20.0%	100%	129%
(2) ROIC	15%	20%	18.4%	80%	
(3) EPS growth rate	15%	25% (3-year average)	35.8%	200%	
(4) Relative TSR	20%	50%ile (Peer group)	58.8%ile	135.2%	
(5) ESG	10%	DJSI-index	World	200%	

Notes:

1. Operating profit margin, ROIC and EPS growth rate are adjusted results after other income and expenses have been deducted
2. (Operating profit margin payment rate %) = 50 \* (Operating profit margin result) - 900
3. (ROIC payment rate %) = (100 \* (ROIC Result) - 1,200) \* 1/8
4. (ESP growth rate payment rate %) = (100 \* EPS growth rate result - 1,800) / 7
5. (Relative TSR payment rate %) = 4 \* (Relative TSR result %ile) - 100
6. ESG payment rate: Determined from the DJSI-index for each fiscal year during the evaluation period. The following shows the results for each year of the DJSI-index, and the payment rate was 200%.  
FY2021 = Asia Pacific, FY2022 = World, FY2023 = World

The resulting payment rate was 129%, and the number of shares to be vested was calculated by multiplying this payment rate by the number of PSU units that have been granted to each executive officer.

(5) Stock compensation with units granted for the fiscal year ended March 31, 2023

Stock compensations with units granted for the fiscal year ended March 31, 2023 were as follows:

Type	Name	Eligible person	Date of granting unit	Total number of unit granted
subsequent grant-type restricted stock compensation (RSU)	FY2023-RSU	Non-executive Directors	June 24, 2022	20,142
		Executive Officers	April 1, 2022	209,304
performance-linked stock compensation (PSU)	FY2023-PSU	Executive Officers	April 1, 2022	313,960

Policy for determining compensation amounts and the calculation methods

Available

Disclosure content of policy for determining compensation amounts and the calculation methods

As a company with a Nominating Committee, etc., the Compensation Committee, majority of which is comprised of independent outside directors, considers and decides matters including the policy to determine individual compensation, etc., for directors and

executive officers, the compensation content, and matters related to compensation regulations. See Attachment 3 in this Report for details on the company's policy to determine individual compensation, etc., for directors and executive officers for the fiscal year ending March 31, 2024.

### [Support Systems for Outside Directors]

We established the “Secretary to the Board” 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 support the acquisition of knowledge about Olympus by providing training comprising visits to our major business bases such as business facilities and factories, etc., and business study sessions such as briefing sessions, products demonstrations, and technical result presentations. By having meetings with newly appointed Directors and executive officers, etc., the Olympus Group is also promoting understanding of executive thinking and awareness of issues, and providing support to deepen understanding of the roles and responsibilities of Company Directors. We will also provide support including covering costs for gaining the necessary knowledge to carry out their duties as a Director.

## 2. Matters Concerning Functions of Business Execution, Auditing and Monitoring, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)

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 monitoring, we are working to enhance our management speed and monitoring 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 of duties.

The following shows the composition of the Board of Directors and each committee.

Position	Name	Board of Directors	Nominating Committee	Compensation Committee	Audit Committee
Independent Outside Director	Sumitaka Fujita	◎	◎		
Independent Outside Director	Yasumasa Masuda	○			◎
Independent Outside Director	David Robert Hale	○			
Independent Outside Director	Jimmy C. Beasley	○		○	
Independent Outside Director	Sachiko Ichikawa	○			○
Independent Outside Director	Yasushi Shingai	○		◎	
Independent Outside Director	Kohei Kan	○			○
Independent Outside Director	Gary John Pruden	○	○		
Independent Outside Director	Tatsuro Kosaka	○	○		
Independent Outside Director	Luann Marie Pendy	○		○	
Director	Yasuo Takeuchi	○			
Director	Stefan Kaufmann	○	○		
Director	Toshihiko Okubo	○			○

Members are indicated by ○, and heads of organizations (Chairperson the Board of Directors or Chairperson) are indicated by ◎.

### [Board of Directors]

Purpose and Authority, etc.	<ul style="list-style-type: none"> <li>- The Board of Directors convenes at least 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.</li> <li>- The Board of Directors is chaired by an independent outside director. We expect that outside directors will monitor 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.</li> <li>- 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, reports or the submission of internal documents from internal directors, executive officers, corporate officers, and employees, so as to strengthen the functions of information transmission and monitoring and to create systems to ensure the soundness of management.</li> </ul>
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Considerations for the fiscal year ended March 31, 2023	<ul style="list-style-type: none"> <li>- Matters related to Olympus's basic management policies; e.g. corporate strategies, business plans, performance forecasts and Basic Policy on the Internal Control System, etc.</li> <li>- Matters related to Corporate Governance (Status report for each business, risk management, internal audit plan, status of quality control and information security efforts, status report on IR activities, evaluation of the effectiveness of the Board of Directors, executive structure for the next term, etc.)</li> <li>- 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.</li> </ul> <p>In addition to the above, the Chairperson of the Board of Directors reports on matters to be discussed at the meeting of the Group Executive Committee as necessary and the Board of Directors regularly receives status reports on the execution of duties from executive officers.</p>
Number of meetings held	16
Other activities	<ul style="list-style-type: none"> <li>- 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 monitoring management decision making and execution from a strategic and broad perspective, and (iii) supporting the promotion of strategies so Olympus can develop itself as a global medtech company, and it will exercise effective monitoring capabilities.</li> <li>- 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 Chairperson provides feedback on the details to the executive officers.</li> <li>- The Olympus Group is making efforts to improve the effectiveness of the Board of Directors including improvements based on the results of evaluations on the effectiveness of the Board of Directors regarding matters that should be discussed and reported at Board of Directors meetings.</li> </ul>

[Nominating Committee]

