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Securities Code: 7733

June 4, 2024

(Start date of measures for electronic provision: May 30, 2024)

To Shareholders

2951 Ishikawa-machi, Hachioji-shi, Tokyo
OLYMPUS CORPORATION
Director, Representative Executive Officer,
President and CEO: Stefan Kaufmann

Notice Regarding the Convocation of the General Meeting of Shareholders For the Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

OLYMPUS CORPORATION will be holding the General Meeting of Shareholders for FY2024. The meeting will be held as described below.

You may attend this General Meeting of Shareholders on the internet (hereinafter called “Virtual Attendance”) without coming to the venue, and ask questions and exercise your voting rights in this way. (For further information, please refer to the “Guidance for Virtual Attendance” on pages 5 to 8). In addition, you may ask questions in advance on the website designated by Olympus Corporation. (For further information, please refer to the “Guidance for Questions in Advance” on page 9).

Furthermore, if you choose not to attend the meeting in person, please refer to the “Instructions for Exercising Voting Rights” on page 3 and review the “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights by 5:30 p.m., June 25, 2024 (Tuesday).

- 1. Date/Time:** June 26, 2024 (Wednesday) 10:00 a.m.
(Reception desk is scheduled to open at 9:00 a.m.)
- 2. Location:** 6-6-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Kiku Ballroom, 4th Floor, Hilton Tokyo
- 3. Meeting Agenda:
Reports:**
1. The Business Report, Consolidated Financial Statements, and the Results of Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit Committee for FY2024 (from April 1, 2023 to March 31, 2024)
 2. The Non-Consolidated Financial Statements for FY2024 (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

Agenda: Election of Eleven Directors

Matters Subject to Measures for Electronic Provision

In convening this General Meeting of Shareholders, we take measures for electronic provision for information included in the Reference Documents for General Meeting of Shareholders (matters subject to measures for electronic provision) and post the information on each of the following websites on the Internet. Please access either of the websites to review the information.
If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and original and revised matters will be posted on the following websites.

Olympus Corporation’s website

<https://www.olympus.co.jp/ir/stock/meeting.html> (in Japanese)

Tokyo Stock Exchange’s website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

* Please enter “Olympus” in “Issue name (company name)” or “7733” in “Code” to search for the relevant entry, select “Basic information” and then “Documents for public inspection/PR information,” and view information from [Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting] under “Filed information available for public inspection.”

Website for materials of the General Meeting of Shareholders

<https://d.sokai.jp/7733/teiji/> (in Japanese)

Items Not Included in Documents to Be Delivered

Pursuant to the relevant laws and regulations and Olympus Corporation’s Articles of Incorporation, among the matters subject to measures for electronic provision, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. These matters are posted on the websites above.
The Accounting Auditor and the Audit Committee audited the documents subject to audit including the following matters.

[Business Report]

- I. Review of Operations of the Group
“2. Results of the Business Activities,” “3. Changes in Assets and Results of Operation,” “8. Principal Places of Business and Plants,” “9. Employee Situation of the Group,” “10. Principal Lenders,” “11. Other Important Matters Concerning Group Operations”
- II. Matters Concerning Shares
- III. Matters Concerning Subscription Rights to Shares, etc.
- IV. Matters Concerning Company Officers
“2. Overview of Content of Limited Liability Agreement,” “3. Overview of Content of Indemnification Agreement,” “4. Overview of Content of Directors and Officers Liability Insurance Agreement,” “6. Matters Concerning Outside Officers”
- V. Accounting Auditor
- VI. Company Framework and Policies
“1. Framework to Ensure Fairness of Operations and Overview of Status of Management of Such Framework,” “2. Basic Policy on Control of Company,” “3. Policy for Decisions on Dividend of Retained Earnings, etc.”

[Consolidated Financial Statements and Non-Consolidated Financial Statements]

“Consolidated Statement of Changes in Equity,” “Notes to Consolidated Financial Statements,” “Non-Consolidated Statement of Changes in Net Assets,” “Notes to Non-Consolidated Financial Statements”

Instructions for Exercising Voting Rights

You may exercise your voting rights of the General Meeting of Shareholders by using any of the following methods:

Exercising Voting Rights in Advance

[Exercising Voting Rights in Writing (by Mail)]

Votes to be received by: June 25, 2024 (Tuesday) 5:30 p.m.

Complete the voting rights exercising form sent with this Notice by indicating your vote for or against each of the agenda items and return it without affixing a stamp.

[Exercising Voting Rights via the Internet]

Votes to be given by: June 25, 2024 (Tuesday) 5:30 p.m.

Access Olympus Corporation's designated website for voting and follow the instructions on the screen to vote on the agenda items. For details, please refer to the next page.

About Exercising Voting Rights in Advance

- If having cast your vote in writing (by mail) and your vote for or against the agenda items is not indicated, it shall be treated as an indication of vote for the agenda.
- If having cast your vote in duplicate both in writing (by mail) and via the internet, the vote cast via the internet shall be deemed valid.
- If having cast your vote multiple times via the internet, the final vote cast shall be deemed valid.
- Please refer to "2. Validity of exercise of voting rights in advance or on the day of the meeting" on page 7 for treatment of advance exercise of voting rights in the case of Virtual Attendance.

Exercising Voting Rights by Attending the General Meeting of Shareholders

[Attending the Venue in Person]

Date: June 26, 2024 (Wednesday) 10:00 a.m. (Reception starts at 9:00 a.m. (scheduled))

Please submit the voting rights exercise form sent with this Notice at the reception desk.

[In the Case of Virtual Attendance]

Date: June 26, 2024 (Wednesday) 10:00 a.m.

Please access the website designated by Olympus Corporation, and log in to the Virtual General Meeting of Shareholders system. For details, please refer to pages 5 to 8.

About Attending the Meeting

- Due to the limited number of seats, entry to the meeting room may be restricted.
- At the meeting, written documents including the matters subject to measures for electronic provision will not be provided. Therefore, shareholders who need such documents during the meeting are asked to print the matters subject to measures for electronic provision from the websites described on page 2.
- Please understand that no souvenirs will be handed out at this General Meeting of Shareholders.

Instructions for Exercising Voting Rights via the Internet

[Scanning QR Code: "Smart Vote"]

You can simply log in to the website for exercising voting rights without entering your proxy code and password.

1. Please scan the QR Code printed on the lower right-hand side of the voting rights exercise form.

* "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

2. Follow the instructions on the screen to vote on the agenda items.

Please note that exercising voting rights by using "Smart Vote" method is available only once.

If you need to change your votes after exercising your voting rights, please log in to the voting website for PC by using your proxy code and password printed on the voting form, and exercise your voting rights again.

* If you rescan the QR Code, you can access the voting website for PC.

[Entering proxy code and password]

Website for exercising voting rights: <https://www.web54.net>

1. Access the voting website.

2. Enter the proxy code printed on the voting rights exercise form.

3. Enter the password printed on the voting rights exercise form.

4. Follow the instructions on the screen to vote on the agenda items.

Inquiries regarding exercising voting rights via the internet

Please contact the following for assistance on exercising voting rights via the internet.

Sumitomo Mitsui Trust Bank, Limited
Securities Agent Web Support Hotline

Dedicated line: 0120-652-031 (toll free, available only in Japan)
(Business hours: 9:00 a.m. to 9:00 p.m.)

Inquiries on matters other than the exercise of voting rights:
0120-782-031 (toll free, available only in Japan)
(Business hours: 9:00 a.m. to 5:00 p.m. on weekdays)

Institutional investors may use the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.

Guidance for Virtual Attendance

For this General Meeting of Shareholders, you may attend via “Virtual Attendance” without coming to the venue by viewing the live stream on the website designated by Olympus Corporation, as well as ask questions and exercise your voting rights in this way. Virtual Attendance is recognized as attending the General Meeting of Shareholders by the Companies Act in the same way as attending the meeting by coming to the venue. However, due to complexities of the system, etc., please understand there are certain matters, such as making and voting for a motion, that you will not be able to perform in the same way as shareholders who attend the meeting.

Date/time for live stream: June 26, 2024 (Wednesday) 10:00 a.m.

Website: <https://7733.ksoukai.jp>

*Please access the website beforehand and make sure that the testing webpage, designed for such purpose, can be viewed and heard without any trouble.

How to attend the meeting

- (1) Access the aforementioned website, input the ID and password printed in “Notice on How to Attend the Virtual General Meeting of Shareholders” enclosed with this notice at hand, and click the “Next” button. (You will log in to the Virtual General Meeting of Shareholders system.)
- (2) Click the “Apply for attendance” button.
- (3) Click the “Attend” button.
* You can click the “Attend” button from about 9:30 a.m. on the day of the meeting.

How to ask questions

You may ask questions from the start of this General Meeting of Shareholders until five minutes after the start of Q&A session by the following steps. You may ask questions on matters related to the Meeting Agenda of this General Meeting of Shareholders. In addition, each shareholder may ask up to two questions (up to 300 characters per question).

- (1) Click the “Ask questions” tab on the live stream page.
- (2) Select a question category and input your question and click the “Next” button.
- (3) After confirming the contents, click the “Submit” button.

How to exercise voting rights

You may exercise their voting rights from the start of this General Meeting of Shareholders until the time of voting for Matters to be resolved by the following steps.

- (1) Click the “exercise voting rights” tab on the live stream page.
- (2) To support all agenda items
Select “Support all agenda items” and click the “exercise” button below.

To indicate your support or opposition of a proposal individually

Choose “support,” “oppose,” or “abstain” on each of the Matters to be resolved, and click the “exercise” button below.

* The “exercise” button can only be clicked once.

Inquiries for the Virtual General Meeting of Shareholders

You can make inquiries concerning the Virtual General Meeting of Shareholders by making phone calls to the support lines below. Please have the “Notice on How to Attend the Virtual General Meeting of Shareholders” at hand when you make the phone call.

However, please understand questions concerning the following matters shall not be answered: ID and password for Virtual Attendance, how to connect to internet, functions of the PC and smartphone you use, or troubles deemed to be caused by the shareholder’s operating environments on the day of the meeting.

General inquiries for the Virtual General Meeting of Shareholders
Sumitomo Mitsui Trust Bank, Virtual General Meeting of Shareholders Support Dedicated Line
Phone number: 0120-782-041
Business hours: 9:00 a.m. to 5:00 p.m. (except Saturdays, Sundays and national holidays)

Inquiries for technical issues regarding the system
V-cube, Inc.

Phone number: +81-3-6833-6252

Business hours: June 25, 2024 (Tuesday), 9:00 a.m. to 9:00 p.m.

June 26, 2024 (Wednesday), 9:00 a.m. to the conclusion of this General Meeting of Shareholders

Notes on Virtual Attendance (Please Be Sure to Confirm the Following)

1. Questions

- Due to time limit of the Q&A session, please understand it is possible not all questions will be answered during this General Meeting of Shareholders.
- Inappropriate submissions such as consecutive submissions of the same question and personal attacks may be judged as a hindrance to the secure operation of the Virtual General Meeting of Shareholders system. Please understand that in such cases, under instruction or command of the Chairperson and by judgement of the operation office which manages the Virtual General Meeting of Shareholders system, Olympus Corporation may force a disconnection with the shareholder who made such submission(s).

2. Validity of exercise of voting rights in advance or on the day of the meeting

- If you exercise your voting rights in advance in writing or via the internet and attend the meeting through Virtual Attendance, at the time where exercise of voting rights at the meeting is confirmed, the exercise of voting right cast on the day of the meeting will be deemed valid.
- If you exercise your voting rights in advance and attend the meeting through Virtual Attendance and no exercising of voting rights is confirmed at the meeting, the exercise of voting rights in advance will be deemed valid.
- If you do not exercise your voting rights in advance and if you attend the meeting through Virtual Attendance but no exercising of voting rights is confirmed, your voting rights will be not counted as neither a “support,” “oppose,” nor “abstain” vote.
- If you attend both the venue and via Virtual Attendance, at the time where exercise of voting rights via the virtual shareholder meeting system is confirmed, the exercise of voting rights via the virtual shareholder meeting system will be deemed valid.

3. Motions

- Due to difficulties to take motions from shareholders attending through Virtual Attendance because of complexities of the system, etc., no motions shall be taken via Virtual Attendance, including those concerning procedures of the meeting and those concerning the proposals. Please understand when taking votes for motions, shareholders who attend through Virtual Attendance will be recognized as abstaining the votes or absent from voting.

4. Communication environment and telecommunications failures, etc.

- In order for our shareholders to use Virtual Attendance, you must prepare a communication environment, etc. Please understand it is possible that you will not be able to attend through Virtual Attendance or exercise your voting rights through Virtual Attendance due to problems in the internet environment or reasons concerning the telecommunications environment on the PC/smartphone you use.

OS	Windows 10/11, latest MacOS	
Browser	Windows	Microsoft Edge, Mozilla Firefox, Google Chrome
	MacOS	Safari
Smartphone	<iPhone> iOS12 or higher (browser: Safari) <iPad> iOS13 or higher (browser: Safari) <Android> 8 or higher (browser: Google Chrome)	
Connection speed	5Mbps recommended	
Operating environment	PC	https://jp.vcube.com/support/virtual-shareholders-meeting/requirements/#vsm01
	Smartphone	https://jp.vcube.com/support/virtual-shareholders-meeting/requirements/#vsm02

- Please understand any telecommunications devices and fees for telecommunication required for Virtual Attendance shall be prepared by the shareholder.
- Although Olympus Corporation has taken reasonable measures against telecommunication failures for the Virtual General Meeting of Shareholders, it is possible that due to impact of the telecommunications environment there may be errors in the image or in sounds of the live stream, or temporary disruptions, etc. Please understand in such cases of telecommunications failures, shareholders may not be able to attend through Virtual Attendance or exercise their voting rights through Virtual Attendance. Olympus

Corporation bears no responsibility for any detriments caused by such telecommunications failures, etc.

5. Notes

- Virtual Attendance is available in Japanese only.
- Attendance via Virtual Attendance is limited to shareholders. (For shareholders who wish to attend by proxy, please delegate your voting rights to a shareholder who will attend the meeting by coming to the venue as stipulated by laws and regulations and Articles of Incorporation, etc.)
- Sharing of the ID and password for Virtual Attendance to third parties, recording and video-recording this General Meeting of Shareholders and publishing thereof, etc. are prohibited.
- Shareholders attending through Virtual Attendance are firmly prohibited from disclosing/providing private information or other matters concerning privacy of other shareholders, gathered through sounds and video, etc., to third parties.
- It is possible a partial change or cancellation of the contents of the Virtual General Meeting of Shareholders may be announced when Olympus Corporation judges it necessary.
- If there are any changes to the operation of the Virtual General Meeting of Shareholders, such as emergency announcements on system failures, etc. and measures to cope with changes in circumstances, such notices will be provided on Olympus Corporation’s website (<https://www.olympus.co.jp/ir/stock/meeting.html>).

Guidance for Questions in Advance

You may ask questions in advance on the website designated by Olympus Corporation.

Period: From June 5, 2024 (Wednesday) 9:00 a.m. to June 19, 2024 (Wednesday) 5:30 p.m.

Website: <https://7733.ksoukai.jp>

How to ask questions in advance

- (1) Access the aforementioned website, follow the process (1) in “How to attend the meeting” in the “Guidance for Virtual Attendance” on page 5, and to log in to the Virtual General Meeting of Shareholders system.
 - (2) Click the “Ask a question in advance” button.
 - (3) Select a question category and input your question and click the “Next” button.
 - * You may ask questions on matters related to the Meeting Agenda of this General Meeting of Shareholders.
 - * Each shareholder may ask up to two questions (up to 300 characters per question).
 - (4) After confirming the contents, click the “Submit” button.
- We intend to answer questions of interest to shareholders on the day of the General Meeting of Shareholders. However, due to time limit of the Q&A session, please understand it is possible not all questions will be answered.

Reference Documents for General Meeting of Shareholders

Propositions and information:

Agenda: Election of Eleven Directors

Upon the conclusion of this General Meeting of Shareholders, the terms of office of all Directors (thirteen) will expire. Olympus Corporation, therefore, proposes to decrease the number of Directors by two and elect eleven Directors in order to maintain the diversity and sustainability as a monitoring board, as well as to enhance its efficiency and effectiveness based on the decision made by the Nominating Committee. The candidates for Director are as follows:

No.	Name		Present position and responsibility in Olympus Corporation		Diversity	
					Gender	Foreign Nationals
1	Sumitaka Fujita	Reelection Independent Outside	Outside Director Chairperson of Board of Directors	Nominating Committee	Man	
2	David Robert Hale	Reelection Independent Outside	Outside Director		Man	•
3	Jimmy C. Beasley	Reelection Independent Outside	Outside Director	Compensation Committee	Man	•
4	Sachiko Ichikawa	Reelection Independent Outside	Outside Director	Audit Committee	Woman	
5	Kohei Kan	Reelection Independent Outside	Outside Director	Audit Committee	Man	
6	Gary John Pruden	Reelection Independent Outside	Outside Director	Nominating Committee	Man	•
7	Luann Marie Pandy	Reelection Independent Outside	Outside Director	Compensation Committee	Woman	•
8	Masato Iwasaki	New election Independent Outside	—		Man	
9	Yasuo Takeuchi	Reelection	Director, Representative Executive Officer, Executive Chairperson and ESG Officer		Man	
10	Stefan Kaufmann	Reelection	Director, Representative Executive Officer, President and Chief Executive Officer (CEO)	Nominating Committee	Man	•
11	Toshihiko Okubo	Reelection Non-Executive	Director	Audit Committee	Man	

Main experience and expertise of the candidates for director*								Scheduled to assume office as			
Corporate Management	Overseas Business	Healthcare Industry	Quality Assurance	Legal/Risk Management	Finance/Accounting	HR Development	ESG	Chairperson of Board of Directors	A member of Nominating Committee	A member of Compensation Committee	A member of Audit Committee
•	•				•		•	•	• (Committee Chairperson)		
•	•	•			•					•	
•	•	•	•							• (Committee Chairperson)	
	•			•	•		•				•
	•			•	•		•				• (Committee Chairperson)
•	•	•	•						•		
	•	•	•							•	
•	•	•			•		•			•	
•	•	•				•	•		•		
	•	•									•

* The above table does not indicate all the expertise/experiences the candidates have.

1. Sumitaka Fujita (December 24, 1942)

Reelection
Independent Outside Director



Number of shares of Olympus Corporation held (Of which, the number of shares to be delivered under the stock compensation plan):

19,801 shares
(8,646 shares)

Years served as Outside Director:

12 years

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

14 of 14 (100%)

Attendance at meetings of the Nominating Committee during current fiscal year:

13 of 13 (100%)

Profile, and position and responsibility in Olympus Corporation

April 1965: Joined ITOCHU Corporation
 June 1995: Director, ITOCHU Corporation
 April 1997: Managing Director, ITOCHU Corporation
 April 1998: Representative Managing Director, ITOCHU Corporation
 April 1999: Representative Senior Managing Director, ITOCHU Corporation
 April 2001: Representative Executive Vice President, ITOCHU Corporation
 April 2006: Representative Vice Chairperson, ITOCHU Corporation
 June 2006: Director, Vice Chairperson, ITOCHU Corporation
 June 2007: Outside Director, Orient Corporation
 June 2008: Senior Corporate Adviser, ITOCHU Corporation
 Outside Director, Furukawa Electric Co., Ltd.
 Outside Auditor, NIPPONKOA Insurance Company, Limited (currently Sampo Japan Insurance Inc.)
 June 2009: Outside Director, Nippon Sheet Glass Company, Limited.
 April 2010: Outside Director, NKSJ Holdings, Inc. (currently Sampo Holdings, Inc.)
 June 2011: Chairperson, Japan Association for Chief Financial Officers
 April 2012: Outside Director, Olympus Corporation (present)

Important concurrent positions

Mr. Fujita does not hold any important concurrent positions.

Reason for election and outline of expected roles

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 Corporation 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 Corporation in April 2012, he has been giving guidance/advice regarding the business management of Olympus Corporation. 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 has been monitoring business execution of Olympus Corporation at the Board of Directors, and as Chairperson of the Nominating Committee, he has been facilitating decisions regarding the contents of the agenda for election of Directors. Olympus Corporation expects that Outside Directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to serve on the Board of Directors, he is expected to lead the management monitoring function as Chairperson of the Board of Directors and, as Chairperson of the Nominating Committee, the selection of Olympus Corporation's officer candidates.

Special interest between the candidate and Olympus Corporation

There is no special interest.

2. David Robert Hale (December 21, 1984)

Reelection
Independent Outside Director



Number of shares of Olympus Corporation held:

0 shares

Years served as Outside Director:

5 years

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

14 of 14 (100%)

Attendance at meetings of the Nominating Committee during current fiscal year:

2 of 2 (100%)

Profile, and position and responsibility in Olympus Corporation

September 2007: Joined The Parthenon Group (currently EY-Parthenon)
 January 2009: Assigned as Analyst to Strategic Value Capital, an investment subsidiary of The Parthenon Group
 June 2009: Senior Associate, The Parthenon Group
 May 2010: Principal, The Parthenon Group
 January 2011: Joined ValueAct Capital Management L.P.
 December 2012: Vice President, ValueAct Capital Management L.P.
 May 2014: Partner, ValueAct Capital Management L.P.
 March 2015: Director, MSCI Inc.
 August 2015: Director, Bausch Health Companies Inc.
 June 2019: Outside Director, Olympus Corporation (present)
 June 2021: Outside Director, JSR Corporation (scheduled to retire on June 27, 2024)
 August 2023: Co-Chief Executive Officer, ValueAct Capital Management L.P. (present)

Important concurrent positions

Outside Director, JSR Corporation (scheduled to retire on June 27, 2024)
 Co-Chief Executive Officer, ValueAct Capital Management L.P.

Reason for election and outline of expected roles

Mr. David Robert Hale is a business manager of ValueAct Capital Management L.P. (hereinafter called "VAC"), one of Olympus Corporation'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 Corporation. Since he assumed the post of Director of Olympus Corporation in June 2019, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, as a member of the Nominating Committee until June 2023, he facilitated decisions regarding the contents of the agenda for election of Directors. Olympus Corporation expects that Outside Directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to serve on the Board of Directors, he is expected to be involved from an objective and neutral position as a member of the Compensation Committee. Since he is Co-Chief Executive Officer of VAC, one of Olympus Corporation's shareholders, it is expected that he can contribute to enhancing corporate value by reflecting shareholder opinions in management.

Special interest between the candidate and Olympus Corporation

There is no special interest.

3. Jimmy C. Beasley (April 6, 1963)

Reelection
Independent Outside Director



Profile, and position and responsibility in Olympus Corporation

March 1986: Territory Manager, Roche Laboratories (Division of Hoffman La Roche)
 June 1989: Various roles of increasing responsibility in sales and marketing including Vice President of Sales and Marketing, Bard Access Systems Division, C.R. Bard Inc.
 June 2003: President, Bard Access Systems Division, C.R. Bard Inc.
 April 2007: President, Bard Peripheral Vascular Division, C.R. Bard Inc.
 May 2009: Group Vice President, C.R. Bard Inc.
 June 2013: Group President, C.R. Bard Inc.
 May 2018: Consultant and Executive Advisor to ValueAct Capital Management L.P. (hereinafter called "VAC")
 June 2019: Outside Director, Olympus Corporation (present)

*The executive advisor role is a consulting role to VAC; it is not an employee position. This consulting agreement finished at the end of March 2019.

Number of shares of Olympus Corporation held (Of which, the number of shares to be delivered under the stock compensation plan):

5,946 shares
(3,560 shares)

Years served as Outside Director: 5 years

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

14 of 14 (100%)

Attendance at meetings of the Compensation Committee during current fiscal year:

11 of 11 (100%)

Important concurrent positions

Mr. Beasley does not hold any important concurrent positions.

Reason for election and outline of expected roles

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 Corporation. Since he assumed the post of Director of Olympus Corporation in June 2019, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, he has been participating in decisions on executive compensation as a member of the Compensation Committee. Olympus Corporation expects that Outside Directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to serve on the Board of Directors, as Chairperson of the Compensation Committee, he is expected to lead the Compensation Committee in providing appropriate incentives to management. Olympus Corporation has determined that he will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group, as well as fulfilling Olympus Corporation's aim to enhancing the diversity of the Board of Directors including the internationality as a global MedTech company.

Special interest between the candidate and Olympus Corporation

There is no special interest.

4. Sachiko Ichikawa (January 17, 1967)

Reelection
Independent Outside Director



Profile, and position and responsibility in Olympus Corporation

April 1997: Registered as attorney
 Joined Tanabe & Partners
 January 2005: Registered as attorney of the State of New York
 November 2009: Statutory Auditor, The Board Director Training Institute of Japan
 January 2011: Partner, Tanabe & Partners (present)
 June 2015: Outside Director, ANRITSU CORPORATION
 Director, The Board Director Training Institute of Japan
 April 2018: Registered as certified public accountant of the U.S.A.
 May 2018: Outside Auditor, Ryohin Keikaku Co., Ltd.
 June 2020: Statutory Auditor, The Board Director Training Institute of Japan
 June 2021: Outside Director, Tokyo Electron Ltd. (present)
 Outside Director, Olympus Corporation (present)
 June 2022: Director, The Board Director Training Institute of Japan (present)
 June 2024: Outside Director, Azbil Corporation (assuming the office on June 25, 2024)

Number of shares of Olympus Corporation held (Of which, the number of shares to be delivered under the stock compensation plan):

7,105 shares
(7,105 shares)

Years served as Outside Director: 3 years

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

14 of 14 (100%)

Attendance at meetings of the Audit Committee during current fiscal year:

27 of 27 (100%)

Important concurrent positions

Partner, Tanabe & Partners
 Outside Director, Tokyo Electron Ltd.
 Director, The Board Director Training Institute of Japan
 Outside Director, Azbil Corporation (assuming the office on June 25, 2024)

Reason for election and outline of expected roles

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 Corporation 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 Corporation in June 2021, she has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, she has been promoting the audit of the execution of duties by the Directors and Executive Officers of Olympus Corporation as a member of the Audit Committee. Olympus Corporation expects that Outside Directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that she is an indispensable person for the composition of the Board of Directors and nominated her as a candidate for Outside Director again. In addition, if she is elected to serve on the Board of Directors, she is expected to be involved from an objective and neutral position as a member of the Audit Committee. She has not been involved in company management in any way other than as an Outside Director and Audit & Supervisory Board Member in the past, but for the reasons stated above, Olympus Corporation has determined that she will properly perform her duties as an Outside Director.

Special interest between the candidate and Olympus Corporation

There is no special interest.

5. Kohei Kan (March 7, 1960)

Reelection
Independent Outside Director



Profile, and position and responsibility in Olympus Corporation

September 1986: Registered as Certificated Public Accountant
 April 1987: Joined Mita Audit Corporation (currently Deloitte Touche Tohmatsu LLC)
 June 1998: Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
 November 2013: Board Member, Deloitte Tohmatsu Group and Deloitte Touche Tohmatsu LLC
 November 2015: Chief Executive Officer, Deloitte Touche Tohmatsu LLC
 June 2018: Senior Advisor, Deloitte Tohmatsu LLC
 September 2018: Audit & Assurance Leader, Deloitte Asia Pacific Limited
 January 2020: Senior Advisor, Deloitte Asia Pacific Limited
 October 2020: Chief, Kan Kohei Certified Public Accountant Office (present)
 November 2020: Board Member, International Federation of Accountants “IFAC” (present)
 January 2022: Senior Advisor, The Japanese Institute of Certified Public Accountants (present)
 June 2022: Outside Director, Olympus Corporation (present)

Number of shares of Olympus Corporation held (Of which, the number of shares to be delivered under the stock compensation plan):

7,424 shares
(5,798 shares)

Years served as Outside Director: 2 years

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

14 of 14 (100%)

Attendance at meetings of the Audit Committee during current fiscal year:

27 of 27 (100%)

Important concurrent positions

Chief, Kan Kohei Certified Public Accountant Office
 Board Member, International Federation of Accountants “IFAC”
 Senior Advisor, The Japanese Institute of Certified Public Accountants

Reason for election and outline of expected roles

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 Corporation 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 International Federation of Accountants. Since he assumed the post of Outside Director of Olympus Corporation in June 2022, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, he has been promoting the audit of the execution of duties by the Directors and Executive Officers of Olympus Corporation as a member of the Audit Committee. Olympus Corporation expects that Outside Directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to serve on the Board of Directors, as Chairperson of the Audit Committee, he is expected to lead the audit of the execution of duties by the Directors and Executive Officers. He has not been involved in company management in any way other than as an Outside Director and Audit & Supervisory Board Member in the past, but for the reasons stated above, Olympus Corporation has determined that he will properly perform his duties as an Outside Director.

Special interest between the candidate and Olympus Corporation

There is no special interest.

