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News Release

Company: Olympus Corporation

Representative Director, President: Hiroyuki Sasa

(Code: 7733, First Section, Tokyo Stock Exchange)

Contact: Takaaki Sakurai, General Manager, Public Relations and IR Department

## **Overview of Evaluation Results for Effectiveness of Board of Directors**

Olympus Corporation has, in accordance with its basic policy for corporate governance,\* carried out a self-assessment of the board of directors, and analyzed/assessed the effectiveness of the board of directors. This notice gives an outline of these results.

\*Basic policy for corporate governance (enacted June 2015, revised June 2018).

[https://www.olympus.co.jp/company/governance/pdf/basic\\_policy\\_for\\_corporate\\_governance\\_jp.pdf](https://www.olympus.co.jp/company/governance/pdf/basic_policy_for_corporate_governance_jp.pdf)

### **1. Background to conducting assessment of the board of directors and making public the results**

Olympus Corporation defined its basic policy for corporate governance in June 2015 with the aim of ensuring effective corporate governance. The basic policy (Item 4. Responsibilities of the Board of Directors (xiii) Evaluation of the board of directors) states that each year the board of directors of Olympus Corporation will assess its own effectiveness overall and make public an outline of the results.

Olympus Corporation has assessed its board of directors overall and made public an outline of the results of such assessment since 2015, this year being the fourth such year.

### **2. Method of assessment**

- (1) A question sheet on the effectiveness of the board of directors and the various committees (the nominating committee, the remuneration committee, the compliance committee) and relations with the investors and shareholders is distributed to all members of the board of directors (11) and the board of auditors (4), to gain their replies. Based on those replies, the board of directors analyzes its effectiveness and makes an assessment.
- (2) The section headings of the question sheet for the board of directors assessment are as follows.
  - ① The exercise of the functions of the board of directors
  - ② The structure and operating status of the board of directors
  - ③ Important committees
  - ④ Support organization for outside directors
  - ⑤ Roles and expectations of the corporate auditors
  - ⑥ Relations with investors and shareholders

### **3. Outline of the results of the analysis and assessment**

① The exercise of the functions of the board of directors

The key function of the board of directors (to oversee the approach to management strategy, decision making and implementation of important matters with a high degree of effectiveness) is being sufficiently exercised, and the board of directors is operating effectively.

② The structure and operating status of the board of directors

The board of directors has the appropriate scale and structure (inclusive of internal and outside members and the structure of outside directors). Its operating status is discussed openly and actively as an agenda item with suitable frequency. Agenda items to be covered include such issues as the strict selection of more important issues and the creation of proposal materials with greater organization of points for discussion, while improvement is seen in the content thereof. The global management system is cited as an issue to be discussed in the board of directors on an ongoing basis.

③ Important committees

The nomination, remuneration and compliance committees are all adequately fulfilling the roles required of them. The size of the committees (the number of people) is deemed to be suitable for taking on issues with a wider range of opinions.

④ Support organization for outside directors

There is sufficient support given to the outside directors.

⑤ Roles and expectations of the corporate auditors

Sufficient support is given to the corporate auditors, and the presence of corporate auditors contributes to improving the effectiveness of the board of directors.

⑥ Relations with investors and shareholders

Information on the capital markets is adequately provided to the board of directors, the company's long term competitive advantage in the capital markets is also explained.

### **4. Future actions based on the assessment results on the effectiveness of the board of directors**

As a result of discussions on future actions in the board of directors based on the assessment of the board of directors for the term ending March 31, 2018, the key issue pinpointed was the global management system and the board of directors decided to continue to proceed discussions. The company's board of directors, while continuing to work on past actions to improve itself, will also draw up and put into action plans to deal with the above issues, to further enhance its effectiveness.