Purpose and Authority, etc.	<ul style="list-style-type: none"> <li>- The Nominating Committee deliberates 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.</li> <li>- The Nomination Committee shall consist of at least three members selected from among Directors by the Board of Directors, and the majority shall be independent outside directors. In addition, the chairperson shall be an independent outside directors.</li> </ul>
Considerations for the fiscal year ended March 31, 2023	<ul style="list-style-type: none"> <li>- In considering the plan for the composition of the Board of Directors, the Nominating Committee updated a matrix of the experience and knowledge required of our directors.</li> <li>- Regarding the selection of candidates for Directors, outside consultants were used, and deliberations and interviews were conducted according to the selection criteria after considering the composition of Olympus's Board of Directors.</li> <li>- Regarding the selection plan for executive officers, the Nominating Committee discussed their suitability and made decisions after a year-long evaluation and selection process.</li> <li>- Regarding the succession plan for executive officers, the Nominating Committee discussed whether the candidates possessed the desired experience and knowledge in accordance with expected roles in the execution of duties at Olympus.</li> </ul>
Number of meetings held	17

[Compensation Committee]

Purpose and Authority, etc.	<ul style="list-style-type: none"> <li>- The Compensation Committee considers matters related to compensation for Directors and executive officers, establishes the policy for the content of individual compensation, etc., and determines the details for compensation of each Director and executive officer according to this policy.</li> <li>- The Compensation Committee shall consist of at least three members selected from among Directors by the Board of Directors, and the majority shall be independent outside directors. In addition, the chairperson shall be an independent outside directors.</li> </ul>
Considerations for the fiscal year ended March 31, 2023	<ul style="list-style-type: none"> <li>- Details about compensation for Directors and executive officers were determined.</li> <li>- Details have been disclosed in annual securities reports. Annual Securities Report For the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023) <a href="https://www.olympus.co.jp/ir/data/pdf/annual155PA.pdf">https://www.olympus.co.jp/ir/data/pdf/annual155PA.pdf</a></li> </ul>
Number of meetings held	11

[Audit Committee]

Purpose and Authority, etc.	<ol style="list-style-type: none"> <li>1) Audits on how executive officers and Directors execute their duties, and preparing audit reports</li> <li>2) Determining proposal contents for appointing, dismissing, and refusing reappointment of the accounting auditor</li> <li>3) Other duties stipulated in laws and regulations and the Articles of Incorporation, and other matters determined to be necessary by the Audit Committee</li> </ol> <ul style="list-style-type: none"> <li>- The Audit Committee shall consist of at least three members selected from among Directors by the Board of Directors, and the majority shall be independent outside directors. In addition, the chairperson shall be an independent outside directors. At least one member shall have an extensive understanding of finance and accounting operations.</li> </ul>
Considerations for the fiscal year ended March 31, 2023	<ul style="list-style-type: none"> <li>- In addition to maintaining an independent position and fair and unbiased attitude and auditing and monitoring 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.</li> <li>- 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.</li> <li>- Details have been disclosed in annual securities reports.</li> </ul>

	Annual Securities Report For the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023) <a href="https://www.olympus.co.jp/ir/data/pdf/annual155PA.pdf">https://www.olympus.co.jp/ir/data/pdf/annual155PA.pdf</a>
Number of meetings held	25

Note: Attendance for individual directors and committee members at each meeting body is disclosed in annual securities reports.  
Annual Securities Report For the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)  
<https://www.olympus.co.jp/ir/data/pdf/annual155PA.pdf>

[Executive Officers]

Executive officers are comprised of the following ten persons: Executive Chairperson, President and Chief Executive Officer (CEO), Endoscopic Solutions Division Head, Therapeutic Solutions Division Head, Chief Financial Officer (CFO), Chief Strategy Officer (CSO), Chief Manufacturing and Supply Officer (CMSO), Chief Technology Officer (CTO), Chief Human Resources Officer (CHRO), and Chief Quality Officer (CQO), who accelerate and streamline the decision-making system in the Olympus Group and centrally manage risk management across the Olympus Group.

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

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. This limitation of liability applies only when the liability is the result of a director performing their duties in good faith and without gross negligence.

Furthermore, we have entered into directors and officers liability insurance agreements with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. Insured persons in this insurance agreements include officers and managerial employees of Olympus and its subsidiaries (in Japan and Asia), and insurance premiums are paid in full by Olympus. 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. However, the Olympus Groups takes measures to ensure that the proper execution of duties is not compromised by excluding damage claims resulting from criminal acts or acts performed with an awareness of legal violations not covered by insurance.

### 3. Reasons for Adoption of Current Corporate Governance System

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

1. Acceleration of management decision making and business execution functions

Functions are separated based on the basic principle of “separation of corporate monitoring 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 monitoring, and works to enhance management speed and monitoring 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 monitoring function in management

We will establish three committees as defined by law; 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 monitoring 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 Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize General Shareholder Meetings and Facilitate Exercise of Voting Rights

	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 send the convocation notice three weeks before the general meeting of shareholders. Additionally, a few days before the convocation notice is sent, electronic provision of the convocation notice will commence on our website, TDnet, website for posted informational materials for the general meeting of shareholders ( <a href="https://d.sokai.jp/7733/teiji/">https://d.sokai.jp/7733/teiji/</a> ) and the electronic voting rights exercise platform.
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 resolution notice is published on the electronic voting rights exercise platform and our website. In order to gain the understanding of shareholders, video and other presentation materials 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. Part of 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. Status of IR-related Activities

	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 when suitable.	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 (CEO), Chief Financial Officer (CFO), 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 CEO, CFO, or an IR officer visits overseas	Yes