6. Gary John Pruden (May 10, 1961)

Reelection
Independent Outside Director



Profile, and position and responsibility in Olympus Corporation

October 1985: Joined Janssen Pharmaceutica, a division of Johnson & Johnson
 June 1999: Director of Marketing, GI Franchise Marketing, Janssen Pharmaceutica
 May 2001: Vice President, Marketing, Primary Care Franchise, Janssen Pharmaceutica
 November 2002: Vice President, Marketing, CNS Franchise, Janssen Pharmaceutica
 February 2004: President & Chief Operating Officer, Janssen-Ortho Canada INC
 January 2006: Worldwide President, Ethicon Products Inc, a division of Johnson & Johnson
 April 2009: Company Group Chairperson, Ethicon Franchise Inc.
 January 2012: Worldwide Chairperson, Global Surgery Group, Johnson & Johnson
 June 2015: Executive Vice President & Worldwide Chairperson, Medical Devices, Johnson & Johnson
 December 2017: Independent Board Director, Motus GI Holdings Inc. (present)
 April 2018: Independent Board Director, Lantheus Holdings Inc. (present)
 December 2019: Chief Executive Officer, GPS Med Tech Strategy Consulting LLC (present)
 June 2022: Outside Director, Olympus Corporation (present)

Number of shares of Olympus Corporation held: (Of which, the number of shares to be delivered under the stock compensation plan):

4,598 shares
(3,560 shares)

Years served as Outside Director: 2 years

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

14 of 14 (100%)

Attendance at meetings of the Nominating Committee during current fiscal year:

10 of 11 (90.9%)

Attendance at meetings of the Compensation Committee during current fiscal year:

3 of 3 (100%)

Important concurrent positions

Independent Board Director, Motus GI Holdings Inc.
 Independent Board Director, Lantheus Holdings Inc.
 Chief Executive Officer, GPS Med Tech Strategy Consulting LLC

Reason for election and outline of expected roles

Mr. Gary John Pruden has over 30 years of global business experience and extensive experience and knowledge as a business manager at Johnson & 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 Corporation in June 2022, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, as a member of the Compensation Committee until June 2023, he participated in decisions on executive compensation. As a member of the Nominating Committee since June 2023, he has facilitating decisions regarding the contents of the agenda for election of Directors. Olympus Corporation expects that Outside Directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to serve on the Board of Directors, he is expected to be involved from an objective and neutral position as a member of the Nominating Committee. Moreover, Olympus Corporation has determined that he will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group, as well as fulfilling Olympus Corporation’s aim of enhancing the diversity of the Board of Directors including the internationality as a global MedTech company.

Special interest between the candidate and Olympus Corporation

There is no special interest.

7. Luann Marie Pendency (May 8, 1960)

Reelection
Independent Outside Director



Profile, and position and responsibility in Olympus Corporation

December 1987: Joined Abbott Laboratories
February 1998: Director, Quality Control Production Laboratories, Chemical and Agricultural Product Division, Abbott Laboratories
February 2007: Corporate Vice President, Global Quality & Regulatory Affairs, Hospira Inc
November 2008: Vice President, Corporate Quality, Medtronic Inc. (currently Medtronic plc.)
June 2014: Senior Vice President, Global Quality, Medtronic Inc. (currently Medtronic plc.)
November 2017: Senior Vice President, Regulatory Affairs & Global Quality, Medtronic plc.
January 2018: Senior Vice President, Chief Quality and Regulatory Affairs Officer, Medtronic plc.
June 2023: Outside Director, Olympus Corporation (present)

Number of shares of Olympus Corporation held: (Of which, the number of shares to be delivered under the stock compensation plan):

3,560 shares
(3,560 shares)

Years served as Outside Director:

1 year

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

11 of 11 (100%)

Attendance at meetings of the Compensation Committee during current fiscal year:

8 of 8 (100%)

Important concurrent positions

Dr. Pendency does not hold any important concurrent positions.

Reason for election and outline of expected roles

Dr. Luann Marie Pendency 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 Corporation through her experience in the areas of Quality Assurance and Regulatory Affairs (QA&RA), as well as her experience on quality-related committees. Since she assumed the post of Director of Olympus Corporation in June 2023, she has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, she has been participating in decisions on executive compensation as a member of the Compensation Committee. Olympus Corporation expects that Outside Directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that she is an indispensable person for the composition of the Board of Directors and nominated her as a candidate for Outside Director again. In addition, if she is elected to serve on the Board of Directors, she is expected to be involved from an objective and neutral position as a member of the Compensation Committee. Moreover, Olympus Corporation has determined that she will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of Olympus Group, as well as fulfilling Olympus Corporation's aim of enhancing the diversity of the Board of Directors including the internationality as a global MedTech company.

Special interest between the candidate and Olympus Corporation

There is no special interest.

8. Masato Iwasaki (November 6, 1958)

New election
Independent Outside Director



Profile, and position and responsibility in Olympus Corporation

April 1985: Joined Takeda Pharmaceutical Company Limited
April 2008: Senior Vice President and Head, Strategic Product Planning Department, Takeda Pharmaceutical Company Limited.
June 2010: Corporate Officer, Takeda Pharmaceutical Company Limited.
January 2012: Head of Chief Medical & Scientific Officer Office, Takeda Pharmaceuticals International, Inc.
April 2012: Senior Vice President, Pharmaceutical Marketing Division, Takeda Pharmaceutical Company Limited.
June 2012: Director, Takeda Pharmaceutical Company Limited.
April 2015: President, Japan Pharm Business Unit, Takeda Pharmaceutical Company Limited.
April 2021: Japan General Affairs, Takeda Pharmaceutical Company Limited.
June 2021: Representative Director, Takeda Pharmaceutical Company Limited.
June 2022: Outside Director, JSR Corporation (scheduled to retire on June 27, 2024)
June 2023: Chairperson of Economic, Fiscal, Financial, and Social Security Committee, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (present)
Representative Director and Chief Executive Officer, Rock&Company K.K. (present)
September 2023: Drug Discovery Strategic Advisor, CellSource Co., Ltd. (present)

Number of shares of Olympus Corporation held:

0 shares

Years served as Outside Director:

- year

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

- (-%)

Important concurrent positions

Outside Director, JSR Corporation (scheduled to retire on June 27, 2024)
Chairperson of Economic, Fiscal, Financial, and Social Security Committee, KEIZAI DOYUKAI (Japan Association of Corporate Executives)
Representative Director and Chief Executive Officer, Rock&Company K.K.
Drug Discovery Strategic Advisor, CellSource Co., Ltd.

Reason for election and outline of expected roles

Dr. Masato Iwasaki has extensive and diverse knowledge as a business manager in the healthcare industry, having previously served as an executive at Takeda Pharmaceutical Company Limited. He also possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of Olympus Corporation through his experience as an Outside Director at another company, together with his experience in leading various acquisitions and establishment of overseas companies and restructuring, to promote globalization at Takeda Pharmaceutical Company Limited. Additionally, he currently serves as a Chairperson of Economic, Fiscal, Financial, and Social Security Committee at KEIZAI DOYUKAI (Japan Association of Corporate Executives). Olympus Corporation expects that Outside Directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors and newly nominated him as a candidate for Outside Director. In addition, if he is elected to serve on the Board of Directors, he is expected to be involved from an objective and neutral position as a member of the Nominating Committee.

Special interest between the candidate and Olympus Corporation

There is no special interest.

9. Yasuo Takeuchi (February 25, 1957)

Reelection



Number of shares of Olympus Corporation held (Of which, the number of shares to be delivered under the stock compensation plan):

248,740 shares
(99,641 shares)

Years served as Director:

12 years

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

14 of 14 (100%)

Attendance at meetings of the Nominating Committee during current fiscal year:

2 of 2 (100%)

Profile, and position and responsibility in Olympus Corporation

April 1980: Joined Olympus Corporation

April 2009: Director, Olympus Europa Holding GmbH (currently Olympus Europa SE & Co. KG)

June 2009: Corporate Officer, Olympus Corporation

October 2011: Executive Managing Director and Chairperson of the Board, Olympus Europa Holding GmbH (currently Olympus Europa SE & Co. KG)

April 2012: Director, Olympus Corporation (present)
Senior Corporate Managing Officer, Olympus Corporation
Group President of Group Management Office, Olympus Corporation

March 2013: Chairperson of the Board, Olympus Corporation of the Americas
Director, Olympus Corporation of Asia Pacific Limited
Administrative Board and Managing Director, Olympus Europa Holding SE

April 2015: Head of Corporate Management Office, Olympus Corporation

April 2016: Director, Vice President, Olympus Corporation
Chief Financial Officer (CFO), Olympus Corporation
Chief Regional Representative Officer, Olympus Corporation

April 2019: Representative Director, Olympus Corporation
President, Olympus Corporation
Chief Executive Officer (CEO), Olympus Corporation

June 2019: Representative Executive Officer, President and Chief Executive Officer (CEO), Olympus Corporation

April 2023: Representative Executive Officer, Executive Chairperson, Olympus Corporation (present)
ESG Officer, Olympus Corporation (present)

Important concurrent positions

Mr. Takeuchi does not hold any important concurrent positions.

Reason for election

Mr. Yasuo Takeuchi has experience in the Accounting and Planning Divisions of Olympus Corporation. He also has extensive experience overseas, and held several executive positions at subsidiaries in Europe, including the U.K. and the U.S. Since he assumed the post of Director of Olympus Corporation in April 2012, he led initiatives for stable finance as the head of the Group Corporate Management Office supervising the Corporate Management Division and Finance/Accounting Division. In addition, he assumed the post of President and Representative Director, CEO in April 2019 and President and Representative Executive Officer, CEO in June of the same year. As Chief Executive Officer, he led “Transform Olympus,” which was the company transformation plan and corporate strategies based on this plan. Moreover, as a member of the Nominating Committee until June 2023, he facilitated decisions regarding the contents of the agenda for election of Directors. Since April 2023, as Executive Chairperson, he has been contributing the sustainable growth of the Olympus Group by supporting the Chief Executive Officer. From the above, Olympus Corporation has determined that he will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group and nominated him as a candidate for Director again. In addition, if he is elected to serve on the Board of Directors, Olympus Corporation will enlist his involvement in providing appropriate incentives to management as a member of the Compensation Committee.

Special interest between the candidate and Olympus Corporation

There is no special interest.

10. Stefan Kaufmann (January 24, 1968)

Reelection



Number of shares of Olympus Corporation held (Of which, the number of shares to be delivered under the stock compensation plan):

169,149 shares
(115,805 shares)

Years served as Director:

5 years

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

14 of 14 (100%)

Attendance at meetings of the Nominating Committee during current fiscal year:

11 of 11 (100%)

Profile, and position and responsibility in Olympus Corporation

September 1990: Various roles in operational and strategic HR functions, Karstadt AG

October 2000: Head of HR Development, Thomas Cook

May 2003: Joined Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)
General Manager Human Resources, Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)

April 2008: Managing Director Corporate Division, Olympus Europa GmbH

November 2011: Executive Managing Director, Olympus Europa SE & Co. KG

September 2013: Managing Director Consumer Business, Olympus Europa SE & Co. KG

April 2017: Corporate Officer, Olympus Corporation

April 2019: Chief Administrative Officer (CAO), Olympus Corporation
Supervisory Board (Chairperson), Olympus Europa Holding SE

June 2019: Director, Olympus Corporation (present)
Executive Officer and Chief Administrative Officer (CAO), Olympus Corporation

April 2022: Chief Strategy Officer (CSO), Olympus Corporation
ESG Officer, Olympus Corporation
Director, Olympus (China) Co., Ltd.

April 2023: Representative Executive Officer, President and Chief Executive Officer (CEO), Olympus Corporation (present)
Chairperson of the Board, Olympus Corporation of the Americas (present)

Important concurrent positions

Mr. Kaufmann does not hold any important concurrent positions.

Reason for election

Mr. Stefan Kaufmann has global and multilateral business experience at overseas subsidiaries of Olympus Corporation and at companies in Europe leading the Administration and Human Resources Divisions and an efficiency enhancement project, and he has experience and knowledge in the Corporate Division. He assumed the post of CAO in April 2019 and the offices of Director and Executive Officer in June 2019, and facilitated more sophisticated and efficient personnel management and group management foundation of Olympus Corporation. He also promoted Olympus Corporation’s business transformation plan “Transform Olympus” along with corporate strategies based on the plan with previous CEO. Moreover, he implemented various initiatives, including the selection and concentration of the Olympus Group’s business portfolio, active investment in growth areas, and structural reform of fixed costs. Since he assumed the post of Chief Executive Officer of Olympus Corporation in April 2023, he has been leading the enhancement of the management foundation while fulfilling his accountability as Chief Executive Officer at the Board of Directors to steadily implement new corporate strategy. In addition, as a member of the Nominating Committee since June 2023, he has been facilitating decisions regarding the contents of the agenda for election of Directors. From the above, Olympus Corporation has determined that he will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group and nominated him as a candidate for Director again. In addition, if he is elected to serve on the Board of Directors, Olympus Corporation will enlist his involvement in the selection of its officer candidates as a member of the Nominating Committee.

Special interest between the candidate and Olympus Corporation

There is no special interest.

11. Toshihiko Okubo (June 1, 1960)

Reelection
Non-executive



Number of shares of Olympus Corporation held (Of which, the number of shares to be delivered under the stock compensation plan):

24,709 shares
(9,688 shares)

Years served as Director: 1 year

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

11 of 11 (100%)

Attendance at meetings of the Audit Committee during current fiscal year:

19 of 19 (100%)

Profile, and position and responsibility in Olympus Corporation

February 1991:	Joined Olympus Corporation
July 2005:	President and Chief Executive Officer (CEO), Olympus NDT Corporation (currently Evident Scientific Inc.)
August 2011:	General Division Manager of the Life & Industrial Systems, Olympus Corporation
June 2013:	Chairperson, Olympus NDT Corporation (currently Evident Scientific Inc.)
April 2014:	Corporate Officer, Olympus Corporation
April 2015:	Division Manager of the Scientific Solutions Business Strategy Division, Olympus Corporation
April 2016:	Head of the Scientific Solutions Business Unit, Olympus Corporation
April 2019:	Senior Vice President of New Business Development, Olympus Corporation
April 2021:	Senior Vice President of Corporate Planning, Olympus Corporation
April 2022:	Deputy Chief Strategy Officer, Olympus Corporation
April 2023:	Assistant to Chief Strategy Officer, Olympus Corporation
June 2023:	Director, Olympus Corporation (present)

Important concurrent positions

Mr. Okubo does not hold any important concurrent positions.

Reason for election

Mr. Toshihiko Okubo has global business experience in Olympus Corporation's business unit and has held executive positions in Olympus Corporation's domestic and overseas affiliates. He was appointed as Corporate Officer of Olympus Corporation in April 2014 and has driven the structural reform of Scientific Solutions Business of the Olympus Group. From 2019 onwards, he also led the transfer of Imaging Business of the Olympus Group, the split-up and transfer of Scientific Solutions Business of the Olympus Group, and the selection and concentration of our business portfolio based on the corporate strategy. Since he assumed the post of Director of Olympus Corporation in June 2023, he has been monitoring business execution of Olympus Corporation at the Board of Directors and, as a full-time member of the Audit Committee, he has been participating in the audit of the execution of duties by Directors and Executive Officers of Olympus Corporation, while making use of his experience and knowledge accumulated so far. From the above, Olympus Corporation has determined that he will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group and nominated him as a candidate for Director again. He is a candidate for non-executive Director. In addition, if he is elected to serve on the Board of Directors, Olympus Corporation will enlist his involvement in the audit of the execution of duties by its officers, serving as a full-time member of the Audit Committee.

Special interest between the candidate and Olympus Corporation

There is no special interest.

- Notes:
- Number of Shares of Olympus Corporation Held
"Number of shares of Olympus Corporation held" indicates the number of shares held as of March 31, 2024. It also includes the number of shares each candidate holds through the Officers' Shareholding Association of Olympus Corporation, his/her own equity interest held through a company managing stock compensation of Olympus Corporation as well as the number of shares to be delivered under the stock compensation plan.
 - Attendance at Meetings During Current Fiscal Year
 - Attendance of Messrs. David Robert Hale and Yasuo Takeuchi at Nominating Committee is included for meetings held during their term as a member of the Committee until June 27, 2023.
 - Attendance of Mr. Gary John Pruden at Compensation Committee is included for meetings held during his term as a member of the Committee until June 27, 2023. In addition, attendance of Mr. Gary John Pruden at Nominating Committee is included for meetings held after his appointment as a member of the Committee on June 27, 2023.
 - Attendance of Dr. Luann Marie Pendy at Board of Directors and Compensation Committee is included for meetings held after her appointment as Director and a member of the Committee on June 27, 2023.
 - Attendance of Mr. Stefan Kaufmann at Nominating Committee is included for meetings held after his appointment as a member of the Committee on June 27, 2023.
 - Attendance of Mr. Toshihiko Okubo at Board of Directors and Audit Committee is included for meetings held after his appointment as Director and a member of the Committee on June 27, 2023.
 - Important Concurrent Position
Mr. Gary John Pruden, a candidate for Director, is Outside Director of OSSIO Inc. His post at OSSIO Inc. no longer falls into an important concurrent position because his working conditions have changed.
 - Process for Nominating Candidates for Director
The Nominating Committee has decided the candidates for Director after deliberation in accordance with the selection criteria.
 - Candidates for Outside Director
Messrs. Sumitaka Fujita, David Robert Hale and Jimmy C. Beasley, Ms. Sachiko Ichikawa, Messrs. Kohei Kan and Gary John Pruden and Drs. Luann Marie Pendy and Masato Iwasaki are candidates for Outside Director.
 - Independent Director
 - Olympus Corporation has notified the Tokyo Stock Exchange, Inc. of Messrs. Sumitaka Fujita, David Robert Hale and Jimmy C. Beasley, Ms. Sachiko Ichikawa, Messrs. Kohei Kan and Gary John Pruden and Dr. Luann Marie Pendy as independent directors as stipulated by the regulations of the Tokyo Stock Exchange Inc. If they are elected, Olympus Corporation plans to maintain their positions as independent directors. In addition, Olympus Corporation plans to notify the Tokyo Stock Exchange, Inc. of Dr. Masato Iwasaki as independent director as stipulated by the regulations of the Tokyo Stock Exchange Inc.
 - Mr. David Robert Hale is a Co-CEO of ValueAct Capital Management L.P. The number of shares of Olympus Corporation held by ValueAct Capital Master Fund, L.P. controlled by ValueAct Capital Management L.P. is 6,403,084 shares as of March 31, 2024. Since the share of voting rights held by the said company is less than 5%, Olympus Corporation plans to maintain his positions as independent directors.
 - Special Notes Concerning the Candidate for Outside Director
Tokyo Electron Ltd., of which Ms. Sachiko Ichikawa has been an outside director since June 2021, received administrative guidance in August 2022 from the Communications Infrastructure Bureau of the Ministry of Internal Affairs and Communications regarding inadequate application procedures for equipment that falls under radio frequency application equipment in accordance with the provisions of the Radio Act at the company and its group companies. Ms. Ichikawa was not aware of this fact until the time of the above revelation, but she regularly made suggestions from the perspective of legal compliance and alerted at board meetings and other meetings. Following the occurrence of the fact, she has fulfilled her responsibilities as an outside director by, among other things, demanding that the company should take appropriate measures to ensure compliance with laws and regulations and to prevent recurrence.
 - Limitation of Liability Agreement with Directors
Olympus Corporation has prescribed in the Articles of Incorporation that Olympus Corporation may enter into an agreement with Directors (excluding those who are executive directors, etc.) to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages

under such liability limitation agreement is the minimum liability amount as stipulated in laws and regulations. If the candidates for Director, Messrs. Sumitaka Fujita, David Robert Hale and Jimmy C. Beasley, Ms. Sachiko Ichikawa, Messrs. Kohei Kan and Gary John Pruden, Dr. Luann Marie Pendy and Mr. Toshihiko Okubo are elected, Olympus Corporation plans to continue the limitation of liability agreement with each of them. In addition, if Dr. Masato Iwasaki is elected, Olympus Corporation plans to enter into the limitation of liability agreement with him.

9. Indemnification Agreement with Directors

Olympus Corporation has entered into an indemnification agreement with each Director and each Executive Officer pursuant to Article 430-2, Paragraph 1 of the Companies Act. For an overview of the contents of the indemnification agreement, please refer to “IV Matters Concerning Company Officers 3. Overview of Content of Indemnification Agreement” of the Business Report. If the candidates for Director, Messrs. Sumitaka Fujita, David Robert Hale and Jimmy C. Beasley, Ms. Sachiko Ichikawa, Messrs. Kohei Kan and Gary John Pruden, Dr. Luann Marie Pendy and Messrs. Yasuo Takeuchi, Stefan Kaufmann and Toshihiko Okubo are elected, Olympus Corporation plans to continue the indemnification agreement with each of them. In addition, if Dr. Masato Iwasaki is elected, Olympus Corporation plans to enter into the indemnification agreement with him.

10. Directors and Officers Liability Insurance Agreement to Insure the Candidates for Director

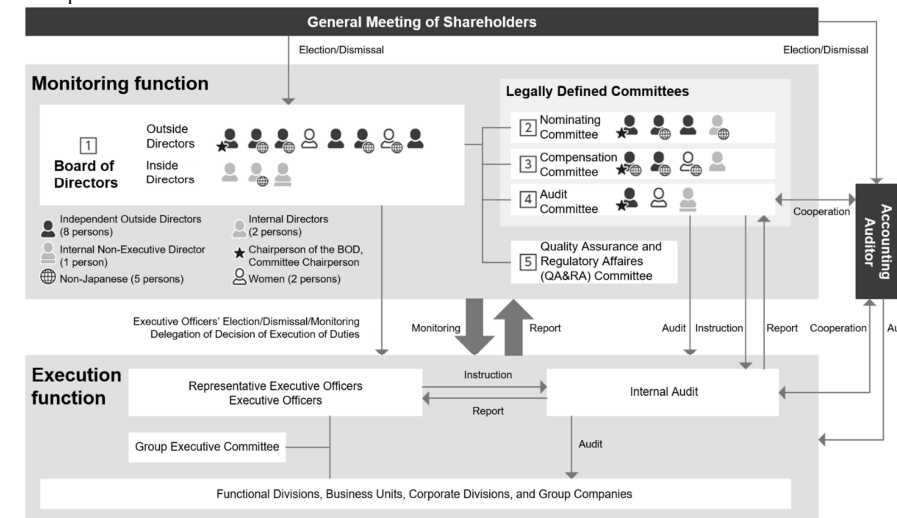
Olympus Corporation has entered into a directors and officers liability insurance agreement with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. For an overview of the contents of the insurance agreement, please refer to “IV Matters Concerning Company Officers 4. Overview of Content of Directors and Officers Liability Insurance Agreement” of the Business Report. If the candidates for Director are elected, they will be insured under the insurance agreement. Additionally, the term of the insurance agreement is 1 year, and Olympus Corporation plans to enter into the insurance agreement with the contents which are substantially equivalent to the contents of the current insurance agreement, in July 2024.

Reference (Structure in the event that the proposal for the election of directors is supported)

1. Composition of the Board of Directors



2. Corporate Governance Structure



* For the roles of the Board of Directors and each of the Committees, please refer to the next page.

Reference (Status of Corporate Governance System)

1. Roles of the Board of Directors and each Committee

Olympus Corporation, as a company with a nominating committee, etc., has the Board of Directors and statutory committees (Nominating Committee, Compensation Committee, and Audit Committee) in place. In addition, it has the Quality Assurance and Regulatory Affairs (QA&RA) Committee as an optional committee. Roles of the Board of Directors and each committee are as follows:

① Board of Directors, chaired by an Independent Outside Director

The Board of Directors will determine important matters including basic management policy and will monitor execution of duties of Directors and Executive Officers.

Main agendas: corporate strategy, business plans and forecast, Basic Policy on the Internal Control System, status of activities of each committee, and status of execution of Executive Officers

② Nominating Committee, chaired by an Independent Outside Director

The committee will deliberate on matters related to human resources at the Director and Executive Officer levels, as well as determine the proposals to be submitted to the General Meeting of Shareholders in relation to the appointment of Directors.

Main agendas: skill matrix, candidates for Directors, candidates for Executive Officers, succession plan for Executive Officers

③ Compensation Committee, chaired by an Independent Outside Director

The committee will determine a policy on compensation for Directors and Executive Officers, and its individual compensation.

Main agendas: policy to determine compensation, etc. of Directors and Executive Officers on an individual basis, the amount of compensation, and compensation rules

④ Audit Committee, chaired by an Independent Outside Director

The committee will audit execution of duties of Directors and Executive Officers, and create audit reports, as well as determine the proposals to be submitted to the General Meeting of Shareholders in relation to the selection of the Accounting Auditor, etc.

Main agendas: audit plans, audit reports, agreement on the audit compensation for Accounting Auditor, evaluation of the Accounting Auditor, and hearing reports on the results of internal audit

⑤ Quality Assurance and Regulatory Affairs (QA&RA) Committee, chaired by an Independent Outside Director

The committee will provide ongoing oversight to support regulatory compliance, cross functional planning, resourcing and monitoring of company's transition towards a robust company quality management system as a global MedTech company, and report the progress.

Reference (Status of Corporate Governance System)

2. "Criteria for Independence of Outside Officers" of the Olympus Corporation

Olympus Corporation has established its "Criteria for Independence of Outside Officers" as described below in order to clarify its policy on the 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 Corporation to Officers) or other assets from Olympus Corporation and Olympus Corporation's affiliates (hereinafter, collectively the "Group"). If the Outside Officer is a consultant, accounting expert or legal expert, the organization to which he or she belongs has not received more than ¥10 million in remuneration or similar from the Group.
- 2) During the past ten-year period, the Outside Officer has not been an 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.
 - (i) In any of the past 10 fiscal years, the monetary amount of the relevant company's transactions with the Group has been more than 2% of the consolidated revenue of either Olympus Corporation or the Group
 - (ii) The relevant company is a principal shareholder of Olympus Corporation (holding more than 5% of the total number of voting rights of Olympus Corporation directly or indirectly; the same shall apply hereinafter)
 - (iii) The Group is a principal shareholder of the relevant company
 - (iv) The relevant company has substantive interests in the Group (as a main bank, consultant, etc.)
 - (v) The Group and the relevant company have a relationship in which they mutually dispatch and appoint directors
- 3) The Outside Officer is not financially dependent on a person who falls under the categories of 1. or 2. above.
- 4) The Outside Officer is not a spouse of, or a relative within the third degree of kinship of, a Director, Executive Director, Corporate Officer or employee of the rank of General Manager or above at the Group.
- 5) The Outside Officer does not belong to an auditing firm that conducts statutory audits of the Group.
- 6) In addition to each of the above items, the Outside Officer does not have any significant interest that casts doubt on his or her independence.

3. Evaluation of effectiveness of the Board of Directors

To achieve effective corporate governance, Olympus Corporation annually evaluates the effectiveness of the overall Board of Directors from 2015, and announces the overview of results. Evaluation methods include questionnaires and discussions. In order to ensure objectivity, the discussions are conducted based on the insights of a third party (outside consultant). The discussions are facilitated by an outside consultant to objectively clarify the issues and assist in the discussion. After the discussion, the Board of Directors jointly conduct initiatives to improve the effectiveness of the Board of Directors based on the results of this discussion and analysis. We will continue to pursue our corporate philosophy to "make people's lives healthier, safer, and more fulfilling," and we are committed to strengthening our corporate governance and transparency, which are vital foundations of management.

The overview of evaluations of the Board of Directors is posted on the website of Olympus Corporation.

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

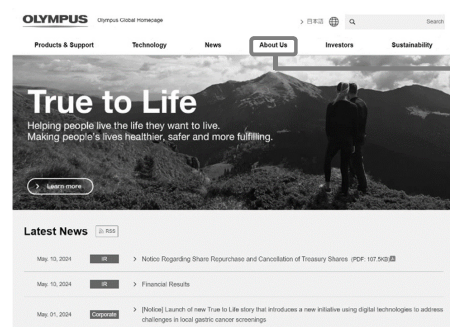
Introduction of the Corporate Information Website of the Olympus Corporation

We have posted information regarding our corporate governance on the Olympus Group Corporate Information website. We will continue to strengthen governance in line with the following basic concept of corporate governance.

Basic Concept of Corporate Governance

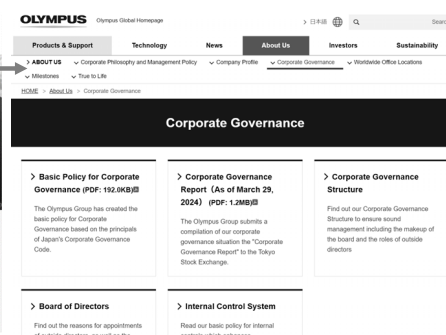
All our activities are based on our corporate philosophy, “Making people’s lives healthier, safer and more fulfilling.” Following this philosophy, we aim for our company’s continuous development and medium- and long-term corporate value improvement for all stakeholders, including shareholders. This philosophy also drives us to establish, implement, and continuously improve systems for ensuring the effectiveness and efficiency of operations and the appropriateness and reliability of financial reports. We are continuously positioning the task to strengthen our corporate governance system, as a top management priority. In addition, we are complying with and have implemented the principles of Japan’s Corporate Governance Code set forth by the Tokyo Stock Exchange (amended in June 2021). Through such efforts, we seek to ensure an effective corporate governance structure based on our fiduciary duty to shareholders; our responsibilities to customers, employees, communities, and other stakeholders; and the aforementioned our corporate philosophy.

