

Intellectual Property Activities

Review of the Intellectual Property Function's Medium-term Plan

Based on medium-term plan of the Intellectual Property (IP) Function, which will end in fiscal year 2026, we have been addressing three main areas: establishing a global organizational structure; building a governance system that enables management to continuously monitor IP activities; and developing an IP management system in compliance with the international standard (ISO 56005).

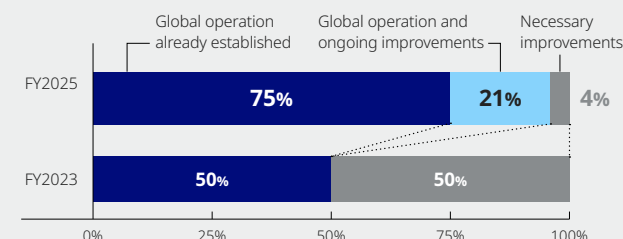
As part of the Global Legal Organization, our IP function coordinates all IP activities around the world. Under the leadership of the Global IP General Counsel, regional functions have been established to coordinate and execute IP activities within their respective areas. With the expansion of our global product development structure, which involves employees from various regions in the development of a single product, we have also established a function for the cross-regional management of IP activities and developed a globally optimized organizational structure.

In addition, we have implemented a governance system by which the Global IP General Counsel reports to the Group Executive Committee (GEC) and the Board of Directors once a year on activities based on key performance indicators (KPIs) for IP activities and other appropriate IP matters as necessary.

Innovation is essential for Olympus to achieve sustainable growth. To support this, the IP function has been promoting the adaption of the international standard for IP management (ISO 56005). This standard outlines how IP should be managed to continuously drive innovation and clearly defines the role of IP strategies and management practices. The IP function has been working toward achieving 100% implementation of this international standard.

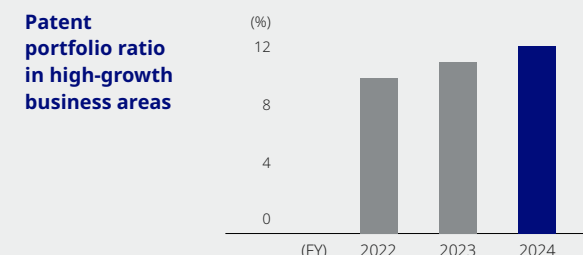
> Implementation Rate for the International Standard (ISO 56005)

Through our IP activities aimed at sustainable growth, we have achieved a 96% implementation rate of the international standard (ISO 56005), as shown in the graph. Compliance with the standard has been steadily strengthened across the IP function.



> Results of IP Activities Geared toward Sustainable Growth

Placing the highest priority on patient safety, we are steadily implementing measures in response to the warning letters received from the U.S. Food and Drug Administration (FDA) and are working to establish world-class quality functions. While prioritizing resources for these initiatives, the IP function has been aiming to precisely allocate IP resources so that Olympus can achieve sustainable growth.



Initiative	Results
Global Standard-based Patent Portfolio Optimization	Following a reassessment of its existing patent portfolio in accordance with a globally standardized process for determining whether to maintain patent rights, the IP function has been working to streamline its holdings by retaining only those patents necessary for its business. As a result, the IP function has reduced portfolio assets by approximately 2,000 patents over the past three years.
Strategic IP Investment in High-growth Areas	The financial resources released from reducing our patent portfolio are being allocated to strategic IP investments in high-growth business areas that will be key drivers of future revenue. In making these strategic IP investments, the IP function has classified our business areas into approximately 50 categories, identified high-growth business areas with market or sales growth rates of double digits or more, and concentrated IP investments accordingly. As a result, the proportion of our patent portfolio in high-growth business areas has been continually increasing.
Strengthening IP Activities in Early Stages of Development	In the innovation methodology that Olympus is introducing to address unmet needs, experts from diverse fields—including IP, engineering, medicine, and marketing—form teams and collaborate from the early stages of development. They advance projects from a multifaceted perspective, and take into account commercialization. The IP function has also been working to strengthen its IP activities at this early stage of development.

IP Function's Next Medium-term Plan

The competitive environment in the medical device market is changing rapidly as a wide range of factors become increasingly intertwined in a complex manner. These factors include technological innovation, stricter regulatory requirements, globalization, market entrants from other industries, pricing pressures, the importance of quality control, and the policies of emerging market governments. Amid the intensification of the competitive environment in the medical device market, the strategic use of IP is becoming increasingly important to Olympus.

To respond to these changes in a competitive environment, we are advancing initiatives such as strengthening our innovation methods to address unmet needs, establishing R&D sites in China and India as well as a manufacturing facility in China. In our next IP medium-term plan, we will implement measures to protect our IP and enhance our competitive advantage. We will also further strengthen our IP management system to support our sustainable growth.

Through the implementation of its next medium-term plan of the Intellectual Property (IP) Function, which will be launched in fiscal year 2026, the IP function will work to strengthen the utilization of its IP rights and take steps to further strengthen IP activities in the early stages of the innovation process, which had been challenges in complying with the international standard (ISO 56005). This will allow further advances to be made in the establishment of an IP management system that complies with the international standard (ISO 56005) and contributes to Olympus' sustainable growth.

Summary of IP Function's Next Medium-term Plan

Initiative	Overview and Vision of the Future
IP Support Strengthening to Assist Innovation	Taking unmet needs as its starting point, Olympus is strengthening its innovation methods from which technical solutions are derived. Having adopted a co-development practice with healthcare professionals and incorporating the perspectives of both patients and healthcare professionals from the early stages of development, Olympus is aiming to realize the development of products that are highly applicable to clinical environments. In accordance with the advancement of technological innovation, there is also an increasing need to collaborate with other companies to develop new technologies and markets. At each stage in the innovation process, the IP function plays a vital role in supporting innovation and protecting its outcomes by facilitating smooth collaboration through joint development agreements, preventing technology contamination, providing IP landscape analyses, properly protecting IP, and managing information properly.
Strengthening of IP Protection Systems Directed Toward Expansion into Emerging Markets	Strengthening our business in emerging markets, where medical devices are rapidly becoming more widespread, is essential for Olympus' sustainable growth. To swiftly understand customer needs in the Chinese and Indian markets and further enhance its innovation, Olympus has announced the establishment of R&D sites in these countries. We will establish a system to ensure the protection of the IP generated at these sites, further strengthen our IP protection in China and India, and closely monitor the activities of domestic companies in both countries. To provide "made in China" products for the local market, Olympus has also announced the plans to begin local production of endoscopes and other products to be sold in China. The IP function will establish a system to appropriately manage information related to product manufacturing processes and other relevant data.
Increased Sophistication of AI-based IP Operations	As competition intensifies, we must accelerate our business development at an unprecedented pace. To respond to this need for speed, the IP function will not only be globally standardizing its existing IP operations but also advancing the automation of IP operations by utilizing AI, Intelligent Automation (IA), robotic Process Automation (RPA), and other technologies, thereby achieving significant improvements in productivity.