

—  
Integrated  
Report  
2024

**OLYMPUS**



OUR PURPOSE

Making people’s  
lives healthier,  
safer and more fulfilling

OUR CORE VALUES

 <b>PATIENT FOCUS</b> We put patients at the heart of everything.	 <b>INTEGRITY</b> We do the right thing.	 <b>INNOVATION</b> We look for new ways to make things better.	 <b>IMPACT</b> We take accountability and get things done.	 <b>EMPATHY</b> We care for one another and work together.
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Since developing the world’s first practical gastroscope in 1950, Olympus has worked alongside healthcare professionals to contribute to the evolution of endoscopy.

To embody Our Purpose of “Making people’s lives healthier, safer and more fulfilling,” we are committed to elevating the standard of care to improve outcomes.

Patient Focus, Integrity, Innovation, Impact, and Empathy: our redefined set of five core values. We continuously develop them as a global MedTech company, prioritizing patient safety and quality.

Entrusted by all stakeholders, we continuously create innovation and contribute to the achievement of a sustainable society.

Please look forward to Olympus delivering on its promises and soaring beyond our new horizon.

We are **True to Life**





Our management and all employees will continue working together to achieve Our Purpose of “Making people’s lives healthier, safer and more fulfilling.”

I would like to express my sincere gratitude to all our stakeholders for your continued understanding and support.

Since the changes to our management, I am carrying out the duties of the CEO at the present time, and am leading the company in the execution of our strategy and continued delivery of essential products and services to patients worldwide, fully embodying Our Purpose of “making people’s lives healthier, safer and more fulfilling.” In addition, we are continuing to foster a workplace environment in which our employees are conscious of their social responsibilities and where they can work with pride.

Currently, we are diligently implementing our comprehensive remediation and quality transformation program *Elevate* to effectively address the findings detailed in the U.S. Food and Drug Administration (FDA) warning letters, establishing top-tier quality capabilities in the industry. To achieve this vision of becoming a truly global MedTech company, we refreshed Our Core Values to include “Patient Focus” in February 2024. This aligns with our commitment to prioritize patient safety and to emphasize a greater focus on patients more generally.

Guided by Our Purpose, our employees, the executive team, and our Directors are all working to achieve the same goals, prioritizing patient safety and accelerating our transformation to become a company that is valued by all stakeholders in all aspects, including innovation, products, solutions, people and contributions to society. By continuing to deliver innovative medical value that only we can provide, we aim to achieve sustainable growth and enhance corporate value. I am deeply grateful for your unwavering support.

Theme of Integrated Report 2024

In May 2023, Olympus announced its company strategy, “Leading as a global MedTech company.” In our company strategy, we have set three priorities as guiding principles to achieve “Making people’s lives healthier, safer, and more fulfilling,” as stated in Our Purpose: “Patient safety and sustainability,” Innovation for growth,” and “Productivity.” With patient safety as our top priority in this strategy, we will aim to become a global MedTech company that is respected by all stakeholders for its innovation, products, solutions, people, and societal contributions.

Integrated Report 2024 introduces the progress of our transformation, including a track record of our growth and various initiatives for future growth, including holistic remediation and transformation program *Elevate*, with thoughts from management, employees, and voices of healthcare professionals. We have also expanded our information disclosure in line with the four strategic value pools that drive long-term sustainable growth introduced in our company strategy: 1) Business and Global Expansion, 2) Strategic M&A, 3) Care Pathway Enhancement, and 4) Intelligent Endoscopy Ecosystem.

Major New Contents (Includes pages with significantly updated content from Integrated Report 2023)

<b>P.18</b>	<b>Messages from Executive Officers</b> Introducing messages from our Executive Officers regarding progress for company strategy of each division and function, current challenges, initiatives, and future vision.	<b>P.46</b>	<b>EVIS X1</b> Introducing some positive feedback on the EVIS X1 advanced endoscopy system received from doctors all over the world.
<b>P.29</b>	<b>Investments for Patient Safety and Our Future Growth</b> An overview of the holistic remediation and transformation program <i>Elevate</i> and infection prevention initiatives, as well as messages from the CQO and CMO.	<b>P.52</b>	<b>Emerging Markets</b> Introducing our efforts in emerging markets such as India, where the number of cancer patients is expected to increase in the future due to population growth and lifestyle changes resulting from economic development and other factors.
<b>P.32</b>	<b><i>Elevate</i> Employees Roundtable Discussion</b> With patient safety as our top priority and <i>Elevate</i> being promoted throughout the company, a roundtable discussion was held with employees who are leading <i>Elevate</i> . Employees discussed how Olympus R&D and manufacturing processes have been changed as well as how we are fostering our corporate culture with focus on patient safety.		

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Editorial Policy

The Olympus Group strives to conduct disclosure in a manner that meets the information needs of its stakeholders. Starting in fiscal year 2018, its annual reports are being compiled as an integrated report. With the foremost aim of deepening understanding with regard to the Olympus Group, this report contains the corporate strategy, business activity, financial, and other information traditionally disclosed in our annual reports while also including non-financial information on social contribution, environmental, and other activities necessary to explaining the Group's efforts to create value. In constructing this year's report, we referenced the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC). The Company's corporate website provides up-to-date information on a variety of topics. This material is not subject to audit or review by an auditor.

Reporting Period

Fiscal year ended March 31, 2024 (FY2024): April 1, 2023 to March 31, 2024  
Certain contents include activities occurring in or after April 2023. "FY" refers to the fiscal year of each display year.

Forward-Looking Statements

This integrated report contains forward-looking statements that reflect management's current views, plans, and expectations based on information available at the time of preparation. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, future business decisions, and other internal and external factors that may cause the Company's actual results, performance, achievements, or financial position to be materially different from any future results expressed or implied by these forward-looking statements.

About Products

Some products in the Integrated Report have not yet been released in some regions.





# 1

## Our Company

This chapter looks back on Olympus' 100-year history and provides a business overview as well as Olympus' competitive advantages, and introduces messages from Executive Officers who are driving the execution of our company strategy to become a leading global MedTech company.

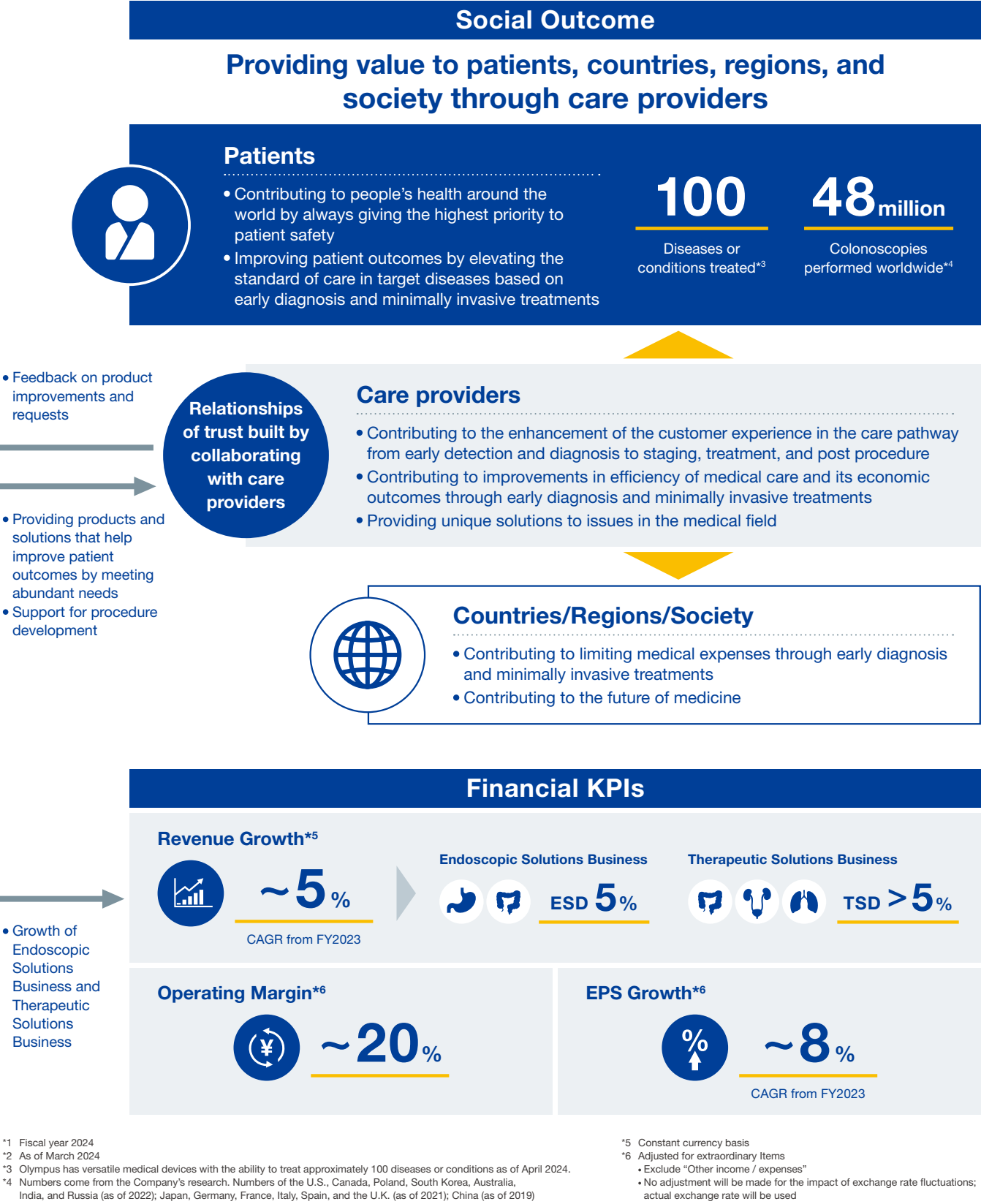
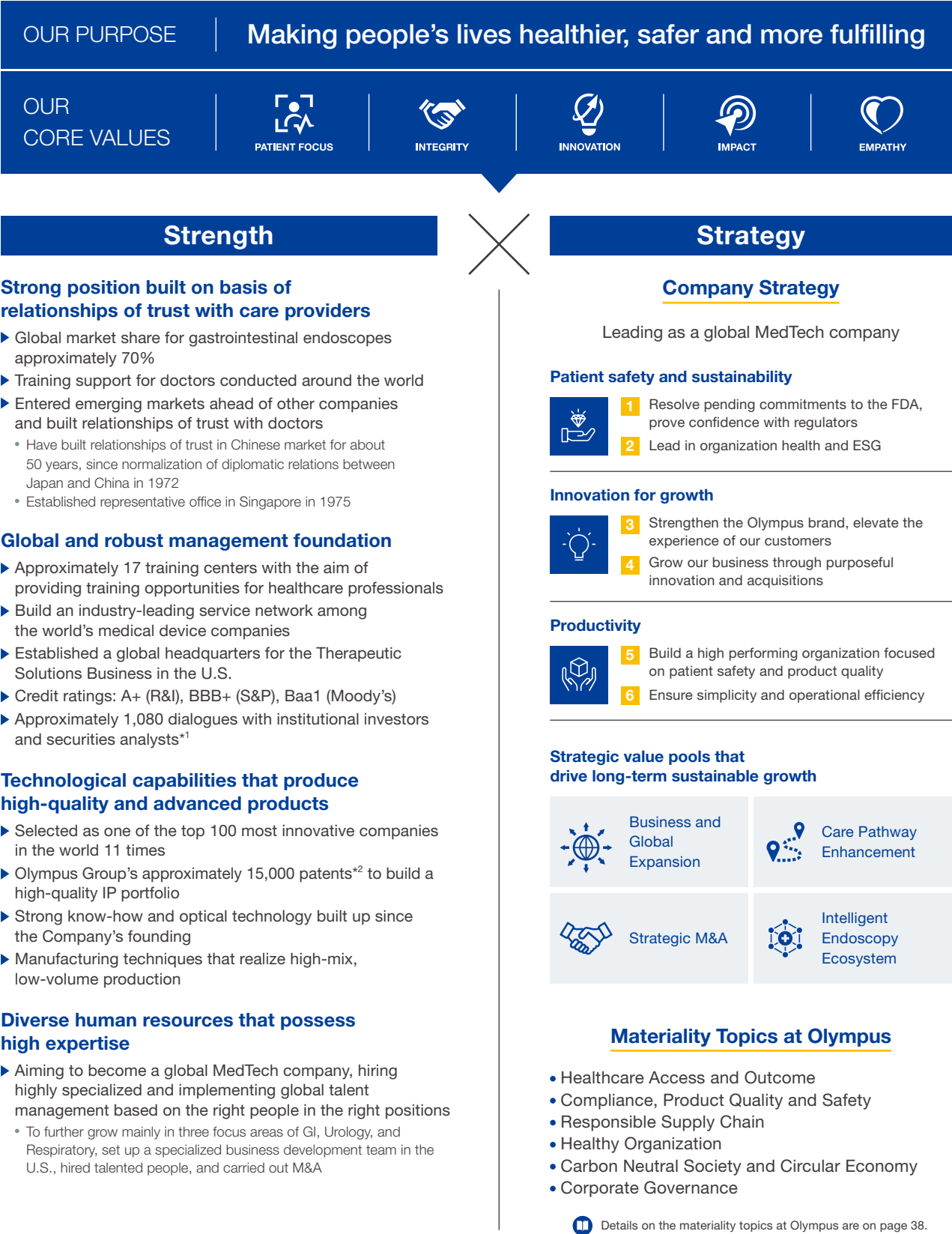
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Value Creation Model

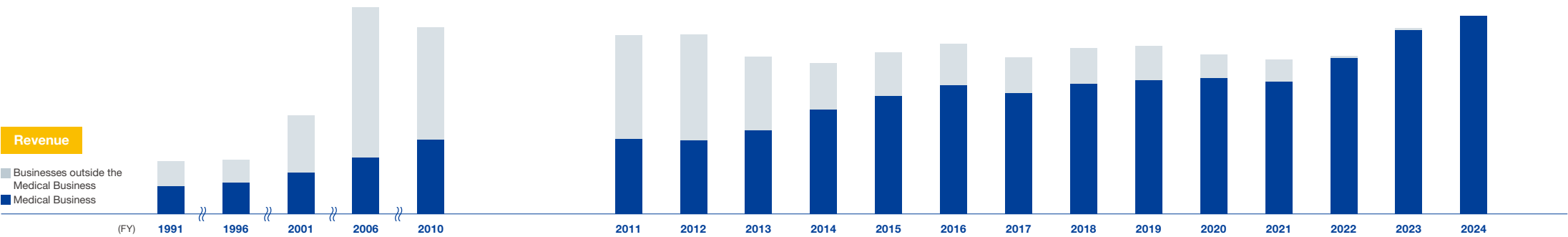
Olympus' Value Creation Model



Overview










# Our History


Note: Figures through FY2016, based on Japanese GAAP (JGAAP);  
Figures from FY2017 onward, based on IFRS  
Figures for FY2020 and FY2021 represent the amount of continuing operations excluding sales of the Imaging Business, for FY2022 and FY2023 represent the amount of continuing operations excluding sales of the Scientific Solutions Business, and for FY2024 represent the amount of continuing operations excluding sales of the Orthopedic Business.




1919–1950s	1960–1980s	1990–2010	2011–2018	2019–2022	2023–
From the Founding of Olympus and the Path to Business Modernization	Evolution as an Integrated Optical Manufacturer and Expansion of Overseas Sales Networks	Diversification of Medical Business	Reconstructing Management Stage by Going Back to Basics, and Moving to Sustainable Growth and Development Stage	Aiming to Become a Truly Global MedTech Company	Growth as a Global MedTech Company
<p><b>1919</b> Established as Takachiho Seisakusho to manufacture microscopes in Japan</p> <p><b>1920</b> Introduced Olympus' first microscope, Asahi 600x</p> <p><b>1921</b> Registered trademark as Olympus</p> <p><b>1936</b> Introduced Olympus' first camera, the Semi-Olympus I (entry into camera business)</p> <p><b>1949</b> Name changed to Olympus Optical Co., Ltd. Company listed on Tokyo Stock Exchange (TSE)</p>	<p><b>1964</b> Established Olympus Europe</p> <p><b>1968</b> Established Olympus Corporation of America</p> <p><b>1979</b> Established U.S. location in California (currently world's largest endoscope service center)</p> <p><b>1989</b> Established Beijing residential office and corporation in Singapore</p>	<p><b>2001</b> Commenced collaboration with Terumo Corporation</p> <p><b>2008</b> Established first training center in China (Shanghai) Acquired Gyrus Group PLC to strengthen surgical area of Medical Business</p>	<p><b>2011</b> Deferred recording of past losses discovered</p> <p><b>2012</b> Appointed new management team Formed business and capital alliance with Sony Corporation Transferred Information &amp; Communication Business</p> <p><b>2013</b> Security on Alert Designation placed on Company stock by TSE removed</p> <p><b>2016</b> Increased production capacity (completed construction of new buildings) at medical endoscope development and production sites (Aizu, Shirakawa, and Aomori)</p> <p><b>2018</b> Announced our corporate philosophy, consisting of Our Purpose and Our Core Values</p>	<p><b>2019</b> Announced corporate transformation plan, <i>Transform Olympus</i> and corporate strategy</p> <p><b>2021</b> Transferred Imaging Business Acquired Quest Photonic Devices B.V. in the Netherlands and Medi-Tate Ltd. in Israel</p> <p>Announced medical business direction</p> <p><b>2022</b> Acquired Odin Medical Ltd. in the U.K.</p>	<p><b>2023</b> Transferred Scientific Solutions Business Announced company strategy</p> <p><b>2024</b> Transferred Orthopedic Business Refreshed Our Core Values</p>

History of Care Pathways and Solutions

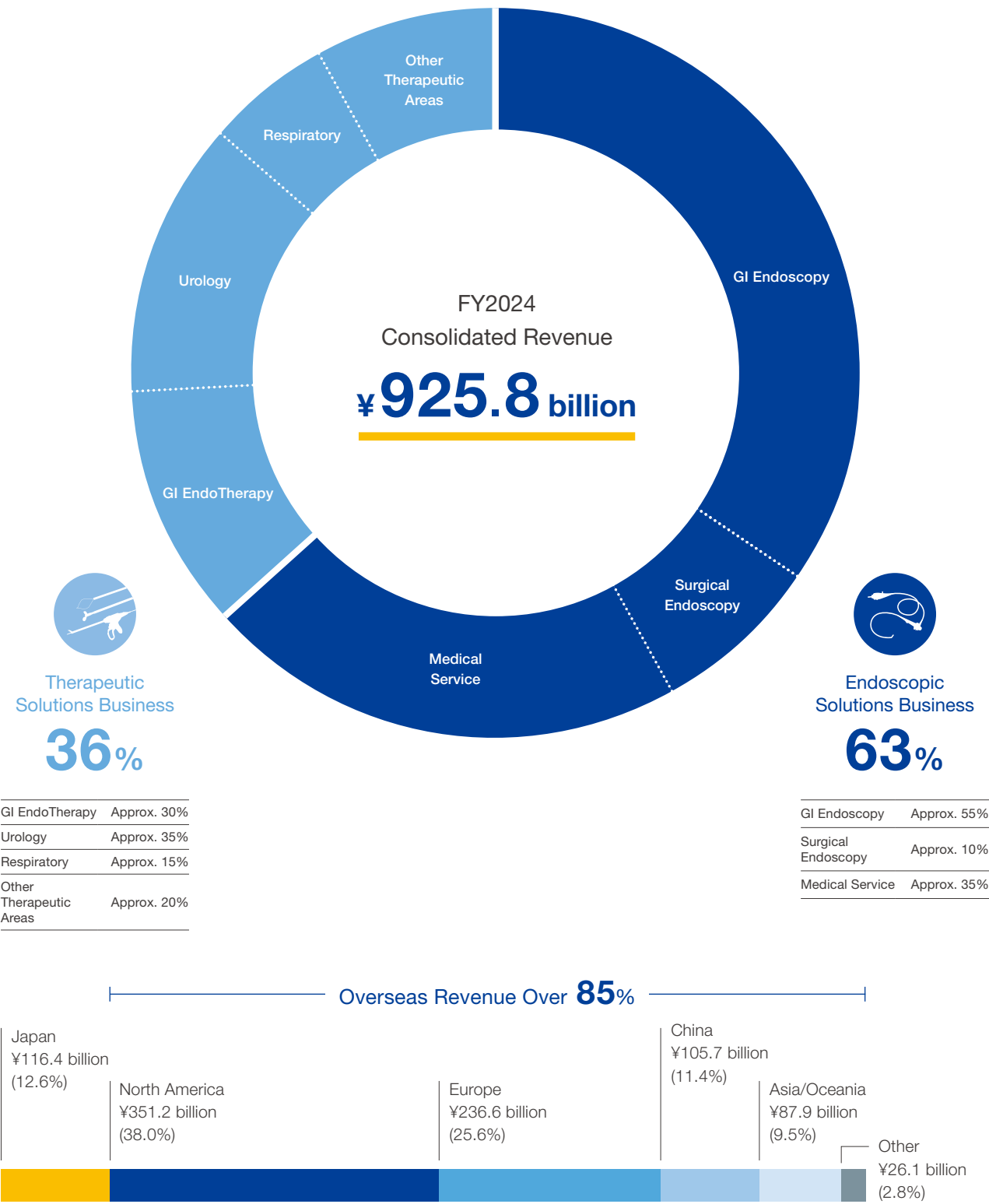
Early Detection	Characterization, Diagnosis & Staging	Treatment							
<p><b>1950</b> <b>Episode 1</b></p> <p><b>GI Endoscopy</b> Developed world's first practical gastrocamera</p> 	<p><b>1966</b></p> <p><b>GI EndoTherapy</b> Launched Olympus' first biopsy scope and endotherapy devices (biopsy forceps and cytology brushes)</p> 	<p><b>2002</b> <b>Episode 2</b></p> <p><b>GI EndoTherapy</b> Launched electrosurgical knife that enables a wide range of mucosal resection</p> 	<p><b>2004</b> <b>Episode 3</b></p> <p><b>Respiratory</b> Developed and marketed special needle and endoscope for performing endobronchial ultrasound-guided transbronchial needle aspiration (EBUS-TBNA)</p> 	<p><b>2005</b> <b>Episode 4</b></p> <p><b>Urology</b> Practical application of the world's first saline prostatectomy</p> 	<p><b>2006</b></p> <p><b>GI Endoscopy</b> Introduced EVIS EXERA II endoscopic video systems that include NBI technologies</p> 	<p><b>2020</b></p> <p><b>GI Endoscopy</b> Launched EVIS X1 advanced endoscopy system</p> 	<p><b>2020</b></p> <p><b>GI EndoTherapy</b> Acquisition of ENDOCUFF VISION, which contributes to maintaining visibility in colonoscopies</p> 	<p><b>2021</b></p> <p><b>Urology</b> Acquisition of iTind, a minimally invasive treatment device for benign prostatic hyperplasia</p> 	

 [Read the history of the Medical Business here.](https://www.olympus-global.com/ir/data/medical.html)  
<https://www.olympus-global.com/ir/data/medical.html>

 Details on the EVIS X1 are on page 46.

Episode 1	GI Endoscopy	Episode 2	GI EndoTherapy	Episode 3	Respiratory	Episode 4	Urology
<p><b>Developed World's First Practical Gastrocamera</b></p> <p>In 1949, at the request of Dr. Tatsuro Uji (Department of Surgery, Koishikawa Branch of the University of Tokyo Hospital) that he "somehow wants to cure the stomach cancer that afflicts so many Japanese people," the Olympus technical team began development of a gastrocamera. After developing numerous essential technologies, such as a miniature lamp to illuminate the inside of the stomach, a wide-angle lens to capture a large field of view, a device for winding the film, and choosing materials to construct the flexible tube used to insert the miniature camera into the patient, they succeeded in developing a prototype in 1950, and two years later in 1952, they commercialized and launched it. They continued their work in close collaboration with doctors to improve the device, and, in turn, doctors worked on rapidly developing techniques for diagnosing ailments of the digestive organs.</p>	<p><b>Establishment of Endoscopic Mucosal Resection (EMR) / Endoscopic Submucosal Dissection (ESD) Techniques</b></p> <p>In the 1980s, EMR became practical following co-development by doctors and Olympus. This is a surgical procedure performed with an endoscope by which saline water is injected between lesioned tissue from early-stage stomach cancer or colorectal cancer and regular tissue to inflate the lesion, which is then removed by means of a snare and is characterized as being less invasive for the patient than open surgery. Following the development of devices, ESD, which allows a wider range of early-stage lesions to be endoscopically removed, was introduced in 2002. Responding to the needs of doctors, Olympus is developing a wide range of treatment tools to support ESD/EMR procedures.</p>	<p><b>Establishment of Less Invasive and More Advanced Diagnostic Capabilities</b></p> <p>Transbronchial needle aspiration (TBNA) is a method for diagnosing lung cancer by using aspiration biopsy from a lymph node on the extra-bronchial wall. The needle for this procedure is inserted through a bronchoscope. Conventionally, the tip of the needle could not be observed. In response to requests from doctors who wanted to use an ultrasound endoscope for this procedure, Olympus conducted extensive research and produced prototypes. In 2004, Olympus also developed and launched an ultrasound bronchoscope, which enabled confirmation of the needle tip's location during TBNA, and a specialized aspiration needle. This led to the widespread adoption of endobronchial ultrasound transbronchial needle aspiration (EBUS-TBNA) and contributed to the realization of a lymph node metastasis method that is minimally invasive and possesses advanced diagnostic capabilities.</p>	<p><b>World's First Practical Application of Saline Prostatectomy</b></p> <p>In 2005, doctors developed a new procedure called "trans urethral resection in saline" (TURIS) for resecting enlarged prostates. Olympus developed the world's first endoscopic cutting loops for TURIS and a high-frequency power device to control high-frequency currents for ablation. With TURIS, in addition to achieving a more stable and higher level of cutting ability than before, since excision is performed by making the electrode discharge electricity around its entire circumference through saline, this becomes a procedure that can help to curb rising costs. For example, the normal saline used is cheaper than conventional, non-electrolyte solutions.</p>				

# At a Glance



Note: Due to rounding, the total may not add up to 100%.

## Financial / Non-Financial Highlights



Note: Figures for revenue, adjusted operating margin, and adjusted EPS represent the amount of continuing operations excluding sales of the Scientific Solutions Business and the Orthopedic Business.

\*1 Calculated with constant currency basis starting from fiscal year 2023

\*2 Adjusted for extraordinary items  
• Exclude "Other income / expenses"  
• No adjustment will be made for the impact of exchange rate fluctuations; actual exchange rate will be used.

\*3 The share repurchase of ¥100 billion has been completed by November 2024.

\*4 Figures for managers of Olympus Group as of March 1

\*5 Eligible male employees of Olympus Corporation taking parental leave

\*6 Scope 1: Direct greenhouse gas emissions by combustion of fuels at our sites  
Scope 2: Indirect greenhouse gas emissions from our sites' use of electricity, heat, or steam supplied by other companies

\*7 Reducing greenhouse gas emissions from site operations (Scope 1, 2) and using carbon offsets equivalent to amount of remaining greenhouse gas emissions to achieve net zero emissions.



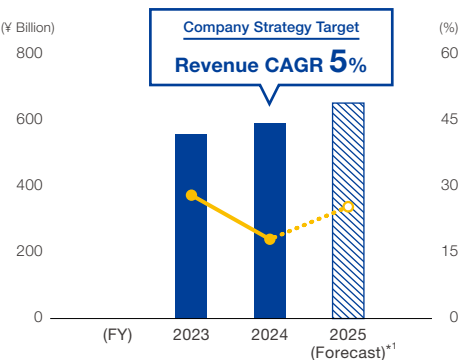
# Our Business



## Endoscopic Solutions Business

The Olympus Endoscopic Solutions Business uses innovative capabilities in medical technology, therapeutic intervention, and precision manufacturing to deliver care through minimally invasive procedures that improve clinical outcomes, elevate patient safety, enhance the quality of life, and have the potential to reduce the cost to serve. Starting with the world’s first gastrocamera in 1950, Olympus’ Endoscopic Solutions portfolio has grown to include endoscopes, laparoscopes, and video imaging systems, as well as integrated solutions and medical services (repairs).

### Results



Revenue	551.8	586.6	645.0	(¥ billion)
Operating Margin	27.7	17.8	25.1	(%)
Operating Profit	152.8	104.7	162.0	(¥ billion)

\*1 Forecast as of November 8, 2024

### Operating Environment

#### GI Endoscopy

- Aging populations and higher cancer prevention awareness driving increased case volumes
- Growing needs in emerging markets for capital investment, education, and training to deliver endoscopic solutions
- Increased concern for more effective cleaning, high level disinfection, and sterilization worldwide

#### Surgical Endoscopy

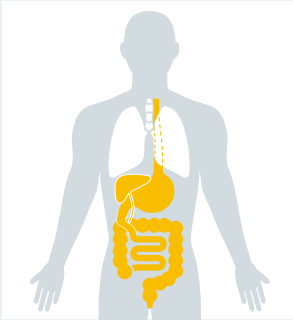
- Rising case volumes due to the global aging and increased use of diagnostic technologies
- Newly developing business opportunities in emerging markets
- Enhanced requirements for improved surgical quality, efficiency, and efficacy

### GI Endoscopy

The GI endoscope is inserted into the digestive organs through natural orifices (mouth, nose and anus) for observation, diagnosis, staging, and treatment of benign and malignant diseases.

#### Main Diseases

- Esophagus: Reflux disease, barrett’s esophagus, cancer
- Stomach: Ulcers, cancer
- Small bowel: GI bleeding
- Hepato-pancreato-biliary disease
- Colon: Cancer, benign polyps, inflammation, diverticulosis

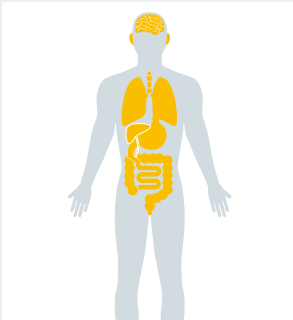


### Surgical Endoscopy

The surgical endoscope is inserted through a small hole into body cavities (abdomen and thorax) for laparoscopic surgical procedures. The ORBEYE exoscope offers 4K and 3D visualization for neurosurgery and ENT procedures.

#### Main Diseases

- Gastrointestinal cancer
- Hernias
- Gallstones
- Appendicitis
- Reflux disease
- Obesity
- Liver & pancreatic tumors
- Lung cancer
- Cranial tumors & bleeding
- Prostate cancer
- Cholesteatoma



### Medical Service

General repairs and service contracts for endoscopy system



Repair center

#### General repairs

- Repair services through repair bases worldwide
- Repair services at facilities through field services (stationary equipment such as reprocessors)

#### Service contracts

- Single-year or multi-year contracts
- Partial or complete repair cost coverage
- Priority provision of loaners during repair of defective products
- Provision of failure prevention training
- Provision of comprehensive support for customers’ uptime

### Focus Area

#### Endoscopic Solutions Ecosystem\*2

Digital health solutions for clinical and operational workflows related to GI and surgical procedures

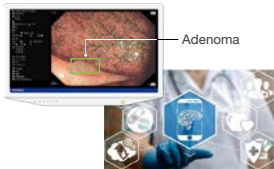
Details on the Intelligent Endoscopy Ecosystem are on page 48.

#### Intelligent ecosystem operating software platform



AI-powered software platform that integrates with hospital systems and leverages contextual data to support enhanced clinical, administrative, safety, and quality control

#### AI insights and computer-aided detection/diagnosis



#### Integrated procedure room solutions



\*2 For disclosure purposes, financial results of Endoscopic Solutions Ecosystem are classified as “Surgical Endoscopy.”

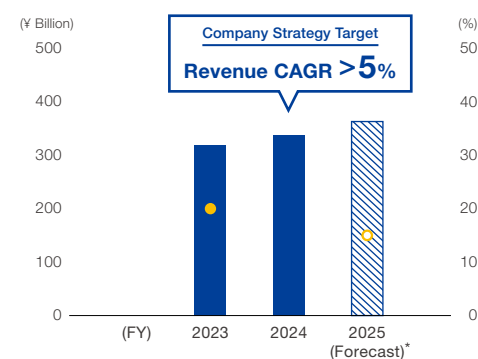
# Our Business



## Therapeutic Solutions Business

The Olympus Therapeutic Solutions Business uses innovative medical technologies, therapeutic interventions, and precision manufacturing to enable minimally invasive procedures that improve clinical outcomes, elevate patient safety, and have the potential to reduce the cost to serve. Starting with its early contributions to the development of the polypectomy snare, Olympus' Therapeutic Solutions portfolio has grown to include a wide range of therapeutic instruments and surgical energy devices to help prevent, detect, and treat disease.

### Results



Revenue	318.2	337.3	363.0	(¥ billion)
Operating Margin	20.0	—	15.0	(%)
Operating Profit	63.7	(8.5)	54.5	(¥ billion)

\*1 Forecast as of November 8, 2024

### Operating Environment

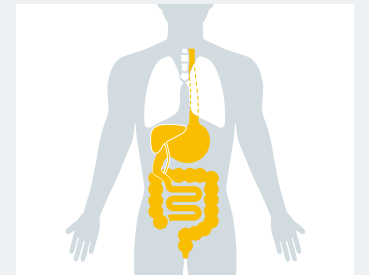
- Increased procedures driven by aging population and the rise of chronic disease
- Intensifying cost pressures on health systems continuing to drive focus on both clinical and economic value and requiring new care models dedicated to the improvement of patient outcomes at scale
- Progressive shift from open surgeries to minimally invasive treatments that improve patient outcomes and optimize total cost of care
- Changes in demand for care driving a shift towards more economical care delivery settings (inpatient → outpatient) enabled by less-invasive techniques

### GI EndoTherapy

Miniaturized catheter-based devices that can be inserted into the working channel of flexible endoscopes and used to accomplish various diagnostic and therapeutic interventions (tissue sampling, stenting, anastomosis, and hemostasis)

#### Main Diseases

- Esophagus: Reflux disease, barrett's esophagus, cancer
- Stomach: Ulcers, cancer
- Small bowel: GI bleeding
- Hepato-pancreato-biliary disease
- Colon: Cancer, benign polyps, inflammation, diverticulosis

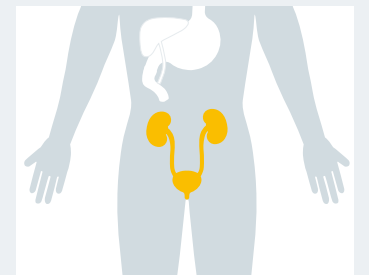


### Urology

Endoscopic evaluation of the genitourinary tract for diagnosis, staging, surveillance, and treatment of benign and malignant diseases

#### Main Diseases

- Benign prostate hyperplasia (BPH)
- Urinary stones
- Bladder cancer

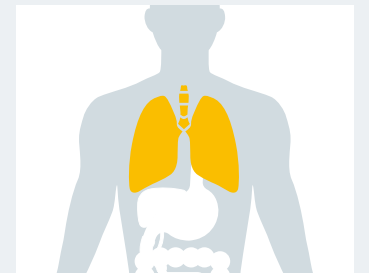


### Respiratory

Endoscopic evaluation of the tracheobronchial tree for observation, diagnosis, staging, and treatment of benign and malignant diseases

#### Main Diseases

- Lung cancer
- Emphysema



### Other Therapeutic Areas

#### ENT

Endoscopic evaluation of the nasal cavity, oral cavity, pharynx, larynx, and ears for the diagnosis, staging, and treatment of benign and malignant diseases

#### Main Diseases

- Ear: Otitis media
- Nose: Nasal obstruction
- Throat: Laryngeal cancer, pharyngeal cancer, oral cancer, voice disorders

#### Surgical Devices

Enabling laparoscopic and open surgical procedures by providing tissue grasping, manipulation, dissection, coagulation, and vascular control

#### Main Diseases

- Stomach cancer
- Obesity
- Colorectal cancer
- Liver cancer
- Pancreatic cancer
- Gallstone and gallbladder disease
- Appendicitis
- Hernia
- Prostate cancer
- Lung cancer
- Uterine cancer and cervical cancer
- Uterine fibroids
- Thyroid cancer



Messages from Executive Officers

# Our Executive Team

Olympus is focusing on realizing Our Purpose with patient safety as the top priority. On the following pages, we introduce Executive Officers who are driving the execution of our company strategy to become a leading global MedTech company.



## Executive Chairperson

**Yasuo Takeuchi**

Director, Representative  
Executive Officer,  
Executive Chairperson and  
ESG Officer

Profile

[https://www.olympus-global.com/company/profile/officer/yasuo\\_takeuchi.html](https://www.olympus-global.com/company/profile/officer/yasuo_takeuchi.html)

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## CMO

**John de Csepel**

Executive Officer and  
Chief Medical Officer

Profile

[https://www.olympus-global.com/company/profile/officer/john\\_de\\_csepel.html](https://www.olympus-global.com/company/profile/officer/john_de_csepel.html)



NEW

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## ESD Head



**Frank Drewalowski**

Executive Officer and  
Endoscopic Solutions Division Head

### Elevating Medical Innovation

We are actively expanding the Intelligent Endoscopy Ecosystem, starting in Europe, to enhance healthcare standards along care pathways and contribute to the future of medicine. We launched the EVIS X1 endoscopy system in the Americas and China in fiscal year 2024. With the successful global rollout of the EVIS X1, we're intensifying sales efforts. We have decided to strengthen our business alliance agreement with Sony Corporation regarding Medical Business and are strengthening collaboration with our new partner Canon Medical Systems Corporation in ultrasound endoscopy. To meet healthcare professionals' expectations for innovation, we will enhance academia-industry collaboration and provide innovative medical solutions. Lastly, accelerating development of robotic and single-use products will enable more efficient and precise healthcare, shaping the future of medicine.