Top page of the corporate information website



<https://www.olympus.co.jp/>

Information on corporate governance



<https://www.olympus.co.jp/company/governance/>

Business Report

(April 1, 2023 to March 31, 2024)

I Review of Operations of the Group**1. Review of Operations**

Operating Results for the Fiscal Year Ended March 31, 2024

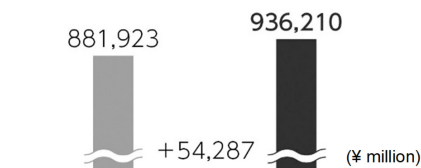
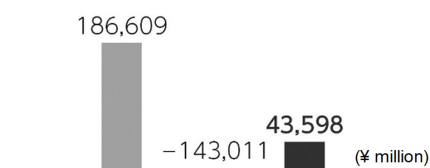
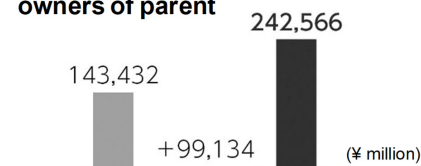
During the fiscal year ended March 31, 2024, the global economy continued to move towards recovery, but global monetary tightening and concerns about the outlook for China's economy pose downside risks. In addition, we saw rising raw material prices and supply chain constraints due mainly to the impacts of the war in Ukraine and global inflation. Notwithstanding a gradual improvement in business conditions, the Japanese economy was impacted by volatility in foreign exchange rates, and by the same soaring raw material prices that affected the global economy.

In this environment, the Olympus Group has worked to transform into a global MedTech company by pursuing our three priorities of "Patient safety and sustainability," "Innovation for growth" and "Productivity" in line with the management strategy announced in May 2023. Net sales for the fiscal year under review increased ¥54,287 million from the previous fiscal year to ¥936,210 million, as sales rose in all businesses, including the Endoscopic Solutions, Therapeutic Solutions, and Others businesses. Operating profit decreased by ¥143,011 million from the previous year to ¥43,598 million, mainly due to losses associated with the discontinuation of manufacturing and sales of electromagnetic navigation systems and other products of Veran Medical Technologies, Inc. (U.S.) and expenses related to the holistic quality transformation program, "Elevate" (Note 4). In addition to the existing collaboration between Sony Corporation and Sony Olympus Medical Solutions Inc., on surgical endoscopes and related systems, the two companies have agreed to collaborate in the field of gastrointestinal and respiratory endoscopes as part of their efforts to achieve sustainable growth. In addition, Olympus Corporation proactively collaborated with other companies, including an agreement with Canon Medical Systems Corporation to collaborate on an ultrasonic endoscope system.

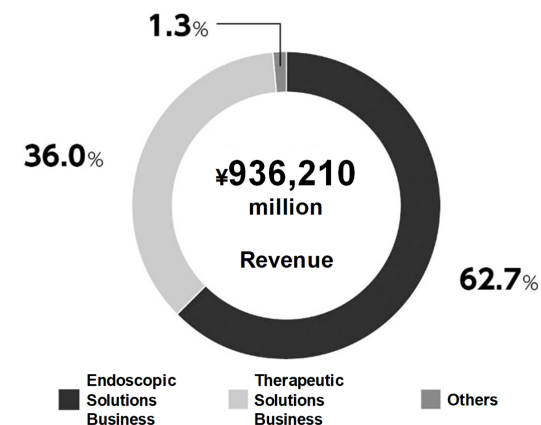
Impact of Foreign Exchange Rates

The average exchange rate during the period was ¥144.62 against the USD (¥135.47 in the previous fiscal year), ¥156.80 against the EUR (¥140.97 in the previous fiscal year) and ¥20.14 against the CNY (¥19.75 in the previous fiscal year), which caused revenue, operating profit and adjusted operating profit to increase by ¥51,404 million, ¥12,279 million and ¥17,102 million, respectively, year on year. Consolidated revenue increased 0.3% year on year, and consolidated operating profit decreased 83.2% year on year, excluding the impact of the foreign exchange rate.


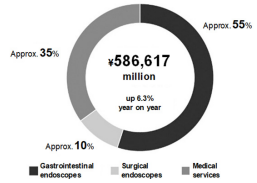
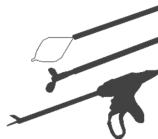
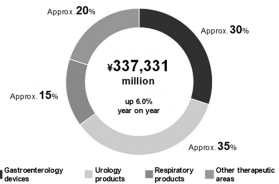
- Notes: 1. In this Business Report, for monetary amounts indicated in units of ¥1 million, fractions of ¥1 million are rounded off. In addition, "△" in graphs and tables indicates negative values such as loss or decrease.
2. Olympus Corporation has adopted International Financial Reporting Standards (IFRS).
3. The Scientific Solutions Business has been classified as a discontinued operation since the previous fiscal year. Due to this, the amounts presented for revenue and operating profit are the amounts from continuing operations from which the discontinued operation has been excluded.
4. "Elevate" is a holistic program that integrates the Group's corrective activities for issues identified by the U.S. Food and Drug Administration (FDA) and the quality improvement project into one integrated program. Details are described in "I Review of Operations of the Group, 6. Issues to Be Addressed" of the Business Report.

Revenue**Operating profit****Profit attributable to owners of parent****Basic earnings per share**

■ FY2023 ■ FY2024

Share of Revenue by Segment

2. Results of the Business Activities

Business segment	Revenue	Operating profit or loss
<p>Endoscopic Solutions Business</p>  <p>Principal business Manufacture, sale and repair of gastrointestinal endoscopes and surgical endoscopes, and service contracts for gastrointestinal endoscopes and surgical endoscopes</p>	 <p>¥586,617 million up 6.3% year on year</p>	<p>¥104,684 million (down 31.5% year on year)</p>
<p>Therapeutic Solutions Business</p>  <p>Principal business Manufacture and sale of gastroenterological devices, urology products, respiratory products, and other therapeutic products</p>	 <p>¥337,331 million up 6.0% year on year</p>	<p>- ¥8,466 million (¥63,692 million in the previous fiscal year)</p>
<p>Others</p> <p>Principal business Manufacture and sale of biomedical materials and orthopedic equipment, and research for new businesses</p>	<p>¥12,262 million (up 3.1% year on year)</p>	<p>- ¥7,809 million (- ¥914 million in the previous fiscal year)</p>

Analysis of the performance by business

- In GI Endoscopy, losses were sustained due to factors such as the impact of the 2024 Noto Peninsula Earthquake, and sales in China declined due to factors such as the impact of delays in bidding activities due to anticorruption campaigns. On the other hand, performance was favorable in North America where the gastrointestinal endoscopy system “EVIS X1” was launched and, with the effect of yen depreciation in foreign exchange rates, this resulted in year-on-year growth.
 - In Surgical Endoscopy, although North America and China recorded lower revenue due to the impact of discontinued shipments of some products, sales rose in Europe, Asia, and Oceania, where the “VISERA ELITE III” surgical endoscopy system was launched, and the effect of yen depreciation in foreign exchange rates also contributed to positive growth year on year.
 - In Medical Service, all regions showed positive year-on-year growth due to an increase in new contracts, in addition to stable sales of existing service contracts including maintenance services.
 - Despite the positive impact of increased revenue, operating income in the endoscope business decreased due to factors such as the recording of a one-off expense of approximately ¥14,700 million related to the holistic quality transformation program “Elevate” and impairment losses of approximately ¥10,600 million on development assets and in-process R&D.
 - Revenue increased 0.5% year on year, and operating profit decreased 40.5% year on year, excluding the impact of the foreign exchange rate.
-
- GI-EndoTherapy saw positive growth, primarily in North America and Europe, recording higher revenue year on year. Sales increased mainly in product groups which are used in endoscopic diagnoses and treatment of pancreatic duct, bile duct, etc., as well as product groups which are used in lesion resection.
 - Urology sales increased year-on-year due to positive growth primarily in Europe, Asia and Oceania, and the effect of yen depreciation in foreign exchange rates. Resection electrodes for benign prostatic hyperplasia and other products contributed to the increase in sales.
 - Respiratory saw positive growth, primarily in North America and Europe, recording higher revenue year on year, affected also by yen depreciation in foreign exchange rates, despite lower revenues in China resulting from shortages of some products and the impact of factors such as delayed bidding activities due to anti-corruption campaigns. Sales of devices used mainly for Endobronchial Ultrasound-guided Transbronchial Needle Aspiration increased.
 - In other therapeutic areas, revenue decreased following the sale of Gyrus Medical Ltd. (U.K.), but the impact of yen depreciation in foreign exchange rates contributed to year-on-year growth in revenue.
 - Operating profit in the Therapeutic Solutions Business declined despite the positive impact of higher sales. This was due mainly to a loss of approximately ¥51,900 million related to the discontinuation of the manufacture and sale of electromagnetic navigation systems of Veran Medical Technologies, Inc. (U.S.), a one-off expense related to the holistic quality transformation program “Elevate” of approximately ¥8,400 million, and approximately ¥2,000 million in costs associated with the conclusion and rescission of an agreement to acquire the shares of Taewoong Medical Co., Ltd. (South Korea).
 - Revenue remained at the same level as the previous fiscal year, and operating income decreased by ¥71,889 million year on year, excluding the impact of the foreign exchange rate.
-
- Revenue in other businesses increased due to positive growth primarily in China.
 - Operating profit in other businesses worsened, due to a loss of approximately ¥8,600 million related to the orthopedic surgery business.

3. Changes in Assets and Results of Operation

		IFRS			
		FY2021	FY2022	FY2023	FY2024
Revenue	(Millions of yen)	730,544	750,123	881,923	936,210
Operating profit	(Millions of yen)	81,985	146,188	186,609	43,598
Profit before tax	(Millions of yen)	76,810	141,701	182,294	35,854
Profit attributable to owners of parent	(Millions of yen)	12,918	115,742	143,432	242,566
Total assets	(Millions of yen)	1,183,453	1,357,999	1,508,701	1,534,216
Total equity	(Millions of yen)	395,480	511,362	641,234	757,186
Basic earnings per share	(Yen)	10.05	90.22	113.22	199.91
Equity attributable to owners of parent per share	(Yen)	306.72	400.75	510.62	649.59

- Notes: 1. See “I Review of Operations of the Group I. Review of Operations” in the Business Report for details on results for the current fiscal year.
2. The Scientific Solutions Business has been classified as a discontinued operation since the previous fiscal year. Due to this, the amounts presented for revenue, operating profit and profit before tax in the fiscal year under review and the previous fiscal year are the amounts from continuing operations from which the discontinued operation has been excluded. The amounts for the fiscal year ended March 31, 2022 have been similarly reclassified and presented.
3. The figures for the previous fiscal year retroactively reflect adjustments of provisional amounts related to the business combination.

4. Financing and Capital Investment

(1) Financing

No items to report

(2) Capital Investment

A total of ¥80,727 million was spent this fiscal year in capital investment. Main expenditures included R&D assets, rental equipment, production facilities, and equipment for demonstration in the Endoscopic Solutions Business and Therapeutic Solutions Business, as well as realignment of production and repair locations and changes in office facilities and layout for promoting working style transformation.

Additionally, the amount of capital investment includes an increase in right-of-use assets of ¥14,838 million due to new lease agreements under IFRS 16 “Leases.”

5. Status of Important Corporate Restructuring, etc.

- April 3, 2023, Olympus Corporation transferred all issued shares of Evident Corporation, a wholly owned subsidiary of Olympus Corporation, to K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP.
- Olympus Corporation acquired all of the outstanding shares of Olympus Terumo Biomaterials Corporation (except for the shares already held by Olympus Corporation) through a subsidiary of Olympus Corporation, making it a wholly owned subsidiary of Olympus Corporation as of August 4, 2023.
- On October 1, 2023, Olympus Corporation implemented an absorption-type merger with Olympus Corporation’s wholly owned subsidiary Olympus Digital System Design Corp.
- On February 24, 2023, we entered into an agreement to acquire the shares of Taewoong Medical Co., Ltd. of South Korea, and as of January 24, 2024, we had acquired 99.6% of its outstanding shares. However, we identified data integrity issues related to Taewoong Medical products after the closing. We determined that these issues are not in conformity with the acquisition’s closing conditions, and on March 7, 2024, we agreed with the former Taewoong Medical shareholders to rescind the definitive agreement.

6. Issues to Be Addressed




The Olympus Group aims to grow to be a global MedTech company esteemed by all stakeholders for all aspects including quality and innovation.

In January 2024, the Olympus Group refreshed “Our Core Values,” a code of conduct for our employees, in order to transform Olympus Corporation into a global MedTech company. By defining “Patient Focus,” “Innovation,” and “Impact” as our new priorities in addition to “Integrity” and “Empathy,” which have been a part of Olympus’ original core values, we will promote our pure-play MedTech business model, address pressing challenges, and align with the requirements of the evolving medical industry landscape.

(1) Managing Strategies

The Olympus Group announced the new corporate strategy “Leading as a global MedTech company” in May 2023. Based on the three priorities of “Patient safety and sustainability,” “Innovation for growth,” and “Productivity,” this management strategy is designed to strengthen our position as a global MedTech company and realize the Group’s corporate philosophy of “Making people’s lives healthier, safer, and more fulfilling.”

[Basic guidelines]

Patient safety and sustainability 	We will develop a patient safety mindset and adjust our operating model, processes, and systems globally in order to become a leading global MedTech company.
Innovation for growth 	We aim not only to work on the development of innovate products but also to be more innovative and creative company, and to develop business models and products in close cooperation with our customers, while taking risks with courage.
Productivity 	We will build a high performing organization focused on the fuel for innovation, patient safety, and product quality, while ensuring simplicity and operational efficiency.

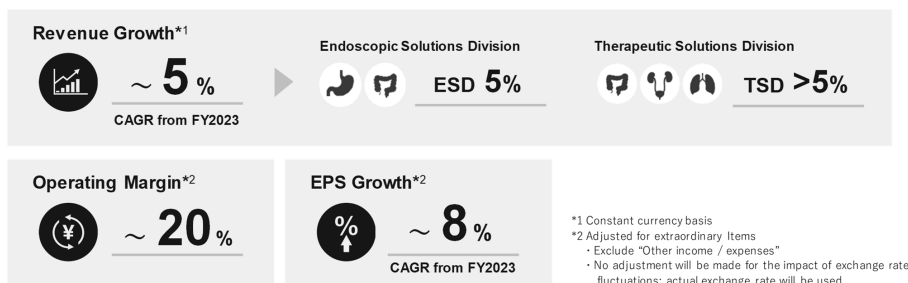
We have also established four strategic value pools that will drive our long-term sustainable growth and create value for our customers and society: Business and Global Expansion, Strategic M&A, Care Pathway Enhancement, and Intelligent Endoscopy Ecosystem. The Three Guiding Principles and the four value pools are deeply connected and help facilitate and accelerate each other, which is the beauty of the new company strategy.

[Four strategic value pools]



Furthermore, the Group aims to maintain an annual sales growth rate of approximately 5% and an operating profit margin of approximately 20%, even in the face of rapid changes in the external environment. We are targeting CAGR of approximately 8% for EPS, which is higher than the growth rate of net sales, by controlling cost increases through productivity and efficiency improvements.

[Financial guidance from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026]



For details of our management strategy, please refer to Olympus Corporation Strategy information posted on Olympus Corporation's website.

<https://www.olympus.co.jp/company/philosophy/strategy.html>

(2) Holistic Quality Transformation Program "Elevate"

During the fiscal year ended March 31, 2023, the Olympus [Key long-term goals]

Group received three Warning Letters from the US Food and Drug Administration (FDA) in connection with inspections of our Japanese facilities relating to certain issues with complaint handling, Medical Device Reporting (MDR), corrective and preventive actions, risk assessments, and process and design validation activities. Our top priority is to remedy all issues related to these Warning Letters and to transform ourselves into a global MedTech company with industry-leading standards, with the highest priority placed on patient safety and quality.

"Elevate" is a comprehensive program that integrates our Group's remedial actions on issues identified by the FDA and our quality transformation program into one. The program focuses on achieving the four goals shown on the right.

01. Strengthening our **patient safety focus** and **product quality culture**
02. Embedding sustainable, repeatable **processes** and **compliance**
03. Fostering constructive **relationships** with **health authorities**
04. Leveraging quality as a **competitive advantage**

While addressing the issues identified by the FDA, The Olympus Group will strive to fully harness the potential of Olympus and seize the opportunity of this fundamental change to achieve further growth and sustainable development as a leading global MedTech company.

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

7. Major Subsidiaries, etc.

There are 89 consolidated subsidiaries, including the following 4 major subsidiaries, and 3 equity-method companies.

Name of company	Capital stock or investment	Ratio of capital contribution by Olympus Corporation (%)	Principal business
Olympus Corporation of the Americas	US\$15,000	100	Holding company to conduct comprehensive management planning for affiliates in Americas
Olympus Europa Holding SE	€1,000,000	100	Holding company to conduct comprehensive management planning for affiliates in Europe and Middle East
Olympus (China) Co., Ltd.	US\$31,000,000	100	Holding company to conduct comprehensive management planning for affiliates in China
Olympus Corporation of Asia Pacific Limited	HK\$1,729,704,000	100	Holding company to conduct comprehensive management planning for affiliates in Asia and Oceania

8. Principal Places of Business and Plants (As of March 31, 2024)

(1) Olympus Corporation

Head Office	Hachioji-shi, Tokyo
Tokyo Facility	Shinjuku-ku, Tokyo (Headquarters)
Hachioji Facility	Hachioji-shi, Tokyo (R&D Center)
Nagano Facility	Kamiina-gun, Nagano
Shirakawa Facility	Nishi-Shirakawa-gun, Fukushima

Note: Effective April 1, 2024, Olympus Corporation relocated its head office to the R&D Center (Hachioji-shi, Tokyo) and changed the name of this office to "Global Headquarters."

(2) Subsidiaries

Aomori Olympus Co., Ltd.	Kuroishi-shi, Aomori
Olympus Marketing, Inc.	Shinjuku-ku, Tokyo
Olympus Medical Systems Corp.	Hachioji-shi, Tokyo
Nagano Olympus Co., Ltd.	Kamiina-gun, Nagano
Aizu Olympus Co., Ltd.	Aizuwakamatsu-shi, Fukushima
Shirakawa Olympus Co., Ltd.	Nishishirakawa-gun, Fukushima
Olympus America Inc.	Pennsylvania, U.S.
Olympus Corporation of the Americas	Pennsylvania, U.S.
KeyMed (Medical & Industrial Equipment) Ltd.	Essex, U.K.
Olympus Europa Holding SE	Hamburg, Germany
Olympus (Beijing) Sales & Service Co., Ltd.	Beijing, China
Olympus (China) Co., Ltd.	Beijing, China
Olympus Corporation of Asia Pacific Limited	Hong Kong Special Administrative Region, China
Olympus Korea Co., Ltd.	Seoul, South Korea

Note: Olympus Marketing, Inc. moved its head office to Hachioji-shi, Tokyo on April 1, 2024.

9. Employee Situation of the Group (As of March 31, 2024)

Segment	Numbers of employees (persons)		Increase/decrease from the previous fiscal year (persons)	
Endoscopic Solutions Business	14,948	(452)	687	(173)
Therapeutic Solutions Business	8,337	(228)	-107	(69)
Others	441	(12)	-118	(6)
Management division	5,112	(250)	-305	(59)
Total	28,838	(942)	157	(307)

- Notes: 1. The number of employees represents individuals working within the Group and includes employees on loan to the Group but does not include employees on loan outside the Group. The average number of temporary employees for the year is shown in parentheses in the column of “Numbers of employees.”
2. The Scientific Solutions Business is excluded from the above list because Evident Corporation, which took over the Scientific Solutions Business of Olympus Corporation during the period, is no longer a subsidiary of Olympus Corporation. The number of employees in Scientific Solutions Business decreased by 4,124 from the end of the previous year.
3. In the fiscal year under review, the number of employees was standardized throughout the Group. Accordingly, the number of employees for the previous fiscal year is also calculated based on the same standard.

10. Principal Lenders (As of March 31, 2024)

(Millions of yen)

Lender	Balance of borrowing
Sumitomo Mitsui Banking Corporation	62,000
MUFG Bank, Ltd.	43,000

11. Other Important Matters Concerning Group Operations

- (1) Shenzhen Anping Tai Investment and Development Co., Ltd. (Anpingtai), on December 23, 2016, filed a lawsuit against Olympus (Shenzhen) Industrial Ltd. (OSZ), an Olympus subsidiary in China, with the Shenzhen Intermediate People’s Court, seeking compensation for damage of about ¥4,643 million in connection with a consideration for consultancy services with which OSZ entrusted Anpingtai. On July 30, 2018, the Shenzhen Intermediate People’s Court handed down a judgment on the lawsuit ordering OSZ to pay about ¥3,357 million of compensation for damage and delinquent charges to Anpingtai. OSZ objected to the judgement and on August 17, 2018, it filed an appeal to the Guangdong Higher People’s Court. On July 1, 2020, the Guangdong Higher People’s Court vacated the first judgement ordering OSZ to pay compensation for damages and remanded the case back to the Shenzhen Intermediate People’s Court for reconsideration because the basic facts of the case, such as the validity of the memorandum based on which Anpingtai made its claims, are unclear. On December 31, 2021, Shenzhen Intermediate People’s Court has issued a judgement and ordered OSZ to pay about ¥3,542 million and delinquent charges to Anpingtai. OSZ objected to the judgement and on January 24, 2022, it filed an appeal to the Guangdong Higher People’s Court. Currently, the lawsuit is pending in the Guangdong Higher People’s Court.
- (2) Olympus Corporation received a notice of lawsuit dated March 25, 2020 stating that on February 4, 2020, an individual shareholder of Olympus Corporation (the “Plaintiff”) filed a derivative lawsuit for damages with the Tokyo District Court against 11 current or former Directors and former Audit & Supervisory Board members of Olympus Corporation (the “Defendants”). The Defendants are Directors of Olympus Corporation Yasuo Takeuchi; former Directors of Olympus Corporation Hiroyuki Sasa, Yasuyuki Kimoto, Hideaki Fujizuka, Shiro Hiruta, Motoyoshi Nishikawa and Kiichi Hirata; former Audit & Supervisory Board members of Olympus Corporation (former Directors of Olympus Corporation) Masashi Shimizu and Katsuya Natori; and former Audit & Supervisory Board members of Olympus Corporation Takashi Saito and Nobuo Nagoya. The lawsuit was filed to demand the 11 Defendants to pay to Olympus Corporation ¥1,600 million plus delinquent charges thereon jointly based on the view that, among other things, the Defendants failed to perform their duties in relation to the explicit or implicit approval of the execution of a consultant agreement and an agreement relating thereto by OSZ, an Olympus subsidiary in China, in order

to resolve an issue that the theoretical inventory amount of certain products and items was negative in its customs clearance books, and such failure caused damages to Olympus Corporation. In response to the above notice of lawsuit, Olympus Corporation decided on May 1, 2020 that it would intervene in the lawsuit to assist the Defendants because it believes that it is necessary for Olympus Corporation to intervene in the lawsuit to appropriately rebut the plaintiff’s allegations, so that the court can adjudicate the litigation in the fair and just manner. On October 13, 2023, the plaintiff submitted the brief to the court to withdraw the action against the defendant, Takashi Saito, and the defendant, Nobuo Nagoya. On October 18, 2023, Takashi Saito and Nobuo Nagoya submitted the brief to the court to consent such withdrawal and the action against Takashi Saito and Nobuo Nagoya was withdrawn. The lawsuit against the remaining 9 defendants is pending in the Tokyo District Court.

II Matters Concerning Shares (As of March 31, 2024)

1. **Total Number of Shares Authorized to be Issued:** 4,000,000,000 shares
2. **Total Number of Issued Shares:** 1,165,631,793 shares
(Excluding treasury stock 49,514,907 shares)
3. **Number of Shareholders as of the record date for exercise of voting rights:** 60,866
4. **Principal Shareholders (Top 10)**

Name of Shareholders	Numbers of shares held	Holding Ratio
The Master Trust Bank of Japan, Ltd. (trust account)	237,227,500 shares	20.35%
Custody Bank of Japan, Ltd. (trust account)	90,256,100	7.74
SMBC Trust Bank Ltd. (Olympus shares in Sumitomo Mitsui Banking Corporation's retirement benefit trust account)	39,509,300	3.39
SSBTC CLIENT OMNIBUS ACCOUNT	37,975,376	3.26
JP MORGAN CHASE BANK 385632	27,218,957	2.34
STATE STREET BANK WEST CLIENT - TREATY 505234	22,672,912	1.95
STATE STREET BANK AND TRUST COMPANY 505223	21,827,589	1.87
Nippon Life Insurance Company	21,258,572	1.82
GOLDMAN, SACHS & CO. REG	16,953,644	1.45
BNYM AS AGT/CLTS 10 PERCENT	16,132,479	1.38

Note: The holding ratio is computed by excluding treasury stock (49,514,907 shares).

5. Status of Shares Issued to Olympus Corporation's Officers as Consideration for Execution of Their Duties During the Current Fiscal Year

	Number of shares	Number of subject officers
Directors (excluding Outside Directors) and Executive Officers	422,778 shares	12 persons
Outside Directors	9,562	3

Notes: 1. Details of stock compensation are stated in the Business Report, "IV Matters Concerning Company Officers, 5. Compensation for Directors and Executive Officers."
2. The above figures include stocks issued to retired officers.

6. Other Important Matters Concerning Shares

- (1) Based on the resolution at the meeting of the Board of Directors held on May 12, 2023, Olympus Corporation carried out acquisition and cancellation of treasury shares as follows.

- Acquisition of treasury shares

Type and total number of shares acquired	Common shares 51,032,000 shares
Total acquisition value	¥100,000 million
Acquisition period	May 15, 2023 to November 6, 2023 (contract basis)

- Cancellation of treasury shares

Type and total number of shares cancelled	Common shares 51,032,000 shares (4.03% of total number of issued shares before the cancellation)
Date of cancellation	February 29, 2024

- (2) Based on the subsequent grant-type restricted stock compensation system, Olympus Corporation carried out disposal of treasury shares as follows.

Type and total number of shares disposed	Common shares 38,929 shares
Total disposal value	¥86 million
Date of disposal	June 14, 2023

- (3) Based on the subsequent grant-type restricted stock compensation system and the performance-based stock compensation system, Olympus Corporation carried out disposal of treasury shares as follows.

Type and total number of shares disposed	Common shares 515,101 shares
Total disposal value	¥1,157 million
Date of disposal	July 25, 2023

- (4) Based on the resolution at the meeting of the Board of Directors held on November 9, 2023, Olympus Corporation carried out acquisition and cancellation of treasury shares as follows.

- Acquisition of treasury shares

Type and total number of shares acquired	Common shares 37,446,500 shares
Total acquisition value	¥80,000 million
Acquisition period	November 10, 2023 to March 22, 2024 (contract basis)

- Cancellation of treasury shares

Type and total number of shares cancelled	Common shares 37,446,500 shares (3.08% of total number of issued shares before the cancellation)
Date of cancellation	April 30, 2024

- (5) At the meeting of the Board of Directors held on May 10, 2024, Olympus Corporation resolved to acquire and cancel its treasury shares as follows

- Acquisition of treasury shares

Type and total number of shares acquired	Common shares 60,000,000 shares (maximum) (5.15% of total number of issued shares (excluding treasury shares))
Total acquisition value	¥100,000 million (maximum)
Acquisition period	May 13, 2024 to December 31, 2024 (contract basis)

- Cancellation of treasury shares

Type and total number of shares cancelled	Common shares Total number of shares of treasury shares acquired as a result of the above acquisition of Olympus Corporation's shares
Date of cancellation	January 31, 2025

III Matters Concerning Subscription Rights to Shares, etc.

(1) Summary of Subscription Rights to Shares

Date of resolution of issue	Number of subscription rights to shares	Class and number of shares to be issued upon exercise of subscription rights to shares	Paid-in amount for subscription rights to shares	Value of property contributed upon exercise of subscription rights to shares	Exercise period	Grantees
August 8, 2013 (The first subscription rights to shares)	401	Common stock 160,400 shares	¥735 per share	¥1 per share	(Note) 1	Directors or Corporate Officers
June 26, 2014 (The second subscription rights to shares)	410	Common stock 164,000 shares	¥907 per share	¥1 per share	(Note) 1	Directors or Corporate Officers
June 26, 2015 (The third subscription rights to shares)	387	Common stock 154,800 shares	¥1,104 per share	¥1 per share	(Note) 1	Directors or Corporate Officers
June 28, 2016 (The fourth subscription rights to shares)	395	Common stock 158,000 shares	¥896 per share	¥1 per share	(Note) 1	Directors or Corporate Officers

- Notes: 1. (a) A holder of subscription rights to shares may exercise the rights only during a period of 10 years that starts after one year has passed since the day immediately following the day on which the holder loses his/her position of Director, Executive Officer or Corporate Officer of Olympus Corporation.
- (b) Other terms and conditions are stipulated in the Agreement on the Allocation of Subscription Rights to Shares.
2. In accordance with the provisions of the Agreement on the Allocation of Subscription Rights to Shares, the “Number of subscription rights to shares” for the first subscription rights to shares above and that for the second subscription rights to shares above each decreased by 10, that for the third subscription rights to shares above decreased by 3, and that for the fourth subscription rights to shares above decreased by 15 due to the retirement of Corporate Officers.
3. The “number of shares to be issued upon exercise of subscription rights to shares” is adjusted to reflect a four-for-one share split of common stock conducted on April 1, 2019.