	<p>institutional investors and also participates in overseas conferences held by securities companies when suitable.</p> <p>In addition, we also locate IR officers in the U.S. where many of our shareholders are located (second to Japan). We convene individual meetings as needed and participate in conferences held by securities companies convened in the U.S. when appropriate, excluding in the quiet period up until the day quarterly results are released.</p> <p>The Olympus Group ceased visiting overseas institutional investors in March 2020 due to the effects of COVID-19, and resumed such visits from November 2022. The CEO or CFO has held meetings in Europe, the United States, and Asia.</p>	
<p>Publication of IR materials on the Company website</p>	<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>	
<p>IR Department (Officer)</p>	<p>Officer in charge: Executive Officer, Chief Financial Officer Chikashi Takeda Department in charge: IR department.</p>	
<p>Other matters</p>	<p>[Providing IR Materials in English] Financial information (financial results, presentation materials, and numerical reference materials), relevant disclosure materials in addition to financial information, integrated reports, convocation notices for general meetings of shareholders, and medical fact books are disclosed in English. It is planned to disclose the securities report for the fiscal year ended March 31, 2023 in English.</p> <p>[Results of Interviews for the Fiscal Year Ended March 31, 2023] Number of interviews: 959 Officers (CEO, CFO, CAO, COO, Outside Directors, etc.): 113 IR Department: 846 (Number of interviews in the past three years for reference) Fiscal year ended March 31, 2022: 992 Fiscal year ended March 31, 2021: 888 Fiscal year ended March 31, 2020: 702 *CAO: Chief Administrative Officer *COO: Chief Operating Officer *Number is the total number of institutions where interviews were conducted</p> <p>[Status of Giving Feedback to Management and the Board of Directors] The IR Department makes regularly reports to the CEO and CFO about dialogue with analysts and institutional investors. Every six months, feedback is given at the Group Executive Committee and Board of Directors meeting about evaluations and concerns related to the capital market by means of an IR Activity Report. Management and the IR Department also work to improve IR activities including efforts to enhance dialogue and improve and widen disclosure materials by considering the opinions of analysts and institutional investors.</p> <p>The following shows the main concerns of analysts and institutional investors for the fiscal year ended March 31, 2023.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Impact of the lockdown, etc. in the Chinese market</li> <li><input type="checkbox"/> Impact of inventory and price increases with raw materials and components including semiconductors on performance</li> <li><input type="checkbox"/> Content of Warning Letter given by the U.S. Food and Drug Administration and Olympus's response</li> <li><input type="checkbox"/> Management indicators for the next management strategy</li> <li><input type="checkbox"/> Capital allocation and shareholder return policy</li> </ul>	

### 3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary explanations
<p>Regulations on the integration of stakeholder viewpoints based on internal regulations, etc.</p>	<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 all of our stakeholders including patients, medical professionals, business partners, shareholders, employees, local communities, and regulatory agencies.</p> <p>[ESG Strategy and Governance]            Through our Corporate Philosophy, the Olympus Group has identified areas of ESG (Environment, Society, Governance) and materiality topics on which to focus, and are working to resolve various social issues.</p> <p>While keeping the foundation and framework of the existing ESG strategy, after hearing the opinions of stakeholders, taking into account the expectations and requirements for sustainability required of companies by society in recent years, and considering trends in the medtech industry, during the fiscal year ended March 31, 2023, the Olympus Group has newly reorganized its usual “6 ESG Areas” and “25 Materiality Topics” into “6 Focus Areas,” under which we have identified and established “25 Materiality Topics.” These “6 Focus Areas” and “25 Materiality Topics” have been integrated into our management and business activities, and our goal is to contribute widely to the resolution of social issues through these activities. The Olympus Group considers ESG to be an important issue for becoming a competitive global medtech company and contributing to the realization of a sustainable society.</p> <p>[6 Focus Areas]</p> <ul style="list-style-type: none"> <li>- Healthcare Access and Outcome</li> <li>- Compliance, Product Quality and Safety</li> <li>- Responsible Supply Chain</li> <li>- Healthy Organization</li> <li>- Carbon Neutral Society and Circular Economy</li> <li>- Corporate Governance</li> </ul>
<p>Implementation of environmental protection activities, CSR activities, etc.</p>	<p>The Olympus Group has also decided to establish a new global governance system from April 2023. Under this new governance system, an “ESG Committee” is established that consists mainly of the heads of each business and each functional department to help promote the implementation and monitoring of ESG strategies. Theme-based working groups will be set up under this according to each theme that needs to be addressed across different functions for implementing strategies. The ESG Committee makes reports at Group Executive Committee and Board of Directors meetings on matters such as strategy implementation status, activity results, and issues. Based on instructions and advice gained from Group Executive Committee and Board of Directors meetings, the Olympus Group will properly implement ESG strategies under a proper governance system.</p> <p>Olympus uses the Dow Jones Sustainability Indices (DJSI), which is one of the world’s leading indices for evaluating corporate sustainability, as an index for our ESG activities. As a result, in December 2022, we were selected as a stock comprising “DJSI World” for the second year in a row and “DJSI Asia Pacific” for the fourth year in a row.</p> <p>[Environmental Conservation Activities]            The Olympus Group is working to reduce the impact that the entire value chain has on the environment, including product development, procurement, manufacturing, distribution, sales, and repair. Under the Chief Executive Officer (CEO) and Chief Human Resources Officer (CHRO), who take the lead in regards to environmental activities such as climate change, the Human Resources Head, who is in charge of EHS (Environment, Health, and Safety) functions, oversees the environmental activities of the entire Olympus Group.</p> <p>Under the direction of the Human Resources Head, the EHS function formulates the “Environmental, Health and Safety Policy” for the whole Olympus Group, as well as the Environmental Action Plan, which includes reduction targets for consumption of greenhouse gas, and promotes and monitors the progress of the Olympus Group’s Environmental Action Plan while also promoting continuous improvement. Chief Executives (CEO and CHRO) are given progress reports on environmental activities as needed and issue necessary instructions for improvements. The Board of Directors receives status reports on responses to climate change when suitable and monitors initiatives.</p>

Formulation of policies concerning the provision of information to stakeholders

In order to deepen understanding of the Olympus 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/>

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>

[Initiatives for health and productivity management]

Regarding the Olympus Group's health management, occupational health activities performed by Olympus including health guidance based on health checkup results and mental health support enhancements, and insurance operations such as educational activities for the prevention of lifestyle-related diseases and promotion of screenings for various types cancer including endoscopy examinations, which are handled by health insurance associations, are used to actively promote initiatives through a cooperative system (Collaborative Health). Because of the consideration we give to employee health from a management perspective and our promotion of "Health Management" initiatives that are implemented strategically, Olympus has been listed as a White 500 enterprise in the Certified Health & Productivity Management Outstanding Organizations Recognition Program six years in a row since 2017. The Olympus Group will continue cooperating with health insurance associations to establish an environment where employees and their families can be healthy and active, to promote activities for improving the health of Group employees, and to contribute to society through our business activities for promoting the health of customers.

