

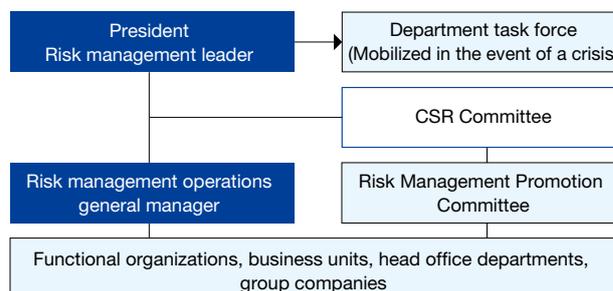
Risk Management

Promotion of Risk Management

Olympus has established the internal Rules on Risk Management and Crisis Response based on which it develops global risk management systems to mitigate business risks.

Risk Management

The Olympus Group identifies and evaluates risks that may prevent it from achieving corporate strategy, fiscal year strategy, and fiscal year targets based on uniform processes and standards. The aim is to facilitate the efficient and effective formulation of priority measures in line with the degree of importance of each risk factor in order to realize continuous growth. A system is in place to track and periodically monitor progress with regard to priority measures identified as Group-level themes. The Group has also begun efforts to standardize risk management processes globally to ensure that uniform risk management processes are carried out when seeking to achieve business targets for each region. These initiatives make it possible to improve the accuracy of efforts to achieve strategy and fiscal year targets.



Crisis Management

As crisis management measures, we continue to refine risk management processes and carry out training and drills to enhance preparedness for risks that threaten to have a particularly large impact on the Company, such as large-scale earthquakes and cyberattacks. Countermeasures for large-scale earthquakes in Japan included e-learning programs for all employees as well as disaster response drills carried out by both management and frontline employees to guarantee that we can furnish a smooth initial response to emergency situations. We are in the process of enhancing the business continuity plans that detail restoration processes in all business fields.

Major Business Risks

Risks and Potential Impacts	Risk Overview
Risks Associated with Sales Activities	In the Medical Field, there may be unforeseeable changes in the medical industry or the Olympus Group may be unable to obtain licenses and approval in a timely manner.
	In the Scientific Solutions Division, the national budgets of countries may be curtailed due to macroeconomic changes.
	In the Imaging Division, the market may contract more rapidly than anticipated.
Risks Associated with Production and Development Activities	Operating costs may increase due to the impact of exchange rate trends and other factors.
	Constraints may be placed on the procurement of products and components that the Olympus Group is dependent on for supply.
	There is the possibility that product defects may occur.
	It may be difficult to develop products that meet customer needs in a timely manner.
Risks Associated with Business Partnerships and Development Acquisitions	A third party may assert that the Group has infringed on intellectual property rights and a dispute may occur.
	It may be difficult to maintain strategic relationships related to technologies and product development.
	There is the possibility that Olympus will have difficulty integrating acquired businesses in accordance with the Group's management strategies or efficiently utilize the management resources of existing businesses or acquired businesses.
Risks Associated with Financing	The stock prices or estimated values of investment securities could fluctuate significantly.
	Financing costs may increase as a result of such factors as changes in conditions in financial markets and deterioration in the Group's business performance.
Risks Associated with Leakage of Information	It is possible that important confidential information such as technical information and personal information of customers and other interested parties is leaked.
Risks Associated with Internal Control Systems, etc.	Olympus may be unable to make the appropriate response if the Group's internal control systems fail to function effectively for various reasons.
Risks Relating to Laws and Regulations	Olympus may be subject to changing interpretation and application of laws in the healthcare industry, and a violation of laws or regulations could occur, resulting in punishment such as a fine and restricting the Company's ability to participate in healthcare programs.
Risks Relating to Duodenoscopes in the United States	There may be progress in civil lawsuits in the United States or further restrictive measures may be taken by the U.S. Food and Drug Administration (FDA) or U.S. Department of Justice.
Other General Risks	Olympus may be required to have discussions with or report to domestic and overseas authorities (e.g., response to investigations concerning compliance with the Antimonopoly Act or laws related to pharmaceuticals or medical devices or voluntary disclosure to the U.S. Department of Justice regarding compliance with the FCPA) and be unable to respond appropriately.
	Olympus may be subjected to the occurrence of natural disasters, disease, wars, terrorist attacks, or other incidents or the occurrence of greater-than-expected interest rate increases or exchange rate fluctuations.