(2) Subscription Rights to Shares Granted to as Compensation for the Duties Performed and Held by Olympus Corporation’s Officers at the End of the Fiscal Year Under Review

Issue number	Category	Number of subscription rights to shares	Class and number of shares to be issued upon exercise of subscription rights to shares	Number of holders
The first subscription rights to shares	Directors (excluding Outside Directors) and Executive Officers	34	Common stock 13,600 shares	2
The second subscription rights to shares	Directors (excluding Outside Directors) and Executive Officers	49	Common stock 19,600 shares	3
The third subscription rights to shares	Directors (excluding Outside Directors) and Executive Officers	46	Common stock 18,400 shares	3
The fourth subscription rights to shares	Directors (excluding Outside Directors) and Executive Officers	51	Common stock 20,400 shares	3

Note: The “number of shares to be issued upon exercise of subscription rights to shares” is adjusted to reflect a four-for-one share split of common stock conducted on April 1, 2019.

IV Matters Concerning Company Officers

1. Name of Directors and Executive Officers

(1) Name of Directors

(As of March 31, 2024)

Appointment	Name	Position and responsibility in Olympus Corporation	Important concurrent positions at other organizations
Outside Director	Sumitaka Fujita	Chairperson of the Board of Directors Chairperson of the Nominating Committee	
Outside Director	Yasumasa Masuda	Chairperson of the Audit Committee	Outside Auditor, SUBARU CORPORATION
Outside Director	David Robert Hale		Outside Director, JSR Corporation Co-Chief Executive Officer, ValueAct Capital Management L.P.
Outside Director	Jimmy C. Beasley	Member of the Compensation Committee	
Outside Director	Sachiko Ichikawa	Member of the Audit Committee	Partner, Tanabe & Partners Outside Director, Tokyo Electron Ltd. Director, The Board Director Training Institute of Japan
Outside Director	Yasushi Shingai	Chairperson of the Compensation Committee	Outside Director, ExaWizards Inc. Outside Director, Dai-ichi Life Holdings, Inc. Outside Director, Nippon Telegraph and Telephone West Corporation Representative Director, Shingai Institute of Management Consulting, Inc.
Outside Director	Kohei Kan	Member of the Audit Committee	Chief, Kan Kohei Certified Public Accountant Office Board Member, International Federation of Accountants "IFAC" Senior Advisor, The Japanese Institute of Certified Public Accountants
Outside Director	Gary John Pruden	Member of the Nominating Committee	Independent Board Director, Motus GI Holdings Inc. Independent Board Director, Lantheus Holdings Inc. Chief Executive Officer, GPS Med Tech Strategy Consulting LLC Independent Board Director, OSSIO Inc.

Appointment	Name	Position and responsibility in Olympus Corporation	Important concurrent positions at other organizations
Outside Director	Tatsuro Kosaka	Member of the Nominating Committee	Senior Advisor, CHUGAI PHARMACEUTICAL CO., LTD. Outside Auditor, Komatsu Ltd. Outside Director, Mitsubishi Electric Corporation Vice Chairperson of Council, Chairperson of Bio-Economy Committee, KEIDANREN (Japan Business Federation)
Outside Director	Luann Marie Pendy	Member of the Compensation Committee	
Director	Yasuo Takeuchi		
Director	Stefan Kaufmann	Member of the Nominating Committee	
Director	Toshihiko Okubo	Member of the Audit Committee	

- Notes:
- The above all Directors assumed their post on June 27, 2023.
 - Directors Sumitaka Fujita, Yasumasa Masuda, David Robert Hale, Jimmy C. Beasley, Sachiko Ichikawa, Yasushi Shingai, Kohei Kan, Gary John Pruden, Tatsuro Kosaka, and Luann Marie Pendy are Outside Directors.
 - Olympus Corporation has notified the Tokyo Stock Exchange, Inc. of Directors Sumitaka Fujita, Yasumasa Masuda, David Robert Hale, Jimmy C. Beasley, Sachiko Ichikawa, Yasushi Shingai, Kohei Kan, Gary John Pruden, Tatsuro Kosaka, and Luann Marie Pendy as independent directors.
 - Director Sachiko Ichikawa is a certified public accountant of the U.S.A. and has considerable knowledge of finance and accounting.
 - Director Kohei Kan is a certified public accountant and has considerable knowledge of finance and accounting.
 - Olympus Corporation appointed Director Toshihiko Okubo as Standing Audit Committee Member in order to execute the following duties continuously and effectively: interviewing Executive Officers and other officers; receiving reports from the internal audit functions, etc.; understanding information by, for example, auditing its subsidiaries; and attending various meetings.
 - The following are the main changes to the appointment, positions, responsibilities in Olympus Corporation, and important concurrent positions at other organizations of Directors during and at the end of the current fiscal year.

Name	Date of the changes	Appointment, position and responsibility in Olympus Corporation and important concurrent positions at other organizations	
		(After the changes)	(Before the changes)
Sumitaka Fujita	June 20, 2023	Outside Director	Outside Director Chairperson, Japan Association for Chief Financial Officers
Yasumasa Masuda	June 21, 2023	Outside Director Outside Auditor, SUBARU CORPORATION	Outside Director

Name	Date of the changes	Appointment, position and responsibility in Olympus Corporation and important concurrent positions at other organizations	
		(After the changes)	(Before the changes)
David Robert Hale	August 4, 2023	Outside Director Outside Director, JSR Corporation Co-Chief Executive Officer, Value Act Capital Management L.P.	Outside Director Outside Director, JSR Corporation Partner, Value Act Capital Management L.P.
Yasushi Shingai	June 29, 2023	Outside Director Outside Director, ExaWizards Inc. Outside Director, Dai-ichi Life Holdings, Inc. Outside Director, Nippon Telegraph and Telephone West Corporation Representative Director, Shingai Institute of Management Consulting, Inc.	Outside Director Outside Director, ExaWizards Inc. Outside Director, Mitsubishi UFJ Financial Group, Inc. Outside Director, Dai-ichi Life Holdings, Inc. Outside Director, Nippon Telegraph and Telephone West Corporation Representative Director, Shingai Institute of Management Consulting, Inc.
Gary John Pruden	March 31, 2024	Outside Director Independent Board Director, Motus GI Holdings Inc. Independent Board Director, Lantheus Holdings Inc. Chief Executive Officer, GPS Med Tech Strategy Consulting LLC	Outside Director Independent Board Director, Motus GI Holdings Inc. Independent Board Director, Lantheus Holdings Inc. Chief Executive Officer, GPS Med Tech Strategy Consulting LLC Independent Board Director, OSSIO Inc.

Note: OSSIO Inc. for Director Gary John Pruden no longer falls into an important concurrent position at other organizations due to a change in work situation.

(2) Name of Executive Officers

(As of March 31, 2024)

Appointment	Name	Responsibility in Olympus Corporation and important concurrent positions at other organizations
Representative Executive Officer	Yasuo Takeuchi	Executive Chairperson
Representative Executive Officer	Stefan Kaufmann	President and Chief Executive Officer (CEO)
Executive Officer	Frank Drewalowski	Endoscopic Solutions Division Head
Executive Officer	Gabriela Castillo Kaynor	Therapeutic Solutions Division Head
Executive Officer	Chikashi Takeda	Chief Financial Officer (CFO)
Executive Officer	Jose Ignacio Abia Buenache (Common name: Nacho Abia)	Chief Strategy Officer (CSO)
Executive Officer	Tetsuo Kobayashi	Chief Manufacturing and Supply Officer (CMSO)
Executive Officer	Andre Heribert Roggan	Chief Technology Officer (CTO)
Executive Officer	Shigeto Ohtsuki	Chief Human Resources Officer (CHRO)
Executive Officer	Pierre Albert Boisier	Chief Quality Officer (CQO)

- Notes: 1. Executive Officers Yasuo Takeuchi and Stefan Kaufmann also serve as Directors.
2. The following executive officers retired on March 31, 2024.
Executive Officer Chikashi Takeda
Executive Officer Jose Ignacio Abia Buenache
Executive Officer Pierre Albert Boisier
3. The following executive officers were newly appointed on April 1, 2024.
Executive Officer Therapeutic Solutions Division Head Seiji Kuramoto
Executive Officer Chief Financial Officer (CFO) Tatsuya Izumi
Executive Officer Chief Quality Officer (CQO) Boris Shkolnik
4. Responsibilities of Executive Officer changed on April 1, 2024 as follows.
Executive Officer Chief Strategy Officer (CSO) Gabriela Castillo Kaynor
5. Under Olympus Corporation's corporate officer system, the following are corporate officers as of March 31, 2024.

Appointment	Name
Corporate Officer	Hidenao Tsuchiya
Corporate Officer	Katsuyuki Saito
Corporate Officer	Koji Ando
Corporate Officer	Yoshio Tashiro
Corporate Officer	Kazutaka Eguchi
Corporate Officer	Akira Hasegawa
Corporate Officer	Tomohisa Sakurai
Corporate Officer	Masahito Goto
Corporate Officer	Wenlei Yang
Corporate Officer	Hironobu Kawano
Corporate Officer	Seiji Kuramoto
Corporate Officer	Stephen Kneebone

- Notes: 1. The following corporate officer retired on April 2, 2023.
Corporate Officer Yoshitake Saito
2. The following corporate officers retired on June 26, 2023.
Corporate Officer Toshihiko Okubo
3. The following corporate officers retired on March 31, 2024.
Mr. Seiji Kuramoto assumed his post as Executive Officer on April 1, 2024.
Corporate Officer Katsuyuki Saito
Corporate Officer Koji Ando
Corporate Officer Kazutaka Eguchi
Corporate Officer Akira Hasegawa

2. Overview of Content of Limited Liability Agreement

To ensure that directors can fully fulfill their expected roles, Olympus Corporation has entered into an agreement with its Directors (excluding those who are executive directors, etc.) based on Article 427, Paragraph 1 of the Companies Act to limit their liability pursuant to Article 423, Paragraph 1 of the same Act, setting the minimum amount stipulated by law as the maximum liability. Such limitation of liability is limited to cases where the director has performed his or her duties in good faith and without gross negligence.

3. Overview of Content of Indemnification Agreement

Olympus Corporation has entered into an indemnification agreement pursuant to Article 430-2, Paragraph 1 of the Companies Act with Directors Sumitaka Fujita, Yasumasa Masuda, David Robert Hale, Jimmy C. Beasley, Sachiko Ichikawa, Yasushi Shingai, Kohei Kan, Gary John Pruden, Tatsuro Kosaka, Luann Marie Pendy, Yasuo Takeuchi, Stefan Kaufmann, and Toshihiko Okubo, and Executive Officers Frank Drewalowski, Gabriela Castillo Kaynor, Chikashi Takeda, Jose Ignacio Abia Buenache, Tetsuo Kobayashi, Andre Heribert Roggan, Shigeto Ohtsuki, and Pierre Albert Boisier. Olympus Corporation will indemnify the directors for the expenses mentioned in the first item of the same paragraph and for the losses mentioned in the second item of the same paragraph to the extent provided by law. To ensure that the proper execution of duties is not impaired by such an indemnification agreement, directors will not be indemnified for cases such as malicious intent or gross negligence on the part of each director or executive officer in performing his or her duties.

4. Overview of Content of Directors and Officers Liability Insurance Agreement

Olympus Corporation has entered into a directors and officers liability insurance agreement with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The said insurance agreement insures officers and managerial employees of Olympus Corporation and its subsidiaries (domestic), and the insurance premiums are fully borne by Olympus Corporation. The said insurance agreement covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives claims related to the pursuit of such liability. However, measures are in place that exclude coverage of the insurance for damages arising from a criminal act or act carried out by the insured who is aware that the act is in violation of laws or regulations, so that the appropriateness of the execution of the duties will not be impaired.

5. Compensation, etc. for Directors and Executive Officers

(1) Total compensation paid to Directors and Executive Officers

Officer Classification		Total amount of compensation, etc. (in millions of yen)	Total compensation, etc. by type (in millions of yen)			No. of subject officers (Persons)
			Basic salary	Performance-linked monetary compensation	Non-monetary compensation	
Director	Inside	1,772	830	289	653	4
	Outside	277	207	—	70	10
	Sub-Total	2,049	1,037	289	723	14
Executive Officer		2,373	1,105	522	746	8

- Notes:
1. Base salary includes the amount paid in the fiscal year under review. Performance-linked monetary compensation, which is short-term incentive, and non-monetary compensation (subsequent grant-type restricted stock compensation (RSU) and performance-based stock compensation (PSU)), which is long-term incentive include the amounts to be recorded as expenses for the fiscal year under review.
 2. There are two other Executive Officers who are classified as both an Executive Officer and Inside Director which is in addition to the eight Executive Officers mentioned above. Total compensation by type is reported for these two individuals in the Inside Director's row.
 3. Olympus Corporation does not provide performance-linked compensation (performance-linked monetary compensation and performance-based stock compensation (PSU)) to Directors who are not classified as both an Executive Officer and Insider Director.
 4. The table above includes one Inside Director and one Outside Director who retired at the close of FY2023 General Meeting of Shareholders held on June 27, 2023.
 5. One Outside Director has requested to decline his compensation and the Compensation Committee has decided not to pay the compensation to him. He is not included in the number of Outside Directors mentioned above.

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

At Olympus Corporation as a company with nominating committee, etc., the Compensation Committee, the majority members of which is occupied by independent Outside Directors discusses, determines policy to determine compensations, etc., of Olympus Corporation's Directors and Executive Officers on an individual basis, details of compensation, etc. and compensation rules. The Compensation Committee determined the details of compensations, etc. for the fiscal year under review after discussing matters concerning the determination of compensations, etc., including the consistency of the policy to determine compensations, etc., of Directors and Executive Officers on an individual basis with how the details and amounts of compensations, etc., are determined, and the rationality of the process of deriving the details and amounts of compensations, etc., by applying numerical values and other relevant factors to the way they are determined, and the Committee has judged that this is in accordance with said policy for determination.

The Compensation Committee retained "Pay Governance," an international independent compensation consultant, to provide objective and professional advice and information, and support investigations. They attended 10 out of 11 meetings of the Compensation Committee held during the fiscal year under review.

(i) Basic policy for officer compensation

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

(ii) Compensation level

An appropriate compensation level is established in the light of roles/responsibilities considering objective outside data, evaluation data, economic environment, industry trend, and management status to establish a

competitive compensation level that enables securement/retention of brilliant talents. Specifically, compensation levels of global med-tech companies and compensation levels of med-tech companies in a country the officer is from are benchmarked, and the compensation level will be determined.

(iii) Compensation structure of Directors

■ Compensation ratio by type of Directors

Compensations for Directors are paid by fixed compensation as Base Salary (BS). Furthermore, by considering the importance of sharing interests between directors and investors, in addition to base salary (BS) non-performance-linked stock compensation (non-monetary compensation) is granted.

The stock compensation here is to be subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit), and the right will be defined at retirement for those directors who 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. The stock-based compensation was set at ¥8 million for both Japanese and non-Japanese residents. The number of units to be granted is calculated based on the share price at the time of assumption of office at the General Meeting of Shareholders, and the corresponding number of shares will be given after vesting. To further promote the concept of sharing interests between directors and investors through holding of more shares, stock-based compensation was increased from the previous fiscal year.

Director	Base Salary (BS)	Non-monetary compensation
		RSU
	65 to 80%	20 to 35%

- Notes:
1. The table above summarizes the compensation ratios by type as to outside directors who are resident in Japan. As for outside directors who are non-resident in Japan, a payment level of RSU is the same as that for directors who are resident-in Japan, but a compensation ratio by type is different because of difference in total compensation.
 2. For directors who are also executive officers, base salary paid for their director role is separate from compensation paid for executive officers who are natives of Japan. For those who are not natives of Japan, base salary paid for their role as a director is included in the compensation of executive officer. Additionally, these individuals do not receive a director RSU grant since their RSU award is set based on their role as executive officer.

(iv) Compensation structure of Executive Officers

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

1. Establish a more powerful incentive program which can compete with global med-tech companies
2. Establish an incentive program which is consistent with the management strategy
3. Establish a program with focuses on value creation and performance evaluation utilizing Long-Term Incentive compensation (LTI).
4. 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 claw-back clauses and shareholding guidelines in place.
6. Enhance the motivation of Executive Officers by setting challenging and achievable targets.

While setting a common global compensation system is desirable for compensation for executive officers who are responsible for global management, due to differences in compensation levels in the markets by country and region, it is difficult to attract and retain talented executives by pay levels of, for example, Japan market. Therefore, while the compensation structure of all Executive officers will be the same, as for compensation level, the levels will be determined by referring to the pay level in the home country of each Executive Officer.

■ Compensation ratio by type of Executive Officers (in case where a target achievement rate is 100%) Compensation for Executive Officers is to be a combination of Base Salary (BS, a fixed compensation), Short-Term Incentive Compensation (STI) which is performance-linked monetary compensation, and Long-Term Incentive Compensation (LTI) with is non-monetary compensation. Focusing on achieving management strategies aimed at enhancing medium- to long-term corporate value and shareholder value, the ratio of performance-linked compensation (performance-linked monetary compensation and performance-based stock compensation (PSU: Performance Share Unit)), particularly long-term incentive compensation (LTI), was raised, and the standard amounts of short-term incentive compensation (STI) and long-term incentive compensation (LTI) were set as follows.

Representative Executive Officer BS:STI:LTI=1:1.25:3

Executive Officer BS:STI:LTI=1:1.15:2

Long-term incentive compensation (LTI) consists of time-vested RSUs and performance-based stock compensation (PSU). When the Compensation Committee for the fiscal year ended March 2020 decided on a new compensation system, the ratio was 25% for RSU and 75% for PSU. On the other hand, given the uncertain and volatile business environment, as to the Long-term incentive compensation (LTI), for which the target period begins in the fiscal year under review and ends in the fiscal year ending March 2026, the ratio was set as 40% for RSU and 60% for PSU.

The composition ratio of total compensations is shown as below:

Representative Executive Officer	Base Salary (BS)	Short-Term Incentive Compensation (STI) [Bonus]	Long-Term Incentive Compensation (LTI)	
			RSU	PSU
	19%	24%	23%	34%

Note: The above table summarizes the target compensation ratio as the role of executive. Compensation paid for the role of supervision to a person who also serve as a Director is not included.

Executive Officer	Basic Salary (BS)	Short-Term Incentive Compensation (STI) [Bonus]	Long-Term Incentive Compensation (LTI)	
			RSU	PSU
	24%	28%	19%	29%

Note: For those who are not natives of Japan, one-time payments, severance pay, housing allowances, pensions, etc. are established to add adjustments to the previous compensation agreements on an individual basis.

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

Subsequent grant-type restricted stock compensation (RSU) is based on a rights calculation period of three years, and the number of units equivalent to 40% of the standard amount for long-term incentive compensation (LTI) for the fiscal year under review (base salary multiplied by a factor of 2 or 3) is determined at the beginning of the rights calculation period. One-third of the units will be vested and corresponding number of shares are paid every year.

If end of contract of an executive officer occurs during the rights calculation period due to a legitimate cause approved by the Compensation Committee, the number of units will be prorated by the number of months in office, including the last month of office, and the corresponding number of shares will be provided upon resolution of the Compensation Committee to be held after 1 year has passed from the end of contract. If an agreement stipulates individual agreement, the shares will be provided according to such individual agreement.

As to performance-based stock compensation (PSU), which is also non-monetary compensation, please refer to “Matters relating to performance-linked compensations (ii) non-monetary compensation: performance-based stock compensation (PSU)” explained later.

■ Matters relating to performance-linked compensations (i) monetary compensation: short-term incentive compensation (STI)

The standard amount of short-term incentive compensation (STI) is determined as base salary multiplied by a factor of 1.15 or 1.25 and after the closing of the applicable period, the Compensation Committee evaluates the performance of indicators and decides the payment rate and amount.

[Evaluation index, evaluation weigh and reasons for selecting]

Short-term incentive compensation (STI) for the fiscal year ended in March 2024 consists of financial indicators and quality target. Financial indicators were 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 target was set as indicator. The composition of evaluation index is Revenue 25%, Operating profit margin 25%, and Quality target 50%

Revenue 25%	Operating profit margin 25%	Quality target 50%
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(Note) The composition ratio of indices set in the fiscal year ended March 2023 was revenue 30%, operating profit margin 40% and strategic goals 30%.

a. Revenue: 25%

The Compensation Committee has made a resolution to define the target of revenue according to the “next term forecast” of the financial statements for the fiscal year ended March 2023 on June 9, 2023. 100% payment is provided when the achievement rate of target is 100% and the evaluation table is set from the lower limit of 0% to the upper limit of 200%.

b. Operating profit margin: 25%

The Compensation Committee has made a resolution to define the target of operating profit margin according to the “next term forecast” of the financial statements for the fiscal year ended March 2023 on June 9, 2023. 100% payment is provided when the achievement of operating margin is within ±1 point from target and the evaluation table is set from the lower limit of 0% to the upper limit of 200%.

c. Quality target: 50%

- 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.
- The Compensation Committee and the Quality Assurance and Regulatory Affairs (QA&RA) sub-Committee, which is made up of outside directors, cooperate to determine proper compensation evaluation targets and achievement rates based on completion of extensive remediation and Quality Systems improvement work streams. Successful completions of these work streams were further verified by regular meetings of QA&RA sub-Committee and the preliminary results of an independent third-party audit at one facility.

[Results]

Short-Term Incentive Compensation (STI)	Target value	Actual value	Payout rate	
Performance evaluation index	Revenue (25%)	¥914.0 billion	¥871.5 billion	51.1%
	Operating profit margin (25%)	18.9~20.9%	16.2%	0%
	Quality target (50%)	401 work streams	Exceeded target level	200.0%

(Note) Revenue is calculated from the figure after foreign exchange adjustment by applying the exchange rate used for the earnings forecast for the fiscal year under review and operating profit margin is calculated from operating profit after adjustments that deduct other income and other expenses.

Based on the above results, the Compensation Committee determines the total payout rate. The consolidated payout rate of each performance index was 112.8%. The payment amount is determined by multiplying this payout rate by the standard amount of short-term incentive compensation (STI).

■ Matters relating to performance-linked compensations (ii) non-monetary compensation: performance-based stock compensation (PSU)

Performance-based stock compensation (PSU) is determined as of the end of the performance evaluation period depending on the achievement rate of predetermined performance indices and then relevant number of shares is provided.

If end of contract of an executive officer occurs during the performance evaluation period due to a legitimate cause approved by the Compensation Committee, depending on the achievement rate of performance indices at the end of performance evaluation period, the number of units will be prorated by the number of months in office, including the final month of office, and the corresponding number of shares will be provided upon resolution of the Compensation Committee. If an agreement stipulates individual agreement, the shares will be provided according to such individual agreement.

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

[Evaluation index of PSU for which the fiscal year under review is the last year of the performance evaluation period, evaluation weight and reasons for selecting]

The composition of the evaluation index for performance-based stock compensation (PSU), for which the fiscal year under review is the last year of the performance evaluation period, is Operating profit margin 40%, Relative TSR 40% and ESG 20%. As index related to enhancement of corporate value or shareholders’ value, financial perspective, shareholder’s perspective and ESG perspectives are taken and goals for Operating profit margin, Relative TSR and DJSI-Index (Dow Jones Sustainability Index) were set respectively. The same weight (40% each) was set to Operating Profit margin and Relative TSR and half the weight (20%) was set to DJSI-Index as ESG perspective.

[Result]

Performance evaluation index	Weight	Target (100% Payout)	Result	Payout rate
(1) Operating profit margin	40%	Setting 100% payout target for each year	(Note 1)	57.3%
(2) Relative TSR	40%	50%ile (Peer group)	31.1%ile	62.2%
(3) ESG	20%	DJSI-index	(Note 4)	200.0%

- (Notes)
- Operating profit margin: 100% payout target for each year were as follows. Payout rate of operating profit margin is a simple average of payout rate of each year.
FY2022=17.5%, FY2023=21.4%, FY2024=18.9~20.9%
The results of operating profit margin for each year were as follows.
FY2022=19.3%, FY2023=20.0%, FY2024=16.2%
 - Operating profit margin value is after adjustment by deducting other income and expenses.
 - (Relative TSR payout rate for 25% to 50%) = 2 * (Relative TSR result %ile)
 - Payout rate of ESG index is determined by DJSI-Index of each year in the evaluation period. Results of each year were as follows.
FY2022= World, FY2023= World, FY2024= World

Based on the above results, the Compensation Committee determines the total payout rate. The consolidated payout rate of each performance index was 87.8%. The number of shares vested is determined by multiplying this payout rate and the number of PSU units granted to each executive officer.

The following are details of the performance-based stock compensation (PSU), for which the evaluation period begins in the fiscal year under review and ends in the fiscal year ending March 2026. In performance-based stock compensation (PSU), the number of units equivalent to 60% of the standard amount of long-term incentive compensation (LTI) is determined at the beginning of the performance evaluation period, and the number of shares is determined and vested according to the corresponding number of said units and performance after the closing of the performance evaluation period.

[Evaluation index of PSU with which the fiscal year under review is the initial year of the performance evaluation period, evaluation weight, and reasons for selecting]

The evaluation index and evaluation weights are as follows.

EPS growth rate 20%	Relative TSR 40%	Quality target 30%	ESG 10%
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a. EPS growth rate: 20%

The management strategy covering from the fiscal year ended March 2024 to the fiscal year ending March 2026 focuses on both growth and profitability in the new stage called “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 EPS growth rate (after adjustment) as an evaluation index of PSU is appropriate. 100% will be paid if EPS growth rate (after adjustment) 8% is achieved, and 0 to 200% payout curve is determined.

b. Relative TSR: 40%

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

c. Quality target: 30%

- 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.
- The Compensation Committee and the 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 based on quantitative and qualitative goals.

d. ESG: 10%

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

■ Clawback clause

A clawback clause has been set up to deter the management (Executive Officers) from reckless investments and improper accounting. Clawback is subject to short-term incentive compensation (STI) and long-term incentive compensation (LTI) for Executive Officers. The clawback will be turned on if the following events occur.

- An event that requires the refund of the difference between the amount of compensation that have 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 sanctions in the event of a violation of obligations, etc.

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

6. Matters Concerning Outside Officers

(1) Relations Between Other Organizations Where Important Concurrent Positions Are Assumed and Olympus Corporation (As of March 31, 2024)

Appointment	Name	Important concurrent positions at other organizations
Outside Director	Yasumasa Masuda	Outside Auditor, SUBARU CORPORATION
Outside Director	David Robert Hale	Outside Director, JSR Corporation Co-Chief Executive Officer, ValueAct Capital Management L.P.
Outside Director	Sachiko Ichikawa	Partner, Tanabe & Partners Outside Director, Tokyo Electron Ltd. Director, The Board Director Training Institute of Japan
Outside Director	Yasushi Shingai	Outside Director, ExaWizards Inc. Outside Director, Dai-ichi Life Holdings, Inc. Outside Director, Nippon Telegraph and Telephone West Corporation Representative Director, Shingai Institute of Management Consulting, Inc.
Outside Director	Kohei Kan	Chief, Kan Kohei Certified Public Accountant Office Board Member, International Federation of Accountants “IFAC” Senior Advisor, The Japanese Institute of Certified Public Accountants
Outside Director	Gary John Pruden	Independent Board Director, Motus GI Holdings Inc. Independent Board Director, Lantheus Holdings Inc. Chief Executive Officer, GPS Med Tech Strategy Consulting LLC Independent Board Director, OSSIO Inc.
Outside Director	Tatsuro Kosaka	Senior Advisor, CHUGAI PHARMACEUTICAL CO., LTD. Outside Auditor, Komatsu Ltd. Outside Director, Mitsubishi Electric Corporation Vice Chairperson of Council, Chairperson of Bio-Economy Committee, KEIDANREN (Japan Business Federation)

- Notes: 1. There is no special relationship between Olympus Corporation and the organizations where Mr. Yasumasa Masuda, Ms. Sachiko Ichikawa, Messrs. Yasushi Shingai, Kohei Kan, Gary John Pruden, and Tatsuro Kosaka assume important concurrent positions.
2. ValueAct Capital Master Fund, L.P., controlled by ValueAct Capital Management L.P., in which Mr. David Robert Hale assumes an important concurrent position, holds the shares of Olympus Corporation. There is no special relationship between JSR Corporation and Olympus Corporation.
3. The above important concurrent positions at other organizations are stated for persons holding concurrent positions who held office from the following day of the conclusion of FY2023 General Meeting of Shareholders held on June 27, 2023 until the end of the current fiscal year.