Profile

[https://www.olympus-global.com/company/profile/officer/frank\\_drewalowski.html](https://www.olympus-global.com/company/profile/officer/frank_drewalowski.html)

## CFO

**Tatsuya Izumi**

Executive Officer and  
Chief Financial Officer

Profile

[https://www.olympus-global.com/company/profile/officer/tatsuya\\_izumi.html](https://www.olympus-global.com/company/profile/officer/tatsuya_izumi.html)



NEW

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### Strategic Vision for Olympus as a Patient- and Customer-focused Solutions Provider

As a leader in endoscopy, Olympus has a responsibility to accelerate patient access as well as a strong ambition to continue advancing patient care. As incoming CSO, my top priority is to lead the development of a long-term holistic vision through a patient-focused growth lens. Our focus is in igniting our talented teams to continue to bring innovative, connected solutions where we can have the greatest impact. One such example is the evolution and acceleration of our Intelligent Endoscopy Ecosystem. Charting value-creating paths with the evolving customer needs and market dynamics continues to get more complex for globally diverse companies. To serve our customers, we need to continue to evolve, and our long-term vision as well as strategic priorities need to be resilient and adaptable to flex with the volatility at the macro and market level. We also need to ensure that we are looking broadly not just at growth opportunities and value pools but also at the enabling capabilities, tools, systems, and business models that are required in the long term to support our strategic aspirations.

Through these actions, I wish to continue to transform Olympus from a product solutions provider to a more comprehensive patient- and customer-focused solutions provider along the care pathway. I am confident we can meet our long-term aspirations. We have great talent across our divisions, functions, and regions, and I am excited to play a role in helping us all row in the same direction.

## CSO



NEW

**Gabriela Kaynor**

Executive Officer and  
Chief Strategy Officer

Profile

[https://www.olympus-global.com/company/profile/officer/gabriela\\_kaynor.html](https://www.olympus-global.com/company/profile/officer/gabriela_kaynor.html)

## CMSO



**Tetsuo Kobayashi**

Executive Officer and  
Chief Manufacturing and Supply Officer

### Evolving Our Foundations from Monozukuri—“Craftsmanship”—to Kachizukuri

In my capacity as CMSO, I coordinate manufacturing, repair, and procurement as well as our supply chain, all of which are core functions, and together these form the integral operational heart of Olympus. We are proactively advancing the deployment of measures designed to evolve our foundations from *monozukuri*—“craftsmanship”—to *kachizukuri* meaning “value-creation.” As a leading global MedTech company, we are committed to going beyond addressing the issues raised in warning letters from the FDA, along with developing a robust quality management system that prioritizes patient safety. Building a highly resilient supply chain from the perspective of business sustainability and continuously improving costs through digitalization and process standardization remain at the center of our efforts. To increase the effectiveness of these measures, we are also focusing on utilizing and reinforcing our skilled talent and diversity. Through these measures, we will continue to accelerate our evolution towards *kachizukuri*.

Profile

[https://www.olympus-global.com/company/profile/officer/tetsuo\\_kobayashi.html](https://www.olympus-global.com/company/profile/officer/tetsuo_kobayashi.html)

We Provide High Value-added Products and Solutions Based on Advanced Visualization and Therapeutic Technologies.

In the Therapeutic Solutions Business, we continue to focus on GI EndoTherapy, Urology, and Respiratory. To expand and upgrade our pipeline of next-generation products with an eye toward future growth, we clarify our core competencies and take into consideration factors such as resources and speed of development in proactively utilizing partnerships with other companies and M&A.

In the three focused therapeutic areas, we are making steady progress with our strategic products, especially EndoClot hemostatis powder for GI EndoTherapy and EBUS-TBNA scopes for Respiratory having achieved strong growth. In Urology, we are expecting iTind devices and single-use ureteroscopes to contribute to growth.

In response to feedback received from the healthcare professionals who had been telling us, “If we were able to see areas that need to be treated that we cannot see, the possibilities for treatment would expand,” Olympus has been working to use endoscopy technologies to make previously invisible lesions visible. We should continue to bring about the evolution of this visualization technology for endoscopes. At the same time, I also believe that collaboration with healthcare professionals remains vital to identify unmet needs and provide optimal therapeutic options. Based on our advanced visualization and therapeutic technologies, we accelerate innovation with a long-term perspective and provide high value-added products and solutions to help patients receive optimal treatments.

CHRO



Shigeto Ohtsuki  
Executive Officer and  
Chief Human Resources Officer

We Will Achieve Sustainable Growth by Uniting Our Efforts while Encouraging Employee Development.

Amid increasing expectations and responsibilities for patient safety and product quality, we have incorporated the values of “Patient Focus,” which we have always been valuing, into the core values common to all employees in February 2024. Accordingly, the Global Leadership Competency Model (GLCM), common leadership guidelines, will also be updated. We support leaders around the world to embody “Leaders Developing Leaders” and enhance our IT infrastructure to enable them to access information on items such as talent management, compensation, training, and skill development while also encouraging the development of motivated employees by promoting “right people, right place” globally. At the same time, by encouraging efforts to realize diversity, equity, and inclusion, we will promote a Healthy Organization where every employee can perform at their best, which will lead to our sustainable growth.

Profile  
[https://www.olympus-global.com/company/profile/officer/shigeto\\_ohtsuki.html](https://www.olympus-global.com/company/profile/officer/shigeto_ohtsuki.html)

TSD Head



Seiji Kuramoto  
Executive Officer and  
Therapeutic Solutions Division Head

Profile  
[https://www.olympus-global.com/company/profile/officer/seiji\\_kuramoto.html](https://www.olympus-global.com/company/profile/officer/seiji_kuramoto.html)

CTO



Andre Roggan  
Executive Officer and  
Chief Technology Officer

Profile  
[https://www.olympus-global.com/company/profile/officer/andre\\_roggan.html](https://www.olympus-global.com/company/profile/officer/andre_roggan.html)

We Employ Cutting-Edge Technologies to Create Innovative Solutions for Better Clinical Outcomes, High Economic Efficiency, and Optimal User Experience.

As a leading R&D organization, our mission is always centered around the patient. We engage with clinical experts to understand unmet needs and areas for improvement. We screen emerging technologies to identify their application in our focus areas and target disease fields. Co-developing new solutions with healthcare professionals, maintaining strategic partnerships, and actively managing the digital transformation are important pillars in our aim to elevate the standard of care. Our strong commitment to invest in innovation will drive Olympus’ growth.

Our mission is supported by permanently searching for improvements in our R&D processes and engineering capabilities to execute projects in a predictable and most efficient way. Product quality by design is a cornerstone of our development activities. Olympus’ engineering workforce and their support functions are the drivers for innovation. We aim for a healthy and high performing organization that attracts talents, fosters creativity, and supports woman leadership and diversity. We consider our responsibility for a sustainable future in all our actions.

Through the *Elevate* Program, We Are Setting Ourselves Up for a Strong Future.

In the second year of the *Elevate* program, I am both optimistic and excited about our direction. We have been doing the right things, such as addressing regulatory commitments; working very closely with regulators; enhancing our quality and compliance; and establishing patient safety as our guiding principle.

We are focused on the fundamental things. By building our quality systems and streamlining our organization, consolidating how we work, and investing in our IT systems, we will become more efficient and effective. We still have a lot of work ahead of us to deploy global quality system processes, enhance the effectiveness of our execution, and mature our QARA organization, but the progress we are making is palpable and evident in our early indicators.

Profile  
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CQO



Boris Shkolnik  
Executive Officer and  
Chief Quality Officer



Neil Boyden Tanner  
Executive Officer and  
Global General Counsel

Profile  
[https://www.olympus-global.com/company/profile/officer/neil\\_boyden\\_tanner.html](https://www.olympus-global.com/company/profile/officer/neil_boyden_tanner.html)

Global General Counsel

Driving Sustainable Growth with Patient Safety Is at the Core of Olympus’ Legal, Intellectual Property, Compliance, Risk, and Governance Programs.

As the Global General Counsel and overseeing Legal, Intellectual Property, Compliance, Risk, and Governance around the world, my primary goal is to ensure that we achieve sustainable growth while maintaining the highest standards of patient safety. I am proud to say that I lead teams who are committed to fostering a culture of transparency, accountability, and ethical decision-making across the organization. Olympus understands that by proactively managing risks, ensuring regulatory compliance, and promoting best practices in governance, we can mitigate potential challenges and create a strong foundation for our long-term success. By navigating the complexities of the healthcare industry responsibly and effectively, we improve patient safety, which in turn drives customer satisfaction, and leads to greater market penetration and increased stockholder value.



Message from the CFO



“My mission is to accelerate Olympus’ further transformation and growth by offering my many years of experience and knowledge I have gained in a different industry.”

Tatsuya Izumi  
Executive Officer and  
Chief Financial Officer

Taking on New Global Business Challenges

I was appointed Olympus CFO in April 2024. Previously, I had been engaged in business at a general trading company. It has been my experience that although general trading companies conduct business on a global basis, some have a centralized business model in which almost all important decisions are made in Japan. By comparison, Olympus manufactures many of its products in Japan and has highly competitive products including gastrointestinal endoscopes, while more than 80% of our revenues are generated overseas. Turning to the management team, you can see that roughly half of the Board of Directors and Executive Officers are of nationalities other than Japanese, which I believe makes us a very unique company with unique strengths. This approach to global business by Olympus fascinated me, and I decided to take on new challenges here. As I considered my career, I was impressed by the growth potential based on our strong position in GI endoscopy as well as Our

Purpose of “making people’s lives healthier, safer and more fulfilling,” which is inextricably linked to Olympus’ business, all of which resonated with me.

I believe that Olympus stands on a solid business foundation and can grow even further if we enhance our management practices. There was a risk in changing careers, but I decided that Olympus was worth it. Although there were also risks for Olympus to bring in a CFO from outside, it needed a change. The success of *Transform Olympus*, which has achieved transformation in a short period of time, including transferring our original Scientific Solutions Business and Imaging Business to external parties, is proof of this desire for change. I am looking forward to contributing to Olympus by offering my many years of experience and knowledge in finance in another industry and assisting Olympus achieve further transformation on its way to becoming a leading global MedTech company.

Risk Management Remains Essential for Sustainable Growth

At my previous company, it was burdened by large amounts of interest-bearing debt and inefficient assets

in the late 1990s, and therefore it was forced to make radical management reforms. The management team

implemented reform measures to strengthen its financial position and adopt more sophisticated risk management. As a member of the risk management team, I promoted a management method called “risk capital management” to ensure the efficient utilization of limited management resources.

Our business conditions are completely different than a general trading company, including the nature of the risks we face. However, I believe that we will be able to increase our growth rate and profitability through more sophisticated risk management. Investment-related risk management is particularly important. For example, our actual operating profit for fiscal year 2024 fell significantly short of the forecast announced in February 2024, and the main reason for

this was investment-related risk management. It is important for risk management to pay careful attention to details such as the “figures” of business performance and activities. Olympus’ mission is contributing to patients and healthcare, and “Patient Focus” remains an unwavering value, but as a listed company that raises funds from the stock market and financial institutions, our commitment to the “figures” is also important. Since our employees are very earnest and tend to focus solely on putting patients first, I believe that my role as CFO is to create a mechanism and to foster an environment that ensures they also focus on the figures. This is an important factor for realizing sustainable growth.

Transforming the Role of the Finance Function

Olympus conducts business globally, but the business situations differ from region to region. Therefore, we make management and operational decisions in each country and region while managing from the head office. It is important to gather the necessary information in a timely manner and make decisions swiftly across Olympus. Even now, we have a business finance unit, and finance is closely working with not only business but also a variety of functions. We also have finance talent assigned to manufacturing and R&D functions, and this structure allows us to understand the actual situation. I believe that it is an important role for the CFO to manage effectively to create a virtuous cycle that will lead to further growth.

To strengthen risk management, we have been further deepening collaboration among business finance, accounting, finance, tax, and other corporate functions, and we will build a system to gather

information and manage it closer to the business.

At Olympus, the corporate planning team draws up a qualitative strategy, while the finance team fulfills a central role with the “figures,” such as setting and managing quantitative goals. The finance function plays an important role, and I believe that not only collecting information but also supporting the business will lead to improved companywide performance.

In recent years, Olympus has conducted strategic M&A, some of which did not unfold as planned and led to significant losses. With regard to M&A, I am proactively involved in deals from a CFO’s standpoint to support M&A that will contribute to further growth and ensure that the M&A team is able to adequately collect and analyze information.

My Goals as CFO

As the CFO, I have set myself two goals. The first is to improve the operating margin to an even higher level. Our financial targets announced in our company strategy include revenue growth and adjusted operating margin. As a CFO, I can only contribute to a limited extent to the sales growth rate, but adjusted operating margin is an indicator to which I can contribute. In our meetings with institutional investors, we have received positive feedback on having achieved an adjusted operating margin of 20%, but I also hear comments such as “Why only 20%?” Personally, I believe that it is

possible for us to achieve a higher operating margin because of our gross profit and competitive edge since we have products such as gastrointestinal endoscopes that have a leading global market position. Currently, we aim to achieve an adjusted operating margin of 19.6% in fiscal year 2025 and approximately 20% in fiscal year 2026, but we will need more structural transformation to improve further. We are monitoring and analyzing cash flows from various aspects and are considering measures to further increase our operating margin over the next few years.

Message from the CFO

My second goal as CFO is to enhance our corporate value. Increasing revenue growth and adjusted operating margin should contribute to enhancing corporate value, but I also believe that it is necessary to focus on other factors to increase corporate value. From a financial perspective, this means increasing cash flow and lowering costs of capital. We have been setting adjusted operating margin, excluding other income and expenses, which are temporary fluctuation items, as a target to promote our transformation. For the next phase, however, it would be ideal to instill an awareness of the importance of cash flows, which is directly linked to corporate value, in the entire company. Regardless of which division, I believe that if each employee remains aware of how they affect cash flows and acts accordingly, we will be able to move forward together in aligning our efforts to increase corporate value, and we will be able to proceed to the next level. Therefore, while financial targets of our current company strategy are revenue growth, adjusted operating margin, and adjusted EPS growth, I also believe that cash flows are an effective indicator of growth.

On the other hand, in terms of the cost of capital, it is important to address certain risks in order to

mitigate them. Various data shows that companies with higher risks have a higher cost of capital and lower corporate value. Naturally, the cost of capital will be higher for companies facing uncertainties, making it more difficult for stock prices to rise. I recognize that one of a CFO's important roles is to lower the cost of capital and increase corporate value by improving risk management and heightening predictability. Olympus has been strengthening its risk management system year by year, and systems are in place, but it remains essential to instill a mindset of reducing risks in all levels of the organization. Over the next few years, I would like to raise awareness throughout Olympus.

To lower the cost of capital, it is also important to actively engage in dialogue with investors. I recognize that it is crucial to improve budget control based on investors' feedback. Presently, we are making progress in implementing measures to strengthen our budget control, such as linking financial indicators to Executive Officer compensation. To gain the trust of the stock market, I believe that reviewing our budget formulation processes, setting appropriate forecasts consistent with the goals of the executive team, and making prompt decisions will contribute to sustainable growth.

Capital Allocation Policy from Long-term Perspectives

With regard to capital allocation, we prioritize investments for growth, such as in existing businesses or strategic M&A. Going forward, it remains our firm policy to continue business investment for growth as a top priority. Fiscal year 2024 would have been a time when we should have actively invested in M&A and other areas to grow our Medical Business. However, we allocated our resources to strengthen quality assurance and regulatory affairs, which limited the amount of capital available for investment opportunities. Therefore, in accordance with our capital allocation policy, we repurchased our shares to a total of ¥180 billion in fiscal year 2024 to return surplus funds to shareholders. We have further completed the share repurchase of ¥100 billion by November 2024 in fiscal year 2025.

As we expect to have stable cash flows, we will proactively invest in M&A, capital expenditures, IT infrastructure, and other areas that will lead to sustainable growth. When investment opportunities are scarce, we will flexibly repurchase our shares. In financing, we are particularly conscious of credit ratings. As of March 2024, we have a rating of BBB+ from Standard & Poor's (S&P), and we should maintain this rating. As we steadily grow our business, we need to leave room for leverage if a major investment opportunity arises, so a certain level of credit rating is necessary. I believe that the current rating is at a good, well-balanced level in terms of capital efficiency and management stability, and I am continuing to keep a close eye on it to keep it maintained.

Reflecting Stakeholder Feedback in Management

Another important role for a CFO is to explain and help our stakeholders understand our company. In the same way, I believe that it is also an important role to listen to the opinions and feedback from our stakeholders, including how they view our company and what their expectations are. It is my belief that listening to their feedback and incorporating it into management will earn us greater trust from our stakeholders and contribute to increasing our corporate value.

I would like to hear from investors, analysts, and other stakeholders if they have any suggestions for how we can improve in light of various other companies' or industries' best practices. I believe that one of my high-priority roles is to organize these suggestions in my own way and address those that should be adopted by Olympus to increase our corporate value through two-way dialogue.

Capital Allocation Announced in May 2023

Regarding capital allocation, we are prioritizing business investments. Under our company strategy, we will continue to proceed with business investments and M&A, focusing on disease states where Olympus can have market-leading impact and contribute to elevating the standard of care. In addition to investments for business growth, we will also invest in sustainable growth, such as strengthening QARA functions. Through appropriate financial management, we will see a stable and gradual dividend increase, and consider flexible buyback of company shares based on investment opportunities and cash/financial conditions.



\* The share repurchase of ¥100 billion has been completed by November 2024.





# 2

## Our Strategy

This chapter focuses on Olympus' company strategy announced in May 2023. Olympus aims to become a leading global MedTech company through the implementation of various efforts, including quality assurance and regulatory affairs (QARA) investments for patient safety and our future growth, which are in line with this strategy.

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# Company Strategy and Progress

## Guiding Principles

Olympus has decided “Patient safety and sustainability,” “Innovation for growth,” and “Productivity” as the three priorities in order to achieve “Making people’s lives healthier, safer and more fulfilling” as stated in Our Purpose. In addition, we will accelerate investment in strategic value pools that drive long-term sustainable growth: Business and Global Expansion, Strategic M&A, Care Pathway Enhancement, and Intelligent Endoscopy Ecosystem. Please refer to the following pages for the progress of each of these initiatives.

Company Strategy (Guiding Principles)		Progress
<div>Patient safety and sustainability</div> <div></div>	1 Resolve pending commitments to the FDA, prove confidence with regulators	<div>➤ Investments for Patient Safety and Our Future Growth (P. 29)</div> <div>➤ ESG Strategy (P. 38)</div> <div>➤ Evolving Our Corporate Culture (P. 62)</div>
	2 Lead in organization health and ESG	
<div>Innovation for growth</div> <div></div>	3 Strengthen the Olympus brand, elevate the experience of our customers	<div>➤ Innovation (P. 54)</div> <div>➤ Strategic M&amp;A (P. 56)</div>
	4 Grow our business, through purposeful innovation and acquisitions	
<div>Productivity</div> <div></div>	5 Build a high performing organization focused on patient safety and product quality	<div>➤ Elevate Employees Roundtable Discussion (P. 32)</div> <div>➤ Activities to Improve Productivity (P. 67)</div>
	6 Ensure simplicity and operational efficiency	

## Strategic Value Pools that Drive Long-term Sustainable Growth

Company Strategy (Strategic Value Pools)		Progress
<div></div> <div>Business and Global Expansion</div>	<div>➤ Overview and Direction of Three Focus Areas (P. 42)</div> <div>➤ Chinese Market (P. 50)</div> <div>➤ Innovation (P. 54)</div>	<div>➤ EVIS X1 (P. 46)</div> <div>➤ Emerging Markets (P. 52)</div> <div>➤ Single-use Endoscope (P. 57)</div>
<div></div> <div>Strategic M&amp;A</div>	<div>➤ Strategic M&amp;A (P. 56)</div>	
<div></div> <div>Care Pathway Enhancement</div>	<div>➤ Care Pathway Enhancement (P. 58)</div>	
<div></div> <div>Intelligent Endoscopy Ecosystem</div>	<div>➤ Intelligent Endoscopy Ecosystem (P. 48)</div>	

# Investments for Patient Safety and Our Future Growth

## Holistic Remediation and Transformation Program *Elevate*

As a global MedTech company, we want to be recognized for the quality, value, and innovation that our products, services, and people bring to society every day. We consistently demonstrate our unwavering commitment to patient safety and maintain a quality-first mindset in all that we do. Within Olympus, we have identified areas to improve our quality management by establishing stronger processes and compliance, and optimizing how we operate across our regions to meet stakeholder and regulator expectations. That is why we have launched *Elevate*, a multi-year program that started in fiscal year 2024, focused on our quality transformation journey. The program is led by a strong global cross-functional team and encompasses 20 workstreams driving initiatives to meet our regulatory commitments, build for our future, and strengthen our cultural foundation. This is a companywide transformation that has four core goals.

For the detailed work streams of the *Elevate* program, please refer p. 37.

### Our key long-term goals are:

- 1 Strengthening our patient safety focus and product quality culture
- 2 Embedding sustainable, repeatable processes and compliance
- 3 Fostering constructive relationships with health authorities
- 4 Leveraging quality as a competitive advantage

*Elevate* will be an important enabler for innovation, growth, and improved profitability through sustainable benefits such as improved lifecycle management and digitally enabled processes to reduce costs, improve effectiveness, and shorten the time to develop, clear, and launch products.

## Topics: Infection Prevention

### Comment from a Chief Medical Officer

#### Strengthening Infection Prevention

In our pursuit of excellence in infection prevention, I am convinced that we are on the right path, but there remain opportunities for further improvement. This is a pivotal moment for us to advance patient safety by looking at ourselves critically and striving to deliver optimally designed products and procedures. Our Infection Prevention team of scientists and physicians are committed to comprehensive stewardship by advocating best infection prevention practices at every stage of a product lifecycle. Providing expert knowledge to ensure effective cleaning and reprocessing in a range of real-world settings is crucial for continuous improvement that elevates the standard of care, with a patient-centric focus.






Investments for Patient Safety and Our Future Growth

## Improving Our QARA Capabilities and Keeping Our Focus Always on the Patient

Boris Shkolnik

Executive Officer and Chief Quality Officer (CQO)



Committing to Our Core Values, Key Components in Our Decision-making

When I joined Olympus in 2022, each facility was run regionally, and while effective in those areas, they lacked harmony with our global processes. Over these past two years, we have made significant progress in establishing a global quality assurance and regulatory affairs (QARA) organization that has deep reach into our operating facilities and strong connections into the business and functional organizations across Olympus. While we still have a lot of work to do, we are improving our focus on patient safety, quality, and compliance, and we are now much more agile when responding to challenges.

In fiscal year 2024, we updated Our Core Values with emphasis on patient safety and ensured that patient safety was at the core of all decisions that we make as a company. By working with regulatory authorities around the world, we are able to improve our products and processes.

Not only are our processes and products transforming, but also our culture, which is evolving to emphasize continual improvement, centered on the patient. By consolidating our processes globally, decision-making, such as for product recalls, is now faster and more visible, which helps our employees build confidence and creates more independence within the organization to make decisions with patients in mind as the highest priority.

Empowering Employees and Improving Systems through *Elevate*

*Elevate*, which has encompassed our remediation activities, is one such system that has united teams across R&D, operations, supply chain, service, repair, and regional organizations, engaging them in our improvement actions and empowering them to drive these actions forward. In its second year, *Elevate* is designed to engage all parts of the global Olympus organization and focuses on ensuring patient safety, improving the quality of our products and services, and improving our compliance with global regulations. One of the most notable aspects of the *Elevate* program is the work the teams are doing in improving our patient focused culture and helping our overall organization mature our

approach as a MedTech company.

Through *Elevate*, our teams have completed required design validation activities and are currently completing process validations across our manufacturing facilities. We have also implemented several global quality system processes focused on improving effectiveness and are standardizing our approach across our operating facilities.

We have also made investments into our QARA organization to complement existing talent and have established a global reporting structure as well as hired MedTech leaders. The investments made to enhance our safety, quality, and compliance are supporting the completion of our remediation activities, strengthening our QARA organization, and enabling improvements in our safety, quality, and compliance culture.

Working with Regulators to Reinforce Our Focus on the Patient


As we work with regulators, we are being very transparent. Our focus has been on ensuring we meet all agreed upon commitments, proactively sharing progress updates, and transparently communicating both challenges and timeline adjustments for all activities. While remediation continues, we continue to learn, and our efforts are already having an effect.

As we mature our QARA organization, I anticipate even stronger engagement and partnership across our teams. Our goals are to continue enhancing the safety of our products and solutions, and I also expect shorter approval cycle times for new products. We are continuing to enhance our quality engineering teams focused on human factors engineering, reliability, risk management, software quality engineering, and cybersecurity to further contribute to the safety and effectiveness of our future solutions.

## Being the Clinical Voice to Ensure Patient Focus

John de Csepel, MD

Executive Officer and Chief Medical Officer (CMO)



From Clinical Practice to Business Strategy and Back Again—The Role of CMO

The CMO role is multifaceted. First and foremost, I am the leader of the Medical & Scientific Affairs (MSA) organization, which has five very different subfunctions: Clinical Research, Medical Affairs, Health Economics, Medical Safety, and Professional Education. Although each are quite different, together they can effectively address barriers to care such as regulatory approvals, reimbursement, and physician training. When Olympus overcomes these barriers, patients get access to high quality care with Olympus’ leading products.

The CMO also has the responsibility for contributing to business strategy, discovering new growth opportunities, and being the clinical voice on the Group Executive Committee (GEC). It is my job to always advocate from the patient’s perspective, thinking about each issue in terms of safety and expected outcomes. To best represent clinical and patient perspectives, I draw on my own experience as a practicing surgeon as well as regular visits with Olympus customers, where I gain valuable patient care insights.

Decision-making with Patient Safety as Our Top Priority

Patient safety is our company’s top priority, and that means if we find an issue, we seek to understand the root cause and consider all options with our patients’ well-being as our top priority. MSA has a dedicated Medical Safety team made up of doctors and nurses around the world. They are very experienced at taking a risk-based approach to decisions. By looking at data related to causation and the current state of care, they can make judgments, in partnership with their quality and regulatory colleagues as well as other stakeholders, about needed changes in product design, instructions for use, and manufacturing processes.

*Elevate* was established to enable Olympus to be a first-class patient safety and quality-focused MedTech company. One of its key components is complaint handling. How we gather feedback from clinicians in a timely manner and evaluate those insights is critical. If we have a patient safety issue, we may need to take action quickly. Our Medical Safety team of professionals are on standby around

the clock to talk to clinicians who have raised concerns. This team knows the questions to ask to get the answers Olympus needs to make informed judgments.

Enhancing Access to Cancer Detection

Our role in raising awareness of colorectal cancer screening is critical. We support large-scale public awareness campaigns in many countries where screening rates are below guidelines. Early detection saves lives. In the United States, over 90% of colorectal cancer-related deaths could be prevented with early detection\*<sup>1</sup>, however only two thirds of the population of those aged 50 to 75 is up to date with screening\*<sup>2</sup>.

Providing colonoscopic procedural training is essential to achieve this objective. As the worldwide leader in endoscopy, we have a responsibility to address the current global shortage of trained endoscopists to ensure patients receive a timely diagnosis in their own communities.

Goals and Outlook for the Future

I hope to continue to contribute to the culture at Olympus such that patient focus remains top of mind for every one of our employees. Moving forward, my goal is to seek new ways to embed patient safety into every aspect of the product lifecycle. For example, MSA professionals now participate in the new product development process, which allows us to focus on patient safety at the very beginning of the R&D process. Then at product launch, we provide procedural training so that Olympus products can be used as intended. As our products become adopted into everyday practice, we want to be sure our product surveillance is of the highest quality so we can identify and act upon any issues early on. If we can do this, Olympus and our patients around the world will benefit from safe products that provide desired outcomes.

<sup>\*1</sup> SEER Cancer Stat Facts: Colorectal Cancer." Surveillance, Epidemiology, and End Results (SEER) Program, National Cancer Institute, 2023  
<sup>\*2</sup> "Use of Colorectal Cancer Screening Tests—Behavioral Risk Factor Surveillance System, United States, 2020." Morbidity and Mortality Weekly Report (MMWR). July 9, 2021

# Strengthening Our Commitment to Patient Safety, Driven by Holistic Remediation and Transformation Program *Elevate*

**What are the differences between Olympus before the remediation and quality transformation program *Elevate* and now after it has begun?**

**Imai:** *Elevate* is a program that started in 2023, and within that program, we are working together with our fellow global employees on quality management system (QMS) activities. I believe this has been a very positive experience, especially for those of us who work in Japan. I was previously involved in R&D with new product development, including production and process management. In the past, Olympus manufacturing in Japan was a closed loop in terms of product development. That meant the culture, design innovation, and any product launches were all based on a Japanese mindset. Of course, what might seem typical in Japan is not the same worldwide, and at the time there was a gap between what was being done globally and what was being done in Japan. However, through *Elevate* and communication with our global members, I feel like we have made

great strides to close that gap. By collaborating with different types of people, we are able to gain new insights.

**Ogura:** I joined Olympus as an engineer, and based on my years in the company, I can see four specific differences in the *Elevate* program. First, the governance has been enhanced significantly, and priorities as well as goals are now clear and well defined. Second, the priority of *Elevate* is being announced broadly and internally. This is something I personally appreciate and would like to see continue, as I feel confident consulting with different departments within Olympus because we are all aware of *Elevate*, and cooperation is quite efficient. Three, global initiatives: because of *Elevate*, we have begun seeing a higher participation rate of global employees in company initiatives, and I believe that it is important to involve employees with the knowledge and experience of quality assurance and regulatory affairs (QARA) from around the world. Four, thinking about patient safety on a daily basis: this is a priority for Olympus, and *Elevate* has been able to help with this

cultural transformation.

**Gogarty:** When I first joined Olympus, I was excited to be part of QARA Transformation, one of strategic priorities of *Transform Olympus*, and I agree with Hitoshi (Ogura) that the enhancement of the governance model has been an important difference. It is now easier to stay informed and escalate decisions or risks. Communication, now aligned with our new core values, has also improved as information penetrates both up and down the ladder of management and also across, since collaboration between different workstreams has also improved.

**Lake:** I joined Olympus in April 2023, leading a project under QARA



**Aimee Gogarty**  
Patient Safety & Quality Culture  
Workstream Lead  
Based in the U.S.



**Hitoshi Ogura**  
Production & Process Controls  
Workstream Lead  
Based in Tokyo

Transformation and quickly advancing under *Elevate*. The governance has been enhanced through *Elevate* with a cross-functional view. A strong feature of *Elevate* is its ability to foster collaboration across the organization. *Elevate* does this by allowing communities to be built and enables communication across workstreams and communication channels. It is also very refreshing to see that prioritization of initiatives is clear. Prioritization is essential for delivering success, and it is encouraging to see these successes being shared organization-wide.

**What are some challenges to us as a MedTech company and any current initiatives to address the same?**

**Ogura:** As a MedTech company, I believe Olympus needs to enhance four



**Melissa Lake**  
Management Responsibility,  
Document Controls Workstream Lead  
Based in Canada

different components. Those components are always changing, and improvements are being made, but we still have more we can do.

The first component is expertise and technology integration. As a MedTech company, in addition to our core technologies such as optical technology, we need deep knowledge of medicine and biology as well as more and more specialists collaborating for the development of medical devices. The second is regulatory affairs. Medical devices are strictly regulated and in different ways in different countries, so we work with regulators from around the world. We need to be able to comply with these regulations in our processes. The third component is an understanding of the market and customer needs. In the healthcare market, there are many different facilities, including hospitals and clinics, and we have to have an understanding



**Shigeru Imai**  
Design Controls Workstream Lead  
Based in Tokyo

of their needs at a very deep level. As Shigeru (Imai) mentioned, in the past, R&D functions in Japan had many roles, including exploring customer needs, but customer needs have to be addressed globally. The fourth is quality and risk management. As a MedTech company, quality and risk management are extremely important.

**Imai:** Hitoshi has made many observations I agree with, but I would just like to add a couple more. For a very long time, Olympus had been using an old model of development process. We needed to improve the process, but those historical processes were limited by a sense of culture that isolated the function, and that was a challenge. We would assume that as long as the standard operating procedures were followed in development, there would be no issues. In reality, the development





Because of the strong messaging and endorsement by leadership, I think everyone feels like they have ownership of and are responsible for living those Core Values.

Shigeru Imai

process and our QMS need to be tightly linked with one another. With *Elevate*, the development process and QMS are more interconnected, and with the introduction of more global perspectives, we are better able to identify opportunities for improvement and to deal with challenges from different angles.

What is the current progress of the workstreams you are working on?

**Gogarty:** For us, much of 2023 revolved around awareness activities regarding patient safety and quality. It was a first time for all employees to have the same quality goal, and we had every employee working together to achieve progress toward that goal. We were doing multiple engagements both regionally and globally to increase awareness and ensure clear

communication from the executive team. Our Core Values were refreshed, and that was a huge change for our company culture. We are now holding ourselves to enhanced standards as a company and shifting both our focus and our product portfolio.

**Lake:** Under *Elevate*, my team leads two workstreams: Document Controls and Management Responsibility. For Document Controls, we are ensuring efficient, simplified, and scalable processes across sites. This is really important as we standardize in a global environment.

Our goal is to guarantee that our processes are globally understandable without adding unnecessary burdens, thereby driving both operational efficiency and regulatory compliance.

This workstream is structured around three core areas. One, streamlined processes: we recently released our Global Quality Manual, Global Quality Objectives, and the Global Quality Policy, all which have been deployed across all Olympus sites. We are also developing global harmonized standards to ensure that we meet or exceed MedTech industry expectations. Two, we have established improved governance to ensure changes fit our systems, and then we monitor and assess their impact at various sites. We have implemented performance metrics to evaluate our new processes, driving continuous improvement and accountability. And three, we are establishing communication channels to convey expectations to the teams while also providing a space for individuals to start facilitating knowledge sharing, capability building, and best practice dissemination.

Management Responsibility is focused on providing a robust framework for management responsibility so that it can serve as the backbone of our QMS at all layers. This

framework aims to improve insights to our QMS's performance to help identify trends and proactively address risks. It will also provide transparent performance and insights to executive leadership. This new process will provide leaders with clear, context-rich data so they can make informed decisions, but this also enables a comprehensive view of the QMS to identify improvement areas, issues, escalations, and how to optimize resources. We aim to facilitate data aggregation, supported by enhanced IT systems, and timely escalations from the worksites to the division and then global levels.

We have also developed leadership training on management responsibilities within the QMS. This will empower all leaders at all layers to be able to identify the impact of their decisions and the consequences of inaction.



Patient safety is a priority for Olympus, and *Elevate* has been able to help with this cultural transformation.

Hitoshi Ogura

Have you noticed any secondary impacts from the work that has already been done?

**Imai:** The workstream I have been working with concerns design validation. For a long time, we have been conducting design validation mainly in Japan. Now we are able to realize design validation on a global field, because we are able to collaborate with our global colleagues to accumulate information. We produced a Design Validation Playbook for new product development that includes know-how from *Elevate* activities. We think we have been able to utilize *Elevate* as an opportunity.

**Gogarty:** Culture is an enabler to all other workstreams. The activities we have planned and those currently in place will have a ripple effect across Olympus. By keeping a steady drumbeat of activity not only for leaders but for employees as well, we can refine and evolve our culture as people are open about concerns and know their voices are being heard.

In Group Executive Committee (GEC) meetings, the patient perspective is present in each meeting. An individual takes up the patient perspective and is able to advocate on their behalf, always keeping Our Purpose as the foundation of decision-making. Another initiative in place is to have the executive team spend physical time in a clinical setting and bring that experience back to their teams. In manufacturing, for example, there is less opportunity to interact with patients than in other parts of the company, and the lack of patient connection can be felt. By having the executive team spend time in a clinical setting and then relaying the experience back, they are bridging

that disconnect, and employees realize how meaningful their work is and the connection to the patient. The executive team also considers Our Purpose and Our Core Values when making decisions. This demonstrates that leadership embodies these core values in their day-to-day routines.

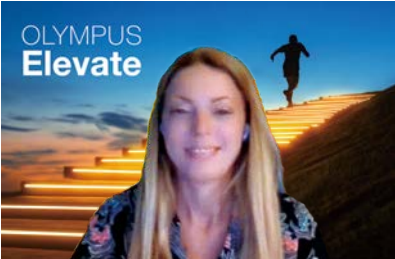
Through this cultural change, we are empowering employees to take pride and responsibility in their work and ensuring that the voice of the patient is represented.

**Ogura:** Through the *Elevate* program, we are working to ensure that process validation is done properly on our products in the market. I believe that improving the product lifecycle as well as ensuring the launch and spread of new products that comply with the latest laws and regulations will improve patient safety.

Changing culture is difficult. How can we make sure we can evaluate and demonstrate that the culture has evolved?

**Gogarty:** Our team has spent an extensive amount of time determining good methods to measure both process implementation and behavior change. We have decided to approach the metrics uniquely because the complexity of culture change requires a dynamic approach. We expect the metrics and targets to evolve as the organization harmonizes and we adopt the new cultural norms over time. This approach requires we be open to new ideas and adaptable to cultural shifts.

We launched our first Patient Focus Survey in July 2024. This is an anonymous all-employee survey intended to give our organization a snapshot of the perception of our culture by our employees. There will be another employee survey, after a set



One of the most significant changes I've observed is the change to a more proactive communication style, with employees taking greater ownership of their projects.

Melissa Lake

amount of time has passed, in order to see what progress has been made. From this, we will get both the managerial and employee perspectives on how the changes to our culture are permeating within the organization.

Culture change is a journey, and there will be expected and unexpected cultural shifts. As a company, we need to be dynamic and ready to adapt. We are confident that implementing this methodology based on the evolving culture signals will arm our leaders and employees with the information they need to make sure the organization stays on the right path and ultimately reaches our intended destination.

How has the mindset of you or those around you changed through *Elevate*?

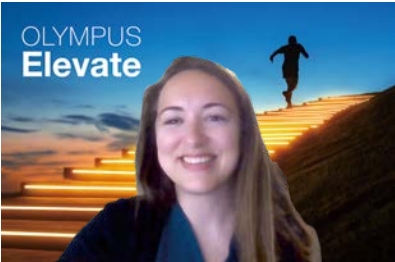
**Lake:** One of the most significant changes I've observed is the change to a more proactive communication style,

Elevate Employees Roundtable Discussion

with employees taking greater ownership of their projects. Employees, particularly our colleagues in Japan, are now proactively reaching out and fostering conversation. By having these communications, employees are feeling more confident in the processes and in their approaches.

Collaboration has also been notably improved. For example, if there was a team member who was not very confident in their understanding of a specific process, another team member, possibly at another site entirely, would step in to explain their understanding. After discussion, they would verify their mutual understanding. I would like this type of collaboration to continue to extend globally, beyond individual areas.

As I progress through my career at Olympus, I aim to continually promote a culture of quality. I aspire to lead efforts to embed quality and culture together, as well as really drive the management review process to monitor



I would like to see us ensure a good reputation within our industry and raise the bar so that other companies are looking to Olympus for best practices.

