

News Release

Company: Olympus Corporation  
Stefan Kaufmann, Director, Representative Executive Officer, President and CEO  
(Code: 7733, Prime, Tokyo Stock Exchange)  
Contact: Takaaki Sakurai, Vice President, Investor Relations  
TEL: +81-42-642-2111

## **Overview of Evaluation Results on the Effectiveness of the Board of Directors of Olympus**

Based on its “Basic Policy for Corporate Governance”, Olympus Corporation (“Olympus”) conducted a third-party evaluation of the effectiveness of the Board of Directors. (hereinafter “Board of Directors Evaluation”).

\* “Basic Policy for Corporate Governance (Established in June 2015; last revised in March 2024)”

[https://www.olympus-global.com/company/governance/pdf/basic\\_policy\\_for\\_corporate\\_governance\\_en.pdf](https://www.olympus-global.com/company/governance/pdf/basic_policy_for_corporate_governance_en.pdf)

### **1. Background of Implementation and Publication of Board of Directors Evaluation**

Olympus established its “Basic Policy for Corporate Governance” with the aim of realizing effective corporate governance. Under its Basic Policy “4. Responsibilities of the Board of Directors, etc. (13) the Board of Directors Evaluation,” the Board of Directors annually evaluates the effectiveness of the entire Board of Directors and publicly announces the results.

In May 2023, Olympus announced its new corporate strategy. Based on the three priorities of “patient safety and sustainability”, “innovation for growth”, and “productivity”, Olympus aims to strengthen its position as a global med-tech company and realize its “Our Purpose” of “making people's lives healthier, safer and more fulfilling.” The Board of Directors of Olympus also strives to effectively fulfill its responsibilities in order to enhance corporate value by promoting corporate strategy and realizing “Our Purpose.”

As an initiative to achieve this goal, the Board of Directors Evaluation for the current year (conducted from February to June 2024) included the following two key evaluation items.

- To measure the effectiveness of the measures to improve effectiveness determined in the Board of Directors Evaluation in the previous year (A summary of results was released in June 2023)
- Olympus conducted a succession of the Representative Executive Officer, President and CEO in April 2023 and formulated a new corporate strategy in May that year. Simultaneously, for the succession of the Board of Directors, the Board proceeded to promote its diversification from an international standpoint in particular. Under perception of such changes, the Board will ascertain challenges to maintaining and improving the effectiveness of the Board of Directors and endeavor to build a consensus regarding future initiatives.

### **2. Evaluation Method**

In the Board of Directors Evaluation for the current year, having conducted the successions of CEO and the Board of Directors, the Board elected to reconfirm each Director's awareness of issues. In addition to individual questionnaires and interviews with all thirteen Directors, the Board elected to hold a discussion among the entire Board of Directors. Namely, the Board conducted questionnaires to confirm each individual Director's opinion

and awareness of issues regarding the key evaluation items described in 1. above. Based on the results of those questionnaires, external consultants conducted individual interviews with all Directors. The results of the questionnaires and interviews were reported to the Board of Directors by the external consultants. Simultaneously the Chairperson of the Board, the Secretariat and the external consultants organized key issues to be discussed by the Board of Directors. Based on that organization of key issues, the entire Board of Directors held a discussion on issues and initiatives to maintain and improve the effectiveness of the Board while applying the facilitation of external consultants.

### 3. Outline of Analysis and Evaluation Results

As a result of the evaluation, as it has been pointed out in previous years, the independence and diversity of the Board of Directors were ensured, discussions were conducted openly, and the responsibilities and culture that should be fulfilled by the Board of Directors were shared, with these serving as the foundation for supporting the effectiveness of the Board.

With respect to key evaluation items, it was confirmed that the Quality Assurance and Regulatory Affairs (QA & RA) Committee established by the Board of Directors is operating effectively with regard to the "strengthening of monitoring by the Board of Directors regarding quality assurance and regulatory affairs (QA & RA)," which was confirmed in the Board of Directors Evaluation last year.

As challenges to further enhancing the effectiveness of the Board of Directors in the future, the Board confirmed (i) facilitating improvements that accommodate the improved international diversity in the operation of the Board of Directors and the Nominating, Compensation and Audit Committees and (ii) the need to strengthen the advisory and monitoring functions of the Board of Directors from a strategic and broad perspective in order to promote the three priorities of "patient safety and sustainability," "innovation for growth" and "productivity" set forth in the new corporate strategy, among other challenges.

### 4. Future Initiatives

Based on the above analysis and evaluation results, the Board of Directors will proceed with the following initiatives going forward.

- (1) Consider setting up opportunities for all Directors, including those residing abroad, to meet face-to-face as much as possible to secure sufficient time for thorough discussions of Olympus' strategies and important management issues
- (2) Consider the establishment of a new governance structure and a monitoring framework by the Board of Directors in order to strengthen the Board's advisory and monitoring functions particularly for "innovation for growth," one of the three priorities listed in Olympus' corporate strategy
- (3) Facilitate continuous improvements of the operational aspects of the Board of Directors (appropriate agenda-setting, meeting materials, etc.) and the rationalization the structure and operation of the Nominating, Compensation, and Audit Committees

The Board of Directors of Olympus has been verbalizing the "responsibilities" and "culture" that it should fulfill. Following the discussion for this Board of Directors Evaluation, the Board has redefined the responsibilities of the Board of Directors as follows, reflecting its belief of "patient focus" as set forth in its

management philosophy (Added portions are denoted in bold characters and underlined.).<**Responsibilities that should be fulfilled by the Board of Directors**>

In order to contribute to the enhancement of Olympus' corporate value through collaboration with the executive side, the Board of Directors will (i) deepen its awareness and insight into the business environment and management issues through constructive discussions with the executive side, (ii) effectively oversee management decision-making and execution from a strategic and broad perspective, and (iii) support the promotion of measures to help Olympus grow as a truly global med-tech company, **create innovative value for patients worldwide and contribute to a wide range of stakeholders.**

<**Culture of the Board of Directors**>

The Board of Directors affirms the relationship of "Based on mutual trust between the monitoring and executive functions, the Board of Directors promotes prompt and decisive management to adapt to environmental changes. Through constructive discussions with the executive side, the Board of Directors exercises advisory functions and management monitoring functions from a strategic and broad perspective to support the improvement of management quality" as the "culture of the Board of Directors."

The culture formed by the Board of Directors of Olympus consists of "mutual trust between the monitoring and executive functions," "management leadership through execution" and "collaborative relationships to enhance corporate value through constructive discussions between the monitoring and executive functions."

The Board of Directors will succeed to the "culture" consisting of these components, and will confirm by consensus that deepening the understanding of the significance and sharing of the values of individual Directors will serve as the foundation for supporting the effectiveness of the Board of Directors.

While using the culture of Olympus' Board of Directors as a foundation, the Board believes that continuing to adapt the responsibilities that should be fulfilled by the Board of Directors, creating an optimal composition of the Board of Directors to realize such responsibilities and continuing to adapt the nature of the structure and operation of the Board of Directors to changes in the business environment and management issues from time to time will contribute to the improvement of Olympus' corporate value, and will continue to result in the implementation of initiatives to further improve the effectiveness of the Board of Directors.