(2) Major Activities During Current Fiscal Year

Olympus Corporation's outside directors monitor, based on the basic management policies of Olympus Corporation as determined by the Board of Directors, the duties of the directors and executive officers, to ensure the sustainable growth of Olympus Group and increase its corporate value over the medium to long term, in response to shareholders' mandate and provide advice and opinions from a position independent from the management team and from the perspectives of various stakeholders.

	Attendance at meetings	Remarks and outline of duties performed with regard to expected roles for outside directors
Sumitaka Fujita, Director	Board of Directors: 14 of 14 Nominating Committee: 13 of 13	From an independent position, Mr. Fujita actively provided statements necessary for monitoring the execution of business. In addition, as Chairperson of the Board of Directors, he led the Board to focus on important agenda items, such as medium- to long-term management strategies and review of the business portfolio, with the aim of strengthening the monitoring functions of the Board of Directors. He held regular meetings of only outside directors to exchange information and share awareness based on an independent and objective standpoint. He also held Executive Sessions with only outside directors after each Board meeting, and exchanged views on issues based on the matters for deliberation on that day and issues that should be deepened at Board meetings in the future. He relayed the content of these meetings to the CEO as chairperson. As Chairperson of the Nominating Committee, he was fully aware of the importance of director appointment and succession plans and promoted committee management.
Yasumasa Masuda, Director	Board of Directors: 13 of 14 Audit Committee: 27 of 27	From an independent position, Mr. Masuda actively provided statements necessary for monitoring the execution of business. In particular, he offered opinions and recommendations from various perspectives on the Olympus Group's overall business activities based on his experience as a manager in the healthcare industry. In addition, as Chairperson of the Audit Committee, he led the audit of the execution of duties by the Directors and Executive Officers and promoted committee management.
David Robert Hale, Director	Board of Directors: 14 of 14 Nominating Committee: 2 of 2	From an independent position, Mr. Hale actively provided statements necessary for monitoring the execution of business. In particular, as an experienced management consultant and investor in a variety of industries, he offered opinions and recommendations from various perspectives on the Olympus Group's overall business activities based on his knowledge in global capital markets and the healthcare industry.
Jimmy C. Beasley, Director	Board of Directors: 14 of 14 Compensation Committee: 11 of 11	From an independent position, Mr. Beasley actively provided statements necessary for monitoring the execution of business. In particular, he offered opinions and recommendations from various perspectives on the Olympus Group's overall business activities based on his global business experience in the healthcare industry and his extensive experience and knowledge in a management team. In addition, as a member of the Compensation Committee, he participated in decisions on matters such as executive compensation.
Sachiko Ichikawa, Director	Board of Directors: 14 of 14 Audit Committee: 27 of 27	From an independent position, Ms. Ichikawa actively provided statements necessary for monitoring the execution of business. In particular, she offered opinions and recommendations on the Olympus Group's overall business activities from her professional expertise as an attorney and certified public accountant in the U.S. In addition, as a member of the Audit Committee, she participated in the audit of the execution of duties by the Directors and Executive Officers based on her professional expertise.

	Attendance at meetings	Remarks and outline of duties performed with regard to expected roles for outside directors
Yasushi Shingai, Director	Board of Directors: 14 of 14 Nominating Committee: 2 of 2 Compensation Committee: 11 of 11	From an independent position, Mr. Shingai actively provided statements necessary for monitoring the execution of business. In particular, he offered opinions and recommendations from various perspectives on the Olympus Group's overall business activities based on his extensive experience in global management and acquisition of companies. In addition, as Chairperson of the Compensation Committee, he led the formulation and management of the compensation system, which is consistent with medium- to long-term management goals, and the decision of executive compensation, and promoted the operation of the Committee.
Kohei Kan, Director	Board of Directors: 14 of 14 Audit Committee: 27 of 27	From an independent position, Mr. Kan actively provided statements necessary for monitoring the execution of business. In particular, he offered opinions and recommendations on the Olympus Group's overall business activities from his professional expertise as a certified public accountant as well as his overseas work and auditing and assurance experience abroad. In addition, as a member of the Audit Committee, he participated in the audit of the execution of duties by the Directors and Executive Officers based on his professional expertise.
Gary John Pruden, Director	Board of Directors: 14 of 14 Nominating Committee: 10 of 11 Compensation Committee: 3 of 3	From an independent position, Mr. Pruden actively provided statements necessary for monitoring the execution of business. In particular, he offered opinions and recommendations from various perspectives on the Olympus Group's overall business activities based on his global business experience in the healthcare industry and his extensive experience and knowledge as a manager. In addition, as a member of the Nominating Committee, he participated in decisions on matters such as proposal for the election of directors.
Tatsuro Kosaka, Director	Board of Directors: 11 of 11 Nominating Committee: 11 of 11	From an independent position, Mr. Kosaka actively provided statements necessary for monitoring the execution of business. In particular, he offered opinions and recommendations from various perspectives on the Olympus Group's overall business activities based on his global business experience in the healthcare industry and his extensive experience and knowledge as a manager. In addition, as a member of the Nominating Committee, he participated in decisions on matters such as proposal for the election of directors.
Luann Marie Pendy, Director	Board of Directors: 11 of 11 Compensation Committee: 8 of 8	From an independent position, Dr. Pendy actively provided statements necessary for monitoring the execution of business. In particular, she offered opinions and recommendations from various perspectives on the Olympus Group's overall business activities based on her global business experience in the healthcare industry and her experience in the areas of Quality Assurance and Regulatory Affairs (QA&RA). In addition, as a member of the Compensation Committee, she participated in decisions on matters such as executive compensation.

- Notes
1. Attendance of Messrs. Hale and Shingai at Nominating Committee is included for meetings held during their terms as members of the Committee until June 27, 2023.
 2. Attendance of Mr. Pruden at Compensation Committee is included for meetings held during his term as a member of the Committee until June 27, 2023. In addition, attendance at Nominating Committee is included for meetings held after his appointment as a member of the Committee on June 27, 2023.
 3. Attendance of Mr. Kosaka and Dr. Pendy at Board of Directors is included for meetings held after their appointment as Director on June 27, 2023.
 4. Attendance of Mr. Kosaka and Dr. Pendy at each Committee is included for meetings held after their appointment as members of the Committee on June 27, 2023.

V Accounting Auditor

1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

2. Amount of Remuneration

Classification	Amount paid
Remuneration to Accounting Auditor for the current fiscal year	¥229 million
Total amount of money and other financial interests to be paid by Olympus Corporation and its subsidiaries	¥272 million

- Notes: 1. The audit agreement between Olympus Corporation and its Accounting Auditor does not distinguish compensation paid for audit work performed in conformity with the Companies Act and compensation paid for audit work performed in conformity with the Financial Instruments and Exchange Act and it is effectively impossible to do so. Therefore, the total amount of these compensation types is presented for remuneration to Accounting Auditor for the current fiscal year.
2. The Audit Committee agreed to the amount of remuneration, etc. of the Accounting Auditor as stipulated in Article 399, Paragraph 1 of the Companies Act after having obtained necessary information about and examined the content of the audit plan of the Accounting Auditor, the status of executing duties of the accounting audit, the basis for calculation of estimated audit remuneration, etc.
3. Olympus Corporation's important subsidiaries, Olympus Corporation of the Americas, Olympus Europa Holding SE, Olympus (China) Co., Ltd., and Olympus Corporation of Asia Pacific Limited are audited by auditing firms other than the Accounting Auditor of Olympus Corporation.

3. Description of Non-Auditing Services

As for non-auditing services, Olympus Corporation requested the Accounting Auditor to provide advisory services and paid compensation for the service.

4. Policy for Decisions on Dismissal and Non-Reappointment of Accounting Auditor

The Audit Committee will dismiss the Accounting Auditor as necessary, with the unanimous consent of the Audit Committee Members, in the event said Accounting Auditor is recognized as falling under any of the item listed in Article 340, Paragraph 1 of the Companies Act.

In addition to the foregoing, the Audit Committee will determine the contents of agendas regarding the dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders, in the event it is recognized that the appropriate performance of duties by said Accounting Auditor is rendered not possible due to events affecting the qualifications and credibility of the Accounting Auditor, when further improvement in audit quality is aimed, or when otherwise deeming the action necessary.

VI Company Framework and Policies

1. Framework to Ensure Fairness of Operations and Overview of Status of Management of Such Framework

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 of Directors 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 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.

[Overview of Status of Management]

- (1) Olympus has established the "Management Basic Policy," basic policy the Board of Directors relies on when the Board supervises the execution of duties of Directors and Executive Officers. In addition, it has established the Olympus Global Code of Conduct and internal corporate regulations for quality, product safety, and export control, etc., based on the Corporate Philosophy. In addition, in order to instill the contents of this policy, we implement training, e-learning and other educational programs, as well as employee-participatory campaigns and other initiatives. Furthermore, as a global MedTech company, we consider patient safety to be our top priority, and we have stepped up efforts to instill this as part of our corporate culture, such as including "Patient Focus" in "Our Core Values" as part of the company's corporate philosophy, as well as by setting performance goals for all employees that focus on patient safety.
- (2) Under direction of the Chief Compliance Officer, Olympus regularly holds meetings and checks globally important measures. In addition, it provided compliance training to employees of the Olympus Group. Furthermore, it has familiarized employees with the whistleblowing system, and Olympus accepts reports through our global reporting desk, which is available 24 hours a day, 365 days a year by

- phone or online in multiple languages, as well as through our regional internal reporting desk.
- (3) The internal audit function makes proposals to the Board of Directors and the Audit Committee for discussion in accordance with the internal audit regulations, and reports the audit implementation status and others to the CEO, the Group Executive Committee, and the Audit Committee.
 - (4) Olympus reports the internal control evaluation implementation policy of financial reports and its management status to the Board of Directors, the CEO, the Group Executive Committee, and the Audit Committee.
 - (5) Olympus conducts measures for excluding anti-social forces, such as investigations on transactions of the Olympus Group in accordance with the rules for excluding 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 when necessary based on the internal rules on document management.

[Overview of Status of Management]

- (1) Pursuant to laws and regulations and the internal rules on document management in each region, Olympus saves the minutes of the Board of Directors' meetings and other important documents and electromagnetic information pertaining to the execution of duties by Executive Officers.
- (2) Olympus stipulates that Directors may access important documents when necessary.

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.

[Overview of Status of Management]

- (1) Olympus makes a proposal to the Board of Directors for resolution of significant matters of the Olympus Group, such as corporate strategies and business plans, following sufficient deliberations at meetings of the Group Executive Committee. Executive Officers make decisions on matters delegated by the Board of Directors in accordance with the Job Authority Rules and report to the Board of Directors based on the Board of Directors Meeting Agenda and Reporting Standards. In addition, Olympus regularly and systematically held the meetings of the Group Executive Committee and the Board of Directors. It also performed business risk management of the Group by due operations of approval procedures using the electric approval system.
- (2) Olympus, as necessary, establishes and amends internal rules, holds meetings, and provides education regarding risks such as those relating to quality, product safety, export control, information security, health and safety, the environment and disasters. In particular, as a global MedTech company, Olympus places the highest priority on patient safety and are working to strengthen our quality assurance and regulatory affairs (QA&RA) systems. In addition, with regard to information security, Olympus has been working

to enhance its incident response structure so that we can more promptly respond to incidents across the entire Olympus Group.

- (3) Based on the Internal Control Rules and other related rules, Olympus is making risk management efforts as the Olympus Group such as providing necessary education and training and holding meetings. In addition, Olympus performs risk assessment of each business and each function in charge, and reports the results to the Board of Directors. Furthermore, Olympus conducts training for prompt response in case a disaster occurs.

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 Strategy in which the business objectives of the Olympus Group are set forth, and action plans for these, which are called 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 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.

[Overview of Status of Management]

- (1) The Board of Directors approves business plans based on management strategies and other important matters after deliberations. The Board of Directors delegates matters on the execution of business except matters that should be resolved by the Board of Directors to Executive Officers in order to enhance efficient and agile decision-making. During the fiscal year under review, 14 meetings of the Board of Directors were held.
- (2) The Board of Directors determines the assignment of duties among the Executive Officers and receives reports on their duties as performed.
- (3) Olympus defined the responsibilities and authorities of major job ranks based on the related rules, and conducts reviews based on organizational structure and other factors as appropriate. The Board of Directors receives reports on their duties as performed.
- (4) Based on the Treasury Control Framework, Olympus regularly oversees and manages funding, foreign exchange, and transactions with financial institutions for the subsidiaries by receiving this information, and making periodic reports to directors on the status of the entire Group's funds.

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.

[Overview of Status of Management]

- (1) The officers responsible for the regional headquarters regularly conduct reviews of the situation faced by subsidiaries' management and reports the results of the reviews to the CEO of Olympus. Based on the results of the review, the status of subsidiaries is constantly being monitored.
- (2) Olympus receives necessary financial information as appropriate and in a timely manner from the subsidiaries in accordance with the Global Consolidated Accounting Control Framework to confirm and

approve the content.

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.

[Overview of Status of Management]

- (1) Olympus dispatches its officers, etc. to major subsidiaries as directors or other equivalent positions, and the head of each function manages the whole of the relevant function within the Olympus Group. In addition, Olympus also deliberates on significant matters of subsidiaries based on the Job Authority Rules and any other related rules.
- (2) Olympus is taking steps to achieve its goals, including bolstering its system for monitoring the progress of its ESG strategy. Moreover, it has set evaluation results by ESG evaluation organizations as indicator for part of long-term incentive compensation that is performance-based compensations for executives.

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.

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

[Overview of Status of Management]

Olympus has established the Office of Audit Committee and allocated four dedicated employees as of March 31, 2024. In addition, pursuant provisions of the internal corporate regulations, we have ensured these employees' independence from execution, and ensure effectiveness of directions from the Audit Committee to such employees as follows.

- 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, transfer, etc. of employees who are assisting the Audit Committee with their duties shall be decided only after obtaining the approval of the Audit Committee. Wage, personnel evaluation, etc. of such employees shall be decided after the Audit Committee confirms and consents to contents evaluated by Standing Audit Committee Members.

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 employees 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 fact that may cause significant damage to the Olympus Group, or any fact that is significantly inappropriate for the corporate affairs of the Olympus Group, 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.

[Overview of Status of Management]

- (1) At Olympus, when Directors, Executive Officers, Corporate Officers, or employees of Olympus and its subsidiaries discover any material fact in violation of laws and regulations, any fact that may cause significant damage to the Olympus Group, or any fact that is significantly inappropriate for the corporate affairs of the Olympus Group, Olympus Corporation shall report such fact to the Audit Committee. In addition, when reporting is requested from the Audit Committee, Olympus Corporation is working closely together with the Committee including making prompt reports to the Audit Committee.
- (2) Chief Compliance Officer regularly and as needed makes reports to the Audit Committee on the status of compliance and internal reporting as well as results of investigation.
- (3) Chief Internal Audit Officer regularly and as needed reported to the Audit Committee on internal audit plans and audit status.

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.

[Overview of Status of Management]

Under the rules concerning the framework supporting duties of Audit Committee Members and the Audit Committee and other rules, Olympus has been strictly prohibited from unfairly treating anyone who made a report to the Audit Committee for the reason of making such report, and the rules have been complied with.

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.

[Overview of Status of Management]

Olympus has budgeted for the activities of the Audit Committee, and reimburses required expenses as appropriate upon request from 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 Audit Committee members have opportunities to attend important meetings.
- (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.

[Overview of Status of Management]

- (1) The Audit Committee conducted a total of 54 interviews with Directors, Executive Officers, Corporate Officers and employees of Olympus including on-site inspections.
- (2) The Audit Committee regularly and as needed exchanges opinions with Directors, Executive Officers, Corporate Officers, Accounting Auditors and any other personnel necessary.
- (3) Olympus ensures opportunities where the Audit Committee Members attend important meetings such as meetings of the Group Executive Committee. During the fiscal year under review, the Standing Audit Committee members attend necessary meetings and share information at such meetings with the Audit Committee as appropriate.
- (4) The internal audit function regularly and as needed reports to the Audit Committee. In addition, the Audit Committee requests an investigation or gives specific instructions to the internal audit function as necessary.
- (5) Olympus ensures that the Audit Committee has the opportunity to gather information from the auditors and employees of its subsidiaries. During the fiscal year under review, the Audit Committee interviewed subsidiaries and conducted on-site inspections of subsidiaries.

2. Basic Policy on Control of Company

Olympus Corporation believes that the persons who control decisions on Olympus Corporation's financial and business policies need to be persons who fully understand the details of Olympus Corporation's financial and business affairs and the source of Olympus Corporation's corporate value and who will make it possible to continually and persistently ensure and enhance Olympus Corporation's corporate value and, furthermore, the common interests of its shareholders.

Olympus Corporation will not indiscriminately reject a large-scale acquisition of Olympus Corporation's shares if it will contribute to the corporate value of Olympus Corporation, and furthermore, the common interests of its shareholders. Olympus Corporation also believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of a joint stock company.

Nonetheless, there are some forms of a large-scale acquisition that benefits neither the corporate value of the target company nor, furthermore, the common interests of its shareholders. Unless a person who would make a large-scale acquisition of Olympus Corporation's shares understands the source of Olympus Corporation's corporate value and would ensure and enhance these elements over the medium-to-long term, the corporate value of Olympus Corporation and, furthermore, the common interests of its shareholders would be harmed. Olympus Corporation believes that persons who would make a large-scale acquisition of Olympus Corporation's shares in a manner that does not contribute to the corporate value of Olympus Corporation and, furthermore, the common interests of its shareholders would be inappropriate to become persons who would control decisions on Olympus Corporation's financial and business policies. Against a large-scale acquisition of Olympus Corporation's shares by such persons, in order to ensure the corporate value of Olympus Corporation and, furthermore, the common interests of its shareholders, Olympus Corporation will require the acquirer, etc. to provide necessary and sufficient information, disclose relevant information appropriately in a timely manner, and ensure that shareholders will have sufficient information and time needed to make proper decisions whether or not the large-scale acquisition is acceptable. Olympus Corporation will also take other appropriate measures within the scope permitted by the Financial Instruments and Exchange Act, the Companies Act, other laws and ordinances, and the Articles of Incorporation.

3. Policy for Decisions on Dividend of Retained Earnings, etc.

In order to realize the sustainable growth of the Olympus Group, Olympus Corporation prioritizes the allocation of cash on hand to invest in growth drivers and carries out strategic investment both in highly profitable existing businesses and in growth opportunities. Olympus Corporation's policy is to increase dividends in a stable and progressive manner and to purchase treasury shares flexibly based on investment opportunities and our capital situation.

Based on the above policy, Olympus Corporation have decided to pay a year-end dividend of ¥18 per share for the fiscal year under review, increased by ¥2 from the previous fiscal year by a resolution at the meeting of the Board of Directors held on May 10, 2024. Effective date and payment start date are June 5, 2024.

(Reference)

	FY2022	FY2023	FY2024
Dividends per share	¥14	¥16	¥18
Total amount of dividends	¥17,822 million	¥20,057 million	¥20,981 million
Total amount of treasury shares acquired	¥30.0 billion	¥50.0 billion	¥180.0 billion
Total return ratio	41.3%	48.8%	82.9%

Consolidated Statement of Financial Position

(As of March 31, 2024)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		LIABILITIES:	
Current assets	800,340	Current liabilities	431,695
Cash and cash equivalents	340,933	Trade and other payables	61,855
Trade and other receivables	197,599	Bonds and borrowings	69,988
Other financial assets	9,862	Other financial liabilities	27,673
Inventories	190,030	Income taxes payable	38,658
Income taxes receivable	36,686	Provisions	31,318
Other current assets	25,175	Other current liabilities	202,203
Subtotal	800,285		
Assets held for sale	55		
Non-current assets	733,876	Non-current liabilities	345,335
Property, plant and equipment	259,968	Bonds and borrowings	229,628
Goodwill	180,331	Other financial liabilities	62,238
Intangible assets	91,961	Retirement benefit liability	20,586
Retirement benefit asset	36,815	Provisions	2,362
Investments accounted for using equity method	479	Deferred tax liabilities	11,989
Trade and other receivables	55,764	Other non-current liabilities	18,532
Other financial assets	34,146	Total liabilities	777,030
Deferred tax assets	72,324	EQUITY:	
Other non-current assets	2,088	Total equity attributable to owners of parent	757,186
		Share capital	124,643
		Capital surplus	92,032
		Treasury shares	(102,017)
		Other components of equity	149,127
		Retained earnings	493,401
		Total equity	757,186
Total assets	1,534,216	Total liabilities and equity	1,534,216

Consolidated Statement of Profit or Loss

(April 1, 2023 to March 31, 2024)

(Millions of yen)

Accounts	Amount
Continuing operations	
Revenue	936,210
Cost of sales	311,087
Gross profit	625,123
Selling, general and administrative expenses	473,231
Share of profit (loss) of investments accounted for using equity method	(358)
Other income	4,666
Other expenses	112,602
Operating profit	43,598
Finance income	2,562
Finance costs	10,306
Profit before tax	35,854
Income taxes	8,881
Profit from continuing operations	26,973
Discontinued operation	
Profit from discontinued operation	215,956
Profit	242,929
Profit attributable to:	
Owners of parent	242,566
Non-controlling interests	363
Profit	242,929

Consolidated Statement of Changes in Equity
(April 1, 2023 to March 31, 2024)

(Millions of yen)

Items	Equity attributable to owners of parent						Non-controlling interests	Total equity	
	Share capital	Capital surplus	Treasury shares	Other components of equity	Other components of equity related to disposal group held for sale	Retained earnings			Total
Balance at April 1, 2023	124,643	92,150	(28,086)	77,280	3,034	371,064	640,085	1,149	641,234
Profit						242,566	242,566	363	242,929
Other comprehensive income				76,530	(3,034)		73,496		73,496
Comprehensive income	–	–	–	76,530	(3,034)	242,566	316,062	363	316,425
Purchase of treasury shares			(180,002)				(180,002)		(180,002)
Disposal of treasury shares		(43)	43				0		0
Cancellation of treasury shares		(104,795)	104,795				–		–
Dividends from surplus						(20,057)	(20,057)	(183)	(20,240)
Transfer from retained earnings to capital surplus		104,855				(104,855)	–		–
Transfer from other components of equity to retained earnings				(4,683)	4,683		–		–
Share-based payment transactions		1,457	1,233				2,690		2,690
Equity transactions with non-controlling interests		(1,592)					(1,592)	(1,329)	(2,921)
Total transactions with owners	–	(118)	(73,931)	(4,683)	–	(120,229)	(198,961)	(1,512)	(200,473)
Balance at March 31, 2024	124,643	92,032	(102,017)	149,127	–	493,401	757,186	–	757,186

Notes to Consolidated Financial Statements

Notes to Important Items That Form the Basis for Preparing the Consolidated Financial Statements

1. Standards for preparation of consolidated financial statements

The consolidated financial statements of Olympus Corporation and its subsidiaries (hereinafter, “the Olympus Group”) have been prepared in accordance with the International Financial Reporting Standards (hereinafter the “IFRS”) as stipulated by the provisions of Paragraph 1, Article 120 of the Regulation on Corporate Accounting. Some of the descriptions and notes required by the IFRS are omitted as stipulated by the provisions stated in the latter part of the above same paragraph.

2. Scope of consolidation

Status of consolidated subsidiaries

Number of consolidated subsidiaries: 89

Names of principal consolidated subsidiaries:

Olympus Corporation of the Americas, Olympus Europa Holding SE, Olympus Corporation of Asia Pacific Limited, Olympus (China) Co., Ltd.

Change in scope of consolidation

Newly added consolidated subsidiaries: 1

PT Olympus Medical Indonesia is included in consolidated subsidiaries as it was newly established in the fiscal year under review.

Excluded companies: 17

Evident Corporation and its 14 group companies and Gyrus Medical Limited are excluded from consolidated subsidiaries as these companies were transferred in the fiscal year under review.

Olympus Digital System Design Corp. is excluded from consolidated subsidiaries as it was merged with Olympus Corporation in the fiscal year under review.

3. Application of the equity method

Status of affiliated companies accounted for under the equity method

Number of affiliated companies accounted for under the equity method: 3

Names of principal affiliated companies:

Sony Olympus Medical Solutions Inc.

4. Items concerning accounting policies

(1) Financial assets

(i) Initial recognition and measurement

The Olympus Group initially recognizes trade and other receivables on the day when they are incurred, and other financial assets at the transaction date when the Olympus Group becomes a party to the contract for the financial assets. At the initial recognition, financial assets are measured at fair value plus transaction expenses, except for those measured at fair value through profit or loss.

(ii) Classification and subsequent measurement

The Olympus Group classifies the financial assets at initial recognition as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

(Financial assets measured at amortized cost)

Financial assets are classified into financial assets measured at amortized cost, on the condition that they meet both of the following criteria:

- Financial assets are held based on the business model to hold financial assets for the purpose of collecting contractual cash flows
- Contractual terms associated with financial assets gives rise to cash flows on specified dates, consisting only of payment of the principal and interest on the principal balance

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method subsequent to the initial recognition.

(Financial assets measured at fair value through other comprehensive income)

Equity instruments such as shares held mainly for the purpose of maintaining or strengthening business relationships with investees are designated at initial recognition as financial assets measured at fair value through other comprehensive income.

Any change in fair value of equity financial assets measured at fair value through other comprehensive income is recognized as other comprehensive income subsequent to the initial recognition. If such assets are derecognized or the fair value decreased significantly, accumulated other comprehensive income is directly transferred to retained earnings.

Dividends from such financial assets are recognized in profit or loss.

(Financial assets measured at fair value through profit or loss)

Financial assets other than above are classified as financial assets measured at fair value through profit or loss.

Changes in fair value of financial assets measured at fair value through profit or loss are recognized in profit or loss subsequent to the initial recognition.

(iii) Impairment of financial assets

For financial assets measured at amortized cost, the Olympus Group recognized allowance for doubtful accounts for expected credit losses.

The Olympus Group evaluates at the end of each reporting period whether there is a significant increase in credit risk of financial assets since initial recognition. When there is no significant increase in the credit risk since initial recognition, the amount equal to expected credit losses for 12 months are recognized as allowance for doubtful accounts. When there is a significant increase in credit risk since initial recognition, the amount equal to expected credit losses for the remaining life of the financial assets are recognized as allowance for doubtful accounts.

For trade receivables, contract assets and lease receivables, allowance for doubtful accounts are always recognized at the amount equal to expected credit losses for the remaining life of the assets.

With regard to financial assets on which impairment losses were previously recognized, when the amount of impairment losses decreased due to any event that occurred after the initial recognition of the impairment losses, the previously recognized impairment losses are reversed and recognized in profit or loss.

(iv) Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to receive the cash flows from the financial asset are assigned and substantially all the risks and rewards of ownership are transferred.

(2) Derivatives and hedge accounting

The Olympus Group uses derivatives such as forward exchange contracts, interest rate swaps, and interest rate currency swaps, as hedging instruments against foreign exchange risk and interest rate risk. These derivatives are classified as financial assets measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss. Derivatives that meet criteria for hedge accounting are designated as hedging instruments, and hedge accounting is applied to the derivatives.

For the application of hedge accounting, the Olympus Group officially makes designation and prepares documentation at the inception of the hedge, regarding the hedging relationship as well as the risk management objectives and strategies. Such document contains hedging instruments, hedged items, the nature of the risks to be hedged and the method for evaluating the hedging effectiveness. The Olympus Group continually evaluates whether the hedging relationship is effective prospectively.

The Olympus Group applies cash flow hedges to interest rate-related and interest rate currency-related derivative transactions that meet criteria for hedge accounting.

Of changes in fair value associated with hedging instruments in cash flow hedges, the effective portion is recognized in other comprehensive income, and recognized as other components of equity until the hedged transaction is executed and recognized in profit or loss. The ineffective portion is recognized in profit or loss.

The amount associated with hedging instruments recognized in other components of equity is transferred to profit or loss, at the point in time when the hedged transactions exert impact on profit or loss. If a hedged item results in the recognition of a non-financial asset or a non-financial liability, the associated amount recognized in other components of equity is accounted for as adjustment to the initial book value of the non-financial asset or the non-financial liability.

When any forecast transaction is no longer expected to occur, hedge accounting is discontinued, and any related cumulative gain or loss that has been recognized as other components of equity is transferred to profit or loss. Even if hedge accounting was discontinued, the amount that had been recognized as other components of equity until hedge accounting was discontinued continues to be recognized in other components of equity until future cash flows occur when these future cash flows are expected to occur.

The Group does not use fair value hedges or net investment hedges in foreign operations.

(3) Inventories

Inventories are measured at the lower value between cost or net realizable value. The costs of inventories are calculated principally by using the weighted average method, which include purchase cost, processing cost, and other costs incurred in bringing inventories to their present location and condition. Net realizable value is determined at the estimated selling price in the ordinary course of business less estimated cost required up to the completion of the process and estimated selling expenses.

