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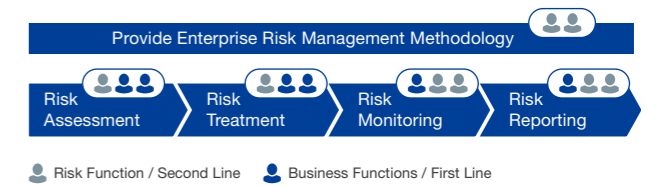
Enterprise Risk Management Process
The main components of the Enterprise Risk Management Process are:
- Risk Assessment to identify, analyze, and evaluate risks
- Risk Treatment to mitigate risk and coordinate and execute risk management activities

- Risk Monitoring to design and implement monitoring procedures on risks and evaluate the effectiveness of risk treatment activities
- Risk Reporting to aggregate and valuate 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.

Provide Enterprise Risk Management Methodology

Risk Assessment → Risk Treatment → Risk Monitoring → Risk Reporting

👤 Risk Function / Second Line   👤 Business Functions / First Line

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)

Exposure / Vulnerability / Velocity / Exposure Classification / 3D Risk Matrix diagrams
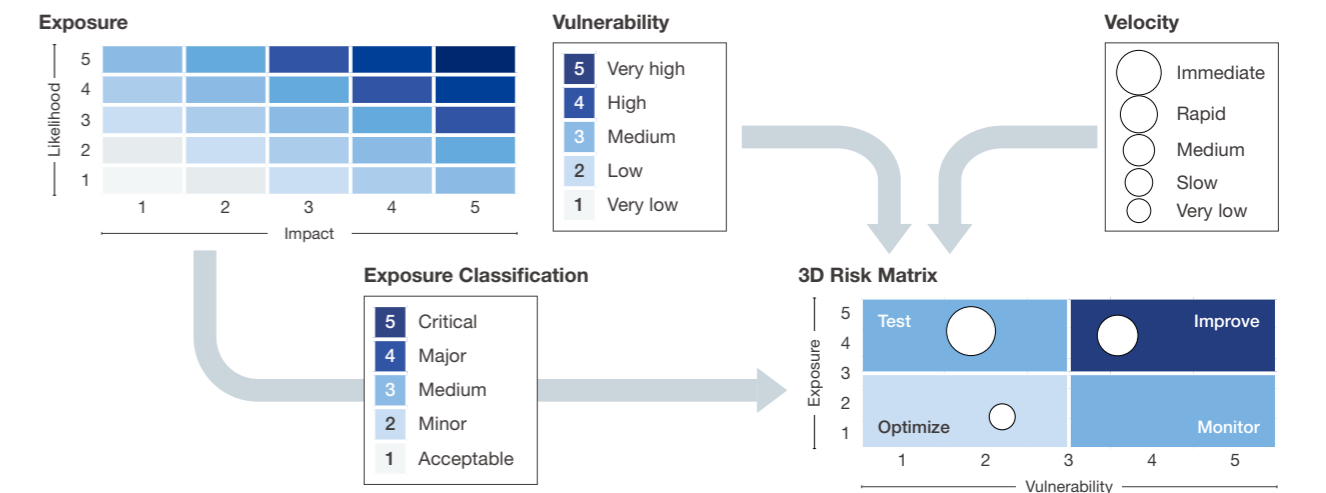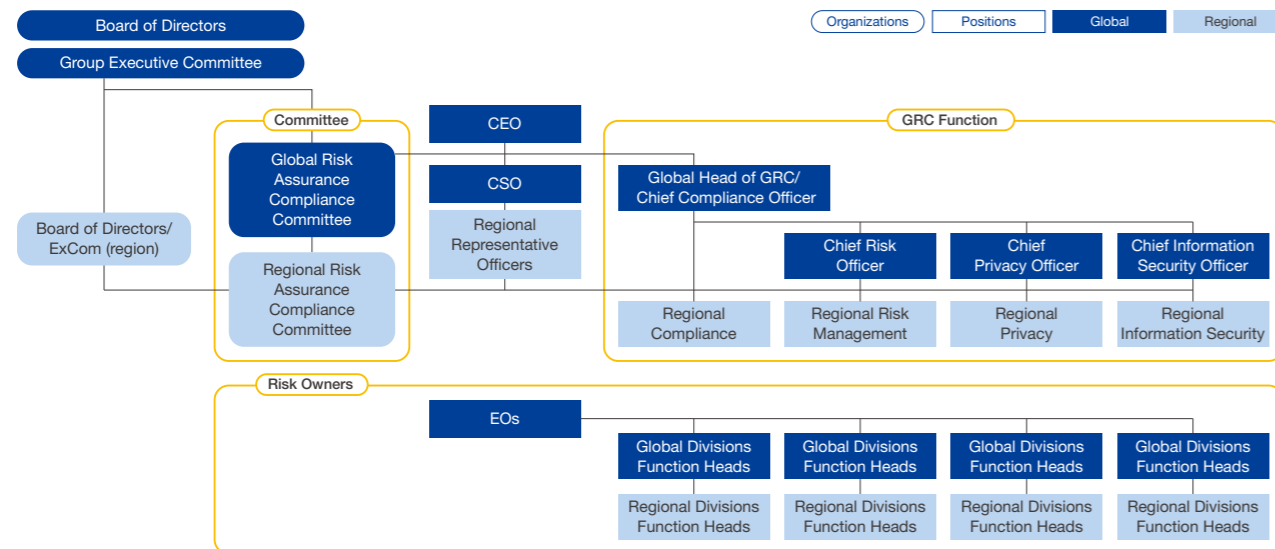
Aligned Assurance

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.

Compliance Management System (As of April 2024)

Audit Committee

Report

Global Head of GRC/ Chief Compliance Officer

Global Leadership Team (GLT)
Chairperson: CCO, Members: Regional Chief Compliance Officers, Chief Privacy Officer, Chief Information Security Officer, Chief Risk Officer, Head of Strategy & Planning, Head of Operations, and other persons designated by the Chief Compliance Officer

EMEA | Americas | Asia Pacific | China | Japan | Global

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%)

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