Aimee Gogarty

the health of the QMS. I know this is a journey that will take time, but enhancing and harmonizing the global quality systems remains a key aspiration of mine.

**Gogarty:** For me it is important to have not just reactive tasks but proactive ones motivated by patient focus. I would like to see incremental improvement based on a quality mindset and to not just uphold the status quo.

As we move into a different mindset, I would like to see improved collaboration across Olympus and an improved relationship with regulatory authorities. I would like to see us ensure a good reputation within our industry and raise the bar so that other companies are looking to Olympus for best practices.

**Ogura:** Before *Elevate*, each site in Japan operated under its own individual standard operating procedures. Now we have global procedures, and not just implemented nationally but worldwide with global process validation. This is a great transformation for Olympus.

When it comes to the employee mindset, I think there are many factors involved with how it is changing. We had COVID-19, very rapid digital transformation penetration, and at the same time, Olympus is in the middle of globalizing. Now we have transformed into a global MedTech company, and we have more specialists focused on healthcare. Our Core Values have also been refreshed, with an additional emphasis on patient safety, and I think that more and more employees are beginning to partake in this mindset. I believe this is a very positive thing for Olympus.

**Imai:** The mindset of Olympus is changing, and that includes the

mindset of our leaders. Our Core Values emphasize our focus on patient safety, and our executive team has been a strong voice for those values. Because of this strong messaging and endorsement by leadership, I think everyone feels like they have ownership of and are responsible for living those core values.

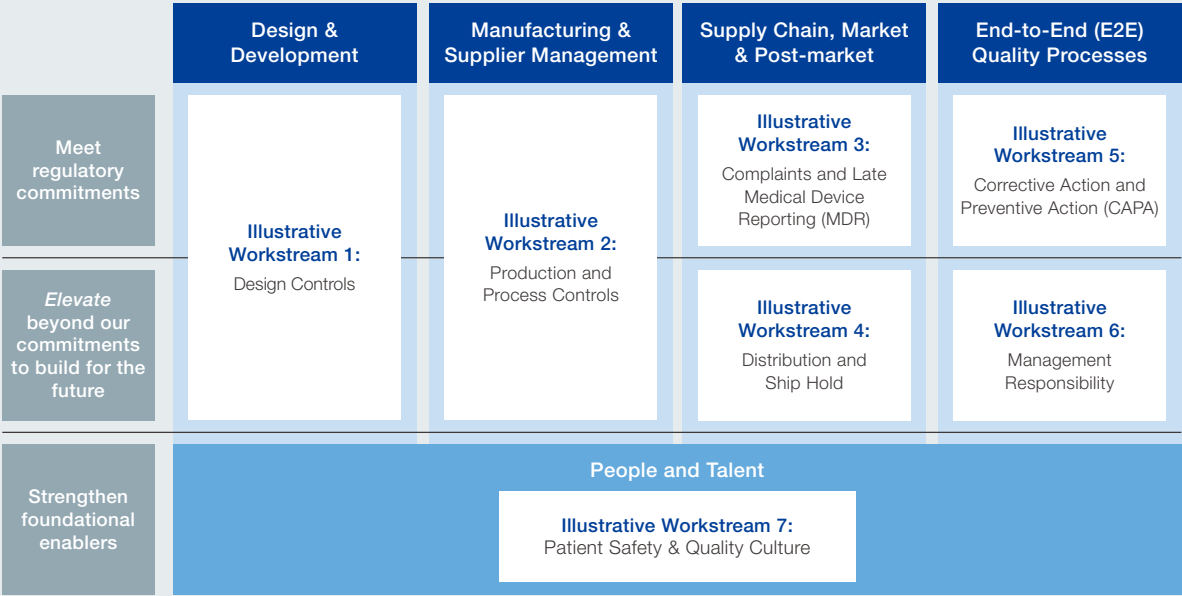
Despite our successes, there is always more we can do. By those in leadership continuing to reinforce Our Core Values at our sites, we can be confident that all employees at all levels will live Our Core Values every day. Looking at myself within Tokyo, we have a team of people who have been important for our transformation. In the past, local leaders were message towers for those on the ground. If we can maintain both good, cultural communication at the top management level and within that local leader level, I think the culture will continue to improve.

Going forward, I would like to continue supporting and nurturing local leaders. I believe that QMS activities and productivity are very important. We need to achieve a balance of both at a standardized, globalized level. I believe QMS has improved greatly thanks to *Elevate*, but we cannot just focus on that improvement and get complacent. We need to continually refocus in order to achieve both improved QMS and productivity at the highest level. There needs to be a process to support these achievements, and I would like to be a part of that in the future.

Workstreams of *Elevate*

*Elevate* consists of 20 workstreams driven by a strong team selected globally from each function. The four pillars of “Design & Development,” “Manufacturing & Supplier Management,” “Supply Chain, Market & Post-Market,” and “End-to-End (E2E) Quality Processes” will drive our efforts to meet our regulatory commitments, build a solid future, and strengthen the foundation of our quality culture.

Here are some of the workstreams for illustrative purposes:



**Illustrative Workstream 1** Aims to complete design validation remediation activities for Japanese Olympus sites and create an internal playbook to guide future design validation activities. This workstream will also ensure that all Japanese sites adopt the design-control related standard operating procedures of the Olympus Medical Business Standard, after an extensive review and update to include leading industry best practices.

**Illustrative Workstream 2** Aims to complete commitments related to production and process controls (P&PC), as well as develop an internal playbook and training program to enhance P&PC self-governance across Japanese/global sites.

**Illustrative Workstream 3** Aims to enhance the ways in which we manage complaints to better support our top priorities of patient safety and product quality. This workstream represents one of our most important authority commitments. The new process is supported by a new Global Complaint Handling System (GCHS) which we started in December 2023 and are implementing in a phased product-based approach by which we will gradually ramp up additional product categories until the transition of all product groups to the GCHS is complete. This workstream’s goals are to:

- globally harmonize internal complaint handling processes
- improve Olympus’ ability to report to the regulatory bodies in a timely matter
- deliver on regulatory expectations with increased agility and efficiency
- drive data insights that can be used to improve products, processes, and services across the globe

**Illustrative Workstream 4** Will establish a Quality Assurance organization/operating model at all warehouses and distribution centers (DCs) and implement a Global Distribution Quality Management System. Wherever appropriate, processes will be digitized, automated, and integrated into the Supply Chain Management process landscape to ensure visibility across global DCs.

**Illustrative Workstream 5** Will establish a Global CAPA (Corrective and Preventive Actions) organization that will implement efficient and robust CAPA processes compliant with regulatory expectations. It will enable Olympus to raise and execute effective, appropriate, and timely CAPAs to address root causes of regulatory observations.

**Illustrative Workstream 6** Will develop and implement a robust standardized framework for Management Responsibility that serves as the backbone of our Quality System.

**Illustrative Workstream 7** Aims to position patient safety and quality at the forefront of all employees’ minds, not just for those who work in QARA, research & development, and manufacturing. It anchors patient safety in existing Olympus cultural frameworks, processes, and systems and endeavors to help all employees recognize the importance of patient safety and quality in their work and how their commitment to patient safety and quality supports our company strategy.



ESG Strategy

Materiality Topics at Olympus

Olympus endeavors to build a strong and sustainable organization by working with regulators and stakeholders to remain a company with integrity and transparency. Meanwhile, we actively aim to contribute to the realization of Our Purpose of “making people’s lives healthier, safer and more fulfilling,” in order to become a leader in the healthcare industry as well as in ESG. We have positioned the promotion of ESG as one of our priority initiatives in the company strategy, and enhance the affinity and consistency between our ESG strategy and company strategy, business strategy, and functional strategy to levels greater than previously seen.

Aiming for Both a “Sustainable Olympus” and a “Sustainable Society”

Olympus has developed its business activities based on the legacy and in line with its founding spirit of “Create something truly original, and propose new values to society.” We believe that contributing to the sustainable development and progress of the globe and society based on this founding spirit, by putting Our Purpose into practice, will allow Olympus itself to achieve sustainable growth and value creation. We are aiming to achieve sustainable growth by creating a cycle whereby profits generated through our business activities are reinvested to create new value in accordance with our corporate principles and subsequently generate further profits. At Olympus, we believe it is important to engage in dialogues with our stakeholders—

including customers, patients and their families, business partners, shareholders and investors, employees, local communities, and international society. It is also important to use these dialogues to appropriately understand their requirements and expectations of Olympus, in order to contribute to the sustainable development and progress of the world and of society. The environment surrounding corporations is changing from day to day, and society is also undergoing major changes. One of the major goals in sustainability at Olympus is to work to address various social issues in our capacity as a MedTech company while catering to the expectations of our stakeholders.

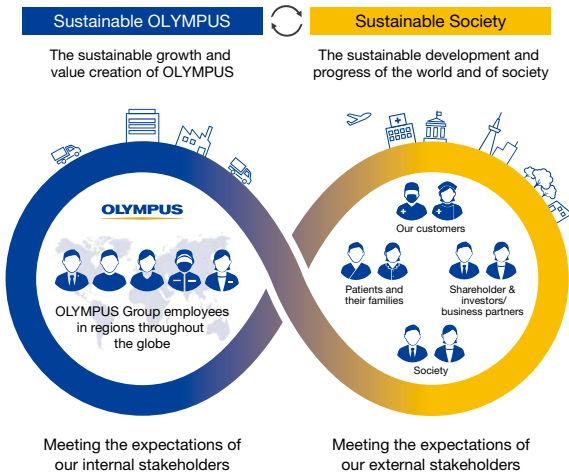
Sustainable Olympus: Putting Our Purpose into Practice

Contribute to improving the QOL of patients through value co-creation alongside physicians and medical institutions.

Olympus’ medical business commenced with its development of the world’s first gastric camera suitable to practical applications. This development was a direct response to the desire among physicians for a means for the early detection and diagnosis of gastric cancer to achieve reductions in the associated mortality rates. From that time, through to the present, Olympus has worked in close step with physicians for this common purpose in developing endoscopes and other medical devices.

Delivering outstanding products and technologies and training healthcare professionals in their safe and appropriate application facilitates both the “early diagnosis” of diseases as well as “minimally invasive treatments,” to reduce the burdens on patients and thereby contribute to improvements in patient quality of life (QOL).

Olympus will continue to rise to the challenge of innovations in the domain of medical devices made possible by collaborations with healthcare professionals, with the aim of improving healthcare outcomes and healthcare access.



Sustainable Society: Contributions to the Sustainable Development Goals (SDGs)

Decipher and elucidate the relationship between our business activities and the SDGs and establish business goals to which those activities should contribute.

Olympus will engage, through its business activities, with the resolution of environmental and societal issues facing the world while contributing to the realization of a sustainable society, which is the objective of the SDGs\*1. Toward this end, we have deciphered and elucidated the particular relationships between the SDGs and our own business activities, in the process identifying 13 goals closely related to Olympus’ operations. Of these 13 goals, the SDG to which our degree of contribution through our business is greatest is goal 3 “Good health and well-being,” and we will actively contribute to the resolution of multiple societal issues centered on “health” as a global MedTech company.

\*1 Sustainable Development Goals (SDGs): Common goals for the international community set by the United Nations toward the achievement of a sustainable world by the year 2030

Materiality Topics at Olympus

In conjunction with the formulation of the company strategy, we reviewed our ESG strategy in fiscal year 2023. In the review of materiality, we identified Six Focus Areas and 25 Materiality Topics falling under these Focus Areas, based on fresh input from our stakeholders, societal expectations and requirements, trends within the MedTech industry, and analyses of risks and opportunities from the perspective of sustainability\*2. In the process of identifying these 25 Materiality Topics, mapping of these topics onto the two axes of “importance to stakeholders” and “impact on Olympus’ business (importance to Olympus)” is carried out, with Olympus then assigning

these to three levels of priority: Top Priority, High Priority, and Others. KPIs have been set for those Materiality Topics that have been positioned as particularly important Top Priority topics, with progress toward their achievement being actively managed. Progress statuses and new initiatives will also be actively discussed at ESG Committee and Board of Directors’ meetings.

\*2 Since identifying four materiality items in fiscal year 2020, we revised these to five materialities in fiscal year 2022 with the addition of “Carbon Neutral Society and Circular Economy.” In the revision of fiscal year 2023, the existing six important ESG areas and five materiality items were realigned into Six Focus Areas.

STEP 01

Identification of Social Issues

Listing up of social issues based on an outside survey on changes in sustainability trends since previous identification, as well as various ESG-related frameworks and ESG survey assessment items

STEP 02

Assignment of Priority to Social Issues by Importance to Stakeholders

Conducting of interviews with medical institutions, government agencies, investors, and ESG assessment bodies. Assignment of priority to issues in terms of their importance to stakeholders

STEP 03

Assignment of Priority to Social Issues by Importance to Olympus

Assignment of priority to issues in terms of impact on Olympus’ business

STEP 04

Materiality Identification

Identification of materiality items through processes including deliberations by the Group Executive Committee and the Board of Directors (proposed and approved as part of company strategy). In addition, drafting of a Materiality Matrix with assigned priorities to the identified social issues from the perspective of the two axes

Materiality Matrix

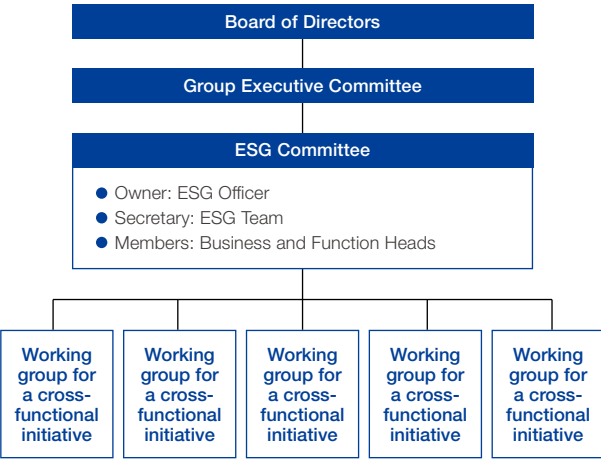
① Top Priority Materiality Topics (Eight) ② High Priority Materiality Topics (Nine)

Stakeholder Impact	High	<ul style="list-style-type: none"><li>H Business ethics and compliance</li><li>H Human rights commitment in supply chain management</li><li>T Scope 1 and 2 carbon emissions</li><li>T Scope 3 carbon emissions</li><li>H Water and waste management</li><li>H Climate risk resilience</li><li>T Corporate governance and reporting transparency</li></ul>	<ul style="list-style-type: none"><li>T Contribution to health equity and access</li><li>H Innovation for better healthcare outcome</li><li>T Quality and safety in product, service, and solution</li><li>T Supply chain risk mitigation and resilience</li><li>H Workplace safety and human rights</li><li>H Employee development and engagement</li><li>T Diversity, equity, and inclusion</li><li>T Circularity through product stewardship</li></ul>	
	Mid	<ul style="list-style-type: none"><li>Ethical marketing practice</li><li>Environmental reporting transparency</li><li>Involvement of other stakeholders</li></ul>	<ul style="list-style-type: none"><li>Strengthening risk and crisis management, fostering a risk-aware corporate culture</li><li>Diversity in the Board of Directors</li></ul>	<ul style="list-style-type: none"><li>H Public awareness building on early detection and treatment</li><li>H Privacy, information, and cybersecurity</li></ul>
	Low	<ul style="list-style-type: none"><li>Corporate citizenship and philanthropy</li><li>Tax transparency</li></ul>		<ul style="list-style-type: none"><li>Innovation to improve manufacturing process</li></ul>
			Low	Mid
Business Impact				

ESG Strategy Structure

To enhance Olympus’ ESG initiatives, we undertook a reconsideration of our promotion structure for sustainability strategies at the Group level in fiscal year 2023. We then established a new sustainability governance system in April 2023. Under this governance system, an “ESG Committee” has been put in place, with the ESG Officer having ownership, and the committee comprised of heads of respective businesses and functions. The ESG Committee implements sustainability strategies, discusses important measures related to materiality, and monitors progress against goals. Furthermore, we have established thematic working groups under the ESG Committee, such as those on the environment and human rights, to study and share information on measures that need to be taken across functions.

The ESG Officer reports to the Group Executive Committee and the Board of Directors on the implementation status of the sustainability strategy as well as on outcomes and attendant challenges. We thus ensure that a proper and appropriate sustainability strategy is implemented based on the guidance and advice of the Group Executive Committee and the Board of Directors.



Details : Basic Concept and Governance System: <https://www.olympus-global.com/csr/esg/>  
ESG Strategy: <https://www.olympus-global.com/csr/strategy/>

Six ESG Focus Areas

1 Healthcare Access and Outcome

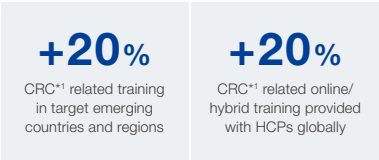


Olympus recognizes the healthcare business as a domain conducive to our contributing to society by exercising our prowess in the areas in which we most excel. We will aim to contribute to society by delivering innovative products that facilitate greater healthcare outcomes and training opportunities for healthcare professionals (HCPs).

Materiality Topics

- Top Priority**
- Contribution to health equity and access
- High Priority**
- Innovation for better healthcare outcome
  - Public awareness building on early detection and treatment
- Others**
- Corporate citizenship and philanthropy

KPI



FY2024 Achievements



Related Information

Integrated Report 2024 See page 52

**Sustainability**  
Elevating the Standard of Care: <https://www.olympus-global.com/csr/social/medical-standards/>

SDGs



2 Compliance, Product Quality and Safety

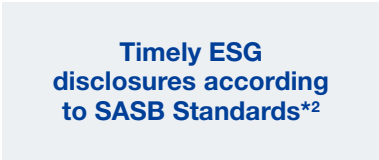


As a company providing medical devices, Olympus' foremost priority should be the safety of patients. We are endeavoring to ensure observance of anti-corruption and other compliance measures and our complete accordance with the laws and regulations of respective countries to ensure the quality and safety of our products.

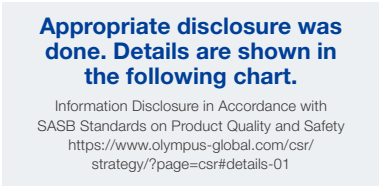
Materiality Topics

- Top Priority**
- Quality and safety in product, service, and solution
- High Priority**
- Business ethics and compliance
  - Privacy, information, and cybersecurity
- Others**
- Risks and crisis management, risk culture
  - Ethical marketing practice
  - Innovation to improve manufacturing process
  - Tax transparency

KPI



FY2024 Achievements



Related Information

Integrated Report 2024 See pages 29, 32, 90

**Sustainability**  
Compliance: <https://www.olympus-global.com/csr/governance/compliance/>  
Product Responsibility: <https://www.olympus-global.com/csr/social/product-responsibility/>

SDGs



3 Responsible Supply Chain



The stable provision of medical devices is indispensable to ensuring the stable availability of healthcare in society. In addition to fulfilling our responsibility to deliver a stable supply of our products, we will actively work together with our suppliers to address social issues, such as those involving the environment and human rights.

Materiality Topics

- Top Priority**
- Supply chain risk mitigation and resilience
- High Priority**
- Human rights commitment in supply chain management

KPI



FY2024 Achievements

- Globally expanded supplier visibility, collaborating with a leading risk solution provider to implement real-time monitoring and multi-tier risk identification across its supplier network.
- This enhancement, including BCP plans and ESG performance indicators, emphasizes our adherence to stringent compliance standards and strengthens supply chain resilience.

Related Information

Integrated Report 2024 See page 71

**Sustainability**  
Procurement: <https://www.olympus-global.com/csr/social/procurement/>

SDGs



4 Healthy Organization



Olympus defines a healthy organizational culture as one in which each and every employee can perform at their best, and is engaged in a variety of initiatives towards its aim of becoming such an organization.

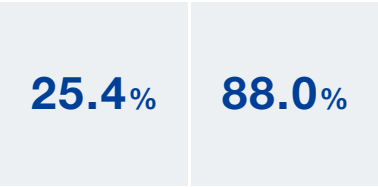
Materiality Topics

- Top Priority**
- Diversity, equity, and inclusion
- High Priority**
- Employee development and engagement
  - Workplace safety and human rights

KPI



FY2024 Achievements



Related Information

Integrated Report 2024 See page 62

**Sustainability**  
Diversity, Equity and Inclusion: <https://www.olympus-global.com/csr/social/diversity/>

SDGs



5 Carbon Neutral Society and Circular Economy



Olympus recognizes climate change as a serious issue that endangers the integrity of the global environment, as well as being an issue that affects our business activities. We will continue to promote a variety of ongoing initiatives toward the achievement of carbon neutrality into the future.

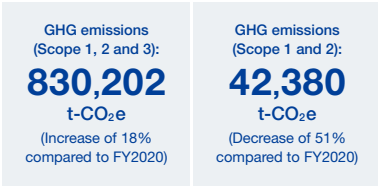
Materiality Topics

- Top Priority**
- Scope 1 and 2 carbon emissions
  - Scope 3 carbon emissions
  - Circularity through product stewardship
- High Priority**
- Water and waste management
  - Climate risk resilience
- Others**
- Environmental reporting transparency

KPI



FY2024 Achievements



Related Information

Integrated Report 2024 See page 68

**Sustainability**  
Environment: <https://www.olympus-global.com/csr/environment/>

SDGs



6 Corporate Governance



Olympus has, over the course of many years, focused on strengthening our corporate governance to ensure that we remain a company that is trusted by our stakeholders. We recognize that doing so is of vital importance for the sustainability of our company and will continue to strive to enhance corporate governance into the future.

Materiality Topics

- Top Priority**
- Corporate governance and reporting transparency
- Others**
- Involvement of other stakeholders
  - Diversity in the Board of Directors

KPI



FY2024 Achievements

- Conducted Enterprise Risk Management based on "Olympus Group Risk Management and Crisis Response Policy" and relevant internal rules. The result was reported to the Group Executive Committee and Board of Directors.

Related Information

Integrated Report 2024 See page 76

**Sustainability**  
Corporate Governance: <https://www.olympus-global.com/company/governance/>

SDGs



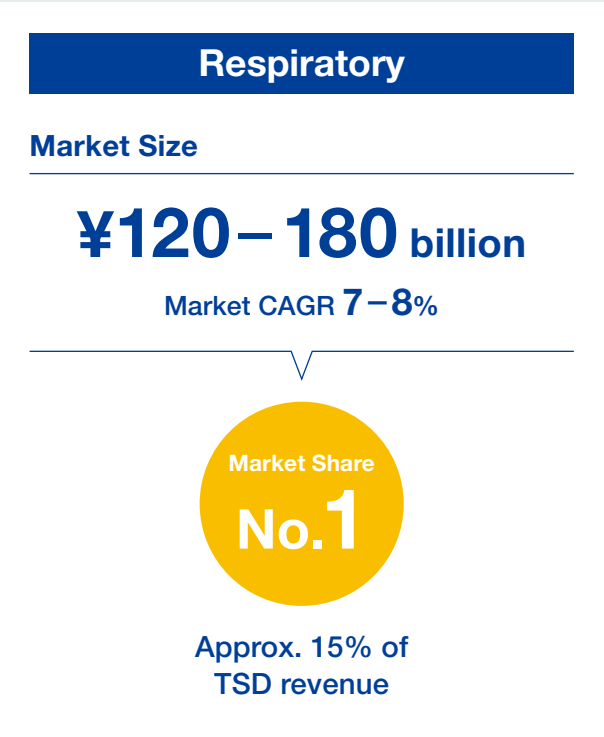
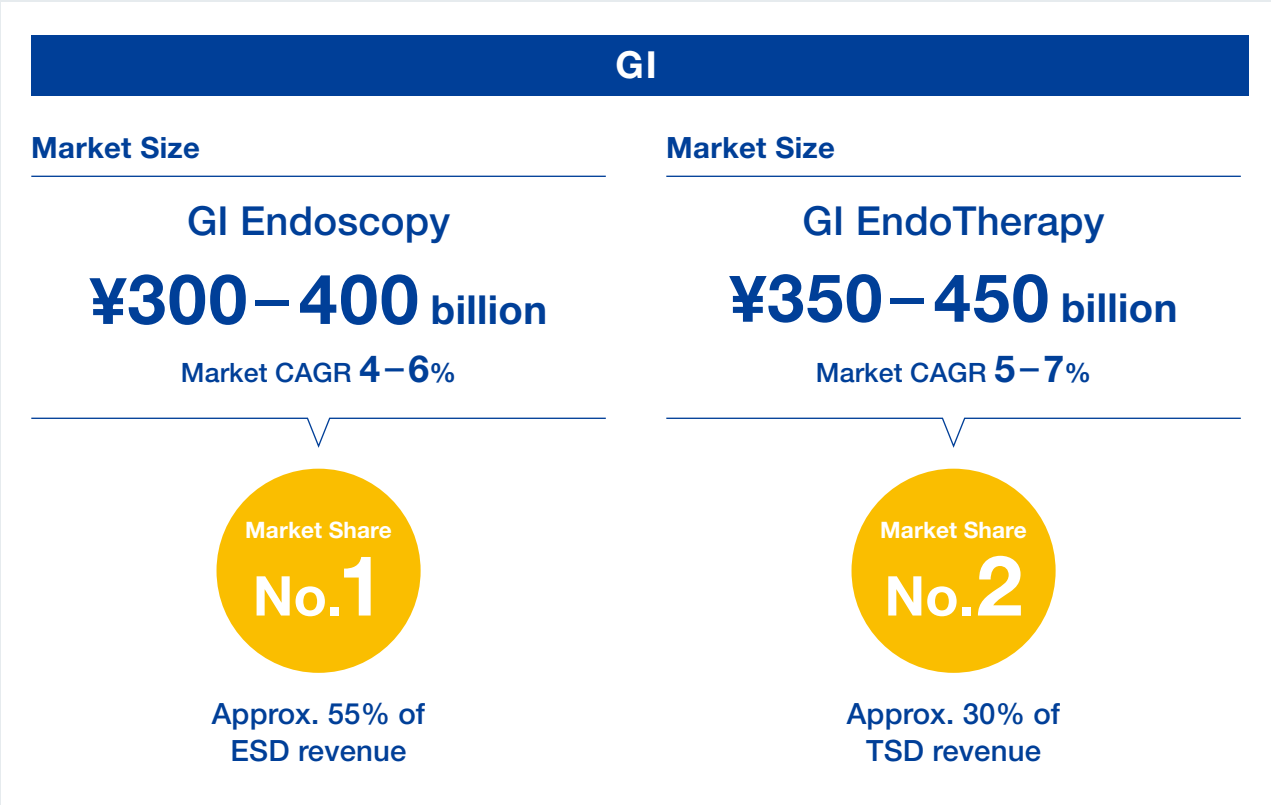
\*1 CRC: Colorectal cancer      \*2 SASB Standards: Published by the Sustainability Accounting Standards Board (SASB; US) to encourage the standardization of non-financial information disclosure. Industry-specific disclosure standards have been formulated.

\*3 Olympus Corporation



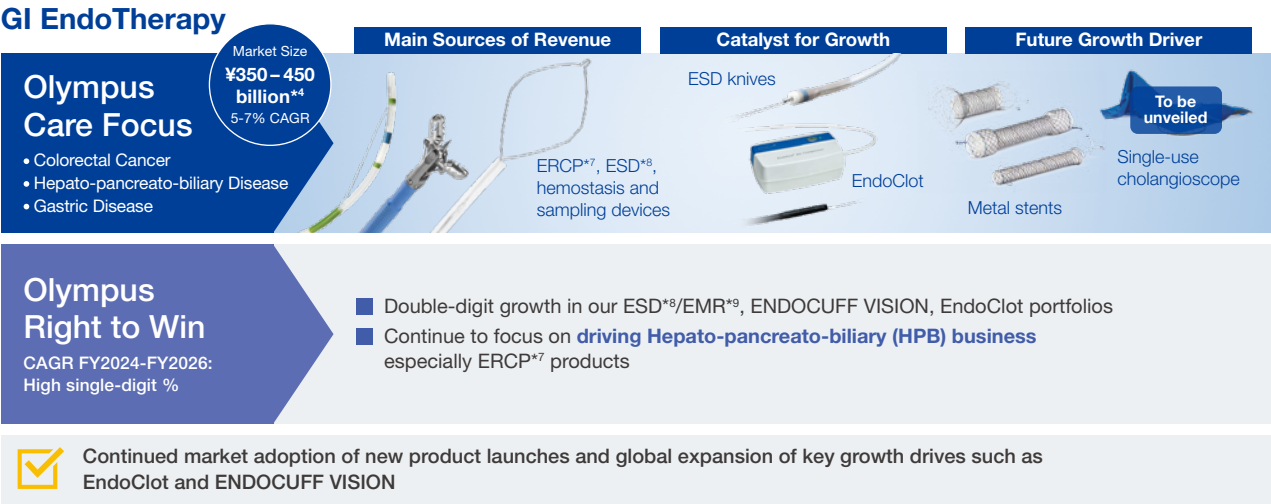
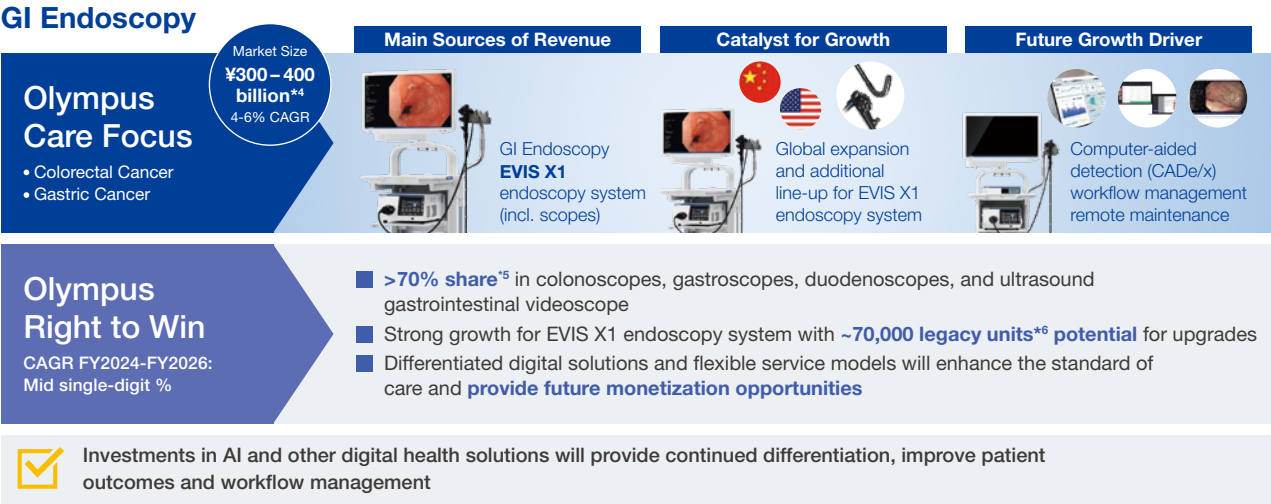
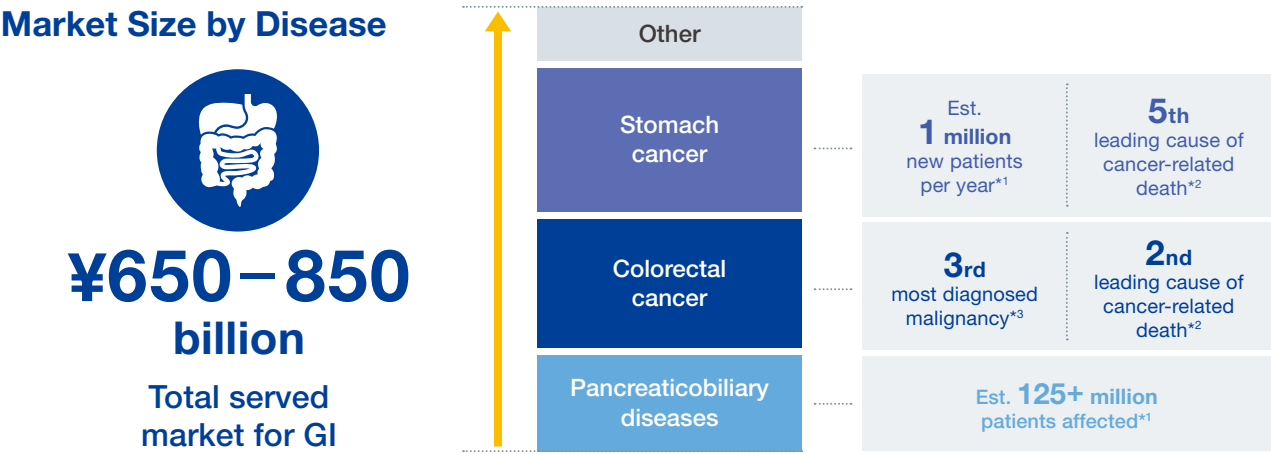
Overview and Direction of Three Focus Areas

Our Positions in Focus Areas



Note: Served market scale and growth forecast information for this page come from the Company’s research and pertains to data for the U.S., EU5 (Germany, the U.K., Italy, France, Spain), Japan, and China. Market scale is as of July 31, 2024. Growth forecasts are projected for fiscal year 2024 to fiscal year 2027. This also applies to market data shown on other pages. Sub-segment sales ratios within ESD/TSD are figures of fiscal year 2024.

GI



\*1 Source: Epi Database®, Cerner Enviza, as accessed on July 2024; this is 2023 data for the U.S., EU5, Japan, and China.

\*2 Source: GLOBOCAN 2022

\*3 Source: GLOBOCAN 2020

\*4 Addressable market, growth, and Olympus position based upon publicly available data and Olympus research, and pertains to data for the U.S., Germany, the U.K., Italy, France, Spain, Japan, and China

\*5 Addressable reusable scope Olympus position based upon publicly available data and Olympus research, and pertains to data for the U.S., Germany, the U.K., Italy, France, Spain, Japan, and China

\*6 Units sales of previous generation video processor (CV-190 and CV-290)

\*7 Endoscopic Retrograde Cholangio Pancreatography

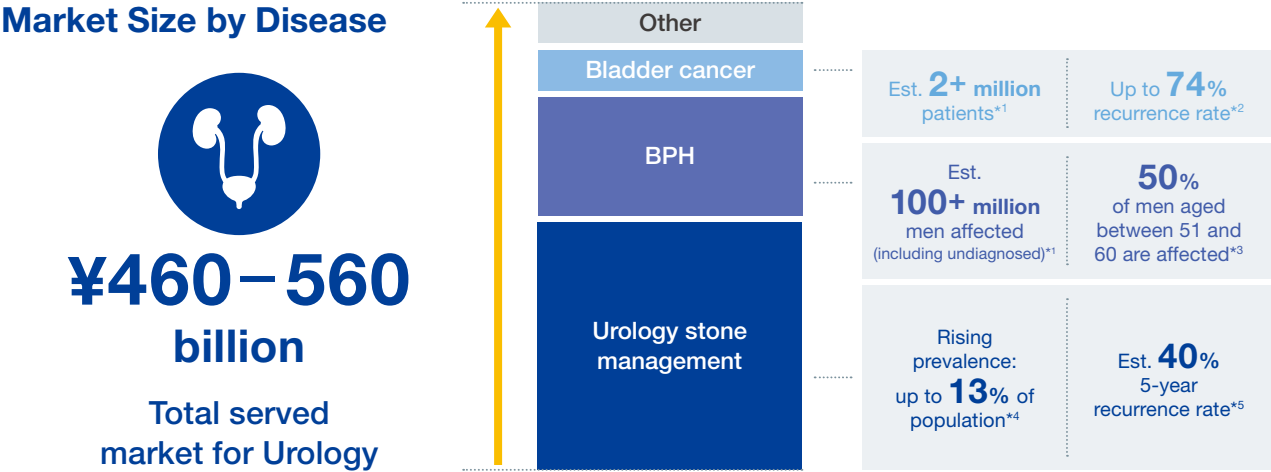
\*8 Endoscopic Submucosal Dissection

\*9 Endoscopic Mucosal Resection

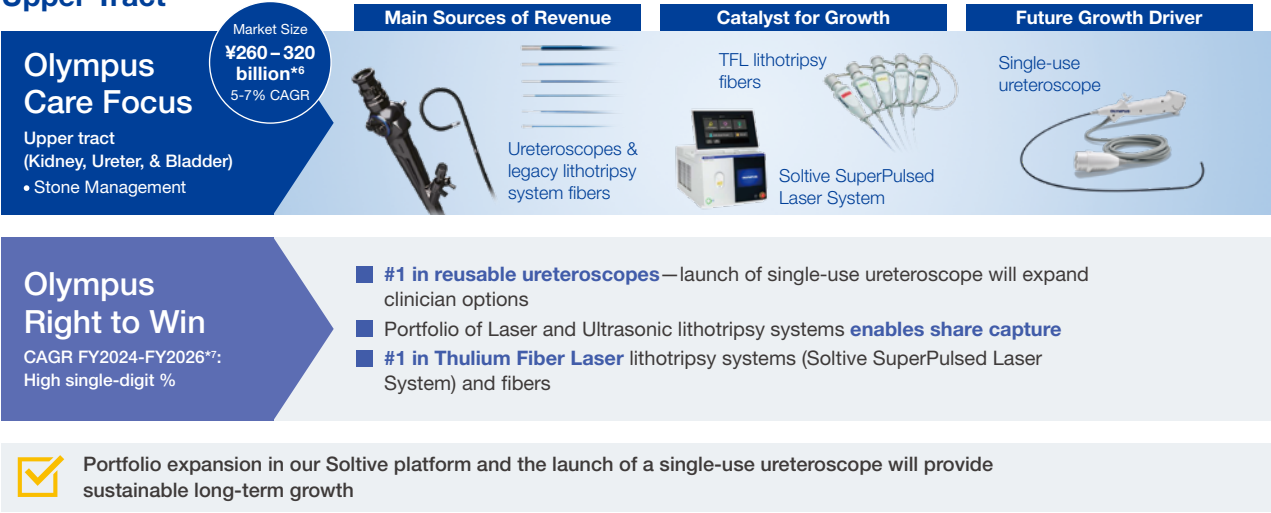
Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.