(4) Property, plant and equipment

Property, plant, and equipment is measured by using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses.

The costs of property, plant and equipment include any costs directly attributable to the acquisition of assets, dismantlement, removal and restoration costs as well as borrowing costs eligible for capitalization. Except for assets that are not depreciated such as land, each asset is depreciated over its estimated useful life on a straight-line method. The estimated useful lives of major asset items are as follows (excluding right-of-use assets):

- Buildings and structures: 2 to 50 years
- Machinery and vehicles: 2 to 10 years
- Tools, furniture and fixtures: 2 to 15 years

The estimated useful lives, residual values and depreciation methods are subject to review at the end of each reporting period, and any change to them is prospectively applied as a change in an accounting estimate.

(5) Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is not amortized and is tested for impairment in each period or whenever there is an indication of impairment. Impairment loss of goodwill is recognized in profit or loss.

(6) Intangible assets

Intangible assets are measured by using the cost model and are carried at cost less accumulated amortization and accumulated impairment losses.

The costs of intangible assets acquired separately include any costs directly attributable to the acquisition of assets. Intangible assets acquired through business combinations is measured at fair value at the acquisition date. With regard to internally generated intangible assets, development expenses eligible for capitalization are recognized, whereas such costs that are not eligible are recognized as expenses when incurred.

Except for intangible assets with indefinite useful lives, each asset is amortized over the estimated useful life on a straight-line method. The estimated useful lives of major asset items are as follows:

- Capitalized development costs: 4 to 8 years
- Software: 3 to 5 years
- Other: 3 to 15 years

The estimated useful lives and amortization methods are reviewed at the end of fiscal year, and any change to them is prospectively applied as a change in an accounting estimate.

Intangible assets with indefinite useful lives and those yet to be usable are not amortized and are tested for impairment in each period or whenever there is an indication of impairment.

(7) Leases

(i) Leases as lessee

Olympus Corporation introduces a single lessee accounting model, instead of classifying leases into operating leases and finance leases, and recognizes right-of-use assets representing its rights to use the underlying leased assets and lease liabilities representing its obligations to make lease payments for all leases, in principle.

Lease liabilities are measured at the present value of the total lease payments that are not paid at the commencement date. Right-of-use assets are initially measured at the initial measurement amount of lease liabilities adjusted for any initial direct costs, prepaid lease payments, restoration costs, etc.

Right-of-use assets are depreciated on a straight-line method over the shorter of their estimated useful lives and lease terms.

The lease term is estimated based on the non-cancellable period and adjusted for optional periods for which the Olympus Group is reasonably certain to exercise an option to extend or terminate the lease. Furthermore, lease payments are categorized into amounts equivalent to the principal and interest of lease liabilities, and the amount equivalent to the interest apportioned to each fiscal period is

calculated so as to achieve a constant rate of interest on the lease liabilities balance at each period-end, and recognized in profit or loss.

If the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration, at the start of the contract, the contract is deemed to be a lease or to contain a lease.

For short-term leases and leases for which the underlying asset is of low value ("low-value leases"), the Olympus Group does not recognize the right-of-use assets and lease liabilities but recognizes lease payments as expenses. Right-of-use assets and lease liabilities are included in and presented as "Property, plant and equipment" and "Other financial liabilities" respectively on the consolidated statements of financial position.

(ii) Leases as lessor

Lease transactions involving transfer of substantially all the risks and rewards associated with the ownership of the leased assets are classified into finance lease, while other type of lease transactions are classified into operating lease.

In finance lease transactions, the present value of gross investments in the leases is recognized as revenue at the commencement of the lease term, and the correspondent amount is recognized as lease receivables. Unearned finance income is apportioned at a constant rate on the net investment over the lease term and recognized as revenue in the period to which it is attributable.

In operating lease transactions, the relevant leased properties are recognized in the Consolidated Statements of Financial Position, and lease payments receivable are recognized as revenue over the lease terms on a straight-line method.

(8) Impairment of non-financial assets

For the carrying amount of non-financial assets (excluding inventories, deferred tax assets, retirement benefit asset and non-current assets held for sale), the Olympus Group assesses at the end of each reporting period whether there is an indication of impairment. If any such indication exists, impairment test is performed. However, goodwill, intangible assets with indefinite useful lives and those yet to be usable are tested for impairment in each period or whenever there is an indication of impairment.

Assets that are not individually tested in impairment testing are integrated into the smallest cash-generating unit that generates cash inflows largely independent of cash inflows from other assets or asset groups. Corporate assets do not generate independent cash inflows. Therefore, if there is an indication that corporate assets may be impaired, impairment test is conducted based on the recoverable amount of the cash-generating unit to which the corporate assets belong.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and fair value less cost of disposal. In calculation of value in use, estimated future cash flows are discounted to the present value using the pretax discount rate reflecting monetary time value and risks specific to the asset. Impairment losses are recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses recognized in association with a cash-generating unit are recognized first reducing the carrying amount of any allocated goodwill and then are allocated to other assets of the cash-generating unit on a pro-rate basis based on the carrying amount of each asset.

When there is an indication of reversal in respect of impairment losses recognized in prior periods and the recoverable amount of the asset or cash-generating unit exceeds its carrying amount, impairment losses are reversed. The carrying amount after reversal of impairment losses does not exceed the carrying amount that would have been determined when depreciation or amortization had been continued until the reversal occurred if any impairment loss had never been recognized for the asset. Impairment losses associated with goodwill are not reversed.

(9) Non-current assets or discontinued operations held for sale

Non-current assets or disposal groups that will be recovered principally through a sale transaction rather than through continuous use are classified as non-current assets or disposal groups held for sale if it is highly probable that they will be sold within one year, they are immediately available for sale in their current state, and the Olympus Group's management is committed to implementing a plan for their sale. An entity shall not depreciate or amortize a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale, and shall measure a non-current asset or disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

When businesses that are considered as units on which management decision is made have already been sold or fulfill the requirements to be classified as being held for sale, the Olympus Group classifies those businesses as discontinued operations.

(10) Provisions

Provisions are recognized when the Olympus Group has present obligations as a result of past events, it is highly probable that outflows of economic resources will be occurred to settle the obligations, and reliable estimates of the obligations can be made.

Where time value of money is material, provisions are measured by discounting estimated future cash flows into present value by using the interest rate reflecting the time value of money as well as the risks inherent to the associated liabilities.

(11) Employee benefits accruals

(i) Post-employment benefits

The Olympus Group adopts defined benefit pension plans and defined contribution pension plans.

The Olympus Group calculates the present value of defined benefit obligations and associated current service cost as well as past service cost by using the projected unit credit method.

Discount rate used for discounting to the present value of defined benefit obligations is determined by reference to market yields on high quality corporate bonds of which currency and due date are consistent with those of the post-employment benefit obligations.

Asset or liability associated with a defined benefit plan is calculated by subtracting the fair value of plan assets from the present value of defined benefit obligations of each plan.

Any difference due to remeasurement arising from defined benefit pension plans is recognized as other comprehensive income in the period when the difference arose, and immediately transferred to retained earnings. Past service costs are expensed as incurred.

Contributions to defined contribution pension plans are recognized as expenses according to the period during which employees rendered the relevant services.

(ii) Short-term employee benefits

Short-term employee benefits are recognized as expenses in the period in which the employee renders the related service without discounting. When the Olympus Group has present legal or constructive obligations to make payments resulting from past services rendered by the employees and the amount can be estimated reliably, the amount estimated to be paid is recognized as liabilities.

(iii) Other long-term employee benefits

The Olympus Group has special leave system and incentive payment plans according to a specific number of service years as long-term employee benefits other than pension plans. The amount of obligations to other long-term employee benefits is recognized as liabilities at the amount calculated by discounting the estimated amount of future benefits earned in exchange for service that employees provided in prior fiscal years and the current fiscal year to the present value.

(12) Revenue

The Olympus Group is principally engaged in the manufacture and sales of endoscopes, therapeutic devices, and other products.

Endoscopic Solutions Business

The Endoscopic Solutions Business sells medical devices, including gastrointestinal endoscopes and surgical endoscopes, as well as provides medical services such as lease and repair for these products, to customers who are primarily medical institutions in Japan and overseas.

Regarding the sale of products by the Endoscopic Solutions Business, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. The revenue from the sale of products is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component. In respect of transactions that consist of multiple components, such as products and maintenance service, Olympus Corporation treats each component as a separate performance obligation when products to sell and services to render have an independent value on their own, and the total transaction amount is proportionally allocated based on the individual sales prices of the components.

In regard to maintenance contracts concerning medical devices, because performance obligations are satisfied over the passage of time, the transaction amount related to the contract with a customer is recognized as revenue spread evenly over the contract period. Generally, Olympus Corporation

receives a consideration for a transaction in a lump sum as advance payment at the time the contract is concluded.

Lease transactions for medical devices as the lessor are recorded in accordance with Notes to Consolidated Financial Statements "4. Items concerning accounting policies, (7) Leases." Olympus Corporation receives lease fees concerning leasing contracts based on payment conditions specified in individual contracts.

Therapeutic Solutions Business

The Therapeutic Solution Business sells medical devices, including gastroenterology devices, urology products, respiratory products, energy devices, ENT products, and gynecology products, to customers who are primarily medical institutions in Japan and overseas.

Regarding the sale of products by the Therapeutic Solutions Business, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. The revenue from the sale of products is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component.

Other Businesses

Other businesses include R&D and exploratory activities for new businesses, in addition to sales of biomedical materials and orthopedic equipment.

5. Notes to accounting estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, and the effects of such reviews are recognized in the period in which the estimates are reviewed and in subsequent periods.

Information regarding accounting estimates and assumptions that may have a significant impact on the consolidated financial statements is as follows.

- Valuation of inventories (Notes "4. Items concerning accounting policies, (3) Inventories")
Inventories are measured at cost. However, if the net realizable value of inventories at the end of the reporting period is lower than the cost, the inventories are measured at the net realizable value and the difference between the net realizable value and the cost is recognized as cost of sales, in principle. For unsold inventories that remain outside the operating cycle, the net realizable value, etc. is calculated by reflecting future demand and market trends. In the event that the market environment deteriorates further than forecasted and net realizable value declines significantly, losses may be incurred. The amount of inventories recorded in the consolidated financial statements for the fiscal year under review is ¥190,030 million.
- Impairment of non-financial assets (Notes "4. Items concerning accounting policies, (8) Impairment of non-financial assets")
The Olympus Group tests for impairment of property, plant and equipment, goodwill, and intangible assets in accordance with Notes "4. Items concerning accounting policies." In the calculation of the recoverable amount in the impairment test, assumptions are made regarding future cash flows, discount rates, etc.
These assumptions are determined based on management's best estimates and judgment. However, they may be affected by the results of changes in uncertain future economic conditions, and if they require revision, they may have a significant impact on the consolidated financial statements.
In the test for impairment of goodwill, the recoverable amount is the higher of its value in use and fair value less cost of disposal.
The value in use is calculated primarily by discounting estimated cash flows to the present value based on the business plans approved by management and, after the period of the business plans are completed, on the continuing value founded on the growth rate.

Business plans are limited to five years, reflect the management's evaluation of future trends in the industry and historical data, and are consistent with external and internal information, and future cash flows are estimated based on these business plans.

The principal assumptions in estimating the value in use are the growth rate in the business plan, the operating margin, and the growth and discount rates after the periods of the plans are completed.

The amounts of property, plant and equipment, goodwill, and intangible assets recorded in the consolidated financial statements for the fiscal year under review were ¥259,968 million, ¥180,331 million, and ¥91,961 million, respectively.

- Measurement of provisions (Notes "4. Items concerning accounting policies, (10) Provisions")
Provisions are measured based on the best estimates for expenditures as of the fiscal year closing date expected to be required to settle future obligations. Estimates of expenditures expected to be required to settle future obligations are calculated based on a comprehensive consideration of possible future outcomes. Changes in uncertain future economic conditions may affect assumptions used to calculate the provisions. Accordingly, there are risks that such changes could result in significant adjustments to measurements of provisions in the future accounting periods. The amount of provisions recorded in the consolidated financial statements for the fiscal year under review is ¥33,680 million.
- Notes to contingent liabilities
Contingencies are disclosed when an item could have a significant impact on future operations, taking into account all available evidence at the reporting date and considering the likelihood and monetary impact of the event.
- Measurement of defined benefit obligations (Notes "4. Items concerning accounting policies, (11) Employee benefits accruals")
For defined benefit pension plans, the net value of the defined benefit obligations and the fair value of plan assets is recognized as either liabilities or assets. Defined benefit obligations are calculated based on the same types of assumptions used in the actuarial calculation, which include estimates of the discount rate, the retirement rate, the mortality rate, and the rate of compensation increase. These assumptions are established by comprehensively judging a variety of available information, including market trends, such as interest rate changes. Uncertain future economic conditions or changes in social conditions may affect the assumptions used in the actuarial calculation. Accordingly, there are risks that such changes could result in significant adjustments to the measurements of defined benefit obligations in future accounting periods. The amount of retirement benefit assets and retirement benefit obligations recorded in the consolidated financial statements for the fiscal year under review is ¥36,815 million and ¥20,586 million, respectively.
- Recoverability of deferred tax assets
Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, etc. can be utilized. Judgements on the likelihood that taxable income will be available are made based on the timing and amount of taxable income estimated based on the business plans including assumptions of the growth rate and operating margin. These estimates are determined based on management's best estimates. However, they may be affected by the results of changes in uncertain future economic conditions and the actual results may differ from these forecasts. The amounts of deferred tax assets and deferred tax liabilities recorded in the consolidated financial statements for the fiscal year under review is ¥72,324 million and ¥11,989 million, respectively.

Notes to Financial Instruments

1. Items concerning status of financial instruments

With regard to fund management, the Olympus Group primarily uses short-term deposits. For financing, it uses loans from bank and other financial institutions and bond issuances.

In accordance with internal regulations, the Olympus Group manages customer credit risks pertaining to trade and other receivables by conducting credit investigations on major external customers and controls of due dates and outstanding balances by customers, while promptly identifying doubtful accounts caused by deteriorated financial conditions, etc., to reduce risks.

Regarding risks of market prices associated with holding shares, the Olympus Group regularly checks market prices and the financial status of business counterparts issuing shares, etc., while reviewing holding positions continuously in consideration of relationships with business counterparts to reduce risks.

Foreign currency fluctuation risks arising from foreign currency-denominated financial assets and financial liabilities are hedged mainly through forward foreign exchange contracts and currency swaps to lower risks. In addition, interest-rate risks associated with some long-term borrowings are hedged by fixing the amount of interest payments through interest-rate swap deals to reduce risks.

2. Items concerning fair value of financial instruments

Fair value hierarchy is categorized into the following three levels depending on the observability of inputs used in the valuation technique for the measurement.

Level 1: Fair value measured at market prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value measured using observable prices other than those categorized within Level 1, either directly or indirectly

Level 3: Fair value measured using a valuation technique which includes inputs that are not based on observable market data

The Olympus Group recognizes transfers of financial instruments between the levels of the fair value hierarchy as if they occurred at the end of each fiscal year. There were no significant financial instruments transferred between the levels for the current fiscal year.

(1) Financial instruments measured at fair value

The methods for measuring major financial instruments measured at fair value are as follows.

Listed shares are classified as Level 1 and stated at market prices valued at the end of each fiscal year.

Unlisted shares are classified as Level 3 and stated at the value obtained by using valuation techniques such as the comparable company analysis method.

Derivative assets and liabilities are classified as Level 2. Currency derivatives are stated at the value based on forward exchange rates, and interest-rate derivatives are stated at the value obtained based on observable data such as market interest rates, credit risks, and the period up to maturity.

The contingent consideration for business combinations, etc., is classified as Level 3 and stated at the estimates of future payability.

The fair value hierarchy of financial instruments measured at fair value as of March 31, 2024 is as follows:

(Millions of yen)				
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	–	14,358	–	14,358
Equity securities and others	–	–	704	704
Financial assets measured at fair value through other comprehensive income				
Equity securities and others	538	–	7,014	7,552
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	2,483	–	2,483
Contingent consideration	–	–	7,119	7,119

The changes in financial assets categorized within Level 3 are as follows:

(Millions of yen)	
	Fiscal year ended March 31, 2024
Balance at April 1	7,368
Gains and losses (Note)	
Profit or loss	(18)
Other comprehensive income	(106)
Purchases	325
Sale	(405)
Other	554
Balance at March 31	7,718

Note: Gains or losses recognized in profit or loss are mainly included in “Finance income” or “Finance costs” in the consolidated statement of profit or loss.

Total gains or losses recognized in profit or loss included a loss of ¥71 million on financial instruments held at the end of the current fiscal year.

The changes in financial liabilities categorized within Level 3 are as follows:

(Millions of yen)	
	Fiscal year ended March 31, 2024
Balance at April 1	8,226
Settlement	(3,421)
Change in fair value	1,400
Other	914
Balance at March 31	7,119

(2) Financial instruments measured at amortized cost

The methods for measuring the fair value of major financial instruments measured at amortized cost are as follows. These financial instruments are mainly classified into Level 2.

(Cash and cash equivalents, trade and other receivables, and trade and other payables)

Account items to be settled in the short term are stated at their book value because their fair value is nearly equal to their book value.

Lease receivables are stated at the value obtained by calculating the present value of each lease receivable categorized by a specific period, at discounted rates that take into account credit risks and the period up to maturity.

(Other financial assets and other financial liabilities)

Account items to be settled in the short term are stated at their book value because their fair value is nearly equal to their book value.

(Bonds and borrowings)

Bonds and borrowings with fixed interest rates are stated at the value calculated at discounted rates which would be applied to a similar issuance of bonds or similar new loans to generate future cash flows.

Borrowings with variable interest rates are stated at their book value because their fair value is deemed to be nearly equal to their book value, given that they are short-term borrowings reflecting market interest rates, and their credit conditions have not significantly changed since the drawdown.

Short-term borrowings and commercial papers are stated at their book value since they are settled in the short term and their fair value is nearly equal to their book value.

The carrying amount and fair value of major financial instruments measured at amortized cost were as follows.

Financial instruments whose carrying amounts approximate fair value are not included in the following table.

(Millions of yen)

	Amount recorded in the Consolidated Statements of Financial Position	Fair value	Variance
Financial assets			
Lease receivables	86,238	86,085	(153)
Financial liabilities			
Bonds	145,250	139,324	(5,926)
Borrowings	94,372	94,225	(147)

Notes to Revenue Recognition

1. Disaggregation of revenue

In the past, the organization of the Olympus Group has basically consisted of four segments: “Endoscopic Solutions Business,” “Therapeutic Solutions Business,” “Scientific Solutions Business,” and “Others.” However, from the fiscal year ended March 31, 2023, the organization has been changed to basically consist of three segments: “Endoscopic Solutions Business,” “Therapeutic Solutions Business,” and “Others.” The change is due to Olympus Corporation classifying the Scientific Solutions Business as a discontinued operation with the conclusion of a share transfer agreement related to the transfer of Scientific Solutions Business of the Olympus Group with K.K. BCIJ-66, a special purpose company indirectly owned by funds advised by Bain Capital. For details on discontinued operation, please see Other Notes “5. Discontinued operation.”

Revenue recorded in “Endoscopic Solutions Business,” “Therapeutic Solutions Business” and “Others” is stated as revenue, as these three segments are the units for which separate financial information is available and according to which reporting is periodically conducted to decide how to allocate management resources and assess business performance. Revenue is geographically disaggregated by customer location. Relationship between the disaggregated revenue and revenue of each reportable segment is as follows:

(Millions of yen)

	Endoscopic Solutions	Therapeutic Solutions	Others	Total
Japan	71,892	44,495	5,128	121,515
North America	216,565	134,666	106	351,337
Europe	145,931	90,714	6,180	242,825
China	74,950	30,748	643	106,341
Asia and Oceania	58,979	28,897	205	88,081
Others	18,300	7,811	0	26,111
Total	<u>586,617</u>	<u>337,331</u>	<u>12,262</u>	<u>936,210</u>
Revenue recognized from contracts with customers	508,888	326,167	12,262	847,317
Revenue recognized from other sources	77,729	11,164	–	88,893

Note: Revenue recognized from other sources includes lease revenue and others according to IFRS 16.

2. Contract balance

The balance of receivables from contracts with customers, contract assets, and contract liabilities is as follows:
Fiscal year under review (from April 1, 2023 to March 31, 2024)

	(Millions of yen)	
	April 1, 2023	March 31, 2024
Receivables from contracts with customers	137,177	146,956
Contract assets	1,239	220
Contract liabilities	55,533	65,616

In the Consolidated Statements of Financial Position, receivables from contracts with customers and contract assets are included in trade and other receivables and contract liabilities are included in other current liabilities and other non-current liabilities.

Revenue from continuing operations recognized during the fiscal year under review which was included in contract liabilities at the beginning of the period was ¥55,521 million. In addition, for the fiscal year under review, the amount of revenue recognized from performance obligation satisfied (or partly satisfied) in the previous period is immaterial.

3. Transaction price allocated to the remaining performance obligation

Revenue by timing of satisfaction of remaining performance obligations is as follows. Olympus Corporation has applied the practical expedient and does not disclose transactions of which the expected contract period is within one year or less.

	(Millions of yen)	
	As of March 31, 2024	
Within one year	22,936	
Over one year	11,838	
Total	<u>34,773</u>	

Notes to Per-Share Information

1. Equity attributable to owners of parent per share	¥649.59
2. Basic earnings per share	
Continuing operations	¥21.93
Discontinued operation	¥177.98
Basic earnings per share	¥199.91

Notes to Significant Subsequent Events

(Share repurchase and cancellation of treasury shares)

At a meeting of the Board of Directors held on November 9, 2023, Olympus Corporation resolved to cancel treasury shares as provided for in Article 178 of the Companies Act, and cancelled the treasury shares on April 30, 2024.

(1) Details of cancellation

1. Class of shares:	Common stock of Olympus Corporation
2. Number of shares cancelled:	37,446,500 shares (3.08% of total number of issued shares before the cancellation)
3. Date of cancellation:	April 30, 2024
4. Total number of issued shares after cancellation:	1,177,700,200 shares

At a meeting of the Board of Directors held on May 10, 2024, Olympus Corporation resolved items related to the repurchase of its own shares as provided for in Article 459 Paragraph 1 of the Companies Act and Article 32 of Olympus Corporation's Articles of Incorporation, as well as the cancellation of treasury shares as provided for in Article 178 of the Companies Act.

(1) Reasons for the share repurchase and cancellation of treasury shares

To strengthen shareholder returns and to improve capital efficiency

(2) Details of items related to the repurchase

1. Class of shares:	Common stock of Olympus Corporation
2. Total number of shares to be repurchased:	60,000,000 shares (maximum) (5.15% of total number of issued shares (excluding treasury shares))
3. Total amount of shares to be repurchased:	¥100,000 million (maximum)
4. Repurchase period:	May 13, 2024 to December 31, 2024
5. Repurchase method:	Market purchase on the Tokyo Stock Exchange based on a discretionary trading contract

(3) Details of cancellation

1. Class of shares:	Common stock of Olympus Corporation
2. Number of shares to be cancelled:	All of the shares to be repurchased as stated in (2) above
3. Date of cancellation:	January 31, 2025

Other Notes

1. Other income and other expenses

(1) Other income

Major items of other income are as follows.

(Transfer of collagen business and dental product sales businesses)

A transfer gain of ¥1,127 million recognized in connection with the loss of control over the Collagen business and dental product sales businesses is included in "Other income." Details are described in Other Notes "7. Loss of control."

(2) Other expenses

Major items of other expenses are as follows.

(Quality-related expenses)

In order to comply with quality laws and regulation for medical device of global regulatory authorities, we must strengthen our quality management systems. An expense of ¥23,041 million was incurred in "Other expenses" to improve targeted areas including complaint handling and response, medical device reporting (MDR), and process design validation.

(Losses associated with the discontinuation of manufacture and sale of products from Veran Medical Technologies, Inc.)

A loss of ¥51,886 million (¥2,337 million for loss on valuation of inventories; ¥41,704 million for impairment loss on non-current assets (Note); ¥7,846 million for expenses related to the voluntary recall of products) associated with the discontinuation of manufacture and sale of electromagnetic navigation systems of Veran Medical Technologies, Inc. was recorded in "Other expenses."

Note: Details of impairment losses on non-current assets are as described in Other Notes "10. Impairment of non-financial assets."

(Impairment losses on development assets and research and development in progress)

Olympus Corporation recognized impairment losses of ¥6,002 million and ¥4,565 million on development assets and research and development in progress, respectively, in the Endoscopic Solutions Business, which were written down to their recoverable amount since Olympus Corporation no longer expects them to generate the expected earnings at the time of acquisition due to such factors as changes in the market environment, and recorded the losses in "Other expenses." Olympus Corporation recognized impairment losses of ¥2,346 million on development assets in Therapeutic Solutions Business, which were written down to their recoverable amount since Olympus Corporation no longer expects them to generate the expected earnings at the time of acquisition due to such factors as changes in the market environment, and recorded the losses in "Other expenses."

(Implementation of career support system for external opportunity)

Olympus Corporation recorded ¥5,851 million in "Other expenses" as expenses incurred in the provision of special additional payment and re-employment support services under the career support system for external opportunity implemented by Olympus Corporation and its group companies.

(Conclusion and cancellation of share purchase agreement)

Effective March 7, 2024, Olympus Corporation reached an agreement with the former shareholders of South Korean medical device manufacturer Taewoong Medical Co., Ltd. to rescind the definitive agreement to acquire shares concluded on February 24, 2023. Olympus Corporation recorded ¥1,966 million in "Other expenses" as expenses related to the conclusion and cancellation of the share purchase agreement.

(Loss related to the orthopedic surgery business)

The loss of ¥8,588 million related to the orthopedic surgery business is recorded in other expenses (¥3,802 million for impairment loss on goodwill; ¥2,356 million for impairment loss on intangible assets excluding goodwill; and ¥2,430 million for impairment loss on property, plant and equipment (Note)).

Note: Details of impairment losses on non-current assets are as described in Other Notes "10. Impairment of non-financial assets."

2. Business segments

(1) Overview of reportable segments

The reportable segments of the Olympus Group are the units for which separate financial information is available and according to which reporting is periodically conducted to decide how to allocate management resources and assess business performance.

In the past, the Olympus Group had four reportable segments: "Endoscopic Solutions Business," "Therapeutic Solutions Business," "Scientific Solutions Business," and "Others." However, from the fiscal year ended March 31, 2023, we have changed to three reportable segments: "Endoscopic Solutions Business," "Therapeutic Solutions Business," and "Others." The change is due to Olympus Corporation classifying the Scientific Solutions Business as a discontinued operation with the conclusion of a share transfer agreement related to the transfer of Scientific Solutions Business of the Olympus Group with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital. For details on discontinued operation, please see Other Notes "5. Discontinued operation." The transfer of the shares of Evident Corporation, which operates the Scientific Solutions Business, was completed on April 3, 2023.

The principal products and services of each reportable segment are as follows.

Reportable Segment	Principal products and services
Endoscopic Solutions Business	Gastrointestinal endoscopes, surgical endoscopes, medical service
Therapeutic Solutions Business	Gastroenterology devices, urology products, respiratory products, energy devices, ENT products, gynecology products
Others	Biomedical materials, orthopedic equipment

(2) Revenue, business results and other items of reportable segments

Revenue, business results and other items of reportable segments are as follows. The accounting method used for reportable segments is the same as the accounting policies that are described in Notes to Important Items That Form the Basis for Preparing the Consolidated Financial Statements “4. Items concerning accounting policies.”

Fiscal year ended March 31, 2024

	Reportable Segment				Adjustment (Note 2, 4, 5, 6)	Amount on consolidated financial statements
	Endoscopic Solutions	Therapeutic Solutions	Others	Total		
Revenue						
Revenue from outside customers	586,617	337,331	12,262	936,210	–	936,210
Intersegment revenue (Note 1)	–	–	121	121	(121)	–
Total	586,617	337,331	12,383	936,331	(121)	936,210
Operating profit (loss)	104,684	(8,466)	(7,809)	88,409	(44,811)	43,598
Finance income						2,562
Finance costs						10,306
Profit before tax						35,854
Other items						
Share of profit (loss) of investments accounted for using equity method	(332)	(26)	–	(358)	–	(358)
Depreciation and amortization	41,501	18,184	961	60,646	5,294	65,940
Impairment losses (Note 3)	10,890	44,315	8,588	63,793	775	64,568
Segment assets	637,036	469,186	12,660	1,118,882	415,334	1,534,216
Investments accounted for using equity method	–	479	–	479	–	479
Capital expenditures	50,674	19,295	1,452	71,421	9,306	80,727

Notes:

- Intersegment revenue is based on actual market prices.
- Adjustment for operating profit (loss) is corporate expenses that mainly consist of elimination of transactions among segments, as well as general and administrative expenses and fundamental research expenses that are not attributable to reportable segments.
- The operating loss of Therapeutic Solutions includes a loss of ¥51,886 million incurred due to the discontinuation of Veran Medical Technologies, Inc. products. For details, please refer to Other Notes “1. Other income and other expenses.” Of these losses, impairment losses amounted to ¥41,704 million. For further details, please refer to Other Notes “10. Impairment of non-financial assets.”
- Adjustment for segment assets is corporate assets that are not attributable to reportable segments and assets of discontinued operation.
- Adjustment for depreciation and amortization is the amount of depreciation and amortization related to corporate assets that are not attributable to reportable segments.
- Adjustment for capital expenditures is the amount of increase in fixed assets related to corporate assets that are not attributable to reportable segments.