[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 Olympus Group has introduced the "work-from-home system," "re-entry system," "position flex system," "reduced working hours system," and "personnel evaluation system aligned to diversity in workstyles." The Olympus Group is aiming to realize a diverse workplace, increase productivity and increase employees' motivation by supporting both work and family life.

Other matters

[Ensuring diversity]

The Olympus Group believes that promoting Diversity, Equity and Inclusion as an organization will lead to business development that is more attractive, competitive, and innovative. Therefore, it is our aim to provide challenging work to diverse people regardless of gender, disability, nationality, or race, and achieve professional and sustainable growth.

In the ESG strategy, formulated by the Olympus Group in the fiscal year ended March 31, 2023, which presents six Focus Areas and 25 Materiality Topics, one of those Materiality Topics is the promotion of diversity, equity, and inclusion.

In facilitating work-life integration, Olympus has 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. By fiscal 2027, our goal is to increase the ratio of women in global management positions to 30%, and have set a goal of increasing the ratio of women in Company management positions to 13%. The ratio of women is increasing each

year, and as of the end of March 2023, the ratio of women in management positions is about 7.2%.

In addition, 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 March 2023, we achieved a disabled person hiring ratio of 2.8%, 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. The Olympus Group has implemented a global personnel system to ensure that the right people are placed in the right positions on a global level. Based on common Group standards, a personnel system where each employee is rewarded according to their achievements has been established, and effort is being made to foster a corporate culture where diverse types of human resources of different nationalities, ages, and genders can have an active role. In April 2023, application of the job-evaluation based personnel system was expanded to all employees in Japan, where treatment is determined by the size and performance of the job rather than the person's years of service in the company or age. The Olympus endeavors to provide fair and appropriate employment, skill development, and promotion opportunities in order to help each employee be in a position to demonstrate their full potential.

[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 Olympus's website. The status of our compliance initiatives is listed in our integrated report and posted on Olympus'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 risk management system. The Olympus 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]

As a Group, we recognize that information security risks not only directly impact Group business, but can have a serious impact on our customers, medical institutions, and even on medical care itself. Proper information security risk management and incident response are becoming increasingly important from the standpoint of the Olympus Group's sustainable growth and for maintaining and enhancing the competitive advantage of our products and

services. However, measures for protecting against information security risks are not limited to departments with advanced expertise in information security. Rather, we believe it is essential to have a company-wide response that includes related functions and departments, and to actively communicate and collaborate with customers such as medical institutions, business partners, industry groups, and government agencies. 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 Olympus 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/integratedreport/2022.html>

## **IV Matters Concerning the Internal Control System**

### **1. Basic Views on Internal Control System and Status of Development**

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

#### **I. Framework to ensure the appropriateness of business operations in the Olympus Group**

1. Framework to ensure that the execution of duties by Olympus’s executive officers and employees and by the directors and employees of subsidiaries complies with applicable laws and regulations and the Articles of Incorporation

(1) Olympus shall establish “Management Basic Policy,” basic policy the Board of Directors relies on when the Board monitors the execution of duties of directors and executive officers. Furthermore, it shall establish the Olympus Global Code of Conduct and internal corporate regulations for quality, product safety, and export control, etc., 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. In addition, whole Olympus Group shall continuously conduct education of employees and measures relating to assessment. Furthermore, within the Olympus Group, if there is or may be a violation of laws and regulations, etc., a global contact desk which can be available 24 hours a day in multiple languages, and a local hotline contact desk in each region will receive the report of them.

(3) Olympus shall set up an internal audit function reporting directly to the Chief Executive Officer. The internal audit function shall conduct audits to verify the effectiveness of the various processes for risk management, control and governance within the Olympus Group in accordance with the internal audit regulations. The internal audit function shall report the results of internal audits to the Chief Executive Officer and the Audit Committee.

(4) 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.

(5) 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 in each region, 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 and other important matters. In addition, the Board of Directors shall 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 monitor 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, at least once every three months, reports on their duties as performed.

(3) Based on the Job Authority Rules, Organization Rules, and other related rules, Olympus shall define the responsibilities and authorities of major job ranks and the Board of Directors receives 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 including the subsidiaries.

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, the officers responsible for the regional headquarters shall conduct reviews of the situation faced by subsidiaries' management, and periodically report the results of the reviews to the CEO of Olympus.

(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. Other framework to ensure the appropriateness of business operations in the Olympus Group

(1) Olympus shall dispatch its executive officers, corporate officers, or employees to major subsidiaries as directors, auditors, or other equivalent positions, and the head of each function manages such whole function within the Olympus Group. Furthermore, in order to ensure the fairness of operations of subsidiaries, Olympus request them to obtain our approval for significant matters of subsidiaries based on the Job Authority Rules and any other related rules.

(2) 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 is strengthening its efforts as a management strategy.

## II. Matters necessary for the execution of duties of the Audit Committee

1. 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 of Olympus, and matters related to ensuring the effectiveness of instructions from the Audit Committee of Olympus to those employees

Olympus shall allocate a dedicated employee who will assist with the Audit Committee's duties. Moreover, Olympus may have a concurrent employee 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.

(i) 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.