Urology

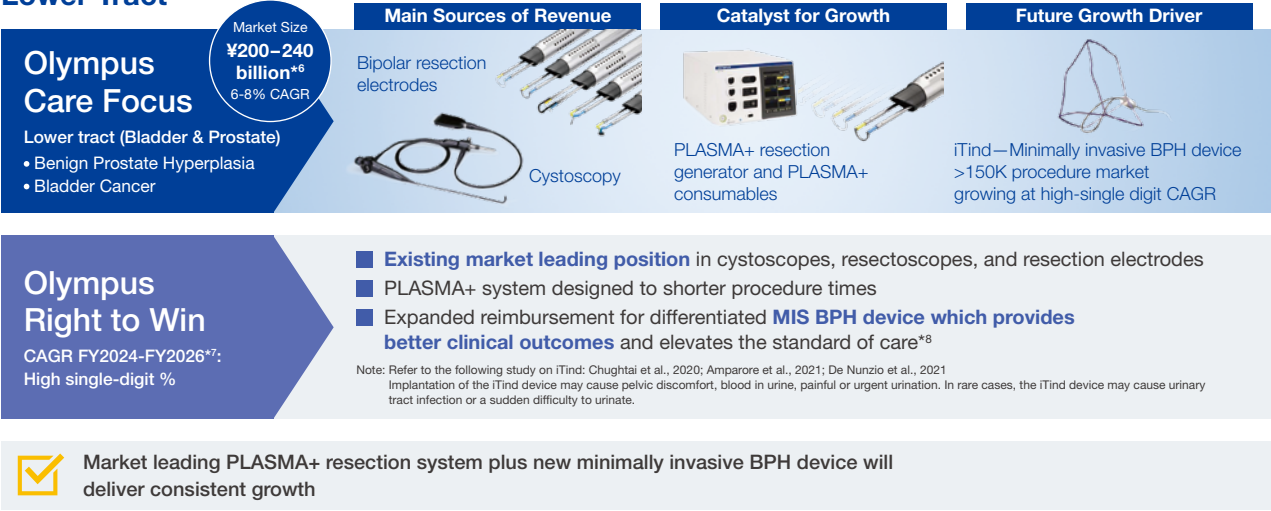
Market Size by Disease



Upper Tract

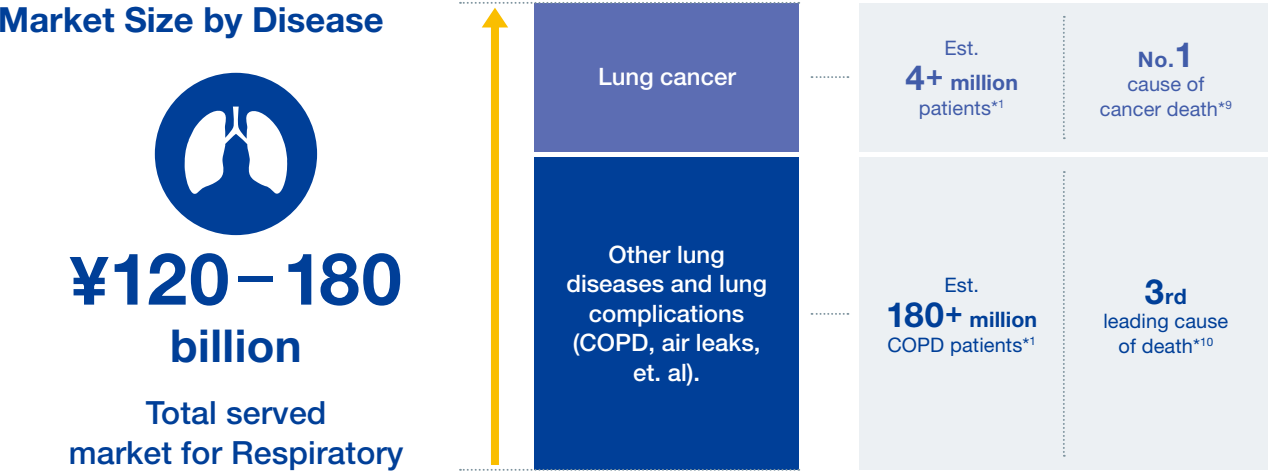


Lower Tract

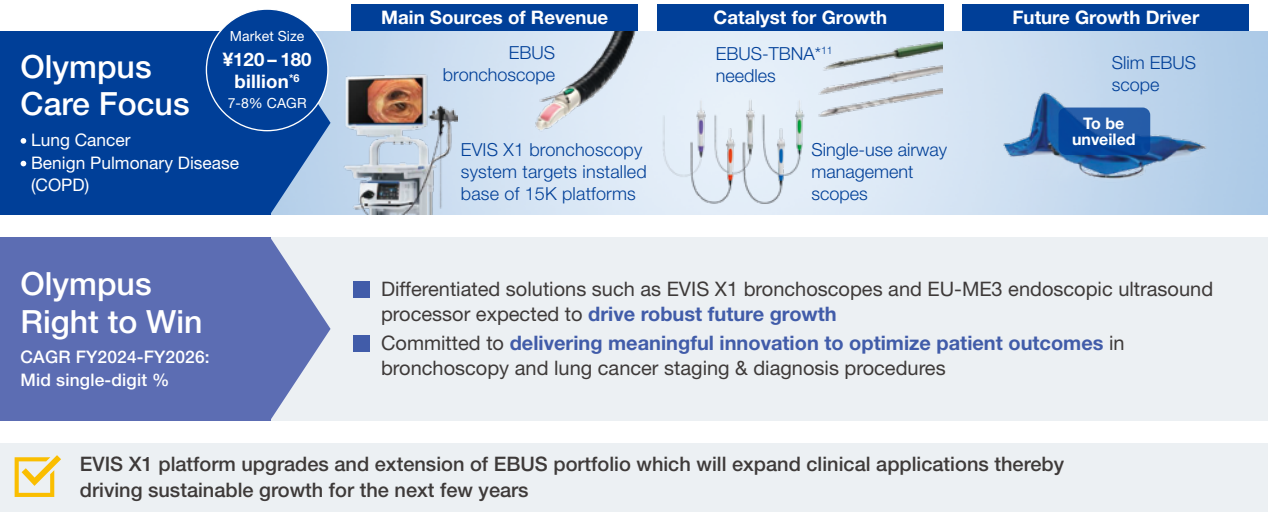


Respiratory

Market Size by Disease



Upper Tract



\*1 Source: Epi Database®, Cerner Enviza, as accessed July 2024; this is 2023 data for the U.S., EU5, Japan, and China.

\*2 Source: Recurrence of high-risk bladder cancer: A population-based analysis—Cancer. 2013 Sep 1; 119(17): 3219–3227.

\*3 Source: BPH: surgical management—Urology Care Foundation website. www.urologyhealth.org. Updated July 2013.

\*4 Source: Epidemiology of stone disease across the world—World J Urol. 2017 Sep;35(9):1301–1320. doi: 10.1007/s00345-017-2008-6.

\*5 Source: Recurrent Nephrolithiasis in Adults: A Comparative Effectiveness Review of Preventive Medical Strategies—Agency for Healthcare Research and Quality (www.effectivehealthcare.ahrq.gov), published online June 15, 2011.

\*6 Addressable market, growth, and Olympus' position based upon publicly available data and Olympus research, and pertains to data for the U.S., Germany, the U.K., Italy, France, Spain, Japan, and China

\*7 Urology (including gynecology products) of Olympus' Therapeutic Solutions Business

\*8 iTind procedure does not require a permanent implant and preserves sexual function and continence, while reducing the need for a post procedure catheter. Procedure can be done in the MD office setting.

\*9 Source: GLOBOCAN 2022

\*10 Source: World Health Organization

\*11 Endobronchial ultrasound-guided transbronchial fine needle aspiration (EBUS-TBNA)

Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.



EVIS X1

Positive Feedback for the EVIS X1


We have continued to expand sales of the EVIS X1 advanced endoscopy system, and in fiscal year 2024, we began sales in several countries, including the United States and China. We have received positive feedback on various imaging technologies that further improve treatment and diagnosis.


United States

Dr. Sam Serouya

NYU Langone Hospital Brooklyn

The EVIS X1 is an amazing product that is now providing us gastroenterologists the ability to take the next step in therapeutic endoscopy. It enables visualization that we did not think possible, supporting safe, efficient, and high level care for our patients.





Dr. Anand Gupte

UF Health Shands Hospital


With TXI technology, optimization of texture and color brings out the topography of the mucosa in detail, enhancing detection and subsequent resection of abnormal tissue. I prefer TXI technology during withdrawal in the colon, as delineation of flat polyps or other subtle lesions is easy. I also find RDI technology quite helpful in identifying bleeding sites during therapeutic procedures such as after a large polyp removal or EMR<sup>\*1</sup> where one can see blood emanating from multiple sites.


China

Dr. Liu Zhiguo

Xijing Hospital

With superior imaging processing capability, modes including BAI-MAC, TXI, and RDI significantly improve the efficacy and safety of endoscopic procedures. BAI-MAC facilitates cancer screening with NBI, TXI enhanced contrast on lesion margin and surface structure, and RDI makes possible the visualization of underlying blood vessels previously unseen.





Dr. Wu Qi

Beijing Cancer Hospital

Since EVIS X1 was landed in China, it has brought many technological innovations and possibilities to the field of endoscopy. For example, the 4K imaging effect brings better visual experience, the RDI technology help minimize significant bleeding and reduces fatigue during the ESD<sup>\*2</sup> process, and using TXI technology can also make early disease screening detection easier. So, with the continuous development of clinical applications, it is believed that the introduction of new technologies will bring more help to endoscopic diagnosis and treatment.


Notes: Dr. Serouya, Dr. Gupte, and Dr. Espino are consultants and Dr. Zhiguo, Dr. Qi, and Dr. Choi are paid consultants of Olympus Corporation, its subsidiaries and/or its affiliates. Any content or information ("Content") presented herein is illustrative in nature and does not guarantee or represent specific information, outcomes, or results. Olympus Medical Systems Corp. and its parents, subsidiaries, affiliates, directors, officers, employees, agents, and representatives (collectively "Olympus") does not represent to or warrant the accuracy or applicability of the Content. Under no circumstances shall Olympus be liable for any costs, expenses, losses, claims, liabilities, or other damages (whether direct, indirect, special, incidental, consequential, or otherwise) that may arise from, or be incurred in connection with, the Content or any use thereof. The contents are not aimed at general consumers including patients who the device could treat according to the medical profession's judgment. Information on this document does not replace the labeling or Instruction for Use for the devices and any user of the medical device must at all times observe all mandatory information, found, in particular, on the labels and the Instruction for Use. The products referenced here may not be available in all jurisdictions or regions. In addition, indications for use may vary by jurisdiction or region. Please contact your Olympus representative if you have any questions about the availability of the products in your area.

Latin America

Dr. Alberto Espino

Pontificia Universidad Católica de Chile

After using TXI, I am impressed by it as a new and improved tool to observe incipient neoplastic lesions of the digestive tract in greater detail, which will translate into better therapeutic decisions for patients.

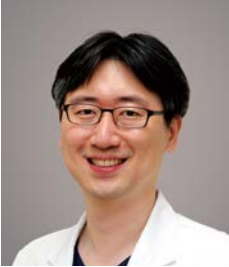


South Korea


Dr. Hyuk Soon Choi

Korea University Anam Hospital


TXI technology and RDI technology in the Olympus EVIS X1 system represent significant advancements in medical imaging technology. TXI technology significantly improves the observation of surface and vascular patterns, critical for early disease detection. Through precise differentiation between tissue layers, TXI ensures safer and more accurate cuts during ESD<sup>\*2</sup> procedures. This technology is especially beneficial in identifying flat or depressed lesions, boosting the diagnostic confidence of medical professionals. RDI technology feature is invaluable for quickly identifying the source of bleeding in complex medical procedures. By facilitating a more active approach to bleeding control, RDI minimizes the risk of accidental damage to deep blood vessels. This capability is particularly important in procedures like ESD and POEM<sup>\*3</sup>, where avoiding deep vessel damage is crucial. RDI technology thus plays a key role in reducing procedural stress and enhancing the overall confidence and efficiency of the medical team during operations.



EVIS X1's Technologies

 **TXI** Texture and Color Enhancement Imaging

Optimizes the three elements of texture, color, and brightness of mucosal surfaces and supports better visibility of lesions, etc.

 **RDI** Red Dichromatic Imaging


By utilizing green, amber, and red wavelengths, it enhances the visibility of gastrointestinal bleeding sources and deep blood vessels and makes hemostasis quicker and easier.

Detection


Characterization

Confirmation

Treatment

 **BAI-MAC** Brightness Adjustment Imaging with Maintenance of Contrast

Contributes to improvement of observation performance during screening tests by brightening darker distal areas while maintaining the brightness of the proximal areas without halation.

 **NBI** Narrow Band Imaging

During endoscopic observation, NBI technology enhances visualization of the capillary network and mucosal morphology. EVIS X1's endoscopic image is sharper and clearer compared to previous generation processors<sup>\*4</sup>.

<sup>\*1</sup> Endoscopic Mucosal Resection  
<sup>\*2</sup> Endoscopic Submucosal Dissection  
<sup>\*3</sup> Per-oral Endoscopic Myotomy  
<sup>\*4</sup> Data on file with Olympus (DC00303282)

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Intelligent Endoscopy Ecosystem

Intelligent Endoscopy Ecosystem

As the MedTech leader for endoscopy-enabled care, we are harnessing the opportunities enabled by digital technologies to create an Intelligent Endoscopy Ecosystem for the benefit of our customers and patients and to reach the quadruple aim of healthcare.

The New Era in Endoscopy

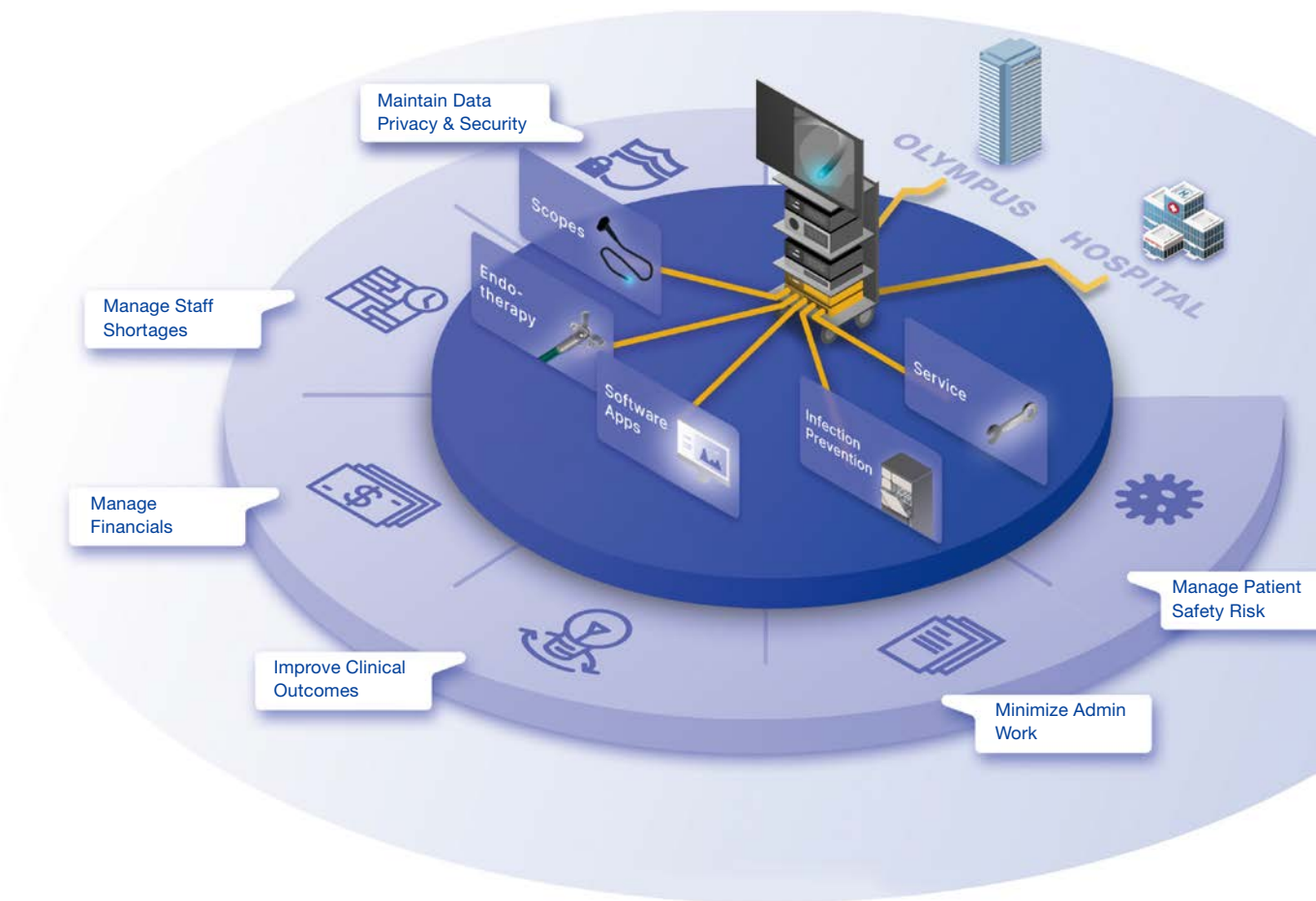
The rise in chronic diseases and aging populations requires the healthcare community to overcome the challenge of achieving better outcomes for more people and patient experiences at lower costs.

We believe there is an opportunity for significant progress in “intelligent” endoscopy, leveraging digitalization and automation. Data and connectivity, powered by AI, enable intelligent insights to help address clinical and operational needs.

A state-of-the-art software platform could drive our advanced digital endoscopy ecosystem, aiming at meeting

current and future clinical and operational needs, and could support empower clinicians and healthcare administrators to elevate patient care standards. With the latest core technologies, including AI, it will offer insights from data throughout the patient journey, targeting efficient and optimal outcomes for Olympus customers.

We aim to shift our solutions from a “Hardware only” business model, which relies on longer upgrade cycles, to a model where continuous software enhancements can deliver “always-on” innovation. This model works through over-the-air upgrades and on-demand apps on the Olympus platform.



As a result, patients and caregivers could benefit from more precise detection, diagnosis, and treatment. Data-driven and automated workflow solutions aim to potentially reduce human factor risk, increase efficiency, and improve patient safety. This could help retain healthcare professionals (HCPs) and attract the next generation of HCPs by supporting the provision of more accessible and scalable training and potentially reducing mental burden at work.

Moreover, our solutions aim to enhance the efficiency of non-clinical hospital staff through automated administration services. Data-driven inventory management, investment optimization services, and transparent asset management are just a few examples of how these solutions could revolutionize endoscopy programs, potentially leading to more efficient and effective patient care and hospital operations.

As AI offerings in healthcare are set to grow exponentially in the coming years, Olympus is uniquely

positioned to shape the future and help customers gain endoscopy insights. This is achieved by collecting and leveraging data, supported by our strong presence in all endoscopy suite components: capital equipment, consumables, infection prevention, and service.

The feedback we have received from our customers on the initial solutions, co-created with five hospitals in Europe, have been well-received, and we expect to open an additional ten co-creation centers by the end of 2024. This test phase will enable us to begin commercializing these solutions through subscription to our portfolio in 2025. Our ambitious goal is to connect 40,000 of our globally installed base of GI image processors by the end of the decade.

The Intelligent Endoscopy Ecosystem will increase the potential and realize the total synergetic value of the broad Olympus endoscopy portfolio.

Our Vision



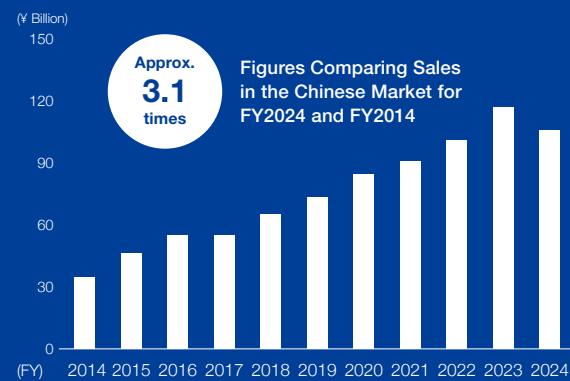


## Chinese Market

## Chinese Market with High Growth Potential

Further development of endoscopic medicine is expected in the Chinese market. In this section, we outline Olympus strengths and describe the market conditions and future growth potential.

## Chinese Sales Growth Trends in the Medical Business



Approx. **106,000** people

Number of healthcare professionals who have participated in Olympus training courses over the past five years\*<sup>1</sup> (including approximately 82,000 online participants)

Around **50** years

Number of years Olympus has been expanding in the Chinese market and building relationships of trust with local doctors

\*<sup>1</sup> FY2020 to FY2024

## Providing Sustainable Growth Opportunities and Total Solutions for the Chinese Market

Since entering the Chinese market about 50 years ago, Olympus has been strengthening its business foundation ahead of other companies. Through active cooperation with doctors, hospitals, and academic societies, we have spread endoscopy and have built relationships of trust with doctors. At the same time, we have been supporting doctors so that they can perform endoscopic screenings and treatments safely by strengthening our after-sales service at our service sites and training support.

With such a strong foundation, our business in China has grown significantly, and we view it as a strategically important market for it to continue to do so. Although we are currently facing challenges such as the anti-corruption campaign, etc., we are aiming for sustainable growth over the medium to long term.

In particular, Olympus continues to invest aggressively to grow the business through three key initiatives: 1. Invest in clinician education and training; 2. Assess unmet needs from Chinese healthcare professionals; and 3. Local manufacturing strategy.

In addition to our three in-house training centers in Shanghai, Beijing, and Guangzhou, we are currently supporting the training of endoscopists across China through our collaboration with regional top hospitals in more

than 20 provinces\*<sup>2</sup>.

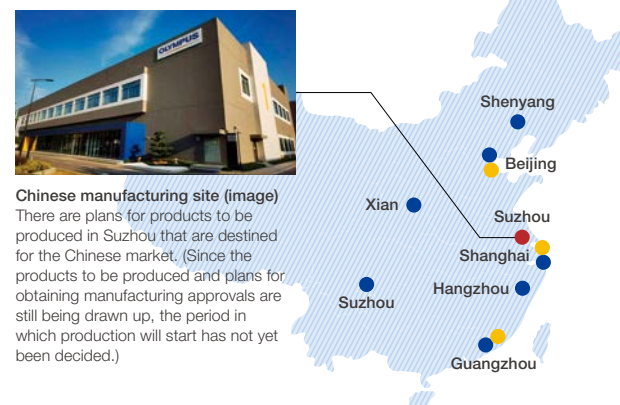
Our online, on-site, and hybrid training programs, as well as our wide range of online content, have been well received by healthcare professionals.

Moreover, all seven service centers provide inspection and maintenance for endoscopic products, creating an industry-leading system. We will continue to achieve business growth not only by launching high value-added and differentiated products but also by proposing total solutions that include our services and training activities.

\*<sup>2</sup> As of September 2024

## Chinese Service Centers, Training Centers, and a Manufacturing Site

● Service Centers ● Training Centers ● Manufacturing Site (under preparation)



## PEST Analysis in the Chinese Market

- **“Made in China 2025” released in 2015:** The Chinese government announced that the country aims to become a true manufacturing powerhouse, including in R&D, instead of the current one focusing on goods assembly. The goal is to become one of the top manufacturing nations in the world by 2049. There are 10 target fields, one of which includes biotechnology and medical device.
- **“Healthy China 2030” released in 2016:** This policy promotes the health of the Chinese people and building of a healthy nation. Priority items are early detection and treatment of chronic diseases including cancer, fixing regional disparities in the medical service area, and expansion of medical institutions. To support this, the aim is also to achieve technological innovation and development in the medical industry.
- **“Working plan for improvement of comprehensive capabilities of county-level hospitals” released in 2019:** This policy aims to raise the healthcare standards of 500 county-level hospitals and 500 Traditional Chinese Medicine (TCM) hospitals to the same level as a class III hospital or a class III TCM hospital.
- **“Action Plan to Promote Large-scale Equipment Renewals and Trade-ins of Consumer Goods” released in 2024:** The plan focuses on seven areas, industries, agriculture, construction, transportation, education, culture and tourism, and healthcare. Its targets are the replacement of old facilities and consumer goods with new ones, in a process designed to make them more high-end, smart (AI), and green by 2027. In medical equipment, the focus is on expanding domestic demand and the structural reform of hospitals, aiming to correct regional disparities, improve the quality of healthcare, and increase efficiency. High-end large-scale medical equipment, innovative medical equipment, and AI-related products are said to have a high chance of orders.
- **Volume-based procurement (VBP):** A type of centralized purchasing procurement program initiated by provinces, cities, and other regions with the initial goal of reducing medical costs for high-value medical devices.
- **Anti-corruption campaign:** A campaign relating to anti-corruption audits targeting all public hospital; capital products are mainly affected due to the suspension or delay of purchasers’ decisions at hospitals. Begun in July 2023, it was announced in May 2024 that the campaign would become a permanent initiative, including standardizing distribution and changing hospital purchasing processes to prevent any recurrence of fraud.

**China’s Potential Market**

Hospitals with an interest in advanced medical diagnosis and treatment, and in increasing the number of endoscopic procedures

Number of Beds per Hospital Class

Class III hospital: Over 500  
Class II hospital: 100–499  
Class I hospital: 20–99

\*<sup>3</sup> Figures comparing the number of facilities as of March 31, 2024 with those as of March 31, 2021

Note: Policies by the Chinese government are introduced in this section.

## Economy

- **Outlook for the Chinese healthcare market:** Up until 2022, the healthcare market had been affected by the zero-COVID policy, the slowdown in economic growth, and the anti-corruption campaign. However, it is still thought that the market will grow over the medium to long term due to an aging population and increased screening based on stable economic growth.
- **Increased investment in mid-tier and rural hospitals:** In China, about 29,000 medical facilities are divided into classes III, II, and I, etc., and there is a tendency for patients to converge on class III hospitals where medical level is high. Moreover, there is a significant shortage of rural hospitals, and to resolve this disparity in healthcare, investment in infrastructure is expected to continue to grow, especially in mid-tier and rural hospitals.

## Society

- **Increase in the number of endoscopic screenings and treatments:** In recent years, demand in China for early diagnosis and minimally invasive treatments has been increasing due to the growing health awareness among its people. In addition to providing both of these values, endoscopy can help reduce medical costs, and the number of screenings and treatments is growing rapidly.
- **Installation of new endoscopy rooms:** With the Chinese government’s policies and the increase in the number of endoscopic screenings and treatments, endoscopy rooms are being actively introduced in newly established or expanded hospitals, leading to the development of endoscopy.
- **Shortage of endoscopists:** The number of endoscopists per million people remains low (Japan: 282 endoscopists, China: 34 endoscopists\*<sup>4</sup>). In medical institutions, the number of endoscopists are unable to keep up with the growing number of patients, making the development of new endoscopists an urgent matter.

## Technology

- **GI Endoscopy:** Olympus maintains an advantage over local manufacturers. NBI\*<sup>5</sup> technology and magnifying endoscopes that meet clinical needs have contributed to the improvement of endoscopic diagnosis and treatment technology in China. In addition, diagnostic methods based on our technology, represented by magnifying endoscopes and NBI, are becoming the standard in endoscopy, maintaining our superiority in the market.
- **Surgical Endoscopy:** With the rapid development of CMOS technology, local manufacturers are improving their technology levels, and the competitive environment in this market is intensifying.
- **GI EndoTherapy:** The competitive environment is becoming severe for low-end products, where price is more important than technology and added value. On the other hand, we have established a favorable position in the market for high-end products such as ESD\*<sup>6</sup> and other advanced procedures, however we keep paying attention to VBP and competitors’ movements.

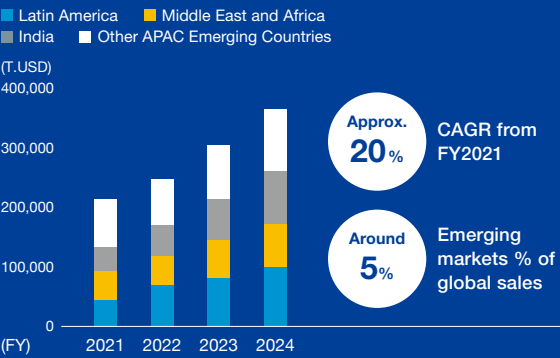
\*<sup>4</sup> Source: Calculated by Olympus using publicly available data\*<sup>5</sup> Narrow Band Imaging\*<sup>6</sup> Endoscopic Submucosal Dissection



Emerging Markets

# Support for Training of Endoscopists and Contribution to Strengthening Medical Infrastructure in Emerging Markets

Sales Growth Trends in Emerging Markets in the Medical Business



Approx. **1,900** people

Number of healthcare professionals in emerging markets (India, Indonesia, Philippines, Brazil, Mexico) who participated in training courses in which Olympus was involved in FY2024\*1

Number of Endoscopists per Million People\*2

Thailand	31
Malaysia	18
Vietnam	11
India	7
Philippines	4
Indonesia	2
[Reference] Japan	282
[Reference] US	47
[Reference] China	34

\*1 In addition to those organized by Olympus, total number of participants in online/hybrid/on-site training courses, including those co-sponsored by NGOs, academic societies, and hospitals  
\*2 As of September 2023. Compiled by Olympus using publicly available data.

India is a vast country with a population of 1.4 billion, the largest in the world. Even as India undergoes rapid economic development, there is an extreme shortage of infrastructure for cancer screening and treatment. In an effort to provide a partial solution to this issue, Olympus created the Outreach Screening Program, which installs endoscopic screening equipment in a vehicle that travels to small villages. The head of the medical business in India discusses the certain results observed from this program and the substantial expansion to be pursued in the future. In addition, we will also introduce our activities aimed at promoting endoscopic care in Kenya, where there is also a shortage of endoscopists.



Manish Kumar

General Manager, Medical Business, Olympus Medical Systems India

Joined Olympus in 2010 as a Product Manager in the gastrointestinal and respiratory medical field. Later served as a Marketing Manager and General Manager of Sales, and was appointed General Manager of the Medical Business in 2020.

## Contributing to Improvements in Healthcare Standards in India by Supporting Outreach Gastrointestinal Endoscopic Screenings

In India, while the number of cancer patients is expected to increase in the future due to population growth and lifestyle changes resulting from economic development and other factors, the number of endoscopists per million people is only 7 in India\*2, compared to 282 in Japan. It is said that in general, early detection and treatment through periodic screenings are important for the treatment of cancer. Despite this, India has few facilities that can conduct cancer screenings, and there is also a shortage of specialist doctors

who can perform screenings and treatment. The survival rate of cancer patients is lower than in developed countries. For example, whereas the five-year survival rate for colorectal cancer patients has reached about 70%\*3 in Japan, it is about 30%\*4 in India. To address these issues, Olympus is collaborating with local academic societies and hospitals to support the development of endoscopists by providing opportunities for training on endoscopic equipment. However, it takes 10 or more years for a physician to become an endoscopic specialist. As a result, three years ago, Olympus launched a project for traveling endoscopic screenings as a more direct solution.

This project is conducted in collaboration with hospitals that want to perform endoscopic screenings for people who are unable to undergo testing due to access and other issues and with medical institutions with which Olympus has discussed possible solutions for these social issues. The hospitals provide the vans on which the equipment is installed, communications equipment, the personnel who perform the screenings and so on, and Olympus provides the

endoscope screening equipment.

One measure that has already started is an initiative with the Asian Institute of Gastroenterology (AIG), a leading medical institution in Hyderabad, India. Under this initiative, a van travels one to two times each month to distant villages located up to 100 km from the base hospital and performs endoscopic screenings as well as basic blood screenings. The screening data is transmitted via satellite communications to the AIG main hospital in Hyderabad the same day for diagnosis. The following day, the physician who traveled to the site can prescribe therapeutic drugs.

The Outreach Screening Program is currently being operated with a total of four hospitals in the southern and central regions as bases, and so far, more than 2,000 endoscopic screenings have been performed. Based on the results from the past two to three years, it has become clear that this type of infrastructure enables people to undergo screenings in a timely manner, and hospitals are able to identify patients and detect cancer at an early stage.

We aim to begin collaborating with a minimum of 20 additional hospitals in the next two years. To achieve this, we established a specialized organization in April 2023 to be involved in this solution. We are already collaborating with three new medical institutions in the northern region and are currently making preparations.

As the program expands, we will also face challenges including resource issues relating to the collaborating hospitals and doctors. We hope to engage in close communication with them and actively address these types of issues in order to increase colleagues who are in agreement with the objectives of these activities. In addition, by leveraging the experience, data, and expertise gained through these outreach screenings, we hope to contribute to the launch of a screening program at the nationwide level in India in the future.

\*3 National Cancer Center Japan, Cancer Information Service, Aggregation of Hospital-based Cancer Registry Survival Rates [https://ganjoho.jp/public/qa\\_links/report/hosp\\_c/hosp\\_c\\_reg\\_surv/index.html](https://ganjoho.jp/public/qa_links/report/hosp_c/hosp_c_reg_surv/index.html) (in Japanese, accessed March 16, 2023)  
\*4 World Health Organization. (n.d.). GCO-SURVCAN. Retrieved from International Agency for Research on Cancer: <https://gco.iarc.fr/survival/survcanc/dataviz/table?survival=5&populations=0&cancers=90>

## COLUMN

### Enhancing Innovation Capabilities by Expanding R&D to Hyderabad, India

Olympus announced its strategic initiative to establish an R&D Offshore Development Center (ODC) in Hyderabad, India. This decision comes as a result of a strategic agreement with global technology company HCLTech, aimed at diversifying Olympus' innovation generation activities.

Concurrent with the creation of the ODC, Olympus will also prepare for the establishment of Olympus' in-house R&D center in the coming years. This center would be in addition to the our

current R&D centers in Japan, the United States, and Europe.

Olympus plans to further establish its presence in the country by collaborating with AIG Hospitals in Hyderabad for joint research projects. By partnering with one of India's premier healthcare institutions, Olympus aims to leverage clinical expertise and insights to drive the development of innovative medical solutions that address the evolving needs of patients worldwide.

### Launched Development Support Project in Kenya for the Diagnosis of Gastrointestinal Diseases

In Kenya, the proportion of non-communicable diseases as a cause of death has been growing. Cancer is now the third-highest leading cause of death in the country, and esophageal, colorectal, and gastric cancers are the leading causes of gastrointestinal-related morbidity and mortality cases. In response to this social problem, the Kenyan Ministry of Health established a basic policy against cancer in 2019 and is currently strengthening its efforts by setting target screening figures for colorectal cancer for citizens aged 45 and older. However, while the demand for endoscopic screenings, which are essential for the early detection and treatment of cancer, is expected to increase, there is a shortage of physicians with the advanced knowledge and skills required for these examinations. Furthermore, there is a need to improve the standard of endoscopic care by enhancing the knowledge and skills of physicians.

Olympus launched the "Kenya Endoscopy Human Resource Development Support Project for the Diagnosis of Gastrointestinal Diseases" to contribute to the early detection and treatment of gastrointestinal cancers. This includes the international deployment of Japan's latest medical technology through the training of Kenyan doctors, as well as helping to solve Kenya's

medical issues and assisting in the development of medical care.

Olympus conducted this project from July 2023 to January 2024 at Kenyatta National Hospital, a leading medical education institution in Kenya, in addition to other major medical institutions, including seven that received the latest endoscopic equipment provided by Japanese Official Development Assistance (ODA) last year. Japanese physicians affiliated with partner institutions served as lecturers and both trained Kenyan doctors directly and instructed on how to train the next generation of endoscopists.



Training in Kenya

\*5 This program is funded by "Projects for Global Growth of Medical Technologies, in 2023" conducted by the National Center for Global Health and Medicine under the Ministry of Health, Labour and Welfare, Japan.



Details

Contributing to Improvements in Healthcare Standards in India by Supporting Outreach Gastrointestinal Endoscopic Screenings: <https://www.olympus-global.com/csr/materiality/stories/oms/>  
Olympus Enhances Innovation Capabilities by Expanding R&D to Hyderabad, India: <https://www.olympus-global.com/news/2024/nr02701.html>  
Olympus to Launch Development Support Project in Kenya for the Diagnosis of Gastrointestinal Diseases: <https://www.olympus-global.com/news/2023/nr02539.html>



Innovation

Research and Development Activities

Basic Policy

Olympus R&D Vision

“Being a leading global and agile R&D organization, innovating new solutions that elevate the standard of care.”

To achieve this vision, three R&D missions were set following company strategy.

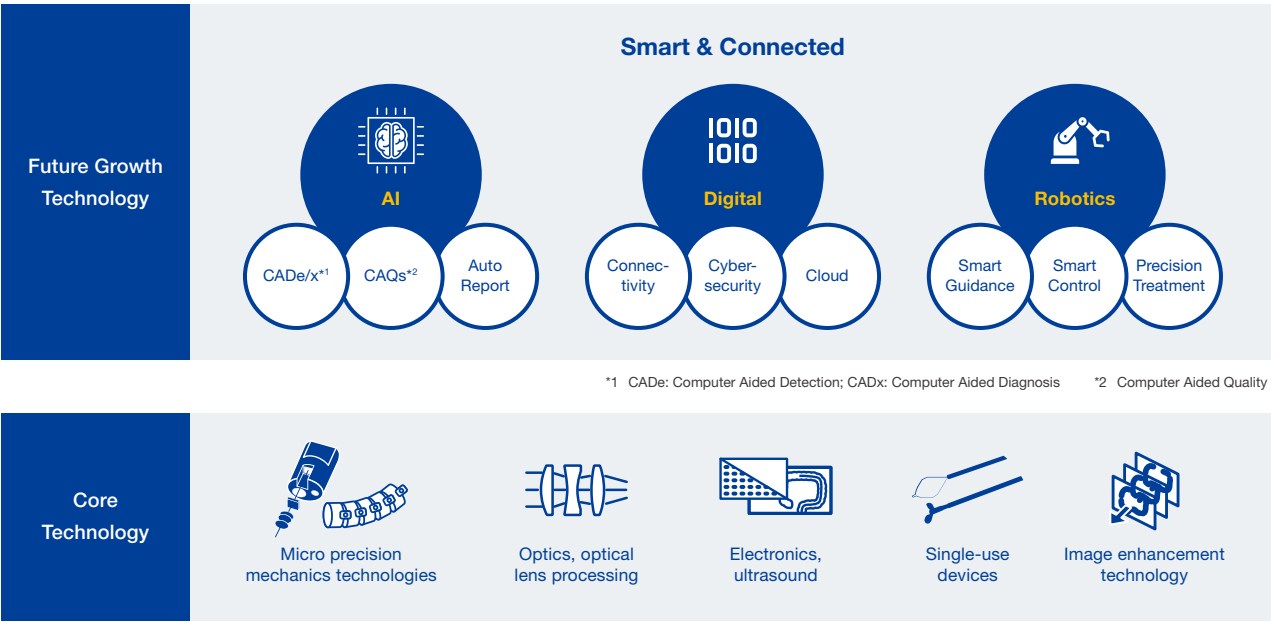
Patient safety and sustainability	Prioritize patient safety and product quality, establish and maintain a healthy and capable organization
Innovation for growth	Deliver value creating innovation for products, procedures, and solutions
Productivity	Ensure predictable and efficient execution based on a high performing organization

R&D Strategy

In the company strategy announced in May 2023, R&D is positioned at the center of the most important value-creating initiatives for innovation, which is essential for the Company’s development. We are strengthening innovation methods that put the patient into the center and focus on unmet needs. We will make appropriate investments that allow capturing future value, fostering an innovation culture, actively pursue strategic partnerships, and accelerate speed to market.