3. Assets held for sale and liabilities directly associated with assets held for sale

Breakdown of assets held for sale is as follows:

(Millions of yen)

	As of March 31, 2024
ASSETS	
Land	41
Buildings and structures	14
Total	55

Assets classified as being held for sale at the end of the fiscal year under review are assets belonging to the Endoscopic Solutions Business segment and the Therapeutic Solutions Business segment for the purpose of resource optimization. Olympus Corporation plans to sell these assets within one year from the end of the fiscal year.

4. Business combinations

(Revised provisional amounts)

For the following business combination that occurred in the fiscal year ended March 31, 2023, provisional amounts have been revised during the fiscal year ended March 31, 2024. As a result, we have retrospectively revised the figures at the end of the fiscal year ended March 31, 2023 in the consolidated statements of financial position.

(Acquisition of Odin Medical Ltd.)

Odin Medical Ltd. became a consolidated subsidiary of Olympus Corporation on December 19, 2022, due to the acquisition of shares for cash consideration.

In the fiscal year ended March 31, 2024, the fair value of some assets acquired and liabilities assumed has been revised with respect to the measurement of the fair value of assets acquired and liabilities assumed as of the acquisition date in said business combination. Regarding said business combination, in the fiscal year ended March 31, 2024, initial measurement of assets acquired, liabilities assumed and goodwill has been finalized.

	(Millions of yen)		
	Provisional fair value as of March 31, 2023	Subsequent revision	Revised fair value
Fair value of consideration paid			
Cash	3,982	–	3,982
Contingent consideration	4,095	–	4,095
Total	8,077	–	8,077
Fair value of assets acquired and liabilities assumed			
Cash and cash equivalents	148	–	148
Other current assets	1	–	1
Property, plant and equipment	3	–	3
Intangible assets	2,434	1,521	3,955
Trade and other payables	(28)	–	(28)
Other current liabilities	(99)	–	(99)
Deferred tax liabilities	(606)	(380)	(986)
Other non-current liabilities	(74)	–	(74)
Fair value of assets acquired and liabilities assumed, net	1,779	1,141	2,920
Goodwill	6,298	(1,141)	5,157
Total	8,077	–	8,077

Due to these revisions, there were increases in intangible assets and deferred tax liabilities of ¥1,574 million and ¥393 million, respectively, and a decrease in goodwill of ¥1,181 million in the consolidated statements of financial position for the fiscal year ended March 31, 2023.

5. Discontinued operation

(1) Outline of business combination

On August 29, 2022, Olympus Corporation concluded a share transfer agreement related to the transfer of Scientific Solutions Business of the Olympus Group with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital. Due to this, profit (loss) from the Scientific Solutions Business has been classified as profit (loss) from discontinued operation from the previous fiscal year. The transfer of the shares of Evident Corporation, which operates the Scientific Solutions Business, was completed on April 3, 2023. Details are described in Other Notes “7. Loss of control.”

(2) Profit or loss from discontinued operation

Profit or loss from discontinued operation is as follows:

	(Millions of yen)
	Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)
Revenue	–
Cost of sales	–
Gross profit	–
Selling, general and administrative expenses	244
Share of profit (loss) of investments accounted for using equity method	–
Other income (Note 1)	349,151
Other expenses (Note 2)	631
Operating profit	348,276
Finance income	–
Finance costs	–
Profit before tax	348,276
Income taxes (Note 3)	132,320
Profit from discontinued operation	215,956

- Notes: 1. Other income includes ¥349,037 million for the gain on the transfer of Scientific Solutions Business.
2. Other expenses include ¥161 million related to the spin-off of the Scientific Solutions Business and the strengthening of its management systems.
3. Income taxes include ¥120,313 million of tax expenses related to the transfer of Scientific Solutions Business.

(3) Cash flows of discontinued operation

Cash flows of discontinued operation are as follows:

	(Millions of yen)
	Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)
Cash flows of discontinued operation	
Net cash provided by (used in) operating activities	(57,569)
Net cash provided by (used in) investing activities	431,091
Net cash provided by (used in) financing activities	–

Note: Net cash provided by (used in) investing activities in the fiscal year ended March 31, 2024 includes proceeds from the transfer of the Scientific Solutions Business of ¥379,091 million and collection of loans receivable from Evident Corporation of ¥52,000 million.

6. Cancellation and purchase of treasury shares

(Cancellation of treasury shares)

Based on resolution of the Board of Directors meeting held on May 12, 2023, Olympus Corporation canceled treasury shares on February 29, 2024. Due to this cancellation, treasury shares decreased by 51,032,000 shares during the fiscal year under review.

The impact of this cancellation is that treasury shares decreased by ¥104,795 million (contraction of negative stated amount in equity), and capital surplus decreased by ¥104,795 million.

The amount of the above cancellation was deducted from other capital surplus in capital surplus, but the amount that exceeds other capital surplus was deducted from retained earnings.

For cancellation after the end of the fiscal year under review, please refer to “Notes to Significant Subsequent Events.”

(Disposal of treasury shares)

Olympus Corporation conducted the disposal of treasury shares based on its restricted stock unit (RSU) system and performance-based stock compensation (PSU) system on June 14, 2023 and July 25, 2023. Due to this disposal, treasury shares decreased by 554,030 shares during the fiscal year under review.

The impact of this disposal is that treasury shares decreased by ¥1,233 million.

(Acquisition of treasury shares)

At meetings of the Board of Directors held on May 12, 2023 and November 9, 2023, Olympus Corporation resolved the acquisition of treasury shares and the specific means of acquisition as provided for in Article 459 Paragraph 1 of the Companies Act and Article 32 of Olympus Corporation’s Articles of Incorporation, and carried out the acquisition of treasury shares as follows:

(1) Details of the resolution passed at the meeting of the Board of Directors held on May 12, 2023:

- | | |
|---|---|
| 1. Class of shares: | Common stock of Olympus Corporation |
| 2. Total number of shares to be acquired: | 55,000,000 shares (maximum) |
| 3. Total share acquisition value: | ¥100,000 million (maximum) |
| 4. Acquisition period: | May 15, 2023 to January 31, 2024 |
| 5. Acquisition method: | Market purchase based on a discretionary trading contract on the Tokyo Stock Exchange |

(2) Treasury shares acquired based on the above resolution by the Board of Directors

- | | |
|-------------------------------------|---|
| 1. Total number of shares acquired: | 51,032,000 shares |
| 2. Total share acquisition value: | ¥100,000 million |
| 3. Acquisition period: | May 15, 2023 to November 8, 2023 (based on delivery date) |

(3) Details of the resolution passed at the meeting of the Board of Directors held on November 9, 2023:

- | | |
|---|---|
| 1. Class of shares: | Common stock of Olympus Corporation |
| 2. Total number of shares to be acquired: | 53,000,000 shares (maximum) |
| 3. Total share acquisition value: | ¥80,000 million (maximum) |
| 4. Acquisition period: | November 10, 2023 to March 31, 2024 |
| 5. Acquisition method: | Market purchase based on a discretionary trading contract on the Tokyo Stock Exchange |

(4) Treasury shares acquired based on the above resolution by the Board of Directors

- | | |
|-------------------------------------|--|
| 1. Total number of shares acquired: | 37,446,500 shares |
| 2. Total share acquisition value: | ¥80,000 million |
| 3. Acquisition period: | November 10, 2023 to March 26, 2024 (based on delivery date) |

For the acquisition of treasury shares after the end of the fiscal year under review, please refer to “Notes to Significant Subsequent Events.”

7. Loss of control

(Transfer of Scientific Solutions Business)

(i) Overview of transaction

On August 29, 2022, Olympus Corporation concluded an agreement to transfer all shares of its consolidated subsidiary, Evident Corporation (hereinafter, “Evident”), which operates the Scientific Solutions Business, to K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital, and completed the transfer procedures on April 3, 2023. As a result of this, Olympus Corporation lost its control of Evident on the same day.

(ii) Assets and liabilities associated with the loss of control

(Millions of yen)	
	Amount
Current assets	118,936
Non-current assets	50,119
Total assets	169,055
Current liabilities	30,657
Non-current liabilities	12,497
Total liabilities	43,154

(iii) Cash flows associated with the loss of control

(Millions of yen)	
	Amount
Cash and cash equivalents received as consideration of the loss of control	418,166
Expenses related to transfer of businesses	(2,892)
Cash and cash equivalents of subsidiaries with the loss of control	(36,183)
Proceeds from the transfer of Scientific Solutions Business (Note)	379,091

Note: Proceeds from the transfer of Scientific Solutions Business are included in “Cash flows from investing activities” in the Consolidated Statements of Cash Flows (Reference).

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥349,037 million associated with the loss of control of Evident under “Profit from discontinued operation” in the Consolidated Statements of Profit or Loss.

(Transfer of Gyrus Medical Limited)

(i) Overview of transaction

On April 21, 2023, Olympus Corporation concluded an agreement to transfer all shares of Gyrus Medical Limited (“GML”), a consolidated subsidiary of Olympus Corporation, to ATL TECHNOLOGY UK HOLDINGS LIMITED.

Olympus Corporation lost control of GML on the same day that the transfer of shares in accordance with this share transfer agreement was completed.

(ii) Assets and liabilities associated with the loss of control

	(Millions of yen)
	Amount
Current assets	2,226
Non-current assets	1,285
Total assets	3,511
Current liabilities	688
Non-current liabilities	17
Total liabilities	705

(iii) Cash flows associated with the loss of control

	(Millions of yen)
	Amount
Cash and cash equivalents received as consideration of the loss of control	4,429
Cash and cash equivalents of subsidiaries with the loss of control	(0)
Proceeds from sale of subsidiaries (Note)	4,429

Note: Proceeds from sale of subsidiaries are included in “Cash flows from investing activities” in the Consolidated Statements of Cash Flows (Reference).

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥115 million associated with the loss of control of GML under “Other income” in the Consolidated Statements of Profit or Loss.

(Transfer of collagen business and dental product sales businesses)

(i) Overview of transaction

On March 28, 2023, Olympus Terumo Biomaterials Corporation, a consolidated subsidiary of Olympus Corporation, executed a company split agreement with GC Corporation for the transfer of the collagen products development, manufacture and sales business and dental products sales business, which are included in the other businesses of the Olympus Group. The transfer of the businesses in accordance with this agreement was completed on July 3, 2023. As a result, Olympus Corporation lost its control of the collagen business and the dental product sales business on that date.

(ii) Assets and liabilities associated with the loss of control

	(Millions of yen)
	Amount
Current assets	158
Non-current assets	399
Total assets	557
Current liabilities	28
Non-current liabilities	–
Total liabilities	28

(iii) Cash flows associated with the loss of control

	(Millions of yen)
	Amount
Cash and cash equivalents received as consideration of the loss of control	1,769
Expenses related to transfer of businesses	(113)
Proceeds from the transfer of the collagen business and dental product sales businesses (Note)	1,656

Note: Proceeds from the transfer of the collagen business and dental product sales businesses are included in “Cash flows from investing activities” in the Consolidated Statements of Cash Flows (Reference).

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥1,127 million associated with the loss of control of the collagen business and dental product sales businesses under “Other income” in the Consolidated Statements of Profit or Loss.

8. Trade and other receivables

Effective March 7, 2024, Olympus Corporation has agreed with the former shareholders of South Korean medical device manufacturer Taewoong Medical Co., Ltd. to rescind the definitive agreement to acquire shares concluded on February 24, 2023. Current assets of ¥6,056 million and non-current assets of ¥6,697 million are respectively included in “Trade and other receivables” in the consolidated statements of financial position as other receivables associated with the rescission of this definitive agreement.

9. Provisions

(Voluntary recall of Olympus Corporation’s products)

As a result of an independent market survey conducted by Olympus Corporation, and of comparisons to inhouse quality standards, we made the decision to implement a voluntary recall of small intestine endoscope systems in line with our policy of putting the highest priority on ensuring the safety of patients. A provision of

¥4,157 million for expenses associated with this market response was made in the cost of sales of the Endoscopic Solutions Business in the fiscal year ended March 31, 2024.

(Provision for market corrective measures for hi-flow insufflation units)

A provision of ¥5,238 million for expenses associated with market corrective measures for hi-flow insufflation units was made in the cost of sales of the Endoscopic Solutions Business in the fiscal year ended March 31, 2024.

10. Impairment of non-financial assets

The Olympus Group recognizes impairment losses when the recoverable amount of an asset falls below its carrying amount. Impairment losses related to non-financial assets are recorded as “Other expenses” in the consolidated statements of profit or loss.

Business assets are mainly grouped according to business segment, while assets scheduled for disposal are grouped according to the assets to be disposed or sold, and idle assets are grouped individually.

The main impairment losses recognized in the fiscal year ended March 31, 2024 were as follows.

(Losses associated with the discontinuation of manufacture and sale of products from Veran Medical Technologies, Inc.)

Following the discontinuation of the manufacture and sale of Veran Medical Technologies, Inc. (“VMT”) electromagnetic navigation systems, related non-current assets were written down to their recoverable amount, and an impairment loss of ¥41,704 million was recorded (¥20,227 million for goodwill; ¥16,077 million for technology-related assets; ¥250 million for trademarks; ¥3,601 million for research and development in progress; and ¥1,157 million for license usage rights). Since the completion of the acquisition, the non-current assets related to the manufacture and sale of VMT’s products included in Therapeutic Solutions segment had been tested for impairment using this business segment as the cash-generating unit, taking into account synergies with other assets in the Therapeutic Solutions Business segment. However, during the fiscal year ended March 31, 2024, it was found that it was difficult to achieve the original goal of early diagnosis and minimally invasive treatment of respiratory diseases in combination with existing respiratory products, which was assumed at the time of acquisition, and it was also found that the products did not meet the quality standards required internally. Due to the decision to terminate the development and sale of VMT’s products, the impairment test was performed separately for non-current assets incurred in connection with the acquisition of VMT, rather than on a business segment basis. The recoverable amount was the fair value less costs of disposal and, as the assets are difficult to sell, this amount was zero. It was classified as Level 3 in the fair value hierarchy. Details regarding the fair value hierarchy are as described in “Notes to Financial Instruments.”

VMT was acquired by the Olympus Group in December 2020, with the objective of combining VMT’s electromagnetic navigation systems and related devices with Olympus Corporation’s bronchoscope systems to enable early diagnosis and minimally invasive therapies for bronchial disease, and drive the growth of the Respiratory business. However, as a result of an independent investigation it became apparent that VMT’s technology and products did not conform to the quality standards of the Olympus Group, and accordingly Olympus Corporation discontinued shipments of said products in February 2023, since which time it has been engaged in further analysis and considering how to address the situation going forward. After putting the highest priority on the safety of patients during these deliberations, we concluded that improving the quality for these products to meet Olympus standards would incur enormous costs, and that a resumption of shipments would be significantly delayed at a time when the clinical needs of our customers are undergoing rapid change. Accordingly, on September 6, 2023 we took the decision to discontinue the manufacture and sale of these products. Loss amounts associated with the discontinuation of manufacture and sale of these products are as described in Other Notes “1. Other income and other expenses.”

(Loss related to the orthopedic surgery business)

Olympus Corporation recorded impairment losses of ¥8,588 million (¥3,802 million for goodwill; ¥1,407 million for patent rights; ¥918 million for development assets; ¥271 million for land; ¥512 million for buildings and structures; ¥1,219 million for tools, furniture and fixtures; ¥180 million for machinery and vehicles; and

¥189 million for right-of-use assets) on the assets in the orthopedic surgery business that is part of the “Others” segment, which were written down to their recoverable amount since Olympus Corporation no longer expects them to generate the expected earnings due to such factors as changes in the market environment. The recoverable amount was the fair value less costs of disposal. It was classified as Level 3 in the fair value hierarchy. Details regarding the fair value hierarchy are as described in “Notes to Financial Instruments.”

Consolidated Statements of Cash Flows (Reference)

(April 1, 2023 to March 31, 2024)

(Millions of yen)	
Accounts	Amount
Cash flows from operating activities	
Profit before tax	35,854
Profit before tax from discontinued operation	348,276
Depreciation and amortization	65,940
Impairment losses	64,568
Interest and dividend income	(2,376)
Interest expenses	5,409
Loss (gain) on sale and retirement of fixed assets	456
Share of loss (profit) of investments accounted for using equity method	358
Gain on transfer of the Scientific Solutions Business	(349,037)
Decrease (increase) in trade and other receivables	(11,851)
Decrease (increase) in inventories	(19,072)
Increase (decrease) in trade and other payables	(5,935)
Increase (decrease) in retirement benefit liability	1,013
Decrease (increase) in retirement benefit asset	(3,269)
Increase (decrease) in provisions	9,083
Other	42,765
Subtotal	182,182
Interest received	2,365
Dividends received	11
Interest paid	(4,803)
Income taxes paid	(137,390)
Net cash provided by operating activities	42,365

(Millions of yen)

Accounts	Amount
Cash flows from investing activities	
Purchase of property, plant and equipment	(46,425)
Proceeds from sales of property, plant and equipment	1,471
Purchase of intangible assets	(18,199)
Purchase of investment securities	(28)
Proceeds from transfer of the Scientific Solutions Business	379,091
Proceeds from the transfer of the collagen business and dental product sales businesses	1,656
Proceeds from sale of subsidiaries	4,472
Collection of loans receivable	53,373
Payments for contingent consideration	(2,966)
Expenditures based on share purchase agreement	(43,647)
Amount recovered upon cancellation of share purchase agreement	31,110
Other	84
Net cash provided by investing activities	359,992
Cash flows from financing activities	
Increase (decrease) in short-term borrowings and commercial papers	(3)
Repayments of lease liabilities	(19,518)
Repayments of long-term borrowings	(40,000)
Dividends paid	(20,057)
Dividends paid to non-controlling interests	(183)
Payments for purchase of treasury shares	(180,002)
Redemption of bonds	(10,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(2,921)
Other	(3,326)
Net cash used in financing activities	(276,010)
Effect of exchange rate changes on cash and cash equivalents	9,074
Net increase (decrease) in cash and cash equivalents	135,421
Cash and cash equivalents at beginning of period	205,512
Cash and cash equivalents at end of period	340,933

Non-Consolidated Balance Sheet
(As of March 31, 2024)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		LIABILITIES:	
Current assets	469,071	Current liabilities	210,306
Cash and time deposits	190,105	Accounts payable	35,448
Notes receivable	3	Current portion of bonds payable	20,000
Accounts receivable	67,070	Current portion of long-term borrowings	50,000
Finished goods	38,795	Lease liabilities	223
Work in process	1,465	Other payable	9,127
Raw materials and supplies	56,075	Accrued expenses	34,406
Short-term loans receivable	50,056	Income taxes payable	12,007
Other receivables	36,357	Deposits received	48,910
Income taxes receivable	23,344	Provision for product warranties	7
Other current assets	6,698	Provision for business restructuring	55
Allowance for doubtful accounts	(897)	Other current liabilities	123
Fixed assets	485,854	Non-current liabilities	231,707
Property, plant and equipment	58,760	Long-term bonds, less current maturities	125,705
Buildings	36,000	Long-term borrowings, less current maturities	105,000
Structures	1,428	Lease liabilities	859
Machinery and equipment	2,506	Long-term deposits received, less current maturities	29
Vehicles	5	Other non-current liabilities	114
Tools, furniture and fixtures	7,914	Total liabilities	442,013
Land	8,574	NET ASSETS:	
Lease assets	1,102	Shareholders' equity	516,241
Construction in progress	1,231	Share capital	124,643
Intangible assets	5,666	Capital surplus	91,063
Software	3,008	Legal capital surplus	91,063
Software in progress	2,617	Retained earnings	402,552
Right of using facilities, etc.	41	Other retained earnings	402,552
Investments and other assets	421,428	Reserve for advanced depreciation	927
Investment securities	1,284	Retained earnings carried forward	401,625
Investment securities in subsidiaries and affiliates	370,083	Treasury shares	(102,017)
Investments in capital of subsidiaries and affiliates	612	Valuation and translation adjustments	(3,589)
Prepaid pension expenses	15,461	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	311
Long-term accounts receivable-other	9,846	Deferred gains or losses on hedges	(3,900)
Deferred tax assets	11,198	Subscription rights to shares	260
Other assets	17,521	Total net assets	512,912
Allowance for doubtful accounts	(4,577)	Total liabilities and net assets	954,925
Total assets	954,925		

Non-Consolidated Statement of Income
(April 1, 2023 to March 31, 2024)

(Millions of yen)

Accounts	Amount
Revenue	379,373
Cost of sales	261,053
Gross profit	118,320
Selling, general and administrative expenses	76,413
Operating profit	41,907
Non-operating income	104,983
Interest income	89
Dividends income	100,044
Others	4,850
Non-operating expenses	11,751
Interest expenses	891
Interest on bonds	643
Foreign exchange losses	1,317
Commission for syndicate loan	5
Business structure improvement expenses	161
Quality-related expenses	2,605
Expenses related to the conclusion and cancellation of the share purchase agreement	2,528
Others	3,601
Ordinary profit	135,139
Extraordinary income	249,792
Gain on sale of fixed assets	238
Gain on sales of investment securities	55
Gain on sale of shares of subsidiaries and affiliates	248,667
Gain on extinguishment of tie-in shares	32
Income related to litigation	800
Extraordinary losses	2,861
Impairment losses	994
Loss on sales of investment securities	54
Extra payments for early retirements, etc.	1,800
Loss on discontinuation of development	13
Profit before provision for income taxes	382,070
Income taxes, current	17,584
Income taxes for prior periods	12,007
Income taxes, deferred	58,866
Profit	293,613

Non-Consolidated Statement of Changes in Net Assets (April 1, 2023 to March 31, 2024)

(Millions of yen)

Items	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for advanced depreciation	Retained earnings carried forward	
Balance at April 1, 2023	124,643	91,063	–	91,063	963	232,887	233,850
Changes during the year							
Dividends from surplus						(20,057)	(20,057)
Profit						293,613	293,613
Acquisition of treasury shares							
Disposal of treasury shares			(59)	(59)			
Cancellation of treasury shares			(104,795)	(104,795)			
Transfer from retained earnings to capital surplus			104,854	104,854		(104,854)	(104,854)
Reversal of reserve for advanced depreciation					(36)	36	–
Net changes in items other than shareholders' equity							
Net changes during the year	–	–	–	–	(36)	168,738	168,702
Balance at March 31, 2024	124,643	91,063	–	91,063	927	401,625	402,552

Items	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at April 1, 2023	(28,086)	421,470	236	(3,676)	(3,440)	279	418,309
Changes during the year							
Dividends from surplus		(20,057)					(20,057)
Profit		293,613					293,613
Acquisition of treasury shares	(180,002)	(180,002)					(180,002)
Disposal of treasury shares	1,276	1,217				(19)	1,198
Cancellation of treasury shares	104,795	–					–
Transfer from retained earnings to capital surplus		–					–
Reversal of reserve for advanced depreciation		–					–
Net changes in items other than shareholders' equity			75	(224)	(149)		(149)
Net changes during the year	(73,931)	94,771	75	(224)	(149)	(19)	94,603
Balance at March 31, 2024	(102,017)	516,241	311	(3,900)	(3,589)	260	512,912

Notes to Non-Consolidated Financial Statements

Notes to Items Related to Important Accounting Policies

1. Asset valuation principles and methods

(1) Securities

- (i) Held-to-maturity securities Amortized cost method
- (ii) Investment securities in subsidiaries and affiliates Cost method based on the moving-average method

- (iii) Available-for-sale securities Items other than shares, etc. that do not have a market price

Market value method (the net unrealized gains and losses on these securities are reported as a separate component of net assets, and the cost of sales is calculated by the moving-average method)

Shares, etc. that do not have a market price

Cost method based on the moving-average method
Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported using a method that treats the amount (net) equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement.

(2) Claims and liabilities from derivatives transactions

Market value method

(3) Inventories

Reported using the moving-average method (for the value stated in the balance sheet, the book value is written down based on the decreased profitability)

2. Depreciation and amortization method for fixed assets

(1) Property, plant and equipment (excluding lease assets)

Straight-line method

- (i) Vehicles, tools and fixtures Based on useful lives as per the Corporation Tax Act
- (ii) Other property, plant and equipment Based on useful lives prescribed by Olympus Corporation determined in accordance with estimated functional useful years

(2) Intangible assets (excluding lease assets)

Straight-line method

Based on useful lives as per the Corporation Tax Act
Software for internal use is reported using the usable period within Olympus Corporation (3 to 5 years).

(3) Lease assets

Finance lease assets not involving the transfer of ownership

Calculated on the straight-line method over the lease period as the useful lives and assuming no residual value.

3. Accounting principles for allowances and provisions

- (1) Allowance for doubtful accounts
To provide for losses due to unrecoverable claims such as accounts receivable and loans receivable, ordinary claims are accounted using the historical loan loss ratio and doubtful and other specified claims are reported in amounts expected to be unrecoverable considering the recoverability of each claim separately.
- (2) Provision for product warranties
Due to the accounting of after-sales service cost expected within Olympus Corporation's guarantee period with respect to products sold, the provision for product warranties is accounted using the prescribed Company's standards based on actually incurred past after-sales service cost.
- (3) Provision for retirement benefits
To provide for retirement benefit payments to employees, the cost recognized as occurring at the end of the current fiscal year is accounted based on the projected benefit obligation and plan assets as of the end of the current fiscal year.
Pertaining to past service cost, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such past service liabilities is accounted as an expense.
Pertaining to the actuarial gain or loss, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such actuarial gain or loss is accounted as an expense starting from the following fiscal year.
- (4) Provision for loss on business of subsidiaries and affiliates
To provide for losses arising from business of subsidiaries and affiliates, an estimated amount to be borne by Olympus Corporation related to excessive liabilities is accounted, taking into account the financial conditions of the subsidiaries and affiliates.
- (5) Provisions for business restructuring
To provide for expenses arising from business restructuring, the expected amount of these expenses is accounted.

4. Accounting principles for revenue and expenses

Olympus Corporation is principally engaged in the manufacture and sales of endoscopes and therapeutic devices.

Endoscopic Solutions Business

The Endoscopic Solutions Business sells medical devices, including gastrointestinal endoscopes and surgical endoscopes, as well as provides medical services such as repair for these products, to customers who are primarily the group companies.

Regarding the sale of products by the Endoscopic Solutions Business, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. For repair of products, revenue is recognized at the point when service provision satisfying a performance obligation is completed. The revenue from these transactions is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component.

Therapeutic Solutions Business

The Therapeutic Solution Business sells medical devices, including gastroenterology devices, urology products, respiratory products, energy devices, ENT products, and gynecology products, to customers who are primarily the group companies.

Regarding the sale of products by the Therapeutic Solutions Business, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. The revenue from the sale of products is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component.

5. Other important items that form the basis for preparing non-consolidated financial statements

- (1) Treatment method for important deferred assets
Stock issuance expense and bond issuance expense
Total expense recorded at the time of occurrence
- (2) Hedge accounting methods
 - (i) Hedge accounting methods
The deferred hedge treatment method is used. Foreign currency-denominated accounts receivable and foreign currency-denominated accounts receivable-other under foreign exchange forward contracts are accounted for upon translation at the foreign exchange rate stipulated in the contracts. Pertaining to interest rate swaps, requirements for special treatment are satisfied, therefore a special treatment is used.
 - (ii) Hedging instruments and hedged items
 - Hedging instruments Foreign exchange forward contracts, interest rate swap contracts, interest rate currency swap contracts
 - Hedged items Forecasted transactions for foreign currency-denominated accounts receivable, borrowings, foreign-currency denominated bonds, foreign-currency denominated bond interests, foreign-currency deposits, foreign currency-denominated accounts receivable-other
 - (iii) Hedging policy
Foreign exchange rate fluctuation risk and interest rate fluctuation risk are hedged based on internal regulations that stipulate authorization relating to derivatives and transaction limits.
 - (iv) Method of assessing hedge effectiveness
The effectiveness is assessed by checking whether there exists a high correlation among the value fluctuations of hedged items, the cash flow and hedging instruments.