(ii) 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.

2. 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) When directors (except those who are members of the Audit Committee), Executive officers, or employee of Olympus, as well as any directors, Audit and Supervisory Board members, or employees of a subsidiary discover any material fact in violation of laws, regulations, or the Articles of Incorporation, any misconduct, or any fact that may cause significant damage to Olympus, they shall immediately report such fact to the Audit Committee, either directly or through the responsible function. In other cases where the Audit Committee requests a report from a director, executive officer, or employee, etc. of the Olympus Group, in accordance with laws and regulations or Audit Committee Rules etc., the director, executive officer, or employee in question shall promptly report to the Audit Committee.

(2) Chief Compliance Officer shall regularly make reports to the Audit Committee on the status of compliance within the Olympus Group. In addition, Chief Compliance Officer shall regularly make reports on details of issues reported and results of investigations in accordance with the Internal Reporting System.

(3) The internal audit function of Olympus shall regularly report the status of internal audit in the Olympus Group to the Audit Committee of Olympus.

3. 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.

4. 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

When an advance payment or reimbursement of expenses is requested for execution of duties of Audit Committee members, Olympus shall promptly, in accordance with Olympus's rules and regulations, process disbursement except for such case that the expense is obviously deemed unnecessary for execution of duties by Audit Committee members.

5. 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 shall work closely with the internal audit function to receive reports on audit results, etc. from the internal audit function, and the Audit Committee may exercise its 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. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development**

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**

### **1. Adoption of Anti-takeover 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 System**

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 Board of Directors, Group Executive Committee, other committees, the secretariats of such bodies, 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.

[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 report 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 monitors 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 monitoring 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) Chairperson of the Board of Directors

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

## Attachment 2

### Skill Matrix of Directors

Name	Present position and responsibility in Olympus	Area Olympus expects the directors to display their capabilities in*							
		Corporate Management	Overseas Business	Healthcare Industry	Quality Assurance	Legal/Risk Management	Finance/Accounting	HR Development	ESG
Sumitaka Fujita	Outside Director Chairperson of Board of Directors	Nominating Committee ★	●	●				●	●
Yasumasa Masuda	Outside Director		●	●	●			●	
David Robert Hale	Outside Director		●	●	●			●	
Jimmy C. Beasley	Outside Director	Compensation Committee	●	●	●				
Sachiko Ichikawa	Outside Director			●			●	●	●
Yasushi Shingai	Outside Director	Compensation Committee ★	●	●				●	●
Kohei Kan	Outside Director			●			●	●	●
Gary John Pruden	Outside Director	Nominating Committee	●	●	●				
Tatsuro Kosaka	—	Nominating Committee	●	●	●				
Luann Marie Pendy	—	Compensation Committee		●	●	●			
Yasuo Takeuchi	Director, Representative Executive Officer, Executive Chairperson and ESG Officer		●	●	●			●	
Stefan Kaufmann	Director, Representative Executive Officer, President and Chief Executive Officer (CEO)	Nominating Committee	●	●	●				●
Toshihiko Okubo	Corporate Officer			●	●				

★ : Committee Chairperson

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

## Policy to determine individual compensation, etc., for directors and executive officers for the fiscal year ending March 31, 2024

Matters relating to the policy to determine the amount of compensation, etc., for officers or the calculation method thereof

As a company with a Nominating Committee, etc., Olympus has established the Compensation Committee, which consists of three or more members and a majority of which is independent outside directors. The Compensation Committee is chaired by an independent outside director to ensure transparency and to determine fair and appropriate compensation.

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. The Compensation Committee, in accordance with the purpose of the basic policy mentioned 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.

- a. Compensation system for directors (excluding those who double as executive officers)
  - i. Level of compensation for directors
    - (i) In order to set the directors' compensation at competitive levels for securing and retaining talented personnel, and encouraging positive participation in various corporate activities as directors, the compensation level shall be targeted at 75% compared with the peer group in the role responsibilities and each residence.
    - (ii) The companies to compose a peer group are selected from those having medical equipment in the business portfolio and health care companies in respective region of residence.
    - (iii) Compensation levels for each peer group are confirmed using objective compensation survey data from external specialized organizations.
    - (iv) If a director requests to decline compensation, the Compensation Committee will confirm and decide on the response.
  - ii. Compensation composition of directors
    - (i) With importance placed on the concept that directors and investors shall share interests, non-performance-linked stock compensation (non-monetary compensation) is granted in addition to monetary compensation (base 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 are resident 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 are non-resident in Japan.
    - (iii) Stock compensation for the fiscal year ending March 31, 2024 will be set at 8 million yen for both residents and non-residents in Japan. 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 shareholding.
    - (iv) The number of shares to be granted 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 provided 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: one time or more of 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 stock disposal by use of "sell plan before knowledge" for tax payment purposes.
    - (vi) The Chairperson of the Board of Directors receives a Chairperson allowance in addition to the base salary (BS).
    - (vii) With the exception of full-time non-executive director, Audit Committee members receive an Audit Committee allowance in addition to their basic salary (BS). The Audit Committee allowance is set as an equivalent amount to the difference between the Audit Committee allowance and the Nominating and Compensation Committee allowance in the peer group.
    - (viii) For executive officers who double as directors, monetary compensation for the management and monitoring functions of directors shall be paid separately from executive officer compensation for those who are natives of Japan. For those who are not natives of Japan, monetary compensation paid for management and monitoring functions performed as directors is included in compensation of executive officers.
- b. Compensation system for executive officers (including those who double as directors)
  - i. Philosophy on compensation
    - (i) In order to achieve our corporate 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 corporate 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. Set a compensation level considering the stage of development to become a global medtech company – a hybrid mix of "Global labor market" and "Home."
      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.
  - ii. Level of compensation for executive officers
    - (i) Thoughts on compensation amount