Patient/Customer Driven Innovation	Strategic Partnerships
Focus on clinical-driven innovation to address unmet needs, lower healthcare cost, and build on co-development practice with healthcare professionals (HCPs).	Pro-actively seek for strategic partnerships through joint venture, early-stage investments, M&As and co-creation.
Efficient and Capable R&D Organization	Right Investment
Become more efficient and predictable in project execution, fully leveraging our global resources, and enhance capabilities and capacity.	To achieve long-term growth, we will strategically balance our investments between next-generation product development and longer-term innovation.

Olympus Technology Expertise



Patient/Customer Driven Innovation

Innovation Through Collaborative Research

As part of our commitment to advancing innovation, we strategically target specific diseases and procedures that align with our business objectives. Through partnerships with key hospital facilities (e.g. AIG in India), we engage in collaborative research, leveraging the Biodesign methodology\*3 to gain deep insights into clinical environments.

This hands-on approach allows us to work directly with physicians, identifying critical unmet medical needs that present opportunities for groundbreaking innovations. Once these opportunities are identified, our teams rapidly prototype potential solutions at our R&D centers.

Our goal is to transform these prototypes into viable business concepts that address significant market needs, driving our continued growth and impact in the healthcare world.

This strategy underscores our dedication to fostering innovation that not only meets the current demands of the medical community but also anticipates and addresses future challenges in healthcare.



Dr. Nageshwar Reddy (AIG) in discussion with Andre Roggan (CTO)

\*3 Exploring potential needs based on medical field observations, processing steps from creating concepts to commercialization, and aiming to develop medical devices that are really needed in the world

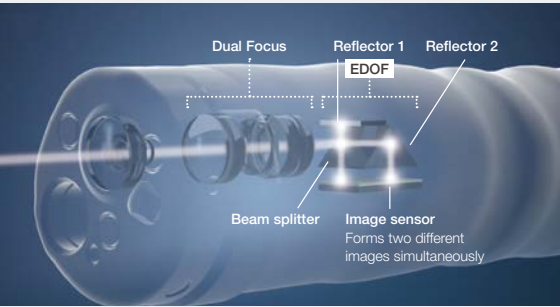
An Example of a Patient/Customer Driven Innovation

One of the new features of the EVIS X1 advanced endoscopy system is the Extended Depth of Field (EDOF) technology. Customers reported that in some cases, an object on the screen was not all in focus. For example, where a large or raised lesion is being diagnosed with an endoscope, getting the entire lesion in focus can be an issue. This reduced inspection efficiency, made accurate diagnostic imaging stressful for the physician and extended procedure times for the patient. EDOF solves this need by generating endoscopic images with a superior depth of field focus capability by combining two images; one focused on elements of the image closer to the scope and the other on elements of the image further away.

Using this technology, EDOF makes focusing easier for the physician and contributes to shorter procedure times

and improved inspection efficiency and provides highly accurate diagnostic imaging.

Principle of EDOF (Extended Depth of Field)



Strategic Partnerships

Sony Olympus Medical Solutions	Established as a joint venture
Canon Medical Systems	Business alliance on endoscopic ultrasound systems
Nippon Telegraph and Telephone	World's first demonstration of a cloud endoscopy system
HCLTech	Establishment of R&D Offshore Development Center (ODC) in Hyderabad, India

Latest Products Introduced through Collaboration



**Surgical Endoscopy**  
VISERA ELITE III, an endoscopic system for surgery



**GI Endoscopy**  
Aplio i800 EUS ultrasound diagnostic equipment

Strategic M&A

Strategic M&A

Our M&A Strategy

M&A plays a crucial role in our growth strategy. We seek to acquire companies that align with our core businesses of GI, GI EndoTherapy, Urology, and Respiratory. Our focus is on expanding our product portfolio and entering new markets with high growth potential. At the same time, we are committed to enhancing our business development capabilities.

Recognizing the importance of robust M&A execution, we are implementing a comprehensive strategy to strengthen our processes, build internal expertise, and expand our growth opportunities.

A key focus is on building a world-class M&A team and structure. From October 2024, the Business Development function strategically shifted from the Chief Strategy Officer (CSO) organization to the CEO's direct report line. This organizational change will enhance our agility while ensuring that we make Olympus well-prepared for future mergers and


acquisitions, thereby increasing opportunities for sustainable business growth. Furthermore, we have added experienced professionals. We are conducting thorough functional readiness assessments to identify strengths and areas for improvement across the organization. Improvement plans are being developed to ensure more seamless integration of future acquisitions. Additionally, we are systematically analyzing past deals to extract valuable lessons and establish best practices. This knowledge will inform our future M&A strategy and enhance our ability to create sustainable value.

To further accelerate our M&A process development, we have started a cross-functional improvement initiative. By bringing together diverse perspectives, we aim to streamline our deal execution, reduce integration risks, and accelerate time-to-value. These efforts will position us to capitalize on strategic opportunities more effectively.

“Olympus Innovation Ventures” Portfolio

We launched our own corporate venture capital fund, “Olympus Innovation Ventures” (OIV) in 2021. OIV enables us to invest in early-stage companies that align with our growth objectives. By partnering with innovative entrepreneurs, we gain access to cutting-edge technologies, expand our market


reach, and identify potential acquisition targets. Our recent investments in a diverse portfolio of companies, including notable examples such as Neuspera Medical and Neptune Medical as shown below, demonstrate our commitment to this growth strategy.




Urology

**Neuspera Medical**

Neuspera Medical focuses on developing innovative, implantable solutions for patients suffering from chronic illnesses. Its core technology is a miniaturized neuromodulation\* platform that enables smaller, deeper implants, potentially leading to less invasive and more adaptable treatment options. Neuspera Medical is currently concentrating its efforts on developing a system to treat Overactive Bladder, a condition affecting millions worldwide. By targeting specific nerves, it aims to provide relief for patients who have limited treatment options.






GI

**Neptune Medical**

Neptune Medical is at the forefront of developing innovative solutions to address critical healthcare challenges. It has developed a proprietary technology called “Dynamic Rigidization,” which allows for the instant transformation of flexible tubes into rigid structures. This innovative technology has applications in various medical procedures including GI endoscopy. Its flagship product is the Pathfinder advanced endoscopy device, which has received FDA clearance and is being adopted by hospitals and medical centers across the United States. Neptune Medical is also exploring the potential of its technology in the endoluminal robotics.



\* Treatment that stimulates the nervous system and regulates neural activity through electrical or magnetic stimulation or drug administration

Single-use Endoscope

Single-use Endoscope

Approach to Reusable and Single-use Endoscopy

One of the strategic priorities in our company strategy unveiled in May 2023 is business expansion in single-use endoscopes. We continue to recognize the market opportunity for single-use endoscopes and complement our reusable endoscopy product portfolio with single-use endoscopes. Reusable endoscopes will continue to be the first choice for a wide range of procedures due to the strong clinical need for advanced imaging and maneuverability as well as their financial efficiency for hospitals. At the same

time, as single-use endoscopy is quickly becoming a relevant option for selected procedures, the market for single-use endoscopes is expected to grow by 15–18%\* annually from 2020 to 2030.

As a global leader in endoscopy, we are developing single-use endoscopes on the strength of our expertise in visualization, maneuverability, and ergonomics, as well as our largest installed base in the market.




\* Growth forecast information comes from the Company's research.

Areas in Which We Plan to Develop (or Launched) Single-use Endoscopes (As of October 2024)

We have established a strategic approach to single-use endoscopy that is aligned with our goal to be the **Endoscopy Partner of Choice**, with best-in-class solutions providing the right scope for every patient, procedure, and site of care.

Pioneers in visualization and maneuverability			Largest installed base in the market		
Best-in-Class Visualization	Infection Control	High Maneuverability	Improves Workflow (on-demand solution)	Durable & Reliable	Managing Costs


Focus on innovative visualization technology to provide clinicians with the optimal range of endoscopes to meet their needs:

 <p><b>GI</b></p> <p>Duodenoscopes/Cholangioscopes: Planned launch 2025–2026</p>	 <p><b>Urology</b></p> <p>Ureteroscopes: FDA approved 2024</p>	 <p><b>Respiratory</b></p> <p>Bronchoscopes: Launched 2021 Rhinolaryngoscopes: Launched 2023</p>
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Spotlight: 510(k) clearance in the U.S.

**RenaFlex Single-use Flexible Ureteroscope**

The RenaFlex single-use flexible ureteroscope system is used to access and visualize the urinary tract to diagnose and treat urinary diseases and disorders, such as kidney stones. Regardless of stone size, composition, or location, we offer a broad range of stone management solutions to confidently approach every patient or procedure, at any site of care.



Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.



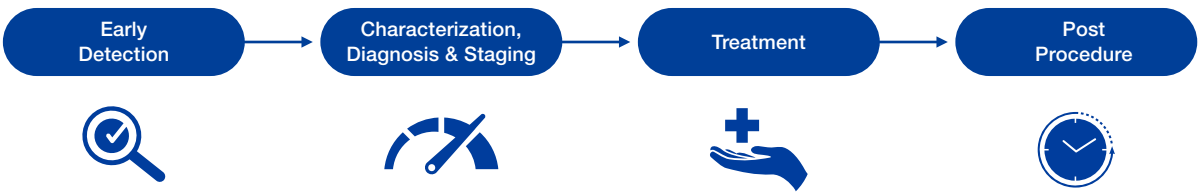
Care Pathway Enhancement

Care Pathway Enhancement

Olympus continuously aims to improve its solution capabilities to advance the quadruple aim: improving clinical outcomes, lowering the total cost of care, and enhancing the experience of both the patient and care team. We are focused and steadfast on elevating the standard of care all along the care pathway from early detection, diagnosis and staging, and treatment to ultimately in post procedure care.

Expectations for patient care are shifting

“We will focus on enhancing patient care pathways where Olympus can elevate the standard of care.”



Enhancing the Care Pathway for Colorectal Cancer (CRC)

**Our focus**

Advance early detection and enable minimally invasive surgical (MIS) procedures to improve outcomes and lower the cost of care

**The disease state**

CRC is the second leading cause of cancer-related deaths in the world<sup>\*1</sup>. Effective CRC screening programs are important, as early stage CRC often has no symptoms and has a high mortality if not detected early. Once detected, open surgery is an expensive option with downsides for the patient. In contrast, the MIS procedures offer shorter recovery times and improved efficiencies for the provider.

**Our solutions**

EVIS X1 supports the early detection of CRC. Additionally, it may be used with a variety of advanced imaging technologies and endotherapy devices for treatment.

ENDOCUFF VISION

ENDO-AID CAD

EndoClot

**Early Detection**

EVIS X1 endoscopy system

NBI

TXI

ENDOCUFF VISION

**Characterization, Diagnosis & Staging**

CADe (Computer-aided detection)

NBI

CADx (Computer-aided diagnosis)

Forceps Snare

**Treatment**

RDI

DualKnife J knife

EZ Clip hemostasis clip

EndoClot PHS

**Designed to increase ADR<sup>\*2</sup>, which may lead to early detection**

**Designed to enhance safety and effectiveness of early-stage cancer treatment and bleeding control during and post procedure**

Existing Olympus solution    Unmet need addressed by new Olympus solution

**Healthcare Value Proposition of Olympus Solutions**

**Patient**

- Early Detection: Contributes to greatly improved survival
- ESD<sup>\*3</sup>: A MIS procedure to treat early-stage cancer that uses DualKnife J and other specially designed devices, reduces recovery time, and improves patient comfort
- EVIS X1 RDI with EndoClot supports reduced risk of post-procedure bleeding.

**Clinician/Provider**

- CADe and ENDOCUFF VISION support improved ADR<sup>\*2</sup>. Research shows increased ADR contributes to the prevention of CRC and reduces the risk of fatal outcomes<sup>\*4</sup>.
- ESD procedures reduce or eliminate hospital overnight stays reducing costs to payors<sup>\*5</sup>.

<sup>\*1</sup> GLOBOCAN 2022  
<sup>\*2</sup> Adenoma Detection Rate  
<sup>\*3</sup> Endoscopic Submucosal Dissection  
<sup>\*4</sup> Corley, D. A., Jensen, C. D., Marks, A. R., et al. "Adenoma detection rate and risk of colorectal cancer and death," New England Journal of Medicine, 2014;370(14), 1298–1306.  
<sup>\*5</sup> <https://medical.olympusamerica.com/endoscopic-submucosal-dissection> Patients typically experience shorter hospital stays, faster recoveries,

Enhancing the Care Pathway for Benign Prostatic Hyperplasia (BPH)

**Our focus**

Provide minimally invasive treatment solutions for urological disease

**The disease state**

BPH or enlarged prostate causes the prostate to press against the urethra, causing chronic and often troublesome lower urinary tract symptoms that can severely affect quality of life for men over the age of 50. Approximately 100 million patients are affected globally, with a significant number of patients unwilling to undergo surgery due to the significant risk of side effects.

**Our solutions**

iTind is the first and only FDA-cleared MIS temporary implant that delivers rapid relief of BPH symptoms<sup>\*6</sup>, preserves sexual function and continence<sup>\*6</sup>, and reduces the need for a post-procedure catheter<sup>\*6</sup>.

**Early Detection**

**Characterization, Diagnosis & Staging**

Cystoscope

**Treatment**

Office

Surgery

iTind

PLASMA+

SOLTIVE & EMPOWER

Existing Olympus solution    Unmet need addressed by new Olympus solution

**Less invasive treatment options are more accessible to a greater number of patients**

**Healthcare Value Proposition of Olympus Solutions**

**Patient**

- iTind offers clinically proven symptom relief while greatly reducing the risk of loss of sexual function or incontinence with a straightforward office procedure<sup>\*7</sup>

**Clinician/Provider**

- In the United States, CMS<sup>\*8</sup> increased reimbursement for iTind in 2023 when performed in HOPD<sup>\*9</sup> or ASC<sup>\*10</sup>.
- iTind supports reduced procedural time and lower total cost of care when compared to alternative therapies.

Enhancing the Care Pathway for Lung Cancer

**Our focus**

Improve ability to detect lung cancer at an early stage to accelerate lung cancer diagnosis and time to treatment

**The disease state**

When detected at an early stage, lung cancer is highly treatable. However, many lung cancer nodules are not properly diagnosed, as the majority of new lung cancer lesions first appear in the middle and peripheral regions of the lung. These areas are difficult to access using current techniques. As a consequence, many cancers are diagnosed at a late stage when they are more difficult to treat and have increased mortality.

**Our solutions**

Endobronchial ultrasound (EBUS) scopes and transbronchial needle aspiration (TBNA) needles enable visualization and real-time sampling of lung nodules. Slim EBUS scopes extend this capability to the middle and peripheral regions of the lung where the majority of lesions are first found.

**Early Detection**

Bronchoscope

**Characterization, Diagnosis & Staging**

Central / Middle

Periphery

EBUS

EBUS-TBNA<sup>\*11</sup>

Slim EBUS

**Treatment**

Bronchoscopy enabled therapies: RF & microwave ablation

Existing Olympus solution    Unmet need addressed by new Olympus solution

**Improves the ability to detect lung cancer at an early stage**

**Healthcare Value Proposition of Olympus Solutions**

**Patient**

- Less invasive procedure with fewer adverse events than trans-thoracic approach
- Potentially identify more lung cancers at an early stage for which therapy has better outcomes
- Very low risk of pneumothorax or overnight stay<sup>\*12</sup>

**Clinician/Provider**

- Increased diagnostic confidence that the procedure will lead to a correct diagnosis
- Higher sample collection success rate using real-time EBUS visualization<sup>\*13</sup>

reduced pain and less expense after ESD compared to open or laparoscopic surgical procedures.2,3,4,5 Abdelfatah MM, Barakat M, Ahmad D, Ibrahim M, Ahmed Y, Kurdi Y, Grimm IS, Othman MO. Long-term outcomes of endoscopic submucosal dissection versus surgery in early gastric cancer: a systematic review and meta-analysis. Eur J Gastroenterol Hepatol. 2019 Apr;31(4):418-424. Doi: 10.1097/MEG.0000000000001352. PMID: 30694909., Hu J, Zhao Y, Ren M, Li Y, Lu X, Lu G, Zhang D, Chu D, He S. The Comparison between Endoscopic Submucosal Dissection and Surgery in Gastric Cancer: A Systematic Review and Meta-Analysis. Gastroenterol Res Pract. 2018 Feb 18;2018:4378945. doi: 10.1155/2018/4378945. PMID: 29670651; PMCID: PMC5835246. Draganov PV, Aihara H, Karasik MS, Ngamruengphong S, Aadam AA, Othman MO, Sharma N, Grimm IS, Rostom A, Elmunzer BJ, Jawaid SA, Westerveld D, Perbtani YB, Hoffman BJ, Schlachterman A, Siegel A, Coman RM, Wang AY, Yang D. Endoscopic Submucosal Dissection in North America: A Large Prospective Multicenter Study. Gastroenterology. 2021 Jun;160(7):2317-2327.e2. doi: 10.1053/j.gastro.2021.02.036. Epub 2021 Feb 19. PMID: 33610532. Yang D, Draganov PV. Clinical Updates in Colorectal Endoscopic Submucosal Dissection. Clin Gastroenterol Hepatol. 2022 Feb;20(2):269-271. doi: 10.1016/j.cgh.2021.09.025. Epub 2021 Nov 12. PMID: 34774551.  
<sup>\*6</sup> Porpiglia et al. Second-generation of temporary implantable nitinol device for the relief of lower urinary tract symptoms due to benign prostatic hyperplasia: results of a prospective, multi-centre study at 1 year of follow-up. British Journal of Urology International. 2018. <https://pubmed.ncbi.nlm.nih.gov/30382600/> BJU Int. 2019 Jun;123(6):1061-1069. doi: 0.1111/bju.14608. Epub 2018 Nov 28  
<sup>\*7</sup> Centers for Medicare & Medicaid Services  
<sup>\*8</sup> Hospital Outpatient Department  
<sup>\*9</sup> Ambulatory Surgery Center  
<sup>\*10</sup> Endobronchial Ultrasound-guided Transbronchial Needle Aspiration  
<sup>\*11</sup> Pneumothorax rates in CT-Guided lung biopsies: a comprehensive systematic review and meta-analysis of risk factors Br J Radiol. 2020 Mar; 93(1108): 20190866  
<sup>\*12</sup> As evidenced with current EBUS and EBUS-TBNA technology  
<sup>\*13</sup> Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.

Intellectual Property Activities

Intellectual Property Activities

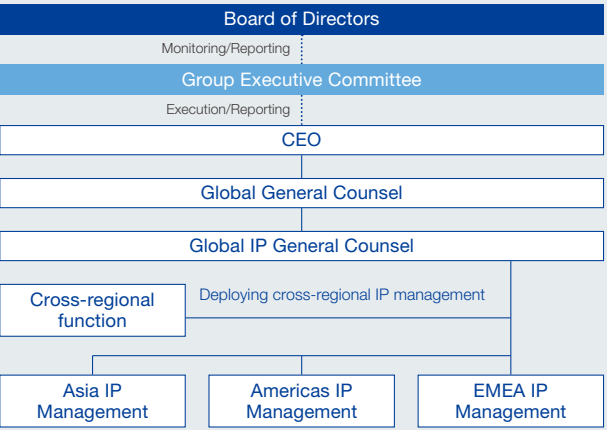
Strengthening of Global Organizational Structure and Governance

Part of the Global Legal Organization, our Intellectual Property Function coordinates all intellectual property (IP) activities around the world. Under the direction of the Global IP General Counsel, a function has been established to coordinate IP activities in each region, and these carry out IP activities for their areas of responsibility. Serving the function of cross-regional management of IP activities, we deploy globally optimize management methods in each region. This enables us to unify the different IP activities in each region by means of standardized approaches, and by promoting IP activities in cooperation with each region, we maintain a high level of quality and efficiency in our IP activities at all times.

We have put in place a system whereby our management team continuously monitors our IP activities. Once a year, the Global IP General Counsel reports on IP activities based on key performance indicators (KPIs) to the Group Executive Committee. This enables us to promote IP activities while objectively and quantitatively evaluating their progress and results. The Global General Counsel also reports on activities to the Board of Directors once a year, and the IP function takes appropriate measures as necessary. Under this system, we are working to strengthen the governance of our IP activities.

Based on the medium-term plan for the IP Function formulated in 2023, we are establishing a system that

complies with the international standard for IP management (ISO 56005). Specifically, by harmonizing and integrating the business processes and IP management systems that had previously differed from region to region, we are aiming to put in place systematic global IP management, improve the quality of our IP, and streamline portfolio management. Going forward, we promote IP activities from a global perspective and work to strengthen our governance system, which supports Olympus' sustainable growth.

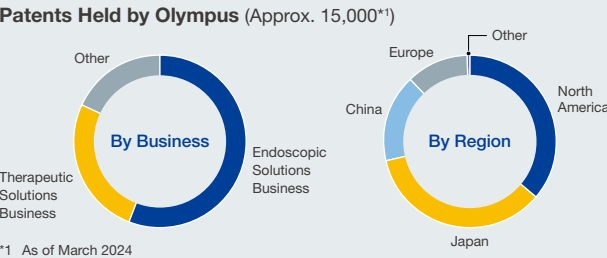


Global Standardization of IP Management

The regional IP teams manage the IP generated from projects in their respective regions. Previously, each regional IP team managed IP based on a decision-making process optimized for the characteristics of their region. Meanwhile, Olympus is currently expanding its global product development system in which people from different regions are involved in the development of a single product. This has created an increasing need to globally standardize the IP decision-making processes. To respond to this changing environment, we appointed a dedicated leader within our IP organization to collect best practices from each region and promote the standardization of IP management on a global basis. In 2023, we formulated and began operations of a decision-making process relating to patent maintenance management that was coordinated between Japan, the U.S., and Europe.

By introducing this decision-making process, we are now able to promptly review the status of each patent application, which changes during the development phase and patent

examination progress, and select and maintain patents that can effectively contribute to business protection. We are also jointly promoting the building of a patent management system to support the operation of this decision-making process, with the aim in the years to come of linking patent management data with data held by other departments to realize data-driven IP investments. We continue our efforts to establish a patent portfolio that contributes to Olympus' sustainable growth.



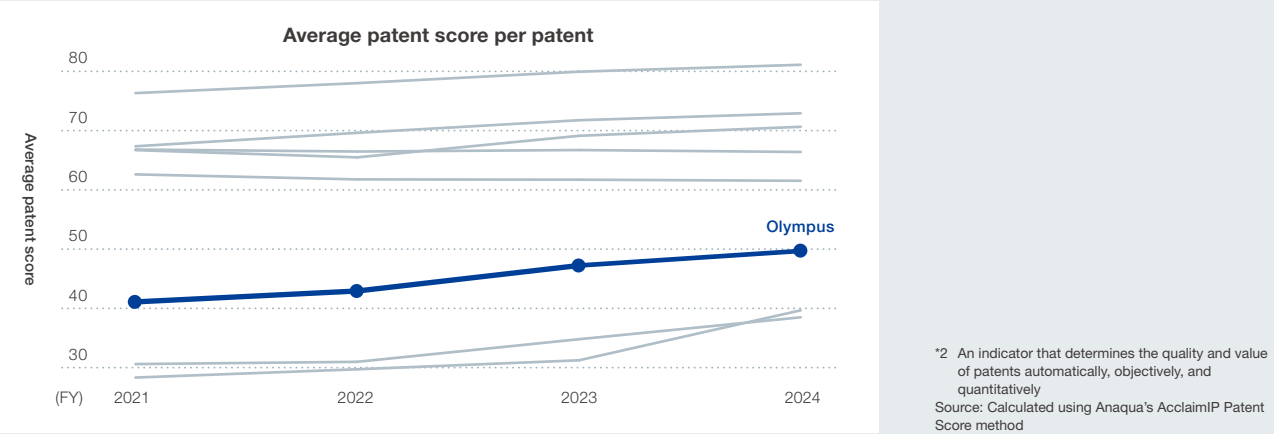
Fostering of Organizational Culture that Nurtures Cross-functional and Cross-regional Collaboration

In a global product development system, the sharing and exchanging of information effectively across functions and regions is essential. To that end, every three months the IP function brings together regional IP expert and business and R&D leaders to share information on the progress of IP activities and internal and external trends as well as to discuss IP-related issues.

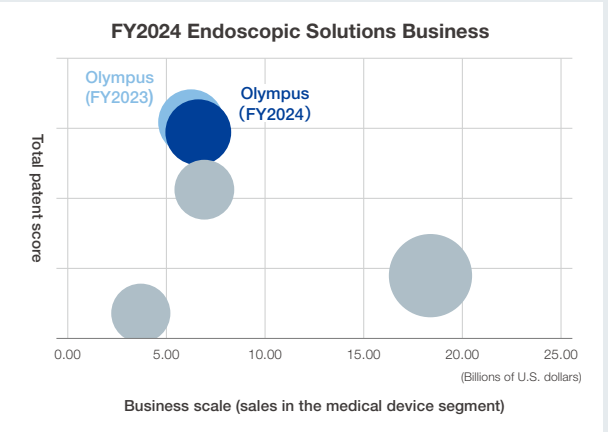
Through this initiative, collaboration across functions and regions has been generated, best practices from each region have spread to other regions, and the perspectives of teams and organizations have been broadened. We continue our efforts to foster an organizational culture that enables us to demonstrate high performance.

Analysis of Patent Score\*2 Relative to Competitors

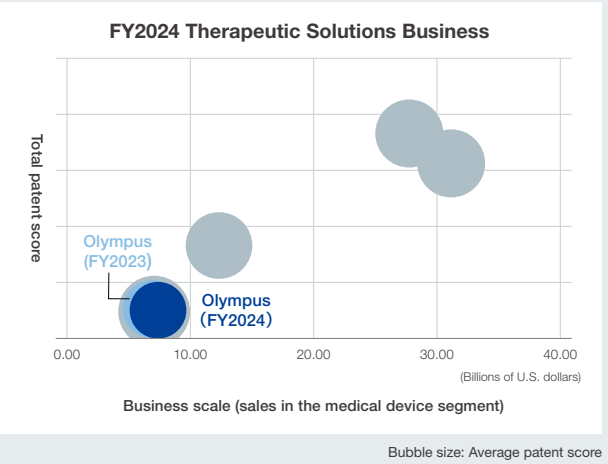
Olympus is continuing to improve its average patent score (strength) per patent.



In the Endoscopic Solutions Business, the total patent score decreased, and the average patent score increased due to the optimization of the patent portfolio.



In the Therapeutic Solutions Business, the average patent score increased, while the total patent score was maintained by the optimization of the patent portfolio and patent application investment for growth drivers overseas.





Evolving Our Corporate Culture

An Evolution in Corporate Culture

Our Ideal Corporate Culture

In February 2024, Olympus unveiled new core values that guide and align the company and its employees toward its global MedTech leadership. With this refresh, Olympus has realigned the corporate culture concept of a Healthy Organization to unite all cultural initiatives under one roof.

The revised Healthy Organization holds true to Olympus’ ambition to create a culture that empowers employees to fulfill Our Purpose of “making lives healthier, safer and more fulfilling.” Living Our Core Values and acting in line with those

behaviors lays the foundation for a Healthy Organization. There are also five key enablers that drive our employee promise: Growth & Development, Authentic Leadership, DEI (Diversity, Equity & Inclusion), Reward & Recognition, and Work Environment.

To develop our culture and fulfill Our Purpose we must operate in a Purpose-driven way, enabled by a people-centric perspective.

Olympus Culture Journey

Olympus is working to comprehensively improve our corporate culture by activating Our Core Values and working on the key enablers that create an environment where people at Olympus are engaged and enabled. Olympus refreshed core values serve as guiding principles in the day-to-day of employees. Our culture journey throughout fiscal year 2024 has focused on the refreshment process of the core values and embedding the refresh into tools,

processes, and concepts. The core values refresh is aligned to global MedTech leadership, anchoring key themes for Olympus, such as “Patient Focus” and “Innovation,” firmly into our expectations of everyone at Olympus.

These efforts complement and enable our *Elevate* work, ensuring that the improvements to our quality systems and processes will be sustainable over a long term, supported by an organizational culture that ensures patient safety and quality.



Our Core Values Survey and Our Core Values Refresh

Employee Engagement and Enablement Survey

Olympus has taken and tracked measures from the last Core Values Survey, an employee engagement and enablement survey conducted in 2021. Companywide initiatives have since included site visits by Executive Officers, optimization of decision-making processes, visualization and follow-up of the current status of employee work-life balance, and enhancement and optimization of global working guidelines.

In November 2022, we conducted a Core Values Survey Check-in (interim survey) to review the status of our organization and reinforced and adjusted activities to improve our culture and employee experience. Several companywide initiatives have continued and been reinforced since their installment in 2021, such as our Global Working Guidelines.

Olympus is currently working on establishing a long-term regular cadence of employee listening. The next measure planned is a Core Values Survey in the first half of 2025. This survey will be adjusted to the refreshed core values and relevant focus areas of Olympus, based on the Healthy Organization Model.

2021	<b>Core Values Survey</b> <ul style="list-style-type: none"><li>Follow-up measures: Taking action in each region to improve the issues identified from the survey</li></ul>
2022	<b>Core Values Interim Survey</b> <ul style="list-style-type: none"><li>Received FDA warning letters</li><li>Launched remediation and quality transformation program <i>Elevate</i></li></ul>
2024	<b>Our Core Values refresh</b> <ul style="list-style-type: none"><li>Conduct initiatives to activate new core values</li></ul>
First half of 2025	<b>Core Values Survey</b> <ul style="list-style-type: none"><li>This survey will be adjusted to the refreshed core values.</li></ul>

Our Core Values Refresh

Our new Core Values of “Patient Focus,” “Integrity,” “Innovation,” “Impact,” and “Empathy” were introduced to our employees. Olympus established its first set of Our Core Values in 2018, and Our Core Values have served us well until now.

However since then, Olympus has transformed into a

MedTech company. Our Core Values were reviewed not only to address a culture of true patient safety and quality mindset but also to align with the expectations of service and innovation from all stakeholders of the evolving MedTech industry landscape.

OUR CORE VALUES



**PATIENT FOCUS**

We put patients at the heart of everything.




**INTEGRITY**

We do the right thing.




**INNOVATION**

We look for new ways to make things better.



**IMPACT**

We take accountability and get things done.



**EMPATHY**

We care for one another and work together.

Initiatives to Activate New Core Values

Following the announcement of the revised core values in February 2024, Olympus launched a range of activities to engage with them.


As a first step to activate the core values, Olympus engaged leaders with information sessions and a toolkit for leaders to discuss the new core values within their teams.

For all colleagues at Olympus, a “Our Core Values Week” was offered to embed Our Core Values and encourage our employees to embody them.

As part of the Core Values Week, we conducted several

global online live sessions for deeper dive into the new core values and facilitated discussion on our internal intranet. Through guiding questions and exchange, we examined the significance of Our Core Values. By reflecting on real-world examples and personal experiences, colleagues gained fresh insights into the role these values play in driving our success and consider our commitment to living our values every day.

New employees are now also introduced to the new core values in their onboarding everywhere in the organization.

 Details : Elevating Culture: Olympus Unveils New Core Values Aligned to Global MedTech Leadership: <https://www.olympus-global.com/news/2024/nr02623.html>

Promotion of Diversity, Equity and Inclusion (DEI)

Olympus has been implementing its global Diversity, Equity, and Inclusion (DEI) strategy since April 2023. In June 2023, we established the new position of Chief Diversity, Equity, and Inclusion Officer (CDO). Wenlei Yang, CDO, explains the specific initiatives and future plans. She has built a Global DEI team to help her build the DEI strategy and implement it.



**Wenlei Yang**  
Chief Diversity,  
Equity and Inclusion Officer

Joined Olympus in 1992 and held various roles mainly in global sales and marketing positions across China, Hong Kong and Japan, and was then appointed Regional Representative Officer, China in 2019 and Regional Representative Officer, Japan in 2023.

Definition of Diversity, Equity and Inclusion



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.

Mission and Roles of the CDO

Following Olympus’ direction announced in our refined company strategy in May, 2023, I was named CDO. In this established role, I am overseeing and pushing implementation of important initiatives and activities together with our global DEI team as priority of this year. In our journey of achieving Our Purpose of “Making people’s lives healthier, safer and more fulfilling,” DEI is an indispensable piece of strategy to ensure that we can increase organizational capability and sustainability ensuring that we will be chosen by employees, customers, and all stakeholders. Through our close collaboration with each region, we continuously work to build an inclusive culture and equitable systems, where everyone, including the communities we serve, are accepted for who they are, with equal access to opportunities. We believe only when DEI becomes integrated into our daily work, will people be their true self, release their full potential, and perform at their best. Our people with their diverse backgrounds will better understand our customers’ varied needs and expectations, thereby creating new value by exchanging their opinions, and developing solutions together to ultimately contribute to Our Purpose.

DEI Strategic Initiatives

Before launching DEI global strategy, we conducted extensive research on external trends, public requirements, peers’ activities, and the company’s current state and needs regarding DEI. In addition to ongoing regional priorities, we summarized our four globally relevant themes as we launched in the strategy.

- Gender and Life Priority
  - Nationality and Culture
- Career and Experience
  - Inclusive Environment

We then started numbers of pilot initiatives across these themes in different regions and functions. For example: In Japan, we are proactively

moving ahead of government guidelines by improving support for men’s parental leave.

Simultaneously, we are enhancing the system to provide adequate resources for remaining team members during the leave period, reducing workload, and increasing productivity. We created a guidebook to structure information that needed to support leavers be better prepared for the leave period.

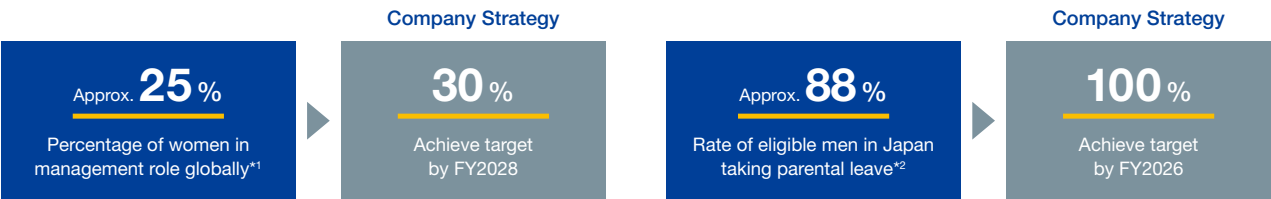
In addition, a peer learning pilot program connected 66 participants across regions, breaking down language and cultural/career barriers and creating collaborative opportunities. The feedback was so positive that we are expediting the expansion of the program.

Hundreds of global, regional, and key function leaders underwent comprehensive training to deepen their understanding, counteract bias, and create psychologically safe environments. Afterwards, there are post-workshop activities to embed the learnings. Furthermore, we are raising awareness globally through our “ABCs of DEI” micro learning campaign, where we share DEI-related concepts starting from A all the way to Z.

Mid-term Initiatives to Realize a Healthy Organization


Our efforts focus on building up the foundation in the first year, including creating awareness, piloting initiatives to address urgent needs, etc. In the longer term, we will review the company processes and policies through a DEI lens; incorporate DEI learning as part of regular training programs; and continuously raise awareness especially for encouraging leadership role modeling. At the same time, we will support more bottom up activities like active Employee Resource Groups both regionally and globally.

We drive our culture change by leveraging mindset while at the same time addressing our systems and structures following a long-term, phased approach.



\*1 As of March 1, 2024

\*2 Olympus Corporation

 Details : Diversity, Equity and Inclusion: <https://www.olympus-global.com/csr/social/diversity/>  
Notice Regarding Newly Established Chief Diversity, Equity and Inclusion Officer: <https://www.olympus-global.com/news/2023/nr02512.html>  
Employment: <https://www.olympus-global.com/csr/social/employment/>



Our Development and Learning Offers Support Professional Growth and Global Collaboration



At Olympus, we focus on learning with and from each other to build our professional and personal skills.

**Building the skills and mindset required for success on a business and personal level:** Employees and leaders can make use of self-paced and highly individualized development offers (e.g., LinkedIn Learning for about 20,000 employees worldwide), facilitated courses and e-learning relating to business skills (e.g., project management, presentation, decision-making, feedback), language courses, cross-cultural collaboration and career workshops, etc.

Leadership Development

In 2019, Olympus introduced the Global Leadership Competency Model (GLCM), which highlights the main competencies that leaders need to role model to deliver against our strategy and achieve our goals. This model was first applied in talent and succession management for global key roles. Since 2021, it has been expanded and rolled out to all management positions. The model is applied in hiring/selection, talent and succession management, learning and development, and from April 2023, in our global performance management process as well. The GLCM sets the foundation for our global leadership development offers.

In fiscal year 2025, Olympus will launch its first online global leadership program focusing on our leadership

**Building expertise in your chosen field:** Exemplary offers include, among many more, product and sales training for our salesforce, training for employees in manufacturing and repair, and the Marketing Academy.



competencies. Leaders will receive the chance to build their own highly individualized journey to further develop the competencies based on their personal strengths and development areas. This globally consistent live-virtual program ensures that Olympus leaders will develop a common language and skillset across the world.