Notes to Non-Consolidated Balance Sheet

1. Accumulated depreciation for property, plant and equipment	¥79,990 million
2. Contingent liabilities	
Liabilities for guarantees	¥3,612 million
The above amount is contracted guarantees to subsidiaries and affiliates, etc.	
3. Short-term monetary claims to subsidiaries and affiliates	¥141,381 million
4. Short-term monetary liabilities to subsidiaries and affiliates	¥88,901 million
5. Allowance for doubtful accounts	
¥3,149 million of allowance for doubtful accounts is the amount expected to be unrecoverable with respect to ¥3,149 million that is commission fees related to Receiver Funds, and included as an excess amount in Long-term accounts receivable-other under Investments and other assets. Although these fees were paid to the external partners of multiple Receiver Funds, Olympus Corporation has requested payment from these external partners of Receiver Funds because the fees were not agreed upon, and a part of the amount was recovered in the fiscal year under review.	

Notes to Non-Consolidated Statement of Income

Total transactions with subsidiaries and affiliates	
Amounts resulting from business transactions	
Revenue	¥372,695 million
Net purchases	¥267,252 million
Other business transactions	¥34,237 million
Amount resulting from non-business transactions	¥107,300 million

Notes to Accounting Estimates

The preparation of non-consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, and the effects of such reviews are recognized in the period in which the estimates are reviewed and in subsequent periods.

Information regarding accounting estimates and assumptions that may have a significant impact on the non-consolidated financial statements is as follows.

1. Valuation of inventories

Inventories are measured at cost. However, if the net realizable value of inventories at the end of the reporting period is lower than the cost, the inventories are measured at the net realizable value and the difference between the net realizable value and the cost is recognized as cost of sales, in principle.

For unsold inventories that remain outside the operating cycle, the net realizable value, etc. is calculated by reflecting future demand and market trends. In the event that the market environment deteriorates further than forecasted and net realizable value declines significantly, losses may be incurred.

The amount of inventories recorded in the non-consolidated financial statements for the fiscal year under review is ¥96,335 million.

2. Impairment of fixed assets

For property, plant and equipment and intangible assets for which there are indications that the asset or asset group may be impaired at the end of the fiscal year, in the event the total undiscounted future cash flows from the asset or asset group will be less than the carrying amount, Olympus Corporation records an impairment loss by reducing the carrying amount down to the recoverable amount.

In the recognition and measurement of impairment loss, assumptions are made regarding future cash flows, discount rates, etc. These assumptions are determined based on management's best estimates and judgment. However, they may be affected by the results of changes in uncertain future economic conditions, and if they require revision, they may have a significant impact on the non-consolidated financial statements.

The amounts of property, plant and equipment and intangible assets recorded in the non-consolidated financial statements for the fiscal year under review are ¥58,760 million and ¥5,666 million, respectively, and the amount of impairment loss recorded was ¥994 million.

3. Contingent liabilities

Contingencies are disclosed when an item could have a significant impact on future operations, taking into account all available evidence at the reporting date and considering the probability of occurrence and monetary impact of the event.

4. Measurement of retirement benefit obligations

For the retirement benefit obligations system, the net value of the retirement benefit obligations and plan assets and unrecognized items such as actuarial gains and losses are recognized as either liabilities or assets.

Retirement benefit obligations are calculated based on the same types of assumptions used in the actuarial calculation, which include estimates of the discount rate, the retirement rate, the mortality rate, and the rate of compensation increase. These assumptions are established by comprehensively judging a variety of available information, including market trends, such as interest rate changes.

Uncertain future economic conditions or changes in social conditions may affect the assumptions used in the

actuarial calculation. Accordingly, there are risks that such changes could result in significant adjustments to the measurements of retirement benefit obligations in future accounting periods.

The amount of prepaid pension expenses recorded in the non-consolidated financial statements for the fiscal year under review is ¥15,461 million.

5. Recoverability of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, etc. can be utilized.

Judgements on the likelihood that taxable income will be available are made based on the timing and amount of taxable income estimated based on the business plans including assumptions of the growth rate and operating margin.

These estimates are determined based on management's best estimates. However, they may be affected by the results of changes in uncertain future economic conditions and the actual results may differ from these forecasts.

The amount of net deferred tax assets recorded in the non-consolidated financial statements for the fiscal year under review is ¥11,198 million, and the amount before offsetting with deferred tax liabilities is ¥17,261 million.

Notes to Non-Consolidated Statement of Changes in Net Assets

1. Class and total number of issued shares at the end of the current fiscal year

Common stock	1,215,146,700 shares
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2. Class and total number of treasury shares at the end of the current fiscal year

Common stock	49,514,907 shares
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The number of treasury shares of common stock at the end of the current fiscal year increased by 980 shares as a result of the purchase of shares constituting less than one unit, decreased by 20,400 shares as a result of the exercise of stock options, increased by 639 shares as a result of acquisition without charge from retired Directors and Corporate Officers who were under the performance-linked share-based remuneration plan, decreased by 554,030 shares as a result of the disposal of shares for restricted share remuneration, increased by 88,478,500 shares as a result of purchase of treasury shares and decreased by 51,032,000 shares as a result of cancellation of treasury shares.

Notes to Tax Effect Accounting

1. Breakdown of deferred tax assets and liabilities by main cause

(Deferred tax assets)	
Inventories	¥2,910 million
Prepaid expenses	¥2,863 million
Accrued bonuses	¥1,528 million
Property, plant and equipment	¥3,786 million
Intangible assets	¥2,922 million
Investment securities	¥1,315 million
Investment securities in subsidiaries and affiliates	¥32,519 million
Allowance for doubtful accounts	¥1,676 million
Deferred gains or losses on hedges	¥1,721 million
Other	¥3,125 million
Subtotal of deferred tax assets	¥54,365 million
Valuation allowance related to deductible temporary differences	¥(37,104) million
Total deferred tax assets	¥17,261 million

(Deferred tax liabilities)	
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	¥(54) million
Reserve for advanced depreciation	¥(409) million
Prepaid pension expenses	¥(4,734) million
Other	¥(866) million
Total deferred tax liabilities	¥(6,063) million
Net deferred tax assets	¥11,198 million

2. Accounting treatment of corporate and local income taxes or tax effect accounting related thereto

Olympus Corporation adopts the group tax sharing system and follows the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42; August 12, 2021) for accounting treatment and disclosure of corporate income taxes, local corporate income taxes, and tax effect accounting related thereto.

Notes to Transactions with Related Party

Officers and major individual shareholders

Type	Company name	Ownership (owned) ratio of voting rights, etc. (%)	Relationship with the relevant party	Description of transaction	Amount of transaction (Millions of yen)	Account	Balance at end of year (Millions of yen)
Officer	Yasuo Takeuchi	Ownership Direct 0.0	Director, Representative Executive Officer, Executive Chairperson and ESG Officer	Contribution in kind of monetary compensation claims (Note 3)	303	-	-
Officer	Jose Ignacio Abia Buenache	Ownership Direct 0.0	Executive Officer and CSO (Note 1)	Contribution in kind of monetary compensation claims (Note 3)	241	-	-
Officer	Stefan Kaufmann	Ownership Direct 0.0	Director, Representative Executive Officer, President and CEO	Contribution in kind of monetary compensation claims (Note 3)	230	-	-
Officer	Chikashi Takeda	Ownership Direct 0.0	Executive Officer and CFO (Note 1)	Contribution in kind of monetary compensation claims (Note 3)	91	-	-
Officer	Tetsuo Kobayashi	Ownership Direct 0.0	Executive Officer and CMSO	Contribution in kind of monetary compensation claims (Note 3)	23	-	-
Officer	Andre Heribert Roggan	Ownership Direct 0.0	Executive Officer and CTO	Contribution in kind of monetary compensation claims (Note 3)	16	-	-
Officer	Toshihiko Okubo	Ownership Direct 0.0	Director	Contribution in kind of monetary compensation claims (Note 3)	14	-	-
Officer	Shigeto Ohtsuki	Ownership Direct 0.0	Executive Officer and CHRO	Contribution in kind of monetary compensation claims (Note 3)	13	-	-
Officer	Nobuyuki Koga	Ownership Direct 0.0	Director (Note 2)	Contribution in kind of monetary compensation claims (Note 4)	11	-	-
Officer	Tetsuo Iwamura	Ownership Direct 0.0	Outside Director (Note 2)	Contribution in kind of monetary compensation claims (Note 4)	11	-	-

- Notes: 1. They resigned from the board of directors on March 31, 2024, and the above table shows transactions during the fiscal year under review related to their terms of office.
2. They resigned from the board of directors on June 27, 2023, and the above table shows transactions during the fiscal year under review related to their terms of office.
3. It is due to contribution in kind of monetary compensation claims accompanying the performance share unit system and the restricted stock unit system.
4. It is due to contribution in kind of monetary compensation claims accompanying the restricted stock unit

system.

Notes to Per-Share Information

- | | |
|-------------------------|---------|
| 1. Net assets per share | ¥439.81 |
| 2. Earnings per share | ¥241.97 |

Notes to Significant Subsequent Events

(Share repurchase and cancellation of treasury shares)

At a meeting of the Board of Directors held on November 9, 2023, Olympus Corporation resolved to cancel treasury shares as provided for in Article 178 of the Companies Act, and cancelled the treasury shares on April 30, 2024.

(1) Details of cancellation

1. Class of shares:	Common stock of Olympus Corporation
2. Number of shares cancelled:	37,446,500 shares (3.08% of total issued shares before cancellation)
3. Date of cancellation:	April 30, 2024
4. Total number of issued shares after cancellation:	1,177,700,200 shares

At a meeting of the Board of Directors held on May 10, 2024, Olympus Corporation resolved items related to the repurchase of its own shares as provided for in Article 459 Paragraph 1 of the Companies Act and Article 32 of Olympus Corporation's Articles of Incorporation, as well as the cancellation of treasury shares as provided for in Article 178 of the Companies Act.

(1) Reasons for the share repurchase and cancellation of treasury shares

To strengthen shareholder returns and to improve capital efficiency

(2) Details of items related to the repurchase

1. Class of shares:	Common stock of Olympus Corporation
2. Total number of shares to be repurchased:	60,000,000 shares (maximum) (5.15% of total number of issued shares (excluding treasury shares))
3. Total amount of shares to be repurchased:	¥100,000 million (maximum)
4. Repurchase period:	May 13, 2024 to December 31, 2024
5. Repurchase method:	Market purchase on the Tokyo Stock Exchange based on a discretionary trading contract

(3) Details of cancellation

1. Class of shares:	Common stock of Olympus Corporation
2. Number of shares to be cancelled:	All of the shares to be repurchased as stated in (2) above
3. Date of cancellation:	January 31, 2025

Notes to Company Subject to Consolidated Dividend Regulations

Olympus Corporation is subject to consolidated dividend regulations.

Other Notes

(Quality-related expenses)

In order to comply with quality laws and regulation for medical device of global regulatory authorities, we must strengthen our quality management systems. An expense of ¥2,605 million was incurred in "Quality-related expenses" to improve targeted areas including complaint handling and response, medical device reporting (MDR), and process design validation.

(Expenses related to the conclusion and cancellation of the share purchase agreement)

Effective March 7, 2024, Olympus Corporation reached an agreement with the former shareholders of South Korean medical device manufacturer Taewoong Medical Co., Ltd. to rescind the definitive agreement to acquire shares concluded on February 24, 2023. Olympus Corporation recorded ¥2,528 million as "Expenses related to the conclusion and cancellation of the share purchase agreement."

(Implementation of career support system for external opportunity)

Olympus Corporation recorded ¥1,800 million in "Extra payments for early retirements, etc." as expenses incurred in the provision of special additional payment and re-employment support services under the career support system for external opportunity implemented by Olympus Corporation.

(Income taxes for prior periods)

Due to a disagreement with the Tokyo Regional Taxation Bureau regarding a prior year tax return, Olympus Corporation evaluated the possibility of an additional income tax payment and recorded the estimated amount as prior year income taxes.

(Other receivables and long-term accounts receivable-other)

Effective March 7, 2024, Olympus Corporation reached an agreement with the former shareholders of South Korean medical device manufacturer Taewoong Medical Co., Ltd. to rescind the definitive agreement to acquire shares concluded on February 24, 2023. Following the cancellation of the share purchase agreement, Olympus Corporation recorded ¥6,056 million in "Other receivables" and ¥6,697 million in "Long-term accounts receivable-other."

Business Combination

(Transfer of Scientific Solutions Business)

On August 29, 2022, Olympus Corporation concluded a share transfer agreement related to the transfer of the Scientific Solutions Business with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital, and completed the transfer on April 3, 2023.

(1) Reasons for transfer

As a truly global medical technology company, Olympus Corporation announced its corporate strategy for achieving sustainable growth (hereinafter "Corporate Strategy") on November 6, 2019. Based on this corporate strategy, we are aggressively allocating management resources to the medical field, mainly in Endoscopic Solutions Business and Therapeutic Solutions Business, and we are working to strengthen our management base in order to achieve sustainable growth. Under such circumstances, Olympus Corporation transferred its Science Solutions business, which had different business characteristics to the medical field, to Evident Corporation (hereinafter "Evident"). We focused on enhancing corporate value for the entire Olympus Group by establishing management systems that were complementary to the respective business characteristics, while proceeding with the task of examining all options, including the transfer of the shares of Evident. As a result of such examination, we reached the conclusion that based on the Corporate Strategy, the optimal path for enhancing corporate value of the Olympus Group and realizing autonomous and sustainable growth for the Science Solutions Business was to transfer all shares of Evident to Bain Capital.

(2) Name of counterparty to the share transfer

K.K. BCJ-66

(3) Date of the share transfer

April 3, 2023

(4) Name and business description of the consolidated subsidiary to be transferred and details of transactions with Olympus Corporation

Name: Evident Corporation

Business description: Business related to the development, manufacturing and sale, provision of solutions, and other activities dealing with biological microscopes, industrial microscopes, industrial endoscopes, non-destructive testing equipment, X-ray analyzers, etc.

Details of transactions with Olympus Corporation: Financing support

(5) Number of shares to be transferred, transfer price, gain or loss on transfer and shareholding ratio after the transfer

(i) Number of shares held before transfer: 100 shares (shareholding ratio: 100%)

(ii) Number of shares to be transferred: 100 shares

(iii) Number of shares held after transfer: - shares (shareholding ratio: -%)

(iv) Transfer price: ¥427,674 million

In the fiscal year ended March 31, 2024, gain on sale from the transfer of the subsidiary's shares of ¥247,264 million is recorded as "Gain on sale of shares of subsidiaries and affiliates."

(Subsidiary share transfer)

At a meeting of the Board of Directors held on February 10, 2023, Olympus Corporation resolved the transfer of all shares of our consolidated subsidiary TmediX Corporation (TmediX) to our consolidated subsidiary Olympus Marketing, Inc. (Olympus Marketing), and completed the transfer on April 3, 2023.

(1) Reasons for transfer

Toward achievement of strategic aspiration, Olympus Corporation needs to strengthen the foundation of sales functions in the Japan region, further improve profitability, and reform the makeup, and as part of these efforts, launched Olympus Marketing as a sales function of the medical business in the Japan region in October 2021. In developing business plans and calculating business results, accounting collaboration (consolidation) with TmediX, which was engaged in a sales function in the Japan region along with Olympus Marketing, was important, and therefore, it is necessary to improve the accuracy of consolidated accounting of the two companies and visualize their figures in a domestic sales function to make appropriate decisions in a speedy manner, looking at both companies with a bird's-eye view. Furthermore, collaboration of both companies is also important from aspects of ensuring consistent governance as a sales function and optimizing the use of resources of both companies, and we set up a review task force in June 2022 and reached a conclusion that making TmediX a subsidiary of Olympus Marketing is the most appropriate for strengthening collaboration between both companies.

(2) Name of counterparty to the share transfer

Olympus Marketing, Inc.

(3) Date of the share transfer

April 3, 2023

(4) Name and business description of the consolidated subsidiary to be transferred and details of transactions with Olympus Corporation

Name: TmediX Corporation

Business description: Lease of products of the Endoscopic Solutions Business

Details of transactions with Olympus Corporation: Sales of products of Olympus Corporation

(5) Number of shares to be transferred, transfer price, gain or loss on transfer and shareholding ratio after the transfer

(i) Number of shares held before transfer: 1,000 shares (shareholding ratio: 100%)

(ii) Number of shares to be transferred: 1,000 shares

(iii) Number of shares held after transfer: - shares (shareholding ratio: -%)

(iv) Transfer price: ¥1,529 million

In the fiscal year ended March 31, 2024, gain on sale from the transfer of the subsidiary's shares of ¥1,403 million is recorded as "Gain on sale of shares of subsidiaries and affiliates."

Independent Auditor's Report

May 16, 2024

The Board of Directors
OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo, Japan
Takahiro Yamazaki [Seal]
Designated Engagement Partner
Certified Public Accountant
Tetsuya Yoshida [Seal]
Designated Engagement Partner
Certified Public Accountant
Mitsuharu Konno [Seal]
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of OLYMPUS CORPORATION and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2024, in accordance with accounting standards that are a subset of disclosure matters required by IFRS and pursuant to Article 120, paragraph 1 of the Regulations on Corporate Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting standards that are a subset of disclosure matters required by IFRS and pursuant to Article 120, paragraph 1 of the Regulations on Corporate Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting standards that are a subset of disclosure matters required by IFRS and pursuant to Article 120, paragraph 1 of the Regulations on Corporate Accounting, matters related to going concern.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting standards that are a subset of disclosure matters required by IFRS and pursuant to Article 120, paragraph 1 of the Regulations on Corporate Accounting.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate obstruction factors or reduce them to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Independent Auditor's Report

May 16, 2024

The Board of Directors
OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo Office
Takahiro Yamazaki [Seal]
Designated Engagement Partner
Certified Public Accountant
Tetsuya Yoshida [Seal]
Designated Engagement Partner
Certified Public Accountant
Mitsuharu Konno [Seal]
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, notes to the non-consolidated financial statements, and the related supplementary schedules (hereafter referred to as "non-consolidated financial statements, etc.") of OLYMPUS CORPORATION (the "Company") applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying non-consolidated financial statements, etc. present fairly, in all material respects, the non-consolidated financial position and results of operations applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc. section of our report. We are independent of Olympus Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Group's reporting process of the other information. Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Non-Consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan. This includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit Committee is responsible for overseeing the performance of duties by Executive Officers and Directors within

the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the notes thereto, and whether the non-consolidated financial statements, etc. represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate obstruction factors or reduce them to an acceptable level.

Conflicts of Interest

We or engagement partners have no interest in Olympus Corporation which should be disclosed in accordance with the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Audit Report

The audit committee has audited the directors' and executive officers' performance of their duties for the fiscal year from April 1, 2023 to March 31, 2024 and reports as follows in regard to the method and results of those audits.

1. Method and Contents of Audits

In regard to the content of resolutions of the board of directors regarding the matters stated in Article 416, paragraph (1), items (i)(b) and (i)(e) of the Companies Act, as well as the systems developed pursuant to those resolutions (i.e., internal control systems), the audit committee periodically received reports from directors, executive officers, and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto, in addition to which the audit committee conducted audits using the following methods.

- (i) In accordance with the audit policies and division of duties, etc. determined by the audit committee, and in cooperation with the internal audit department and the internal control department of Olympus Corporation, the audit committee attended important meetings, received reports from directors and executive officers, etc. regarding matters related to the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations. Additionally, in regard to subsidiaries, the audit committee communicated and exchanged information with the directors, and audit and supervisory board members, etc. of subsidiaries and received reports on business from subsidiaries as necessary.
- (ii) In regard to the basic policies provided for in Article 118, item (iii)(a) of the Ordinance for Enforcement of the Companies Act, as stated in the business report, the audit committee considered the contents.
- (iii) The audit committee oversaw and verified whether the accounting auditor maintained an independent position and conducted an appropriate audit, received reports from the accounting auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the audit committee received notification from the accounting auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the audit committee examined the business report, the supplementary schedules thereto, the accounting documents (i.e., the balance sheet, statement of income, statement of changes in net assets, and explanatory notes to accounting documents), the supplementary schedules to the accounting documents, and the consolidated accounting documents (i.e., the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and explanatory notes to consolidated accounting documents) for the business year.

2. Audit Results

(1) Results of audit of business report, etc.

- (i) We find that the business report and the supplementary schedules thereto accurately present the status of Olympus Corporation in accordance with laws, regulations, and the articles of incorporation.
- (ii) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the directors' and executive officers' performance of their duties.
- (iii) We find the content of the resolutions of the board of directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the directors' and executive officers' performance of their duties relating to the internal control systems.
- (iv) We find the basic policy regarding persons who control the determination of financial and business policies of Olympus Corporation stated in the business report to be reasonable.

(2) Results of audit of accounting documents and supplementary schedules thereto
We find the methods and results of the audit by the accounting auditor, Ernst & Young ShinNihon LLC, to be reasonable.

(3) Results of audit of consolidated accounting documents
We find the methods and results of the audit by the accounting auditor, Ernst & Young ShinNihon LLC, to be reasonable.

May 16, 2024

The Audit Committee,
OLYMPUS CORPORATION

Audit Committee Member:	Yasumasa Masuda [Seal]
Audit Committee Member:	Sachiko Ichikawa [Seal]
Audit Committee Member:	Kohei Kan [Seal]
Standing Audit Committee Member:	Toshihiko Okubo [Seal]

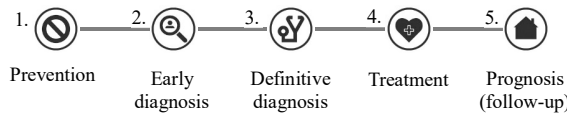
(Note) Audit Committee Members Yasumasa Masuda, Sachiko Ichikawa, Kohei Kan are Outside Directors as provided for in Article 2, item 15 and Article 400, paragraph 3 of the Companies Act.

Reference (What we are doing for our patients)

“We will focus on enhancing care pathways that lead to higher standards of medical care.”

● Care pathway

A care pathway is a series of processes experienced by a patient from prevention, diagnosis, treatment, and prognosis (follow-up). To fulfill our corporate philosophy of “Making people’s lives healthier, safer, and more fulfilling,” we are engaged in activities focusing on the care pathway of patients. While focusing on the patient’s care pathway, we seek ways to optimize procedures and improve the patient’s quality of life (QOL) by creating solutions to enhance the care pathway through a holistic understanding and management of the illness.



As a global MedTech company



In line with our becoming a company dedicated to healthcare, “Our Core Values,” which indicate the attitudes and behaviors expected of each and every employee, were revised in January 2024. All employees are working to strengthen each phase in the care pathway under the new core values, starting with “PATIENT FOCUS.”

OUR CORE VALUES

<p>PATIENT FOCUS We put patients at the heart of everything.</p>	<p>INTEGRITY We do the right thing.</p>	<p>INNOVATION We look for new ways to make things better.</p>	<p>IMPACT We take accountability and get things done.</p>	<p>EMPATHY We care for one another and work together.</p>
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Support for Next Generation Education



Technological Development



Training for Healthcare Professionals



As part of our support for next-generation education, we collaborate with boards of education and other organizations to provide visiting classes using endoscope-related equipment at junior high schools and high schools. By learning about the history of endoscope development, the structure and role of endoscopes, early detection and treatment of cancer, hands-on experience operating endoscopes, and messages from developers, classes are given on how state-of-the-art endoscopes have been created and the role this medical technology plays in society. Many of the participating students commented that they would like to undergo cancer screening themselves in the future, and about 90% of the students responded in a questionnaire that they would like to tell their families about what they learned in the class, making this activity a cancer awareness campaign for both students and parents.



Holding a class



Experiencing an endoscope operation

We have launched our top-of-the-line endoscope system, “EVIS X1,” in all major regions*. “EVIS X1” will contribute to the early detection, early diagnosis, and minimally invasive treatment of cancer and other gastrointestinal diseases by incorporating technologies aimed at improving the quality of endoscopic lesion detection, diagnosis, and treatment, as well as making testing more efficient. In addition, we will consolidate our position as a leading endoscope company and further focus on establishing a business portfolio dedicated to medical care, with the aim of realizing health, security, and spiritual enrichment for people around the world.



EVIS X1

*Japan, Europe, U.S.A., China and some Asian countries

Collaboration with other companies

During the fiscal year under review, we entered into collaboration agreements with Sony Corporation, Sony Olympus Medical Solutions Inc. and Canon Medical Systems Corporation, respectively, in the medical field. In addition, we have started demonstration tests of a cloud endoscopy system with NIPPON TELEGRAPH AND TELEPHONE CORPORATION. By combining our respective strengths, we are seeking to improve the standard of medical care and continue to enhance our corporate value.

Olympus Continuum is a comprehensive platform for medical education programs and medical training for healthcare professionals worldwide. In addition to traditional face-to-face training, we have created an environment where education can be accessed from anywhere by expanding online training and web-based training tools such as LMS (Learning Management System) and on-demand libraries. In the fiscal year under review, the number of training sessions reached 2,100*, the number of LMS registered users reached 63,716 (total), and the number of on-demand library visitors reached 238,445, providing learning opportunities to healthcare professionals in 182 countries around the world.



Screen of Olympus Continuum



Training session

*Number of training sessions involving Professional Affairs (as of April 10, 2024)

Reference (Initiatives for Diversity, Equity, and Inclusion (DEI))

● DEI

“DEI” is an acronym taken from the initial letters of “Diversity,” “Equity,” and “Inclusion.” We believe that our people with their diverse backgrounds will better understand our customers’ varied needs and expectations, thereby creating new value by exchanging their opinions between each other, and developing solutions together to ultimately contribute to Our Purpose of “Making people’s lives healthier, safer and more fulfilling.”

● Definition of DEI

Diversity



Respect for all people, regardless of differences in age, gender, race, sexual orientation, gender identity, socioeconomic status, ethnicity, (dis)ability, nationality and culture, language, religion, opinions, political stance, experiences, and career backgrounds.

Equity



The opportunities for growth that the company provides are not affected by the differences that each employee may have. Olympus provides equitable opportunities for everyone to perform at their best.

Inclusion



Employees are accepted as they are and feel safe to express their opinions freely.



Established the position of CDO (Chief Diversity, Equity and Inclusion Officer)

In June 2023, we established a new CDO (Chief Diversity, Equity and Inclusion Officer) position and Corporate Officer Wenlei Yang was appointed CDO. We are continually working to build an inclusive culture and fair systems so that DEI becomes an integral part of our daily operations, where diverse personnel accept each other and allow each individual to perform at their best.



Corporate Officer
Wenlei Yang

● Our initiatives

<h4>1. Gender and Life Priority</h4>
<h4>2. Nationality and Culture</h4>
<h4>3. Career and Experience</h4>
<h4>4. Inclusive Environment</h4>

Strategic priorities	Status of initiatives
Further support for women employees and all care takers* that may have time constraints due to personal life events. * Care takers are people need to work and at the same time taking care of their children, parents, families, etc.	<p>Support for balancing childcare and career (global) In Japan, “Guidebook for Supporting Childcare Balance to Encourage Dialogue between the Employee and Superiors,” “Measures to Review Work and Utilize External Resources,” and “Financial Support for Childcare Leave at Childbirth” were introduced to create an environment conducive to taking childcare leave for both male and female employees themselves including work systems and workplaces. In China, additional days of telework were added to the availability of telework. In the U.S., support for people adopting a child was expanded. (Increased amount of support and paid time, and expanded eligibility)</p> <p>Talent management trials for female management candidates and implementation of five different development programs (Japan) Talent management was implemented in some departments for female candidates for management positions, and an environment was created in which superiors could select a development program for high potential employees tailored to their own circumstances, with a total of 61 employees participating in the program. (Examples of programs: mentoring for mindset transformation, training, cross-border exchange workshops with other companies)</p> <p>Face-to-face networking sessions for female managers (Japan) Held four times so far; in March 2024, a panel discussion of female board members was held jointly with Terumo Corporation.</p>
Increase diversity and ensure equitable access to opportunities regardless of nationality, culture or language skills.	<p>Peer Learning Program (Global) A program that pairs colleagues from different regions and keeps them connected over a period of time. 66 people from several departments participated in the trial, which is scheduled to be introduced globally during FY2026.</p>
Enhance employee professional experience and broaden the perspective of team and organizational coverage.	<p>Let’s Go Program (Global) Exchange programs to different sites/regions within departments, so that employees can broaden their experience by learning about initiatives and operations in other countries and share new knowledge when they return home. In FY2024, six participants from overseas offices stayed in Japan (for three months or less), and in FY2025, six are scheduled to participate in the China-Japan program, which is due to continue in the future.</p>
Ensure psychological safety and build an environment where everyone can speak up freely and collaborate effectively.	<p>Promoting understanding among leaders (global) To promote leaders’ understanding of DEI and encourage concrete action, a common global DEI workshop for leaders has been held in EMEA and Japan, with approximately 1,300 participants to date. In FY2025, the event will be held in the U.S., China, and APAC. To acquire basic knowledge and promote common understanding on a global basis.</p> <p>Holding DEI events and implementing e-learning to build an inclusive culture (Japan) This two-week event included a seminar for managers, an offline interactive event, and a photo exhibition project jointly organized with a special-purpose subsidiary. A total of about 2,300 people attended the event. The e-learning program for all employees had a 93% participation rate, and 40% of those who were not aware of and did not understand DEI were able to gain a better understanding of the program.</p>