1. Olympus assigns weights to performance-linked compensation and stock compensation and looks to raise the weights based on its philosophy of compensation, which is to set a compensation level considering the stage of development to become a global medtech company – a hybrid mix of “Global labor market” and “Home,” with consideration given to the compensation amount of officers of other global medtech companies.
2. By considering the situation of labor market of executive officers’ home countries and competitiveness in the market, and the roles and responsibilities, we set target level and tolerance range, and determine compensation after holistic comparisons of basic compensation, TCC (Total Cash Compensation) and TDC (Total Direct Cash). The compensation level of labor market of each country is confirmed through use of objective compensation survey data from external specialized agencies.
3. The appropriateness of the compensation amount for executive officers is monitored by the pay ratio (the ratio of the CEO’s compensation to the median salary of employees living in Japan). We are also working to ensure the consistency in terms of executive officer compensation and employee compensation systems, including providing of stock compensation to some employees (including non-residents in Japan).

iii. Compensation composition of executive officers

- (i) Compensation for executive officers is a combination of base salary (BS), which is a fixed compensation, short-term incentive compensation (STI), which is performance-linked monetary compensation, and long-term incentive compensation (LTI), which is non-monetary compensation.
- (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 payment 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 compensation amounts of global medtech companies, we set the ratio of Short-Term Incentive compensation (STI), which is a performance-linked monetary compensation, and Long-Term Incentive compensation (LTI), which is a non-monetary stock compensation, as follows:
  - <CEO and Chairman (Executive Chairperson)>  
BS:STI:LTI = 1 (19%): 1.25 (24%): 3 (57%)
  - <Common to executive officers other than the above>  
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).

iv. 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:
  - Executive officers shall hold a number of Olympus’ shares that is five times the amount of basic compensation or more.
3. The guidelines for shareholding are set at a level that will be achieved approximately five years after the assumption of office although the length may fluctuate subject to the status of achievement of the targets.

(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 monetary compensation, and long-term incentive compensation (LTI), which is non-monetary compensation, for executive officer. The clawback will become effective if the following events occur.
  - 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.
  - An event that requires the return of the amount of compensation already paid as a kind of sanction in the event of a violation of obligations, etc.
3. The final decision on the application of the clawback to the individual events is made by the Compensation Committee and reported to the Board of Directors

v. Short-term incentive compensation, which is performance-linked monetary compensation, etc. (FY2024-STI)

(i) Target composition

Short-term incentive compensation (FY2024-STI) for the fiscal year ending March 31, 2024 (FY 2024) consists of financial indicators and quality goals. Financial indicators are set to be Revenue and Operating profit margin aiming at assessing growth and efficiency. In addition, since it is important to steadily implement long-term and strategic efforts within each fiscal year, quality goals are set as indicators. The ratio for each indicator, as shown in the figure below, is set at 25% for revenue 25% for operating profit margin, and 50% for quality goals.

Revenue 25%	Operating profit margin 25%	Quality goals 50%
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(ii) Upper and lower limit on the evaluation table and adjustment Items

1. Upper limit and lower limit are set for each evaluation indicator.
2. Adjustment items
  - Revenue: The exchange rate used for FY2024 earnings forecasts is applied to make a foreign currency adjustment.



-Operating profit: Other income/other expenses are deducted.

(iii) Evaluation table of revenue

1. Payment rate 200%: FY2024 revenue forecast + {(FY2024 revenue forecast – FY2023 actual revenue) \* 70%} = 914.0 + {(914.0-870.2) \* 70%} = ¥944.7 billion
2. Payment rate 100% to 200% =  $100 + (X - 914.0) * 100/307$
3. Payment ratio 100%: FY2024 revenue forecast = ¥914.0 billion
4. Payment rate 50%: FY2023 actual revenue (after FX adjustment) = ¥870.2 billion
5. Payment rate 0% to 100% =  $(870.2 - X) * 50/438$
6. Payment rate 0%:  $870.2 - (914.0 - 870.2) = ¥826.4$  billion

Notes: 1. X represents FY 2024 actual revenue (after FX adjustment)

2. Upper limit is set as 200% and lower limit 0%

3. Adjustment: Exchange rate (USD = ¥132, EUR = ¥144, CNY = ¥19.2)

(iv) Evaluation table of operating profit margin

1. Payment rate 200%: FY2024 operating profit margin forecast +5% or more = 24.9% or more
2. Payment rate 100% to 200%: FY2024 operating profit margin 20.9% or more, less than 24.9% =  $100 + 25*(Y - 20.9)$
3. Payment rate 100% = FY2024 operating profit margin forecast +/-1% = 18.9% or more, less than 20.9%
4. Payment rate 50% to 100% = FY2024 operating profit margin 16.9% or more, less than 18.9% =  $50 - 25*(18.9 - Y)$
5. Payment rate 50% = FY2024 operating profit margin forecast -3% = 16.9%
6. Payment rate 0% = less than 16.9%

Notes: 1. Y represents FY 2024 actual operating profit margin (after adjustment)

2. Upper limit is set as 200% and lower limit 0%.

3. Adjustment: Other income/other expenses are deducted.

(v) Quality Targets

1. The goals for the STI and PSU reward evaluation are the medium- to long-term and short-term goals of major initiatives to improve the root causes (vulnerabilities) that may exist with our QARA organizational structure, manufacturing processes, quality management systems and the quality culture of our medical business.
2. The Compensation Committee and Quality Assurance and Regulatory Affairs (QA&RA) Committee, which is made up of outside directors, cooperate to determine proper compensation evaluation targets and achievement rates.

vi. Long-term incentive compensation, which is non-monetary compensation, etc. (FY2024-LTI)

The following section describes long-term incentive compensation (FY2024-LTI) covering the three-year period from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026.

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 Compensation Committee has determined 40% for RSU and 60% for PSU for FY2024-LTI in order to secure a desirable share of stock in the total compensation.