**Global 360 Feedback:** Our leaders have opportunities to gather valuable insights on their leadership, their strengths, and development areas in our Global 360 Feedback process. Leaders receive feedback from direct reports, peers, and managers with the purpose of deriving development goals. Since its introduction in 2022, approximately 1,000 leaders have participated in the 360 Feedback process.

Activities to Improve Productivity

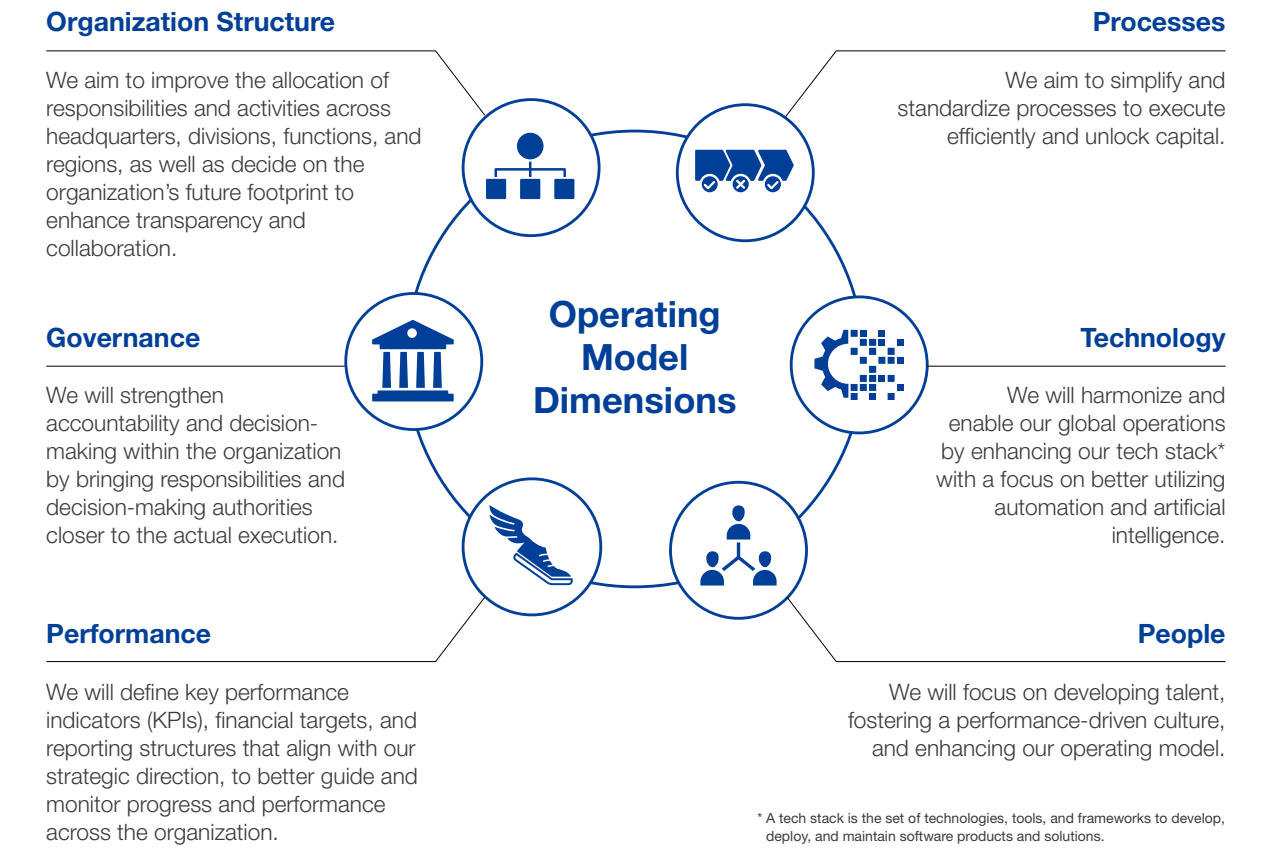
To Enable Investments and Innovation for Long-term Growth

Global Target Operating Model—Improving Our Capability to Deliver on Our Mission, Targets, and Ambition

While striving to “make people’s lives healthier, safer and more fulfilling,” Olympus follows a clear value creation strategy to drive sustainable growth. To better equip the global organization to drive “Business and Global Expansion” as well as absorb “Strategic M&A” initiatives, the Chief Strategy Officer continues to pursue the effort launched in fiscal year 2024 to review Olympus’ global operating model in line with the strategic priorities of our company strategy.

We continue our journey to create an operating model that – building on our strategic imperatives – ensures transparent and fast decision-making across functions, divisions, and regions but also facilitates efficient resource allocation and ongoing capability development.

Continuously refining our approach, we structure work on our operating model along six themes, going forward, each looking at the way we work together from a different angle.



- 1

Fine-tune continuously our global operating model to unleash a high-performing organization
- 2

Facilitate resource allocation and unlock capital to invest into strategic priorities of our company strategy

Carbon Neutral Society and Circular Economy

Contribution to Carbon Neutral Society and Circular Economy

The Olympus Group is fully aware that the recent environmental pollution, climate change resulting from the human activities, and other impacts on ecosystems are issues we need to address promptly. Therefore, we are committed to Carbon Neutral Society and Circular Economy as one of the materiality items. We also set targets of achieving carbon neutrality\*<sup>1</sup> with respect to greenhouse gas (GHG) emissions from our site operations (Scope 1 and 2\*<sup>2</sup>) by fiscal year 2031 and using electricity generated 100% from renewable energy for our site operations by fiscal year 2031. In addition, in May 2023, we formulated and announced a target of achieving net zero\*<sup>3</sup> GHG emissions throughout the entire supply chain (Scope 1, 2, and 3\*<sup>2</sup>) by fiscal year 2040. In October 2023, the Science Based Targets initiative (SBTi) certified that the Olympus Group's net zero target is consistent with the 1.5°C target level specified in the Paris Agreement.

To achieve carbon neutrality by fiscal year 2031, the entire Olympus Group is working together to improve

production processes and implement further energy-saving measures and accelerating initiatives to reduce GHG emissions including gradually replacing the energy used in our site operations\*<sup>4</sup> with renewable energy sources and other measures. We also recognize the importance of environmental impact reduction across the supply chain and continuously implement measures to develop environmentally conscious products, improve logistics efficiency, set voluntary GHG emission reduction targets in cooperation with suppliers, and support decarbonization initiatives in an effort to achieve sustainable business.

\*1 Carbon neutrality refers to reducing GHG emissions from site operations (Scope 1 and 2) and offsetting an amount equivalent to the remaining GHG emissions using carbon offsets, thereby achieving zero emissions overall.  
\*2 Scope 1: Direct GHG emissions by combustion of fuels at our sites.  
Scope 2: Indirect GHG emissions from our sites' use of electricity, heat, or steam supplied by other companies.  
Scope 3: Other, indirect GHG emissions (excluding Scope 1 and 2).  
\*3 Net zero means reducing GHG emissions (Scope 1, 2, and 3) as much as possible (at least 90%) in line with the latest climate science (1.5°C scenario) and using credits derived from carbon sequestration and removal (such as afforestation and CO<sub>2</sub> capture and storage) for an amount equivalent to the residual GHG emissions (less than 10%) to achieve a balance.  
\*4 Excluding rental properties, such as sales sites

Major Environmental Activity Results in FY2024

Primary Policy		Target	Measures	Achievements and Results	FY2025 Target
Promotion of environmental management	Enhancement of environmental governance system	• Improve effectiveness and efficiency of the Environmental Management System	• Maintenance of ISO 14001 certification	• Maintenance of ISO 14001 certification for global major manufacturing sites (Europe, Americas, Australia) • Maintained ISO 14001 multi-site certification of 7 subsidiaries in Japan and 43 subsidiaries in Asia • Conducted internal audits for administrative functions of 6 sites in Japan and 1 site in Asia.	• Expand sites that have obtained ISO 14001 certification • Ensure appropriate response to indicated points in internal environmental audit and ISO 14001 certification external audit
	Environmental risk reduction activities	• Continue to improve the process to comply with environmental laws and regulations	• Enhance inspection for compliance status with environmental laws and regulations in conjunction with site reorganization and construction of new buildings • Education on environmental laws and regulations	• In Japan, reorganized the Tokyo Office and confirmed compliance with environmental laws and regulations at new building in Nagano site • Conducted specialized training on pollution prevention, waste management, and chemical management at manufacturing sites in the Americas, Europe, and Asia • Continue to improve the related internal rules for products and facilities	• Inspect compliance process systems and assessment criteria at global manufacturing sites • Continue to improve the environmental regulatory compliance process for products and facilities
Reduction of environmental impact	Carbon neutrality	• Greenhouse gas emissions: Achieve carbon neutrality (FY2031) • Renewable energy rate (electricity): 100% (FY2031)	• Continue to implement improvements such as improving manufacturing processes, saving of energy and material resources, fuel conversion, and introduction of natural energy, etc., in accordance with local characteristics	• Greenhouse gas emissions: Reduced by 51% (compared to FY2020) • Renewable energy rate: 78%	• Greenhouse gas emissions: Reduce by 60% (compared to FY2020) • Renewable energy rate: 85%
		• Setting science-based GHG reduction targets by 80% of suppliers (on the basis of emissions for purchased goods and services, capital goods, and upstream transportation and distribution) (FY2028)	• Requests to suppliers to set CO <sub>2</sub> targets and reduce emissions	• Analyzed and evaluated the CO <sub>2</sub> impact of each supplier • Made requests to 25 major suppliers in Japan to cooperate with setting CO <sub>2</sub> reduction targets	• Make requests to suppliers to cooperate with setting CO <sub>2</sub> reduction targets and support CO <sub>2</sub> reduction measures
	Resource recycling	• Develop environmentally conscious design mechanisms to improve resource recycling in product lifecycles • Waste recycle rate: 85% • Improve water use efficiency (compared to FY2023)	• Rebuilding of measures for environmentally-conscious products	• Set major items for environmentally conscious products and formulated a response plan • Adopted eco-designs for packaging materials and implemented measures to digitize instruction manuals • Waste recycle rate: 84% • Water use efficiency: Improved by 2.8%	• Implement measures in line with the environmentally conscious product response plan • Waste recycle rate: 86% • Improve water use efficiency (compared to FY2023)

Details : Environment: <https://www.olympus-global.com/csr/environment/>  
Environmental Health and Safety Policy: <https://www.olympus-global.com/csr/effort/activity/principle.html>

Targets and Achievements for GHG Emissions and Renewable Energy Rates

Internal (Scope 1, 2) Results

The Olympus Group is working to reduce GHG emissions by promoting the introduction of renewable energy at our operation sites while continuing to promote manufacturing improvement activities and energy-saving measures. In addition, at sites where energy use is high, we are promoting initiatives by appointing our own experts and establishing a system to promote energy conservation.

In fiscal year 2024, continual improvements in manufacturing, energy-saving measures, the updating of company cars to environmentally conscious cars, and the use of renewable energy were implemented at our sites around the world. As a result of these initiatives, GHG emissions in fiscal year 2024 were 51% lower than in fiscal year 2020 (compared to 46% in the previous fiscal year), and the renewable energy use rate vis-à-vis the total electric power consumption increased substantially to 78% (compared to 72% in the previous fiscal year).

As part of major initiatives, we promoted energy conservation, which included reducing energy loss by using air leakage measuring instruments to identify air leaks and implementing countermeasures at each manufacturing site in Japan. Aizu Olympus underwent an energy conservation audit conducted by external specialists to help it uncover energy-saving measures that would be difficult to detect in-house.

External (Scope 3) Results

The Olympus Group ascertains and calculates GHG emissions throughout the entire supply chain for each category and is taking action to reduce GHG emissions in the entire supply chain through green procurement, improvement of logistical efficiency, development of environmentally conscious products, and other measures. Scope 3 GHG emissions account for 90% or more of all Olympus Group supply chain GHG emissions (Scope 1, 2, and 3). Among Scope 3 emissions, the percentages of upstream GHG emissions from purchased goods and services (category 1), capital goods (category 2) and upstream transportation and distribution (category 4) are extremely high.

For this reason, the Olympus Group has set a short-term target, for Scope 3 alone, of having 80% of our suppliers set science-based greenhouse gas reduction targets by the fiscal year 2028 (based on emissions from purchased products and services, capital goods, and transportation and distribution) and is promoting initiatives in this area, toward achievement of our long-term target of net zero GHG emissions by 2040.

In fiscal year 2024, we address purchased goods and services (category 1), capital goods (category 2), and upstream transportation and distribution (category 4) by analyzing and evaluating the impact of CO<sub>2</sub> for each supplier with which we do business, and are furthering the following initiatives, with around 30% of our suppliers having completed or committed to setting science-based targets for GHG reductions.

	Results					Targets	
	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2031
Greenhouse gas emissions (Scope 1, 2)	—	Reduced by 11% compared to FY2020	Reduced by 12% compared to FY2020	Reduced by 46% compared to FY2020	Reduced by 51% compared to FY2020	Reduce by 60% compared to FY2020	Achieve carbon neutrality
Renewable energy rate	19%	21%	23%	72%	78%	85%	100%

Roadmap for Achieving Net Zero Emissions\*<sup>5</sup>

	FY2020 (baseline year)–FY2026		–FY2031	–FY2040
Milestone	FY2024: Obtain SBT certification		FY2031: Scope 1, 2 carbon neutrality	FY2040: Scope 1, 2, & 3 net zero
Main KPI	Scope 1, 2	<ul style="list-style-type: none"><li>• Reduce GHG emissions by 65% (FY2026)</li></ul>	<ul style="list-style-type: none"><li>• Reduce GHG emissions by 70% compared to the baseline year by FY2031**6</li><li>• Introduce 100% renewable energy at our operation sites by FY2031</li></ul>	GHG emissions throughout the supply chain (Scope 1, 2, & 3): achieve net zero**6
	Scope 3	<ul style="list-style-type: none"><li>• Set GHG reduction targets that satisfy the SBT criteria for 80% of our supply chains by FY2028**6 (on the basis of emissions for purchased goods and services, capital goods, and upstream transportation and distribution)</li></ul>		
Main measure	Scope 1, 2	<ul style="list-style-type: none"><li>• Improve manufacturing and transportation processes to raise energy efficiency and continue daily energy conservation measures</li><li>• Switch from LPG and LNG fuel to lower carbon energy sources and switch company cars to electric vehicles</li><li>• Expand introduction of renewable energy</li></ul>		<ul style="list-style-type: none"><li>• Continue renewable energy and energy conservation measures</li><li>• Introduce new technologies and new energy</li></ul>
	Scope 3	Set GHG reduction targets for suppliers, request that they take action, and perform regular monitoring of and provide support for their efforts		
	Scope 1, 2 & 3	Procure carbon credits		

\*<sup>5</sup> We plan to periodically update the roadmap for achieving net zero emissions, taking into consideration scientific advances, regulations, and other factors.  
\*<sup>6</sup> Subject to SBT certification

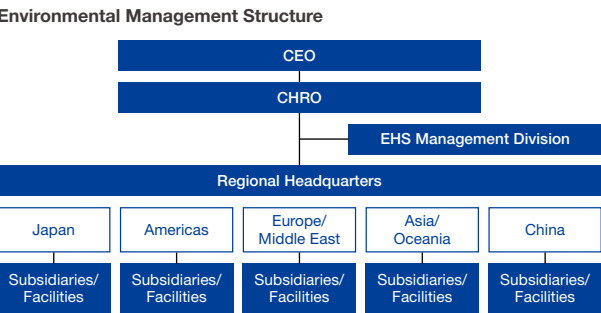


Response to Climate Change (Information Disclosure in Line with TCFD Recommendations)

Olympus recognizes that climate change is a serious issue that threatens the global environment, as well as having grave implications for the Group’s business activities. Based on this awareness, we announced our endorsement of the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in May 2021. According to the TCFD’s Recommendations, we will disclose climate-related financial information in a timely manner.



**Governance** The Olympus Group endeavors to reduce the environmental impact from the entire value chain, including product development, procurement, manufacture, logistics, sales, and repair. Under the CEO, the Chief Human Resources Officer (CHRO), who manages the environment, health, and safety (EHS) functions, oversees matters related to the environment for the entire Olympus Group. In addition, an officer responsible for ESG (Environment, Social, and Governance) was appointed and set targets for the ESG field including GHG emissions in the medium- to long-term business plan to promote ESG initiatives by the Olympus Group.



**Strategy** The Olympus Group identifies risks and opportunities related to climate change for the short-term, medium-term, and long-term periods by using scenario analysis. The influence of climate change on our business activities is analyzed based on the 1.5-degree scenario: RCP 1.9 (NZE) (keeping the increase in the global average temperature to below 1.5°C above pre-industrial levels), and the 4-degree scenario: RCP 8.5 (where the increase is assumed to be up to 4°C above pre-industrial levels), both of which were presented by the International Energy Agency (IEA). We identified that the major risks in short-term (one to five years) would be the suspension of factory operations, breakdown of supply chains due to natural disasters, or impairment of stakeholders’ assessments or Group’s reputation with stakeholders due to inadequate responses to climate change or insufficient disclosures; and the risks within the medium- to long-term period (5 to 20 years) would be an increase in business costs due to the introduction of carbon taxes and further tightening of GHG emissions regulations. Although such climate change risks could affect our company strategy and financial plan, we assume that the scope of impact would be relatively small. For example, the geographical location of our factories in terms of natural disasters, such as typhoons, can be classed as a physical risk. We confirmed that our

factories are at low-risk locations and that a business continuation plan for each site has been created in case of emergency. In terms of supply chains, storms and flooding have occurred on a global scale recently and are expected to have impact on material procurement and product supplies, and accordingly, we are working to establish systems that can ensure production through alternative suppliers. We also expect an increase in operational costs due to carbon taxes, etc., as a transition risk. However, the percentage of energy costs in the factories among overall business costs is small, and, therefore, the impact on our business will be limited.

**Risk Management** During the company strategy and business plan formulation stages, the Olympus Group identifies risks that have the potential to impact the Group’s business and identifies and evaluates those risks that could have significant impacts on business operations. These risks include regulations relating to the environment including climate change, technology and other transition risks, and physical risks resulting from natural disasters. Identified risks are evaluated and prioritized by each organization based on the degree of impact in the case where a risk materializes and the possibility of occurrence, and based on the results, we formulate single-year and multi-year business plans to manage the risks. Regarding risks relating to environmental laws and regulations, the quality control function monitors developments concerning those environmental laws and regulations related to our products, and the environmental division of each company monitors regulatory developments relating to their business sites, and each periodically evaluates the status of compliance and takes measures as necessary. To address those risks that could have a particularly substantial impact on business operations, we periodically monitor the status of organizational risk management and report the results to the Group Executive Committee and Board of Directors. The CEO receives reports on the results of monitoring of the status of risk management and, if measures are ineffective, directs a review of the action plans.

**Indexes and Targets** The Olympus Group received certification from the SBTi that our net zero target and short-term targets are consistent with the 1.5°C target in October 2023.

Targets Certified by SBTi	
Net zero target	● Achieve net zero GHG emissions (Scope 1, 2, and 3) throughout the entire supply chain by FY2040
Short-term targets	● Reduce GHG emissions (Scope 1 and 2) by 70% compared to FY2020 (baseline year) by FY2031 ● Set GHG reduction targets based on scientific criteria for 80% of our supply chains by FY2028 (on the basis of emissions for purchased goods and services, capital goods, and upstream transportation and distribution)

	Social change, impact on business	Main initiatives
1.5°C scenario	<b>Transition risks:</b> Expanded regulation or increased obligations concerning existing products, business activities, and information disclosures, Expanded carbon taxes and emissions trading, Reduction of sales opportunities if the transition to low-carbon manufacturing methods and materials is delayed, Increased costs for energy including fuel needed for business activities as well as raw materials and logistics, Impairment of stakeholders’ assessments or the Group’s reputation with stakeholders due to inadequate responses to environmental issues <b>Opportunity:</b> Lower costs for raw materials and waste as a result of reviewing products and packaging, Improvement of stakeholders’ assessments or the Group’s reputation with stakeholders due to cost reductions from higher energy efficiency or broader use of low-carbon energy, Improved market competitiveness due to development of environmentally conscious products, Improvement of stakeholders’ assessments or the Group’s reputation with stakeholders due to promotion of environmentally conscious products, Expansion of business that ensures adaptability to climate change	Promote environmentally conscious designs for products, packaging materials, etc., Implement energy conservation measures and introduce low-carbon energy including renewable energy to reduce CO <sub>2</sub> , Reinforce measures to address environmental issues and expand and enhance information disclosures, Improve manufacturing processes and logistics efficiency, Investigate measures to improve resource circulation through the product lifecycle (product recovery and recycling), Expand and enhance measures to address environmental issues and proactively disclose information
4°C scenario	<b>Physical risks:</b> Disruption of supply chains due to more severe natural disasters, Higher air conditioning costs due to rising average temperatures and lower labor productivity due to changes in the physical condition of employees	Secure structures for cooperation with suppliers (continuously conduct education and training to enhance the effectiveness of BCP), Implement optimization measures to ensure supplies of products and services, As flooding countermeasures, identify sites susceptible to flooding and conduct emergency response training, Increase sites subject to environment, safety, and health assessments

Responsible Supply Chain

Responsible Supply Chain

Olympus is committed to enhancing supply chain management (SCM) to ensure the stable delivery of products and services for our patients. As part of our ESG strategy, we identified supply chain risk mitigation and resilience as top priorities. We are dedicated to fostering strong relationships with our suppliers through fair, equitable, and transparent transactions.

Basic Approach and Policy

Olympus is committed to fostering sound and fair transactions, contributing to society’s sustainable development through a supply chain policy established in June 2021. We also introduced the Olympus Group Green Procurement Standards, which reflect our environmentally conscious approach to procurement. Since then, we have communicated our supply chain stance internally and externally via our website and training sessions, while reinforcing compliance with laws, regulations, and social norms.

In 2023, we launched the Olympus Global Third Party Code, replacing the previous “Expectations of Suppliers.” This code provides a globally consistent guideline for third parties, including suppliers, outlining the fundamental values, principles, and behavioral standards expected by Olympus. The code emphasizes compliance with laws, regulations, and social norms, including respect for human rights, elimination of antisocial influences, prohibition of corruption and bribery, promotion of fair and lawful transactions, and environmental stewardship. When selecting new suppliers, we rigorously evaluate their adherence to social norms and environmental standards as part of our screening process.

Our Global Procurement ESG strategy focuses on three key materiality topics under the Responsible Supply Chain initiative:

- 1. Supply Chain Risk Mitigation and Resilience:** To enhance resilience, we are implementing a multi-tier supply chain risk monitoring solution.
- 2. Social commitment in SCM:** We ensure adherence to the Olympus Global Third Party Code and monitor ESG risks within our supply chain, focusing on human rights.
- 3. Environmental Supplier Management:** We are establishing a baseline of CO<sub>2</sub> emissions from our suppliers and encouraging them to set science-based targets for our Science Based Targets initiative (SBTi\*) certification.

Supplier Survey and Improvement Activities

Until fiscal year 2023, Olympus conducted annual web-based surveys of our significant suppliers worldwide, particularly those with ongoing business in Japan. In fiscal year 2024, we collaborated with a leading risk solution provider to enhance and upgrade these surveys into two comprehensive assessments: an ISO 22301-compliant BCP (Business Continuity Planning) assessment and an ESG assessment.

Before the end of fiscal year 2024, we launched the online BCP assessment to approximately 1,100 suppliers globally. At the start of fiscal year 2025, we also rolled out the ESG assessment to the same group of

Olympus Global Third Party Code

1. It Matters that We Create Quality Products and Services
2. It Matters to Provide a Safe, Inclusive, and Respectful Workplace
3. It Matters that We Conduct Business Lawfully and Ethically
4. It Matters that We Protect Company Information
5. It Matters that We Act with Integrity in Our Interactions with Customers, Business Partners, and Other Stakeholders
6. It Matters that We Are Good Corporate Citizens

suppliers. In the latter half of fiscal year 2025, we will analyze the responses and identify high-risk suppliers to focus on risk mitigation efforts.

Human Rights Initiatives

Olympus engages in global activities in the area of human rights due diligence in compliance with the UN Guiding Principles (UNGPs) on Business and Human Rights. In fiscal year 2022, Olympus implemented a human rights impact assessment that covered the entire Olympus Group and established a system to understand the management status of human rights issues within the Olympus Group in fiscal year 2023. In fiscal year 2024, we commenced implementing a system that was formulated in fiscal year 2023 to facilitate the understanding of the management status of human rights issues internal to the Olympus Group. The current status of the Olympus Group’s major companies in each country was ascertained for 12 items including forced labor, child labor, working hours, humane treatment, elimination of discrimination and harassment, freedom of association, and the use of emerging technologies such as AI. Through this assessment, it was confirmed that all companies managed the assessed topics properly in accordance with local laws and regulations. Further, as far as the use of emerging technologies and AI in the field of human resources is concerned, while applicable laws and regulations are still in the process of being formulated in each country, the Olympus Group’s companies in each country recognize that this is a notable topic in the years to come. Based on this assessment, we will review assessment items and implementation process and conduct surveys on a regular basis while also making improvements. The aim is to establish a PDCA cycle and deepen our efforts beyond just compliance with local laws and regulations.

Furthermore, through the human rights impact assessment conducted at a manufacturing site in Japan in fiscal year 2023, we identified the need to share within Olympus Group the standards for human rights that we are targeting. Hence, in accordance with the Olympus Global Code of Conduct and the Olympus Group Human Rights Policy, we have commenced formulating the Olympus Group Human Rights Guidelines (tentative name). These guidelines refer to the concrete requirements applicable to all Olympus Group companies with respect to eight human rights issues (working hours, wages and remuneration, harassment and violence, non-discrimination and equal opportunity, freedom of association and the right to collective bargaining, child and youth labor, forced labor, and occupational health and safety), as well as the grievance mechanism and remedy. We plan to use the guidelines to understand and assess the status of management of human rights issues more deeply.

Olympus conducted global human rights awareness activities through the use of e-learning and other means to introduce Olympus’ responsibility to respect human rights in its supply chain and to provide an overview of the laws and systems in each country in fiscal year 2023. In Japan, 8,998 employees participated in this e-learning program (participation rate: 94%). Olympus will continue to carry out regular educational activities to improve the awareness of its employees regarding human rights.

\* Information on Science-based Targets is available at <https://sciencebasedtargets.org>

Details : Procurement: <https://www.olympus-global.com/csr/social/procurement/>  
Olympus Global Third Party Code: [https://www.olympus-global.com/csr/governance/third\\_party\\_global/](https://www.olympus-global.com/csr/governance/third_party_global/)  
Human Rights: <https://www.olympus-global.com/csr/social/human-rights/>



# 3

## Our Setup

This chapter introduces messages from Outside Directors and Olympus' current corporate governance initiatives.

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- 91 Communication with Shareholders and Investors



Directors (As of November 2024)



Outside Director  
**Sumitaka Fujita**

(Date of birth: December 24, 1942)  
Apr. 1965 Joined ITOCHU Corporation  
Jun. 1995 Director, ITOCHU Corporation  
Apr. 1997 Managing Director, ITOCHU Corporation  
Apr. 1998 Representative Managing Director, ITOCHU Corporation  
Apr. 1999 Representative Senior Managing Director, ITOCHU Corporation  
Apr. 2001 Representative Executive Vice President, ITOCHU Corporation  
Apr. 2006 Representative Vice Chairperson, ITOCHU Corporation  
Jun. 2006 Director, Vice Chairperson, ITOCHU Corporation  
Jun. 2007 Outside Director, Orient Corporation  
Jun. 2008 Senior Corporate Adviser, ITOCHU Corporation  
Outside Director, Furukawa Electric Co., Ltd.  
Outside Auditor, NIPPONKOA Insurance Company, Limited (currently Sampo Japan Insurance Inc.)  
Jun. 2009 Outside Director, Nippon Sheet Glass Company, Limited.  
Apr. 2010 Outside Director, NKSJ Holdings, Inc. (currently Sampo Holdings, Inc.)  
Jun. 2011 Chairperson, Japan Association for Chief Financial Officers  
Apr. 2012 Outside Director, Olympus Corporation (present)



Outside Director  
**David Robert Hale**

(Date of birth: December 21, 1984)  
Sep. 2007 Joined The Parthenon Group (currently EY-Parthenon)  
Jan. 2009 Assigned as Analyst to Strategic Value Capital, an investment subsidiary of The Parthenon Group  
Jun. 2009 Senior Associate, The Parthenon Group  
May 2010 Principal, The Parthenon Group  
Jan. 2011 Joined ValueAct Capital Management L.P.  
Dec. 2012 Vice President, ValueAct Capital Management L.P.  
May 2014 Partner, ValueAct Capital Management L.P.  
Mar. 2015 Director, MSCI Inc.  
Aug. 2015 Director, Bausch Health Companies Inc.  
Jun. 2019 Outside Director, Olympus Corporation (present)  
Jun. 2021 Outside Director, JSR Corporation  
Aug. 2023 Co-Chief Executive Officer, ValueAct Capital Management L.P. (present)  
  
<Important concurrent positions>  
Co-Chief Executive Officer,  
ValueAct Capital Management L.P.



Outside Director  
**Jimmy C. Beasley**

(Date of birth: April 6, 1963)  
Mar. 1986 Territory Manager, Roche Laboratories (Division of Hoffman La Roche)  
Jun. 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.  
Jun. 2003 President, Bard Access Systems Division, C.R. Bard Inc.  
Apr. 2007 President, Bard Peripheral Vascular Division, C.R. Bard Inc.  
May 2009 Group Vice President, C.R. Bard Inc.  
Jun. 2013 Group President, C.R. Bard Inc.  
May 2018 Consultant and Executive Advisor to ValueAct Capital Management L.P.\*  
Jun. 2019 Outside Director, Olympus Corporation (present)

\* The executive advisor role is a consulting role to ValueAct Capital Management L.P.: it is not an employee position. This consulting agreement finished at the end of March 2019.



Outside Director  
**Luann Marie Pendy**

(Date of birth: May 8, 1960)  
Dec. 1987 Joined Abbott Laboratories  
Feb. 1998 Director, Quality Control Production Laboratories, Chemical and Agricultural Product Division, Abbott Laboratories  
Feb. 2007 Corporate Vice President, Global Quality & Regulatory Affairs, Hospira Inc.  
Nov. 2008 Vice President, Corporate Quality, Medtronic Inc. (currently Medtronic plc.)  
Jun. 2014 Senior Vice President, Global Quality, Medtronic Inc. (currently Medtronic plc.)  
Nov. 2017 Senior Vice President, Regulatory Affairs & Global Quality, Medtronic plc.  
Jan. 2018 Senior Vice President, Chief Quality and Regulatory Affairs Officer, Medtronic plc.  
Jun. 2023 Outside Director, Olympus Corporation (present)



Outside Director  
**Masato Iwasaki**

(Date of birth: November 6, 1958)  
Apr. 1985 Joined Takeda Pharmaceutical Company Limited  
Apr. 2008 Senior Vice President and Head, Strategic Product Planning Department, Takeda Pharmaceutical Company Limited  
Jun. 2010 Corporate Officer, Takeda Pharmaceutical Company Limited  
Jan. 2012 Head of Chief Medical & Scientific Officer Office, Takeda Pharmaceuticals International, Inc.  
Apr. 2012 Senior Vice President, Pharmaceutical Marketing Division, Takeda Pharmaceutical Company Limited  
Jun. 2012 Director, Takeda Pharmaceutical Company Limited  
Apr. 2015 President, Japan Pharm Business Unit, Takeda Pharmaceutical Company Limited  
Apr. 2021 Japan General Affairs, Takeda Pharmaceutical Company Limited  
Jun. 2021 Representative Director, Takeda Pharmaceutica Company Limited  
Jun. 2022 Outside Director, JSR Corporation  
Jun. 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)  
Sep. 2023 Drug Discovery Strategic Advisor, CellSource Co., Ltd. (present)  
Jun. 2024 Outside Director, Olympus Corporation (present)

<Important concurrent positions>  
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.



Outside Director  
**Sachiko Ichikawa**

(Date of birth: January 17, 1967)  
Apr. 1997 Registered as attorney  
Joined Tanabe & Partners  
Jan. 2005 Registered as attorney of the State of New York  
Nov. 2009 Statutory Auditor, The Board Director Training Institute of Japan  
Jan. 2011 Partner, Tanabe & Partners (present)  
Jun. 2015 Outside Director, ANRITSU CORPORATION  
Director, The Board Director Training Institute of Japan  
Apr. 2018 Registered as certified public accountant of the U.S.A.  
May 2018 Outside Auditor, Ryohin Keikaku Co., Ltd.  
Jun. 2020 Statutory Auditor, The Board Director Training Institute of Japan  
Jun. 2021 Outside Director, Tokyo Electron Ltd. (present)  
Outside Director, Olympus Corporation (present)  
Jun. 2022 Director, The Board Director Training Institute of Japan (present)  
Jun. 2024 Outside Director, Azbil Corporation (present)

<Important concurrent positions>  
Partner, Tanabe & Partners  
Outside Director, Tokyo Electron Ltd.  
Director, The Board Director Training Institute of Japan  
Outside Director, Azbil Corporation



Outside Director  
**Kohei Kan**

(Date of birth: March 7, 1960)  
Sep. 1986 Registered as Certificated Public Accountant  
Apr. 1987 Joined Mita Audit Corporation (currently Deloitte Touche Tohmatsu LLC)  
Jun. 1998 Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)  
Nov. 2013 Board Member, Deloitte Tohmatsu Group and Deloitte Touche Tohmatsu LLC  
Nov. 2015 Chief Executive Officer, Deloitte Touche Tohmatsu LLC  
Jun. 2018 Senior Advisor, Deloitte Tohmatsu LLC  
Sep. 2018 Audit & Assurance Leader, Deloitte Asia Pacific Limited  
Jan. 2020 Senior Advisor, Deloitte Asia Pacific Limited  
Oct. 2020 Chief, Kan Kohei Certified Public Accountant Office (present)  
Nov. 2020 Board Member, International Federation of Accountants "IFAC" (present)  
Jan. 2022 Senior Advisor, The Japanese Institute of Certified Public Accountants (present)  
Jun. 2022 Outside Director, Olympus Corporation (present)

<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



Outside Director  
**Gary John Pruden**

(Date of birth: May 10, 1961)  
Oct. 1985 Joined Janssen Pharmaceutica, a division of Johnson & Johnson  
Jun. 1999 Director of Marketing, GI Franchise Marketing, Janssen Pharmaceutica  
May 2001 Vice President, Marketing, Primary Care Franchise, Janssen Pharmaceutica  
Nov. 2002 Vice President, Marketing, CNS Franchise, Janssen Pharmaceutica  
Feb. 2004 President & Chief Operating Officer, Janssen-Ortho Canada INC  
Jan. 2006 Worldwide President, Ethicon Products Inc, a division of Johnson & Johnson  
Apr. 2009 Company Group Chairperson, Ethicon Franchise Inc.  
Jan. 2012 Worldwide Chairperson, Global Surgery Group, Johnson & Johnson  
Jun. 2015 Executive Vice President & Worldwide Chairperson, Medical Devices, Johnson & Johnson  
Dec. 2017 Independent Board Director, Motus GI Holdings Inc. (present)  
Apr. 2018 Independent Board Director, Lantheus Holdings Inc. (present)  
Dec. 2019 Chief Executive Officer, GPS Med Tech Strategy Consulting LLC (present)  
Jun. 2022 Outside Director, Olympus Corporation (present)

<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



Director, Representative Executive Officer, Executive Chairperson and ESG Officer  
**Yasuo Takeuchi**

(Date of birth: February 25, 1957)  
Apr. 1980 Joined Olympus Corporation  
Apr. 2009 Director, Olympus Europa Holding GmbH (currently Olympus Europa SE & Co. KG)  
Jun. 2009 Corporate Officer, Olympus Corporation  
Oct. 2011 Executive Managing Director and Chairperson of the Board, Olympus Europa Holding GmbH (currently Olympus Europa SE & Co. KG)  
Apr. 2012 Director, Olympus Corporation (present)  
Senior Corporate Managing Officer, Olympus Corporation  
Group President of Group Management Office, Olympus Corporation  
Chairperson of the Board, Olympus Corporation of the Americas  
Director, Olympus Corporation of Asia Pacific Limited  
Mar. 2013 Administrative Board and Managing Director, Olympus Europa Holding SE  
Apr. 2015 Head of Corporate Management Office, Olympus Corporation  
Apr. 2016 Director, Vice President, Olympus Corporation  
Chief Financial Officer (CFO), Olympus Corporation  
Chief Regional Representative Officer, Olympus Corporation  
Apr. 2019 Representative Director, Olympus Corporation  
President, Olympus Corporation  
Chief Executive Officer (CEO), Olympus Corporation  
Jun. 2019 Representative Executive Officer, President and Chief Executive Officer (CEO), Olympus Corporation  
Apr. 2023 Representative Executive Officer, Executive Chairperson, Olympus Corporation (present)  
ESG Officer, Olympus Corporation (present)



Director  
**Toshihiko Okubo**

(Date of birth: June 1, 1960)  
Feb. 1991 Joined Olympus Corporation  
Jul. 2005 President and Chief Executive Officer (CEO), Olympus NDT Corporation (currently Evident Scientific Inc.)  
Aug. 2011 General Division Manager of the Life & Industrial Systems, Olympus Corporation  
Jun. 2013 Chairperson, Olympus NDT Corporation (currently Evident Scientific Inc.)  
Apr. 2014 Corporate Officer, Olympus Corporation  
Apr. 2015 Division Manager of the Scientific Solutions Business Strategy Division, Olympus Corporation  
Apr. 2016 Head of the Scientific Solutions Business Unit, Olympus Corporation  
Apr. 2019 Senior Vice President of New Business Development, Olympus Corporation  
Apr. 2021 Senior Vice President of Corporate Planning, Olympus Corporation  
Apr. 2022 Deputy Chief Strategy Officer, Olympus Corporation  
Apr. 2023 Assistant to Chief Strategy Officer, Olympus Corporation  
Jun. 2023 Director, Olympus Corporation (present)

Message from the Chairperson of the Board

Through our commitment to Our Purpose and patient safety, we continue to enhance our corporate governance to create innovative value that benefits our patients worldwide and contribute to a wide range of stakeholders.