(i) Subsequent grant-type restricted stock compensation (FY2024-RSU)

1. Vesting

1. Every one year after the grant date, one-third each of the rights will be vested and shares are provided. The rights will be vested after confirmation by the Compensation Committee.
2. When retiring as an executive officer, the unvested rights shall be vested after confirmation by the Compensation Committee one year after the retirement.

2. Grant date and number of units provided

1. The grant date shall be April 1, 2023.
2. The stock price used in the calculation shall be the closing price of Olympus' common shares on the business day preceding the grant date.
3. For foreign exchange, apply average TTM (Telegraphic Transfer Middle Rate) for the fiscal year before the grant date.
4. The total base salary of executive officers, which is the basis for granting, is 729,935,769 yen, and the total number of RSU provided is 289,098 units.

(ii) Performance-linked stock compensation (FY2024-PSU)

1. Performance-linked stock compensation (PSU) is determined based on the philosophy of compensation, which is to make the incentive program consistent with the corporate strategy, and also in consideration of the business environment.
2. Vesting  
After three years from the grant of the units, performance rate is evaluated, then the rights will be vested, and shares are provided. 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, 2023.
  2. The stock price used in the calculation shall be the closing price of Olympus' common shares on the business day preceding the grant date.
  3. For foreign exchange, apply average TTM (Telegraphic Transfer Middle Rate) for the fiscal year before the grant date.
  4. The total base salary of executive officers, which is the basis for granting, is 729,935,769 yen, and the total number of PSU provided is 433,648 units.

4. PSU metrics consist of EPS growth rate, relative TSR, quality indicator and ESG metrics, and their ratios are as follows:

EPS growth rate 20%	Relative TSR 40%	Quality indicator 30%	ESG 10%
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5. The target values and evaluation table for each metric are set as follows:

1. EPS growth rate: 20%

(i) The company strategy covering from the fiscal year ending March 2024 to the fiscal year ending March 2026 focuses on both growth and profitability in the new stage of “Shift to Grow.” Then EPS growth rate is set as one of the financial guidance and target value is set as 8%. The Compensation Committee judged that setting ESP growth rate (after adjustment) as an evaluation index of PSU is suitable.

(ii) Payment rate 100% = EPS growth rate (after adjustment) 8%

(iii) Payment rate =  $(X-1) \times 100/7$

Notes: 1. X represents average EPS growth rate for FY2024 - FY2026 after adjustment

2. Upper limit is set as 200% and lower limit 0%.

3. Adjustment: Other income/other expenses are deducted, and tax rates are adjusted.

2. Relative TSR: 40%

(i) The Compensation Committee determined that the relative TSR is appropriate as an indicator for evaluating the 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 health care 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. Quality Indicator: 30%

(i) The goals for the STI and PSU reward evaluation are the medium- to long-term and short-term goals of major initiatives to improve the root causes (vulnerabilities) that may exist with our QARA organizational structure, manufacturing processes, quality management systems and the quality culture of our medical business.

(ii) The Compensation Committee and Quality Assurance and Regulatory Affairs (QA&RA) Committee, which is made up of outside directors, cooperate to determine proper compensation evaluation targets and achievement rates.

4. ESG: 10%

(i) Indicators for ESG, which is a basis of business management, and is announced to be reinforced in the company strategy, is used as an index.

(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.

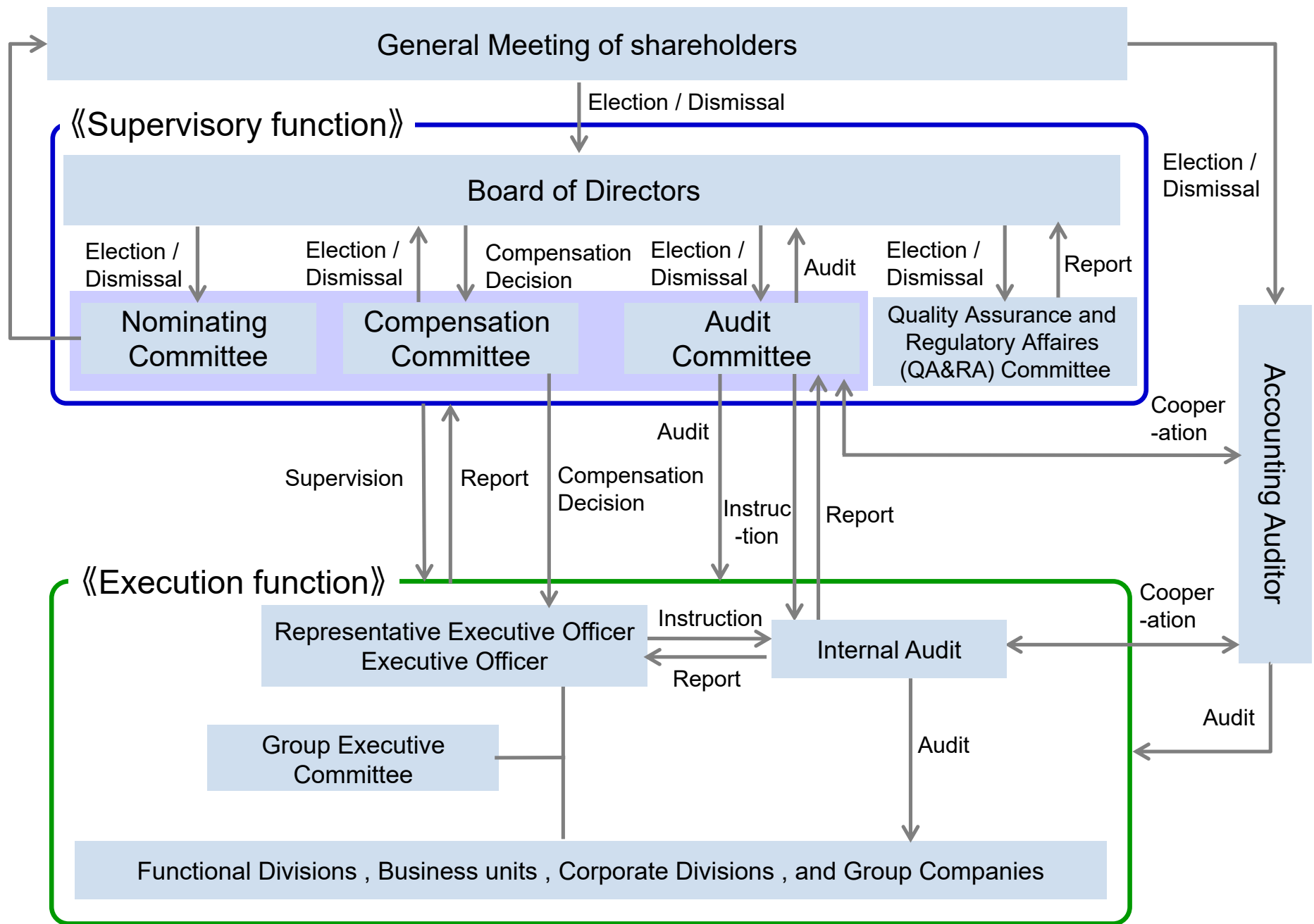
(iii) DJSI ratings are “World Index (W),” “Asia Pacific Index (AP),” and “Non-Index (Non)” from the top ranks. With the goal of meeting global standards in all areas of E (Environment), S (Society), and G (Governance), the following evaluation table is set with an emphasis on the Index that will be achieved 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	W	200%
			AP	150%
			Non	50%
	Non	W	W	150%
			AP	100%
			Non	0%
AP	W	W	200%	
		AP	150%	
		Non	50%	
	AP	W	W	200%
			AP	100%
			Non	50%
	Non	W	W	150%
			AP	100%