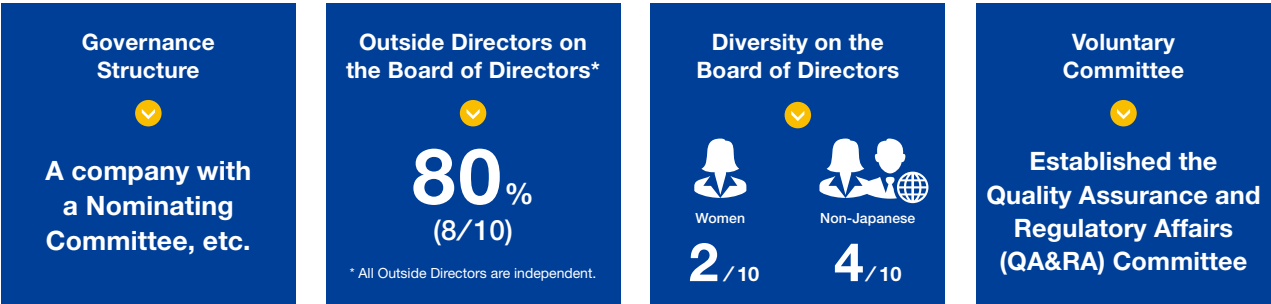
Olympus is aiming to become a global MedTech company, and what underpins everything is patient safety, which is the most important value of Our Purpose. The Board is strongly supportive of the executive team’s efforts to instill a patient safety mindset at all levels of the organization; we see steady progress and penetration through the *Elevate* program’s progress reports by the executive team and activities reports by the Quality Assurance and Regulatory Affairs (QA&RA) Committee.

Supporting Olympus’ sustainable growth while focusing on patient safety is one of the most important roles of the Board.

Mr. Yasuo Takeuchi, Director, Representative Executive Officer, Executive Chairperson and ESG Officer of Olympus, is carrying out the duties of the CEO at the present time. The Nominating Committee of the Board is meeting to consider all options for the successor to the CEO.

Going forward, we will further enhance the Board’s monitoring roles as well as work closely with the executive team to continuously improve our corporate governance.

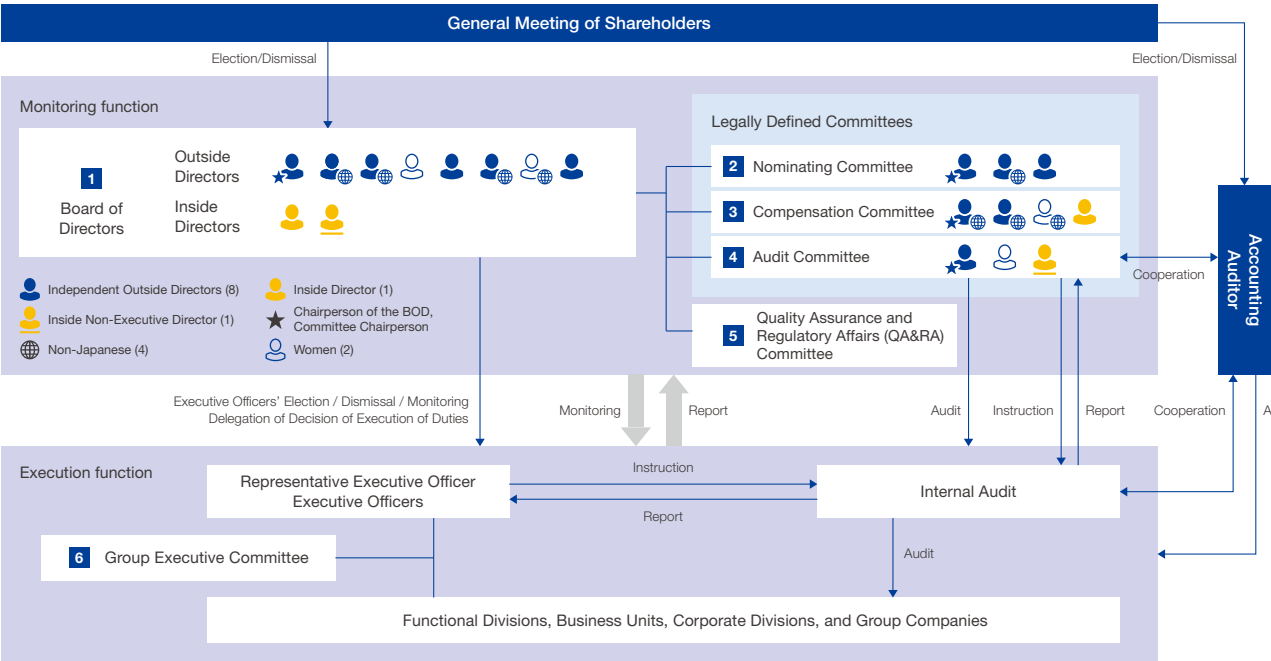
Characteristics of Corporate Governance at Olympus



Efforts to Realize Highly Transparent and Effective Management

- The Chairperson of the Board of Directors and the Chairperson of statutory committees (Nominating Committee, Compensation Committee, and Audit Committee) are independent Outside Directors.
- The Chairperson of the Board of Directors participates in the Group Executive Committee as an observer.
- Pre-briefings to independent Outside Directors, information sharing and mutual exchange of opinions through meetings only for independent Outside Directors, and the feeding back of results to Executive Officers

Corporate Governance Structure (As of November 2024)



1	Board of Directors	The Board of Directors determines important matters including basic management policy and monitors execution of duties of Directors and Executive Officers.
2	Nominating Committee	The committee deliberates on matters related to human resources at the Director and Executive Officer levels, as well as determines the proposals to be submitted to the General Meeting of Shareholders in relation to the appointment of Directors.
3	Compensation Committee	The committee determines a policy on compensation for Directors and Executive Officers, and its individual compensation.
4	Audit Committee	The committee audits execution of duties of Directors and Executive Officers and creates audit reports, as well as determines the proposals to be submitted to the General Meeting of Shareholders in relation to the selection of the accounting auditor, etc.
5	Quality Assurance and Regulatory Affairs (QA&RA) Committee	The committee provides ongoing oversight to support regulatory compliance, cross-functional planning, resourcing, and monitoring of Olympus' transition toward a robust company quality management system as a global MedTech company and report the progress.
6	Group Executive Committee	The Group Executive Committee deliberates on critical matters concerning business execution for the entire Olympus Group, as well as reports and shares progress of initiatives led by each business/function so that Executive Officers mutually confirm the status of their area of responsibilities.



## Basic Concept of Corporate Governance

All our activities are based on “Making people’s lives healthier, safer and more fulfilling” as stated in our corporate philosophy. Following this philosophy, we aim to improve the Olympus Group’s continuous development and medium- to long-term corporate value for all stakeholders, including shareholders. Based on our fiduciary responsibility to shareholders and

our responsibility to stakeholders including clients, employees, and local communities, etc., as well as our corporate philosophy, we have implemented the principles of the Corporate Governance Code and will strive to realize an effective corporate governance.

Details

Basic Policy for Corporate Governance: [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)

Corporate Governance Report (As of November 8, 2024): [https://www.olympus-global.com/company/governance/pdf/governance\\_report\\_november\\_8\\_2024\\_en.pdf](https://www.olympus-global.com/company/governance/pdf/governance_report_november_8_2024_en.pdf)

## The Member Composition of the Board of Directors and Each Committee

We consider the diversity of the composition of the Board of Directors in terms of internationality, gender, career, and age, as well as experience, knowledge, and ability, etc. Our Directors secure a sufficient amount of time for the Board of Directors in order to fulfill their own obligations and responsibilities. The Board of Directors is currently composed of 10 members, of whom eight are independent Outside Directors. In addition, of those 10 Directors, four are non-Japanese, and two are women. This composition is based on a consideration for human resource requirements to becoming the global MedTech company that Olympus

aims to be, which includes having abundant experience and insight in corporate management, finance, and international business deployment, as well as diversity in internationality and gender.

Based on factors that include the experience and knowledge of each Director, proposals for the compositions of the Nominating Committee, Compensation Committee, and Audit Committee, as well as of the voluntary Quality Assurance and Regulatory Affairs (QA&RA) Committee, are decided at a Nominating Committee meeting and then passed by a Board of Directors’ resolution.

### The Member Composition of the Board of Directors and Skills Matrix

Name	Date of appointment	Inde-pendence	Main experiences and expertise for Director						
			Corporate Management	Overseas Business	Healthcare Industry	Quality Assurance	Legal/Risk Management	Finance/ Accounting	ESG
Sumitaka Fujita (Chairperson)	Apr. 2012	○	●	●				●	●
David Robert Hale	June 2019	○	●	●	●			●	
Jimmy C. Beasley	June 2019	○	●	●	●	●			
Sachiko Ichikawa	June 2021	○		●			●	●	●
Kohei Kan	June 2022	○		●			●	●	●
Gary John Pruden	June 2022	○	●	●	●	●			
Luann Marie Pendy	June 2023	○		●	●	●			
Masato Iwasaki	June 2024	○	●	●	●				●
Yasuo Takeuchi	Apr. 2012		●	●	●			●	●
Toshihiko Okubo	June 2023			●	●				

Note: The above table does not indicate all the expertise/experiences the Directors have.

### The Member Composition of Each Committee

Committee	Members
Nominating Committee	Sumitaka Fujita (Chairperson), Gary John Pruden, Masato Iwasaki
Compensation Committee	Jimmy C. Beasley (Chairperson), David Robert Hale, Luann Marie Pendy, Yasuo Takeuchi
Audit Committee	Kohei Kan (Chairperson), Sachiko Ichikawa, Toshihiko Okubo
Quality Assurance and Regulatory Affairs (QA&RA) Committee	Gary John Pruden (Chairperson), Jimmy C. Beasley, Luann Marie Pendy

### Changes in Corporate Governance

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Chronology	● Deferred recording of past losses discovered ● New management system launched ● Announcement of <i>Transform Olympus</i> corporate transformation plan														
Management Plans	2010 Medium-term Strategic Plan (10CSP) Advancing to the next stage of globalization	Medium-term Vision Stage of reconstructing management (recover trust and strengthen internal systems)				2016 Medium-term Management Plan (16CSP) Sustainable growth stage (Strengthening the foundations of our business and developing a strong business portfolio)				Corporate Strategy Transforming into a truly global MedTech company			Company Strategy Leading as a global MedTech company		
Management System	A company with an Audit & Supervisory Board									A company with a Nominating Committee, etc.					
Chairperson of the Board	Inside Directors				Independent Outside Directors										
Directors	More than half are Outside Directors.														
Members	Outside 3/ Inside 12	Outside 6/ Inside 5	Outside 8/ Inside 5		Outside 5/ Inside 5	Outside 6/ Inside 5			Outside 10/ Inside 5	Outside 9/ Inside 3	Outside 8/ Inside 3	Outside 9/ Inside 3	Outside 10/ Inside 3	Outside 8/ Inside 3*1	
Women	—		1				—					1		2	
Non-Japanese	1	—								3			4	5*2	
Committees		●	Voluntarily established a Nominating Committee, Compensation Committee, and Compliance Committee Committee Chairpersons: Outside Directors Members: Majority are Outside Directors							Established a Nominating Committee, Compensation Committee, and Audit Committee Committee Chairpersons: Independent Outside Directors Members: Majority are independent Outside Directors			Established Quality Assurance and Regulatory Affairs (QA&RA) Committee as an voluntary committee		

Established Management Reform Committee, Director Liability Investigation Committee, Non-Director Liability Investigation Committee

\*1 Since October 28, 2024: Outside 8/Inside 2      \*2 Since October 28, 2024: 4

Message from a Newly Appointed Outside Director



Masato Iwasaki  
Outside Director  
(Member of the  
Nominating Committee)

For many years, I was involved in corporate transformation, M&A, and other aspects of business at Takeda Pharmaceutical Company Limited. Having a lot in common with a global medical device company originating from Japan, I feel a strong affinity toward Olympus. First and foremost, I empathize with the fact that Olympus has committed to “Patient Focus” as one of its core values and is promoting a range of initiatives. To firmly ingrain the corporate culture that Olympus is striving for, it is important for management to take the lead in embodying its core values and incorporating the patient’s perspective in various situations when carrying out our work, and I have high expectations for

the executive team. Another major aspect healthcare companies have in common is that by building global, innovation-based business ecosystems through R&D, Olympus can deliver value to patients around the world. Olympus’ mission is to continue to create innovation for patients, and to achieve this I believe it is essential to utilize the diversity of its employees, who are an asset for any global company. In my previous position, I was involved in responding to globalization and promoting diversity, which Olympus is currently facing, so I would like to generously impart my knowledge and experience to contribute to Olympus’ further development.

Activities of the Board of Directors and Committees in FY2024

Name	Attendance at meetings of the Board of Directors	Attendance at meetings of the Nominating Committee	Attendance at meetings of the Compensation Committee	Attendance at meetings of the Audit Committee	Attendance at meetings of the Quality Assurance and Regulatory Affairs (QA&RA) Committee
Sumitaka Fujita	14/14	13/13	—	—	—
Yasumasa Masuda	13/14	—	—	27/27	—
David Robert Hale	14/14	2/2*2	—	—	—
Jimmy C. Beasley	14/14	—	11/11	—	12/13
Sachiko Ichikawa	14/14	—	—	27/27	—
Yasushi Shingai	14/14	2/2*2	11/11	—	—
Kohei Kan	14/14	—	—	27/27	—
Gary John Pruden	14/14	10/11*1	3/3*2	—	13/13
Tatsuro Kosaka	11/11*1	11/11*1	—	—	—
Luann Marie Pendy	11/11*1	—	8/8*1	—	9/10*1
Yasuo Takeuchi	14/14	2/2*2	—	—	—
Stefan Kaufmann	14/14	11/11*1	—	—	—
Toshihiko Okubo	11/11*1	—	—	19/19*1	—

\*1 Appointed in June 2023  
\*2 Retired in June 2023  
Note: As Mr. Masato Iwasaki was appointed Director in June 2024, he did not attend the meetings of the Board of Directors or those of the other committees in FY2024.

Name	Activities
Board of Directors	Considerations made <ul style="list-style-type: none"><li>● Matters related to Olympus’ Basic Management Policy, e.g., company strategy, business plans, performance forecasts and Basic Policy on the Internal Control System, etc.</li><li>● Matters related to Corporate Governance, e.g., status report for each business; status reports for initiatives in governance, risk, compliance, and quality control; status report on the execution of the ESG strategy; status report on IR activities; internal audit plans and report on the 2024 Noto Peninsula Earthquake; evaluation of the effectiveness of the Board of Directors; executive structure for the next term, etc.</li><li>● Matters related to the status of activities of each committee, e.g., audit plans of the Audit Committee and its status of activities, matters discussed at the Compensation Committee, and sharing of other committee proceedings, etc.</li></ul> In addition to the above, the Chairperson of the Board of Directors reports on matters to be discussed at the meeting of the Group Executive Committee as necessary, and the Board of Directors regularly receives status reports on the execution of duties from Executive Officers.
	Other activities <ul style="list-style-type: none"><li>● So that our Board of Directors can contribute to enhancing Olympus’ corporate value by cooperating with Executive Officers, its duties to be fulfilled are (i) improving recognition and insight into the management environment and management issues through constructive discussion with Executive Officers, (ii) effectively monitoring management decision-making and execution from a strategic and broad perspective, and (iii) supporting the promotion of strategies so Olympus can develop itself as a global MedTech company, and exercising effective monitoring capabilities.</li><li>● We hold an “Executive Session,” which is held after the conclusion of every Board of Directors’ meeting and an “Opinion Exchange Meeting for Outside Directors,” which is held once per quarter. These are meetings in which only Outside Directors can participate. At each meeting, the Outside Directors aim to share their recognition while extracting management issues, and the Chairperson provides feedback on the details to the Executive Officers.</li><li>● Olympus is making efforts to improve the effectiveness of the Board of Directors including improvements based on the results of evaluations on the effectiveness of the Board of Directors regarding matters that should be discussed and reported at Board of Directors’ meetings.</li></ul>
Nominating Committee	Considerations made <ul style="list-style-type: none"><li>● In considering the plan for the composition of the Board of Directors, the Nominating Committee updated a matrix of the experience and knowledge required of our Directors.</li><li>● Regarding the selection of candidates for Directors, outside consultants were used, and deliberations and interviews were conducted according to the selection criteria after considering the composition of Olympus’ Board of Directors.</li><li>● Regarding the selection plan for Executive Officers, the Nominating Committee discussed their suitability and made decisions after a year-long evaluation and selection process.</li><li>● Regarding the succession plan for Executive Officers, the Nominating Committee discussed whether the candidates possessed the desired experience and knowledge in accordance with expected roles in the execution of duties at Olympus.</li></ul>
Compensation Committee	Considerations made <ul style="list-style-type: none"><li>● Details about compensation for Directors and Executive Officers were determined.</li><li>● Details have been disclosed in annual securities report (“(4) Compensation, etc. for Officers (iii) Compensation Committee”).</li></ul> <div> <b>Annual Securities Report for the Fiscal Year Ended March 31, 2024</b> (from April 1, 2023 to March 31, 2024) : <a href="https://www.olympus-global.com/ir/data/pdf/annual_fy2024_en.pdf">https://www.olympus-global.com/ir/data/pdf/annual_fy2024_en.pdf</a></div>
Audit Committee	Considerations made <ul style="list-style-type: none"><li>● Details have been disclosed in annual securities report (“(3) Audits (i) Audit Committee Audits b. Status of the Audit Committee’s activities”).</li></ul> <div> <b>Annual Securities Report for the Fiscal Year Ended March 31, 2024</b> (from April 1, 2023 to March 31, 2024) : <a href="https://www.olympus-global.com/ir/data/pdf/annual_fy2024_en.pdf">https://www.olympus-global.com/ir/data/pdf/annual_fy2024_en.pdf</a></div>
Quality Assurance and Regulatory Affairs (QA&RA) Committee	Considerations made <ul style="list-style-type: none"><li>● The following matters were reviewed, discussed and deliberated, and reported to the Board of Directors as necessary:<ul style="list-style-type: none"><li>(1) Oversight and advising on companywide plans and the state of progress relating to quality management system improvements and on the key metrics for meeting global regulatory standards</li><li>(2) Reviewing and advising on regulatory communications, strategies, and upcoming meetings</li><li>(3) Oversight the incorporation of improved quality processes and procedures into R&amp;D and supply chain functions</li><li>(4) Providing recommendations to management on the allocation of Olympus Group resources, relating to quality and regulatory efforts</li></ul></li></ul>



Support Systems for Directors

To support the effective execution of the roles and duties of Directors, we work proactively to provide Outside Directors with information and distribute documents prior to Board of Directors’ meetings while setting an opportunity for the explanation of agendas in advance as necessary and working to stimulate discussions in the Board of Directors’ meetings. We have also established the “Secretary to the Board” as a dedicated organization to support the execution of duties of Outside Directors as well as the effective and robust activities of the Board of Directors, Nominating Committee, and Compensation Committee. Furthermore, in order to assist the Audit Committee with their duties, Olympus has established the “Office of the Audit Committee,” that ensures independence

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

Process for Election of Directors and Executive Officers, Development and Selection of Successors for the CEO

**Process for Election of Directors and Executive Officers**  
The Nominating Committee shall deliberate Director candidates while making reference to the selection criteria, hold interviews, and determine the content of proposals submitted to the General Meeting of Shareholders in relation to the election and dismissal of Directors.  
In addition, Executive Officer elections are determined by the Board of Directors after the Nominating Committee discusses whether the candidate has experience, insight, etc., appropriate

for an Executive Officer and develops proposals for elections.  
**Development and Selection of Successors for the CEO**  
The Nominating Committee deliberates a succession plan for the CEO and reviews it periodically. As for determining the successor, the Nominating Committee discusses whether the candidates have qualifications that are suitable for the role of CEO and provides opinions and advice to the Board of Directors. Thereafter, the successor is decided by the Board of Directors.

Initiatives for Enhancing Effective Corporate Governance

**Overview and Background for Implementation of the Evaluation of the Board of Directors**  
Since 2015, we have been conducting evaluations of the effectiveness of the Board of Directors, and an overview of the results has been made public every year with the aim of realizing effective corporate governance. In the Board of Directors’ Evaluation conducted from February to June 2024, the following points have been set as main objectives.  
• 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 company 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.

 **Evaluation Results for Effectiveness of the Board of Directors**  
<https://www.olympus-global.com/company/governance/board.html>

Initiatives to Improve Board of Directors’ Effectiveness

Check

Board of Directors’ Evaluation Processes for the Term of 2024

- Individual questionnaires with all Directors
- Third-party consultants conducted individual interviews with all Directors
- The Chairperson of the Board, the secretariat, and the third-party consultants organized key issues to be discussed by the Board of Directors.
- The entire Board of Directors held a discussion while applying the facilitation of third-party consultants.

Action

Plan

Do

Conduct and Analyze Board of Directors’ Evaluations

- 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 was 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 company strategy, among other challenges.

Board of Directors’ Initiatives for the Term of 2025

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’ company 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.

Operation of Board of Directors’ Meetings for the Term of 2025

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 corporate 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 MedTech 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.

Officer Compensation

Officer Compensation

At Olympus 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' Directors and Executive Officers on an individual basis, details of compensation, etc., and compensation rules. Our basic policy regarding officer compensation is to make officers have a strong sense of awareness that maximizes the corporate value and meets expectations of various stakeholders and reward their responsibilities with suitable and appropriate treatments. Based on the said policy, the Compensation Committee focuses on appropriately setting the compensation portion linked to short-term, medium- to long-term performance and decides officer compensation.

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 MedTech companies and compensation levels of MedTech companies in a country

the officer is from are benchmarked, and the compensation level will be determined.

Components of Compensation

- 1. Base salary (BS):** Cash compensation in the form of fixed compensation that is paid monthly in accordance with the roles and responsibilities regarding work duties
- 2. Short-term incentive compensation (STI):** Cash compensation intended to reward executives for driving actual business performance results every fiscal year. STI allows officers to earn cash compensation equal to 0% to 200% of their target bonus opportunity, based on the achievement of financial and non-financial performance measures.
- 3. Long-term incentive compensation (LTI):**
  - Restricted stock unit (RSU)—subsequent grant-type restricted stock compensation:** A type of service-vested stock compensation that grants rights (units) corresponding to a set amount of total compensation to be paid as shares of Company stock (with one unit equal to one share) at the completion of the pre-defined period
  - Performance share unit (PSU)—performance-based stock compensation:** An equity award with pre-defined performance-based conditions and paid out in shares of Company stock after the performance period is completed. The compensation paid is calculated as a ratio between 0% and 200% relating to reaching the target after three years.

Officer Compensation in FY2024

Officer classification		Total amount of compensation, etc. (¥ million)	Total amount of compensation, etc., by type (¥ million)			Number of subject Officers
			Base salary	Performance-linked monetary compensation	Non-monetary compensation	
Director	Inside	1,772	830	289	653	4
	Outside	277	207	—	70	10
Executive Officer		2,373	1,105	522	746	8

Notes: 1. Base salary includes the amount paid in the fiscal year ended March 2024. Performance-linked monetary compensation, which is short-term incentive, and non-monetary compensation (RSU and PSU), which is long-term incentive, include the amounts to be recorded as expenses for the fiscal year ended March 2024.  
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 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 Inside Director.  
4. The table above includes one Inside Director and one Outside Director who retired at the close of the fiscal year ended March 2023 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.

Compensation Structure for Directors

Taking into consideration roles and responsibilities, compensations for Directors are paid by fixed compensation as BS. Furthermore, to share the interests between Directors and investors, in addition to BS non-performance-linked stock compensation is granted. The stock compensation here is to be RSU, 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. To further promote the concept of sharing interests between Directors and investors through hold-

BS 65-80%	RSU 20-35%
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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.

ing of more shares, 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.

Compensation Structure for Executive Officers

In the fiscal year ended March 2020, in accordance with a corporate strategy of aiming to become a global MedTech company, we established a new compensation system which was implemented at the beginning of the fiscal year ended March 2021. In order to achieve our corporate strategy and to create corporate value, it is essential that we have a compensation system that ensures that we 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.

- 1. Establish a more powerful incentive program which can compete with global MedTech companies.
- 2. Establish an incentive program which is consistent with the corporate strategy.
- 3. Establish a program with focuses on value creation and performance evaluation utilizing 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 clawback 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 for Executive Officers is to be a combination of BS, a fixed compensation, STI, which is linked to business performance of each fiscal year, and LTI. Focusing on achieving corporate strategy aimed at enhancing medium- to long-term corporate value and shareholder value, the ratio of performance-linked compensation, particularly LTI, was raised, and the standard amounts of STI and LTI were set. LTI consists of RSU and PSU.

A clawback clause has been set up to deter the management (Executive Officers) from short-sighted, harmful investments and improper accounting. Shareholding guidelines are established to share interests between investors and management.

Changes in the Compensation Structure for Executive Officers

FY2020

Executive Officer

BS 50%	STI 25%	LTI 25%
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Note: Executive Officers who were non-residents of Japan were not eligible for compensation through RSU, and their compensation through PSU was paid in equivalent cash compensation instead of the shares themselves.

Setting up a new compensation system, in line with the corporate strategy of becoming a global MedTech company.



FY2021, FY2022

Representative Executive Officer

BS 25%	STI 25%	LTI 50%
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Executive Officer

BS 28.5%	STI 28.5%	LTI 43%
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Note: Executive Officers who were non-residents of Japan were also provided with shares for LTI.

Having taken into consideration the compensation levels of global MedTech companies, the compensation structure has been changed to higher the ratios of STI, which is performance-linked monetary compensation, and LTI, which is stock compensation.



FY2023 to FY2025

Representative Executive Officer

BS 19%	STI 24%	LTI 57%
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Executive Officer

BS 24%	STI 28%	LTI 48%
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Note: Executive Officers who are non-residents of Japan also are provided with shares for LTI.

- 1 Increasing the proportion of long-term incentives in line with the corporate strategy
- 2 Setting challenging and achievable targets in accordance with the business environment and increasing the motivation of Executive Officers



## Compensation of Executive Officers

Considering the compensation amounts of global MedTech companies, the ratio of STI, which is performance-linked monetary compensation, and LTI, which is stock compensation were raised and we set the composition. The ratio of RSU and PSU was 25% for RSU and 75% for PSU in accordance with the basic concept of putting emphasis on performance-linked

compensation. Nevertheless, in light of the current uncertain and drastically changing business environment, the ratio was set as 40% for RSU and 60% for PSU since the fiscal year ended March 2022 in order to secure a desirable share of stock in the total compensation.

### Compensation Composition for FY2024 (Results) and FY2025

#### Representative Executive Officer

BS	STI	RSU	PSU
19%	24%	23%	34%

#### Executive Officer

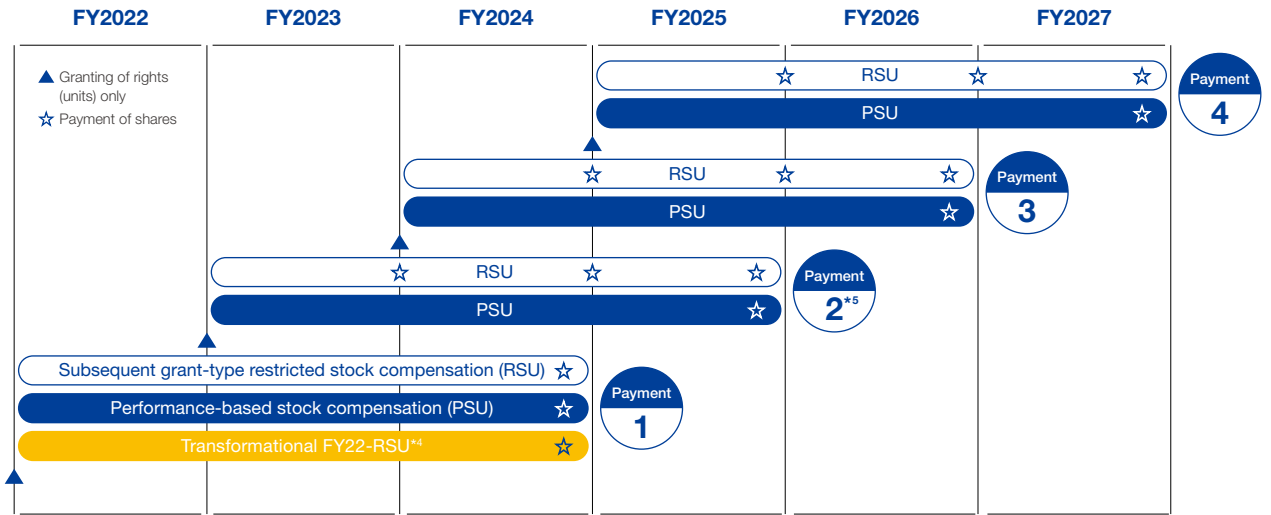
BS	STI	RSU	PSU
24%	28%	19%	29%

Notes:

1. The left table summarizes the target compensation ratio as the role of executive. Compensation paid for the role of monitoring to a person who also serve as a Director is not included.
2. 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. (This is not included in the ratios shown in the figure on the left.)

### Long-term Incentive Compensation (LTI)

From the fiscal year ended March 2021, RSU and PSU are being utilized.



\*4 The payout rate was 0% for those PSU for which the fiscal year ended March 2021 was the final fiscal year of the evaluation period. Although the COVID-19 pandemic was having a major impact on the business environment, Executive Officers produced effects through the fiscal year ended March 2022 and beyond. The Compensation Committee believed it was necessary to have an effective form of compensation aimed at maximizing corporate value, improving shareholder value, and strengthening the sharing of interests with shareholders, and were, therefore, paying out a "Transformational FY22-RSU."

\*5 From the fiscal year ended March 2023, payment type of RSU was changed to 1/3 payable as shares after each year.

### Performance-based Stock Compensation (PSU)

#### FY2022 to FY2024 (Results)

Index	Weight	Target (100% payout)	Result	Payout rate	Payout rate
Operating margin*6	40%	Setting 100% payout target for each year	*7	57.3%	87.8%
Relative TSR	40%	50%ile (Peer group)	31.1%ile	62.2%*8	
ESG	20%	DJSI-index	*9	200.0%	

- \*6 Operating margin value is after adjustment by deducting other income and expenses.
- \*7 Operating margin: 100% payout target for each year were as follows. Payout rate of operating 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 margin of each year were as follows.  
FY2022=19.3%, FY2023=20.0%, FY2024=16.2%
- \*8 (Relative TSR payout rate % for 25% to 50%) = 2 \* (Relative TSR result %ile)
- \*9 Payout rate of ESG index is determined by DJSI-index of each fiscal year in the evaluation period. Results of each year were as follows.  
FY2022 = World, FY2023 = World, FY2024 = World

#### FY2024

Index	Weight	Target value	Actual value	Payout rate	Payout rate
Revenue*1	25%	¥914.0 billion	¥871.5 billion	51.1%	112.8%
Operating margin*1	25%	18.9–20.9%	16.2%	0%*2	
Quality target	50%	401 work streams	Exceeded target level	200.0%	

#### FY2025

Index	Weight	Target
Revenue*1	25%	¥1,021.0 billion
Operating margin*1	25%	19.4%
Quality target	30%	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
EO individual target*3	20%	Targets of very concrete results or outcomes he/she has to deliver in the fiscal year ending March 2025 will be set as individual targets consisting of four goals related to (1) Holistic remediation and transformation program, (2) Long-term sustainability, (3) Short-term basic improvement, and (4) Budgets.

- \*1 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 margin is calculated from operating profit after adjustments that deduct other income and other expenses.
- \*2 Since operating margin was less than 16.9%, the payout rate was 0%.
- \*3 For CEO and Executive Chairperson, the Executive Officer individual target is not applied, and the composition of the indicators is 35% for revenue, 25% for operating margin, and 40% for quality target.

#### FY2023 to FY2025

Index	Weight
Operating margin	20%
Relative TSR	60%
ESG*10	20%

#### FY2024 to FY2026

Index	Weight
EPS growth rate	20%
Relative TSR	40%
Quality target	30%
ESG*10	10%

#### FY2025 to FY2027

Index	Weight
Relative TSR*11	60%
Quality target	20%
ESG	20%

**POINT** As ESG evaluation index, in light of ESG focus areas and materiality of Olympus, we set the three focus areas of ESG as internal index, in addition to the DJSI Index.

Focus area	Index	Weight	Target in FY2027	Mid-term goals (for reference)
Healthcare Access & Outcome	CRC (Colorectal cancer) related training in target emerging countries and regions	5%	36–37 (Number of programs)	+20% growth rate
Healthy Organization	Management positions held by women globally	5%	28.5%–29.6%	30% in FY2028
Carbon Neutral Society & Circular Economy	Reduction of CO <sub>2</sub> emission in our site operations across Scope 1 and 2	5%	-68% to -70% (Reduction compared with FY2020)	Carbon neutral by 2030
DJSI	Included in DJSI Index	5%	World	World maintained

- \*10 Evaluation based on the Dow Jones Sustainability Index (DJSI), which is a global representative ESG investment index. In light of the business characteristics of Olympus, the DJSI is set as an evaluation index for the reasons given below. In addition, with the goal of meeting global standards in all areas of ESG, an evaluation table was set with an emphasis on the DJSI that will be achieved in the third year, in consideration of the results of the first and second years.
- The DJSI provides comprehensive coverage of overall corporate activities.
  - The breadth of coverage in the evaluation area contrasts with the expectations of a broad range of stakeholders.
  - The DJSI is a highly reliable external evaluation organization and ensures transparency and fairness.
- \*11 The peer group consists of the following 20 companies in Japan, Europe, and the U.S. that are "manufacturers whose business portfolio includes medical devices" or "manufacturers classified in the healthcare category of the GICS code."  
Abbott Laboratories; GE Healthcare Technologies; Medtronic plc; Koninklijke Philips N.V.; Danaher Corporation; Takeda Pharmaceutical; Becton, Dickinson and Company; Siemens Healthineers AG; Stryker Corporation; Baxter International Inc.; Boston Scientific Corporation; Zimmer Biomet Holdings, Inc.; Terumo Corporation; Agilent Technologies, Inc.; HOYA Corporation; Smith & Nephew plc; Edwards Lifesciences Corporation; Intuitive Surgical, Inc.; STERIS plc; Sysmex Corporation

Aligned Assurance

Aligned Assurance

With the aspiration to achieve Aligned Assurance, effective April 1, 2023, Olympus established the Governance, Risk & Compliance Function (in short “GRC”). GRC runs four essential management systems for Olympus: Risk & Controls, including Business Continuity and Crisis Management, Compliance, Privacy, and Information Security Management.

Together, they seek to identify, assess, mitigate, and monitor the risks Olympus is facing. By gaining more transparency on risks, encompassed exposures, and their mitigation status Olympus management gains more cross-functional information to further enhance its decisions based on Aligned Assurance.

- The aim of Aligned Assurance provided by the GRC function is to:
- GUIDE the organization by providing confidence and empowerment when navigating risk and uncertainty,
  - PARTNER with the organization as a trusted ally in advancing business and enabling informed decisions as well as taking smart risks, and through its independence as a second line function, and
  - SAFEGUARD Olympus’ employees, reputation, and achievements, serving as a shield for patient focus, quality of our products, and our organization more broadly.

Focus on Enhanced Enterprise Risk Management

The Olympus Group implemented an enhanced Enterprise Risk Management (ERM) to realize its business objectives in line with its corporate strategy. Specifically, based on the “Enterprise Risk Management Rules” and related rules, the Olympus Group undertakes risk management from the perspective of both “offense,” through active and appropriate risk taking leading to sustainable growth and value creation for the Company, and “defense,” to mitigate the risk of potential legal or financial

repercussions due to noncompliance with regulations or industry standards.

Enterprise Risk Management Oversight

Olympus has established a new committee structure on both the global and regional level by setting up Global and Regional Risk Assurance and Compliance Committees (G-RACC and R-RACC, respectively; collectively called “RACCs”). G-RACC is co-chaired by the CEO and the Global Head of GRC / Global Chief Compliance Officer leading the discussions by representatives of Group Executive Committee (GEC) members. The R-RACCs are held with executive management committee members in each region, co-chaired by the Regional Representative Officers and the Regional Heads of GRC of each region.

The objectives of the RACCs are to establish, implement, and manage a framework for addressing enterprise risk and complying with applicable policies, laws, and regulations. Recommendations, guidance, and significant risks are regularly reported to the Olympus GEC, Board of Directors, and Audit Committee for ongoing monitoring. Olympus also has identified and collaboratively nominated Risk Owners, Global Division and Function Heads and Regional Division and Function Heads, and respective Risk Coordinators responsible for managing risks. Each Risk Owner is accountable for executing the necessary measures (organizational structure, process preparation, focus measures, etc.) in their designated area of risk. This framework is based on the concept of the Three Lines Model as defined in our Group’s Internal Control Framework. Internal Audit Function provides regular audits to Risk Owners (1st Line) and GRC functions (2nd Line) based on their annual audit plan.

New Enterprise Risk Management Categories

Olympus has established the global Enterprise Risk Management Methodology and Approach, which includes five

calibrated Risk Categories (1. Strategic [incl. External], 2. Operations & Product, 3. Financial, 4. Governance, and 5. IT & Digital) and corresponding Sub-Risk Categories. Please refer to our website for details of each risks.

 Business Risk | <https://www.olympus-global.com/ir/policy/risk.html>

Enhanced Enterprise Risk Management Evaluation Method

Olympus also has introduced the following three Risk Evaluation Criteria (1. Exposure, 2. Vulnerability, 3. Velocity) to evaluate and display each individual risk that might influence the achievement of Olympus’ business objectives, as well as the corporate strategy. Exposure is determined by likelihood and impact. Likelihood indicates the probability of a risk materializing, while impact assesses the severity of the consequences if a risk does materialize. Likelihood and impact levels are defined as quantitative (financial) or qualitative criteria.

Vulnerability refers to how well the organization is prepared to manage a risk if it occurs. Velocity indicates how fast Olympus would be affected by a risk after it occurs. Based on these three criteria, Olympus actively identifies, mitigates, and monitors risks. Mitigation measures are regularly reviewed and tested for effectiveness. Olympus also has introduced a so-called “3D Risk Matrix” to visualize and manage risks. It combines Exposure with the perceived Vulnerability and adds Velocity to the assessed risk. The matrix is split into four quadrants. Each of them indicates how the risk should be dealt with. Furthermore, Olympus has introduced an updated IT application based on databases and dashboards to facilitate better and informed risk-based decision-making.

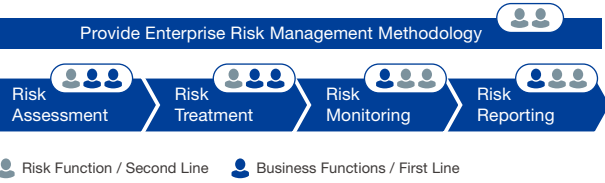
Enterprise Risk Management Process

- The main components of the Enterprise Risk Management Process are:
- Risk Assessment to identify, analyze, and evaluate risks
  - Risk Treatment to mitigate risk and coordinate and execute risk management activities

- Risk Monitoring to design and implement monitoring procedures on risks and evaluate the effectiveness of risk treatment activities
- Risk Reporting to aggregate and valueate risk and mitigating measures and report to relevant stakeholders regularly. Risk Reporting is developed and deployed internally as part of the annual plan.

The status of the Group’s response to top risks is regularly reported to the GEC, Board of Directors, and Audit Committee for continuous monitoring.

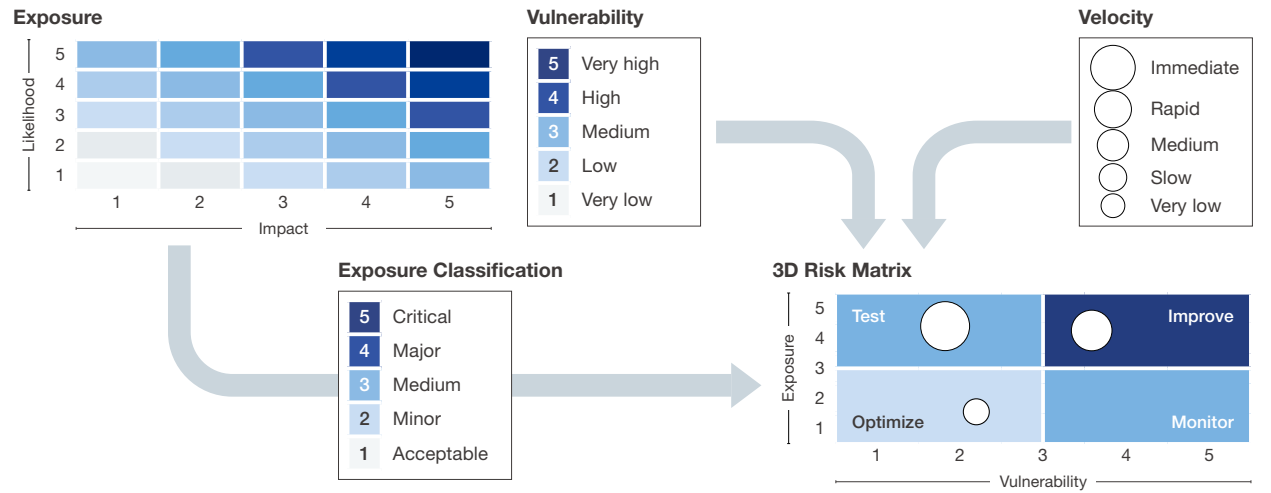
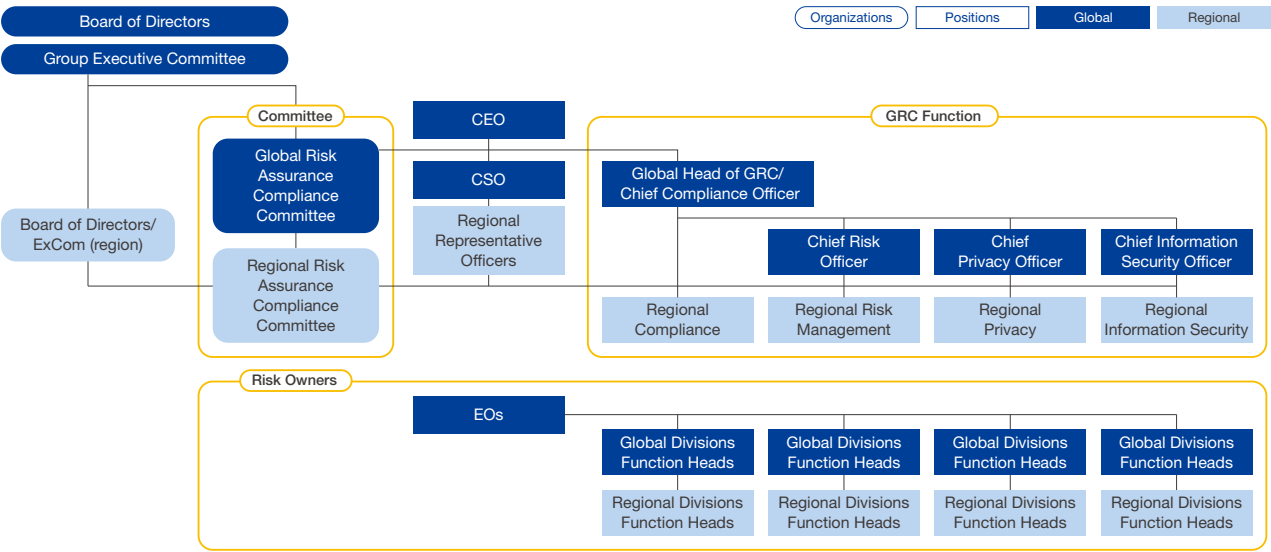
The Enterprise Risk Management Process is based on strong collaboration between the Risk & Controls Function and Division/Business Functions following the principle of the Three Lines Model. Olympus is developing and executing these globally aligned ERM processes at both the global and regional levels. Risk & Controls is responsible for providing, maintaining, and developing the Enterprise Risk Methodology and operational guidance. We are promoting the spread of the new organizational structure and methods within the Company. We are continuously fostering our risk culture in our business operation levels through training and workshops with Risk Owners, Risk Coordinators, and other second line functions.



Business Continuity Management / Business Continuity Plans

In terms of business continuity management (BCM), we strive to develop practical plans that emphasize the value chain. To support this, we have established internal rules and procedures for BCM and consistently work on improving BCM practices. Additionally, we conduct regular education and training programs to enhance the effectiveness of our BCM. In fiscal year 2024, we decided to coordinate our ERM and BCM

Organizational Setup (FY2024)





Aligned Assurance

activities more closely. Once an Enterprise Risk is identified and assessed, Business Continuity Plans are defined as Risk Treatment measures in order of highest Risk Exposure, starting with those risks with highest vulnerability and highest velocity where risk mitigation needs to improve.

Compliance

Olympus strives to foster an environment of integrity and compliance within the organization. We have adopted the Olympus Global Code of Conduct, which builds on our tradition of over 100 years of innovation, positive contributions to society, and strong commitment to integrity. The Olympus Global Code of Conduct is the foundation for our policies, and our management team and employees act in accordance with this Code in their global corporate activities.

Compliance Management System

Our Global Compliance function works to raise awareness of the Olympus Global Code of Conduct and related compliance policies by providing management teams and employees with the resources and training they need to do business with integrity, treat customers, suppliers, and third-party business partners fairly, and report concerns when they arise. The Olympus Group is committed to fostering a business culture that follows the highest standards of business integrity in all our relationships. The Chief Executive Officer is responsible for compliance with applicable laws and regulations within the business operations of the Olympus Group and has appointed the Global Chief Compliance Officer (CCO) who is responsible for the Compliance Management System within the Olympus Group. The Board of Directors and its Audit Committee receive periodic reports on compliance activities from the CCO, and they consult with the CCO as needed. The CCO, together with members of the Compliance Global Leadership

Team, ensures that relevant internal regulations are observed in the regional business centers and that compliance activities are carried out in accordance with the requirements of the management systems overseen by the CCO and are reflective of best practices.

During fiscal year 2024, the CCO continued to lead the Evolve Compliance Program to globalize, harmonize, and eventually digitalize the regional Compliance Programs in place.

Integrity Line (Global Reporting System)

Olympus values a corporate culture of integrity and provides a safe and open workplace where employees can raise questions and concerns. We provide a global reporting system, the Olympus Integrity Line, which is available to all Olympus employees, business partners, and other third parties who wish to report a concern. This system is managed by an independent third party, and reports can be made anonymously. The compliance function maintains a cross-functional, cross-regional team that meets regularly, collaborating to continuously improve the effectiveness of the reporting system and processes. In fiscal year 2024, improvements included an enhanced tracking of policy violations, the integration of additional regional reporting of conflicts of interest, and global adoption of the Olympus Internal Investigations Policy, which establishes the Global Internal Investigations Committee and provides the framework for our internal investigations process as we strive to ensure that legitimate reports of concern will be investigated and treated according to the same high standards regardless of location or department. The Global Compliance function raises awareness of the reporting system through consistent messaging about the Global Code of Conduct and related e-learning programs and communications. In fiscal year 2024, we received 673 reports through the Integrity Line or other means. If a concern of misconduct is substantiated following appropriate review, we take corrective action, including policy/process remediation, enhanced training and education for individuals/groups, issuance of warning to individuals, and, in serious cases, termination in accordance with local regulations. In fiscal year 2024, 64% of closed reports were substantiated following review.

Compliance Training

To raise compliance awareness and promote an understanding of important laws and internal rules, as well as to ensure consistent compliance with them, the Global Compliance function strives continually to enhance compliance education programming. Global initiatives for fiscal year 2024 were as follows.

Group training and e-learning related to anti-bribery and anti-corruption	Number of employees assigned: 24,925 Number of completed assignments: 24,017 (Approximate percentage of completions: 96%)
Group training and e-learning related to Olympus Global Code of Conduct	Number of employees assigned: 25,411 Number of completed assignments: 22,336 (Approximate percentage of completions: 88%)

Compliance Management System (As of April 2024)



Details : Olympus Global Code of Conduct: <https://www.olympus-global.com/company/philosophy/code.html>  
Compliance: <https://www.olympus-global.com/csr/governance/compliance/>

Communication with Shareholders and Investors

Basic Policy on Information Disclosure

Olympus complies with the laws and the Financial Instruments Exchange rules and discloses information in compliance therewith. Olympus also proactively discloses information that may have a material impact on its corporate value evaluation in accordance with Article 27-36 of the Financial Instruments and Exchange Act (the so-called “Fair Disclosure Rules”) and the Internal Information Disclosure Criteria regardless of whether such disclosure is not required by the laws or the rules. Olympus’ disclosure of information, as required by the Timely Disclosure Rules of the Tokyo Stock Exchange, will be disclosed through the Timely Disclosure network (TDnet) of the Tokyo Stock Exchange in general. Furthermore, we proactively disclose any information that is not required by laws or rules through various ways, including press releases, websites, integrated report, etc.

Communication with Shareholders and Investors

Seeking to facilitate sustainable growth and medium- to long-term enhancement in corporate value, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) play a central role in our proactive efforts to communicate with shareholders. The investor relations function supports these efforts and create systems for sharing information within the Company and feedback from shareholders to management.

For institutional investors, we hold meetings quarterly to explain topics, focusing on financial results and forecasts. We also proactively hold IR events for participants to understand our products and strategy. We hold individual meetings with institutional investors and analysts both in Japan and overseas, and we conducted over 1,000 meetings in fiscal year 2024. Through these activities, we strive to promote understanding of Olympus.

Investor Relations Activities

The following investor relations activities were conducted in fiscal year 2024.

Activity	Times conducted	Details
Briefing sessions on results for institutional investors and analysts	4	Meetings held quarterly to explain topics, focused on financial results and forecasts
Company strategy briefing	1	Company strategy briefing titled “Beyond our New Horizon: Leading as a global MedTech company” was held.
Overseas IR roadshows	3	Meetings with foreign institutional investors in which the CEO and the CFO visit their offices in person
Conferences held by securities companies (including overseas conferences)	5	Participation in and meetings at conferences held by securities companies in Japan and overseas
Individual meetings with institutional investors and analysts <ul style="list-style-type: none"><li>Officers (Executive Officers, Outside Directors, etc.)</li><li>IR Department</li></ul>	1,075 104 971	Individual meetings held with officers and/or IR function representatives (including meetings conducted at overseas IR roadshows and conferences)

Giving Feedback to Management and the Board of Directors

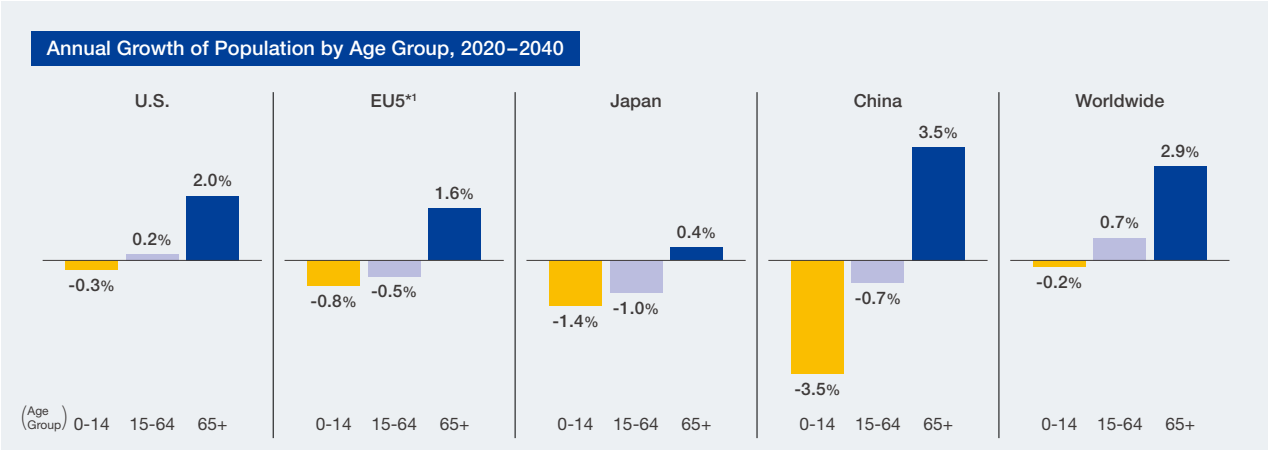
The IR function reports to the CEO and CFO about dialogue with analysts and institutional investors at any time. Every six months, feedback is given at the Group Executive Committee and Board of Directors’ meeting about evaluations and concerns related to capital markets by means of an IR Activities Report. Management and the IR function also work to improve IR activities including efforts to make dialogue productive and improve and widen disclosure materials by considering the opinions of analysts and institutional investors. The following shows the main concerns of analysts and institutional investors for fiscal year 2024.

- Content of warning letters received from the U.S. Food and Drug Administration and Olympus’ response
- The status of EVIS X1 endoscopy system before and after sales launch in the U.S. and Chinese markets
- The impact of the anti-corruption campaigns in the Chinese market
- The progress of our company strategy
- Capital allocation and shareholder return policy

# Global Healthcare Data

## Population

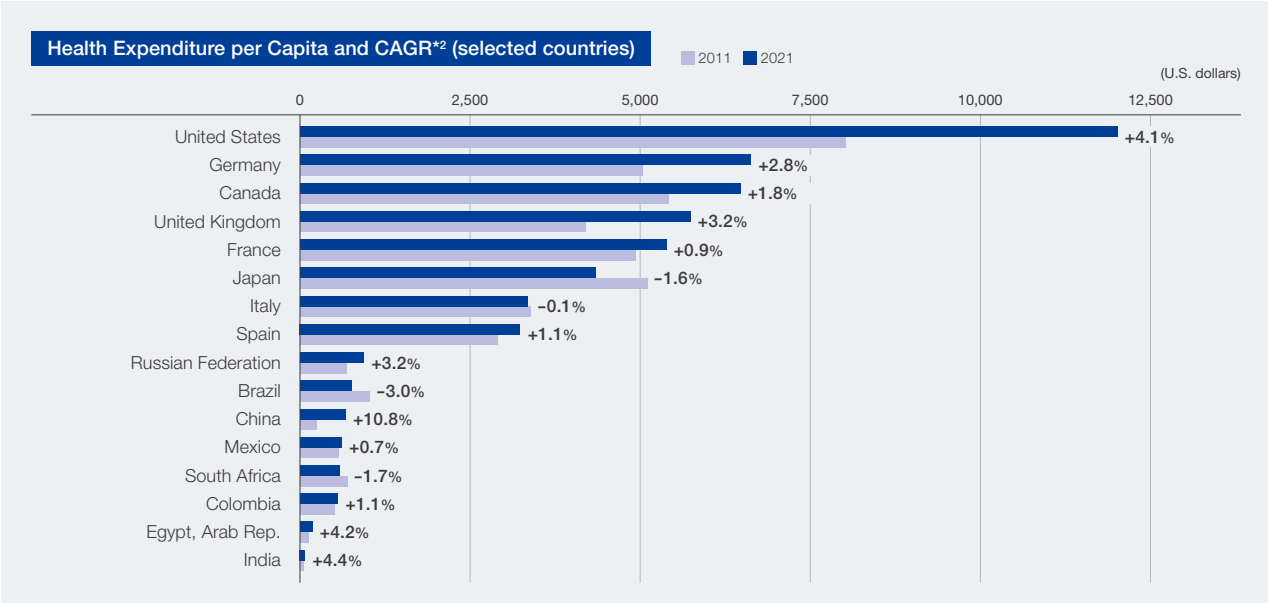
- Aging population (65+) is expected to grow 2.9% annually from 2020 to 2040 worldwide.
- China will see the most rapidly growing aging population and declining number of young people due to the increasing longevity and dropping birthrate.
- Olympus continues providing diagnosis and treatment solutions to the growing aging population.



<sup>\*1</sup> EU5: UK, France, Italy, Germany, Spain  
Source: United Nations, Department of Economic and Social Affairs, Population Division (2024). World Population Prospects 2024, Online Edition.

## Health Expenditure

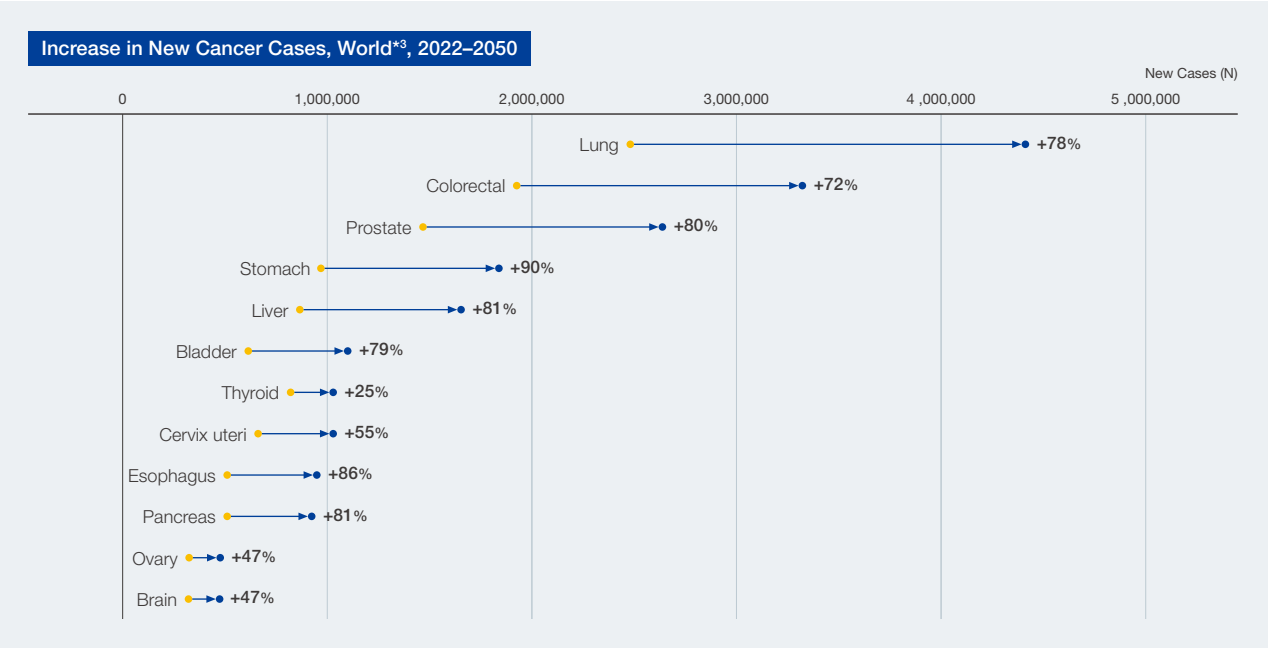
- World healthcare expenditure per capita is growing at the compound annual growth rate (CAGR) of 2.6% from 2011 to 2021. The United States spends the most in healthcare expenditure per capita, while China has the largest CAGR of 10.8%.
- Olympus is contributing to improve healthcare access globally through supporting healthcare professionals training etc.



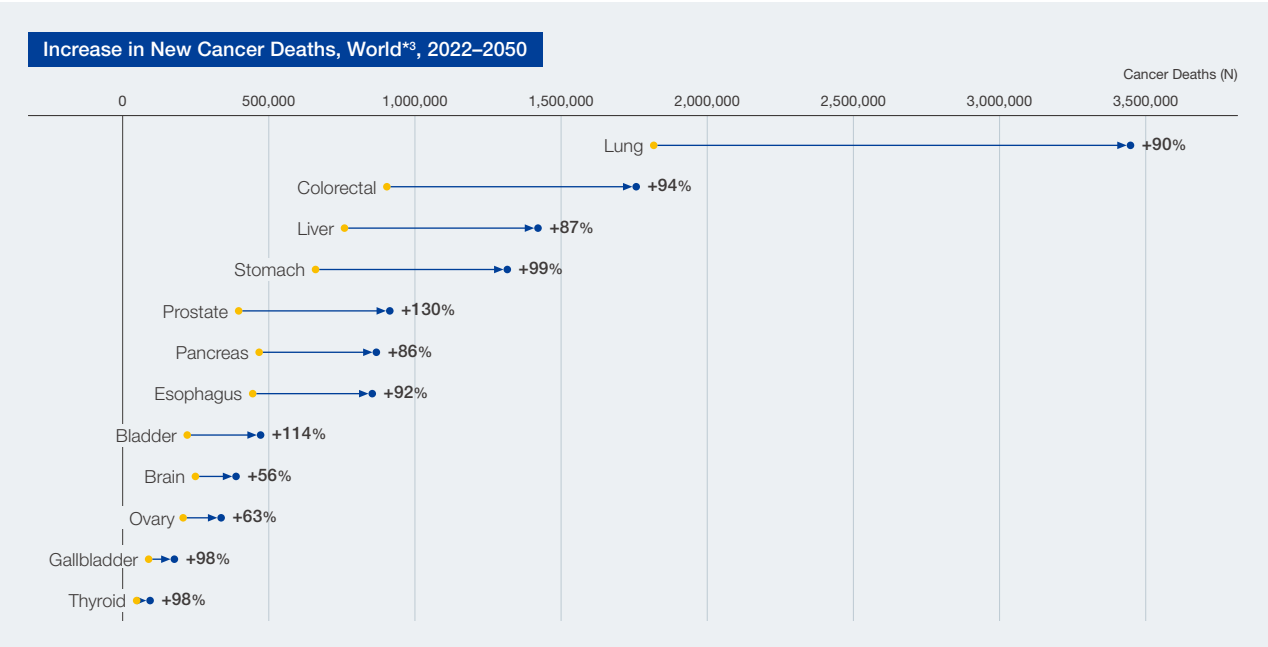
<sup>\*2</sup> CAGR: 2011–2021  
Source: World Bank, World Health Organization Global Health Expenditure database <https://data.worldbank.org/indicator/SH.XPD.CHEX.PC.CD?end=2021&start=2011&type=points&view=chart>

## Cancer

- Lung, Colorectal, Prostate, Stomach, and Liver cancers will remain the top five by volume addressable cancers over the long term with significant growth in absolute incidence. Stomach cancer is projected to be the fastest growing and followed by cancers of the Esophagus, Pancreas and Liver.
- The overall opportunity to improve the standard of care and patient outcomes will continue to grow significantly across Olympus-addressable cancers.



- Lung, Colorectal, Liver, Stomach, and Prostate cancers will remain the top five by volume addressable cancer deaths over the long term. Deaths from Prostate and Bladder cancers are projected to be the fastest growing with 130% and 114% increase respectively, from 2022 to 2050.



<sup>\*3</sup> Selected cancers that Olympus is currently offering products and services for  
Source: Ferlay J, Laversanne M, Ervik M, Lam F, Colombet M, Mery L, Piñeros M, Znaor A, Soerjomataram I, Bray F (2024). Global Cancer Observatory: Cancer Tomorrow (version 1.1). Lyon, France: International Agency for Research on Cancer. Available from: <https://gco.iarc.who.int/tomorrow>, accessed 31 July 2024.





10-year Financial/Non-financial Data

(For the fiscal years as of/ended March 31)

	JGAAP			IFRS									(Millions of yen)
	2015	2016	2017		2017	2018	2019	2020	2021	2022	2023	2024	
Revenue	764,671	804,578	748,050		740,557	786,497	793,862	755,231	730,544	750,123	881,923	925,752	
Selling, general and administrative (SG&A) expenses	398,889	430,773	414,855		397,697	426,596	437,510	381,171	357,032	357,510	420,547	466,758	
Percentage of revenue (%)	52.2%	53.5%	55.5%		53.7%	54.2%	55.1%	50.5%	48.9%	47.7%	47.7%	50.4%	
Operating profit	90,962	104,464	76,487		71,192	81,029	28,281	92,200	81,985	146,188	186,609	51,387	
Percentage of revenue (%)	11.9%	13.0%	10.2%		9.6%	10.3%	3.6%	12.2%	11.2%	19.5%	21.2%	5.6%	
Profit before tax	8,934	70,800	81,686		62,481	76,665	20,117	86,617	76,810	141,701	182,294	43,611	
Net income (loss) (JGAAP)/Profit attributable to owners of parent (IFRS)	(8,737)	62,594	78,191		42,783	57,064	8,147	51,670	12,918	115,742	143,432	242,566	
Percentage of revenue (%)	—	7.8%	10.5%		5.8%	7.3%	1.0%	6.8%	1.8%	15.4%	16.3%	26.2%	
EBITDA margin*1 (%)	18.5%	19.2%	17.4%		16.9%	17.0%	11.0%	21.1%	19.4%	27.2%	28.4%	12.6%	
EBITDA margin (Medical Business)*2 (%)	29.1%	29.5%	27.4%		27.4%	26.5%	24.9%	29.3%	27.7%	33.2%	31.4%	16.8%	
R&D expenditures	74,101	81,415	79,178		79,178	89,469	93,968	87,750	81,794	75,190	76,866	85,342	
Percentage of revenue (%)	9.7%	10.1%	10.6%		10.7%	11.4%	11.8%	11.6%	11.2%	10.0%	8.7%	9.2%	
Capital expenditures	47,743	64,445	49,347		60,683	65,255	66,830	74,673	98,935	66,193	72,023	79,343	
Depreciation and amortization	41,219	39,912	44,658		54,290	52,913	58,669	67,377	59,559	57,851	63,592	65,193	
Amortization of goodwill	9,421	9,867	8,642		—	—	—	—	—	—	—	—	
Financial indicators													
Total assets*7	1,081,551	1,000,614	991,062		960,032	978,663	932,030	1,015,663	1,183,453	1,357,999	1,508,701	1,534,216	
Total net assets (JGAAP)/Total equity (IFRS)	357,254	384,283	430,880		396,228	444,259	442,387	371,958	395,480	511,362	641,234	757,186	
Equity ratio (JGAAP)/Ratio of equity attributable to owners of parent to total assets (IFRS)*7 (%)	32.9%	38.2%	43.3%		41.1%	45.2%	47.3%	36.5%	33.3%	37.6%	42.4%	49.4%	
Interest-bearing debt	354,421	321,138	286,357		285,970	247,974	181,335	280,915	355,264	386,127	340,057	299,616	
Net debt	144,546	154,584	86,926		86,505	56,735	66,909	118,421	137,786	83,555	170,728	(41,317)	
Inventories*7	107,387	111,558	124,064		125,319	139,309	153,623	167,596	158,895	167,368	162,994	190,030	
Inventory turnover period*3 (months)	1.6	1.6	1.9		1.9	2.0	2.2	2.6	2.7	2.3	2.2	2.5	
Cash and cash equivalents at end of year	209,809	166,323	199,431		199,465	191,239	114,563	162,494	217,478	302,572	169,329	340,933	
Cash flows from operating activities	66,811	48,621	90,194		102,052	95,146	66,943	133,544	124,122	169,729	98,490	42,365	
Cash flows from investing activities	(39,612)	(52,897)	(8,305)		(20,814)	(53,312)	(60,296)	(62,430)	(118,918)	(71,016)	(58,414)	359,992	
Cash flows from financing activities	(70,185)	(33,870)	(44,244)		(43,615)	(51,058)	(82,948)	(19,462)	40,800	(40,667)	(143,178)	(276,010)	
Return on equity (ROE) (%)	(2.6)%	17.0%	19.3%		11.3%	13.6%	1.8%	12.7%	3.4%	25.6%	24.9%	34.7%	
Return on assets (ROA) (%)	(0.8)%	6.0%	7.9%		4.4%	5.9%	0.9%	5.3%	1.2%	9.1%	10.0%	15.9%	
Net income (loss) per share*4 (JGAAP)/ Profit attributable to owners of parent per share (IFRS) (yen)	(25.53)	182.90	228.47		125.01	41.71	5.97	39.37	10.05	90.22	113.22	199.91	
Total equity per share*4 (JGAAP)/ Equity attributable to owners of parent per share (IFRS) (yen)	1,038.64	1,117.24	1,252.96		1,153.45	324.25	323.06	288.39	306.72	400.75	510.62	649.59	
Price earnings ratio (PER)*5 (times)	—	23.9	18.7		34.2	24.2	201.3	39.7	228.0	25.9	20.5	11.1	
Price book-value ratio (PBR) (times)	4.3	3.9	3.4		3.7	3.1	3.7	5.4	7.5	5.8	4.5	3.4	
Outstanding market value (billions of yen)	1,530.0	1,499.2	1,466.6		1,466.6	1,384.5	1,647.8	2,141.4	3,140.8	3,039.0	2,935.6	2,688.5	
Cash dividends per share*6 (yen)	2.5	4.25	7		7	7	7.5	10	12	14	16	18	
Average exchange rate													
U.S. dollar/Yen	109.93	120.14	108.38		108.38	110.85	110.91	108.74	106.06	112.38	135.47	144.62	
Euro/Yen	138.77	132.58	118.79		118.79	129.70	128.41	120.82	123.70	130.56	140.97	156.80	
Non-financial indicators													
Number of employees*8	31,540	33,336	34,687		34,687	35,933	35,124	35,174	31,653	31,557	32,805	28,838	
Overseas employees as a percentage of employees (%)	63.2%	63.3%	63.7%		63.7%	63.7%	61.9%	61.3%	57.2%	59.3%	60.9%	61.0%	
Percentage of women in managers in Japan*9, 10 (%)	1.7%	1.6%	2.1%		2.1%	2.4%	3.3%	3.6%	4.6%	6.0%	7.2%	9.1%	
Percentage of women in global senior management positions*11 (%)	—	—	—		—	—	—	8.4%	10.8%	14.2%	—	—	
Percentage of global management positions held by women*12 (%)	—	—	—		—	—	—	—	—	—	22.7%	25.4%	
Percentage of eligible male employees taking paternity leave in Japan*13 (%)	—	—	—		—	—	—	—	—	—	70.2%	88.0%	
Percentage of employees with disabilities*14 (%)	2.1%	1.9%	2.1%		2.1%	2.2%	2.2%	2.3%	2.6%	2.6%	2.8%	2.9%	

\*1 At the Company, EBITDA is calculated using the following assumptions: EBITDA = Operating profit + Depreciation and amortization that is included in cost of sales or SG&A expenses + Amortization of goodwill that is included in SG&A expenses  
EBITDA margin = EBITDA / Revenue

\*2 At the Company, EBITDA (Medical Business) is calculated using the following assumptions: EBITDA = Segment profit in the Medical Business + Depreciation and amortization that is included in cost of sales or SG&A expenses + Amortization of goodwill that is included in SG&A expenses  
EBITDA margin (Medical Business) = EBITDA (Medical Business) / Revenue

\*3 The revenue used to calculate the inventory turnover period for fiscal year 2020, fiscal year 2022, and fiscal year 2024 is for continuing operations only.

\*4 The Company conducted a stock split at the ratio of four shares for one ordinary share on April 1, 2019. "Profit attributable to owners of parent per share" is expressed with the figure after the stock split.  
The figure for the fiscal year ended March 31, 2019 is recalculated using the same method.

\*5 Price earnings ratio (PER) for the fiscal year ended March 31, 2015 is omitted as the Company recorded net loss for these fiscal years.

\*6 The Company conducted a stock split at the ratio of four shares for one ordinary share on April 1, 2019. Figures prior to the year ended March 31, 2019 have been converted to align with the post-stock split standard.

\*7 In fiscal year 2022, the consolidated statement of financial position was retrospectively adjusted to reflect the adjustments to the provisionally measured fair value of the assets acquired and liabilities assumed in the business combination. Accordingly, the related indicators for fiscal year 2021 are presented after such adjustments have been reflected.

\*8 Due to a change in the standard for the number of personnel in some regions from the first quarter of fiscal year 2024, the figure for fiscal year 2023 has been retroactively revised.

\*9 Figures for fiscal year 2024 managers of Olympus Corporation and Olympus Medical Systems Corporation as of March 1 2024. Prior to fiscal year 2023, figures are based on the definition of each fiscal year.

\*10 Seconded employees are counted as employees of companies from which they were seconded.

\*11 The percentage within global senior management as of August 1, 2020 for fiscal year 2020, July 1, 2021 for fiscal year 2021, and July 1, 2022 for fiscal year 2022

\*12 Figures for managers of Olympus Group as of March 1

\*13 Eligible male employees of Olympus Corporation taking paternity leave

\*14 Through fiscal year 2019, figures are as of June 1 of each respective year, and from fiscal year 2020, the figures are as of March 31 of each respective year for individuals in Japan (at eight special-purpose subsidiaries).



Corporate Information/Stock Information (As of March 31, 2024)

Corporate Information

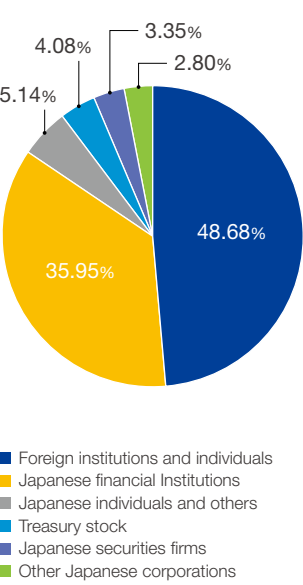
Company Name	Olympus Corporation
Established	October 12, 1919
Head Office	2951 Ishikawa-machi, Hachioji-shi, Tokyo 192-8507, Japan
Capital	¥124,643 million
Number of Group Companies	92 (Excluding Olympus Corporation, 89 Subsidiaries, and 3 Affiliates)
Consolidated Headcount	28,838 (Excludes temporary employees, average of 942)
Non-consolidated Headcount	2,834
Website	https://www.olympus-global.com
Securities Identification Code	7733
Stock Exchange Listing	Tokyo Stock Exchange
Fiscal Year-End	March 31
General Meeting of Shareholders	June
Share Trading Unit	100
Number of Shares Issued	1,215,146,700
Number of Shareholders	60,866
Transfer Agent for Common Stock	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

Principal Shareholders

Name of Shareholders	Numbers of Shares Held (Shares)	Holding Ratio* (%)
The Master Trust Bank of Japan, Ltd. (trust accounts)	237,227,500	20.35
Custody Bank of Japan, Ltd. (trust accounts)	90,256,100	7.74
SMBC Trust Bank Ltd. (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

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

Composition of  
Shareholders



The Role of Integrated Report

This Integrated Report compiles important information that includes non-financial information in addition to financial information and aims to provide an easy-to-understand explanation of the value Olympus creates. For more detailed information, please refer to the following corporate websites and media.

Olympus Global Homepage

Provides information on the Olympus Group such as management information, product information, and non-financial information.

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

Sustainability

Presents the Olympus Group's detailed ESG information.

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

Olympus Medical Business

Introduces Olympus' strengths in as well as basic knowledge about the Medical Business.

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

External Evaluations/  
Commitment to External Initiatives

Inclusion in ESG Indexes

(As of August 2024)

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

Dow Jones Sustainability World Index  
Dow Jones Sustainability Asia Pacific Index

FTSE4Good

FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

FTSE4Good Index Series  
FTSE Blossom Japan Index  
FTSE Blossom Japan Sector Relative Index

Secured an "A+" rating from Rating and Investment Information, Inc. (R&I).

Secured a "BBB+" rating from S&P Global Ratings Japan Inc. (S&P).

Secured a "Baa1" rating from Moody's Japan K.K. (Moody's).

ESG

Obtained a B rating in the climate change survey and a C rating in the water security survey by CDP Worldwide, an international NGO that aims at the realization of a sustainable economy (2023 for Olympus).

Listed in White 500, the Certified Health and Productivity Management Organization Recognition Program (eight consecutive years since 2017 for Olympus, in 2021 for Olympus Marketing, and in 2020 for Aizu Olympus).

Selected by CDP as a CDP 2021 Supplier Engagement Leader and a CDP 2022 Supplier Engagement Leader, the highest rating in the Supplier Engagement Rating (SER), which evaluates how effectively companies are working with their suppliers to address climate change challenges (Olympus).

Listed in the Certified Health and Productivity Management Organization Recognition Program (four consecutive years since 2021 for Aizu Olympus and in 2020, 2022–2024 for Olympus Marketing).

Received Platinum Kurumin certification from the Ministry of Health, Labour and Welfare as a company with excellent initiatives to combine work and childcare and to promote ongoing initiatives (Olympus in 2022).  
Received Kurumin certification from the Ministry of Health, Labour and Welfare as a company with excellent initiatives to combine work and childcare (Olympus Marketing in 2020, and Aizu Olympus 2022).

Received Eruboshi certification from the Minister of Health, Labour and Welfare as a company that actively promotes women workers (Eruboshi Grade 3 for Olympus in 2019).

Olympus has established a dedicated consultation office in Japan to promote understanding and support for sexual minorities. We have furthermore established an in-company intranet and are implementing ALLY activities led by volunteers to promote the understanding of LGBTQ issues. As a result of these activities, we received a "Silver" certification in the "PRIDE Index 2023," an evaluation index for LGBTQ initiatives in Japan.

Support for the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Participates in the United Nations Global Compact.