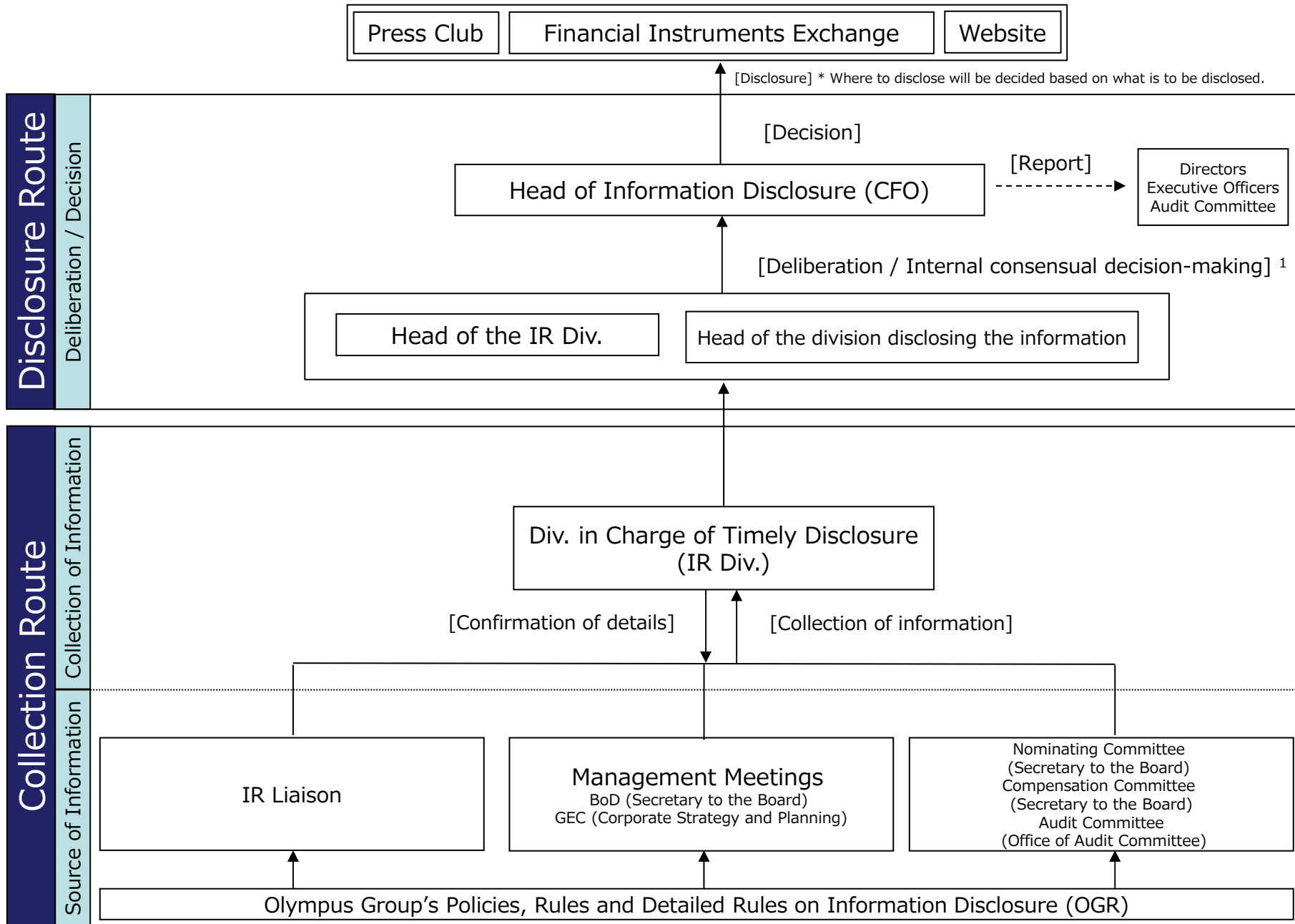
		Non	0%
Non	W	W	200%
		AP	100%
		Non	0%
	AP	W	200%
		AP	100%
		Non	0%
	Non	W	150%
		AP	50%
		Non	0%

# Corporate Governance Structure

Decision on proposal of election/ dismissal of directors



# 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.