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Annual Securities Report

(Report pursuant to Article 24, Paragraph 1 of the Financial Instruments and Exchange Act)

The 156th fiscal year
(fiscal year ended March 31, 2024)

From April 1, 2023 to March 31, 2024

Olympus Corporation

(E02272)

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[Audit report]

[Internal control report]

[Cover]

[Document Submitted]	Annual Securities Report
[Article of the Applicable Law Requiring Submission of This Document]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
[Submitted to]	Director-General of the Kanto Local Finance Bureau
[Date of Submission]	June 20, 2024
[Fiscal Year]	The 156th fiscal year (fiscal year ended March 31, 2024) (from April 1, 2023 to March 31, 2024)
[Company Name]	Olympus Kabushiki Kaisha
[Company Name in English]	OLYMPUS CORPORATION
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Part I. Company Information

I. Overview of Company

1. Key Financial Data

(1) Key financial data of group

Fiscal Year		152nd	153rd	154th	155th	156th
Year End		March 2020	March 2021	March 2022	March 2023	March 2024
Revenue	(Millions of yen)	755,231	730,544	750,123	881,923	936,210
Profit before tax	(Millions of yen)	86,617	76,810	141,701	182,294	35,854
Profit attributable to owners of parent	(Millions of yen)	51,670	12,918	115,742	143,432	242,566
Comprehensive income attributable to owners of parent	(Millions of yen)	33,284	36,670	160,773	196,481	316,062
Equity attributable to owners of parent	(Millions of yen)	370,747	394,326	510,168	640,085	757,186
Total assets	(Millions of yen)	1,015,663	1,183,453	1,357,999	1,508,701	1,534,216
Equity attributable to owners of parent per share	(Yen)	288.39	306.72	400.75	510.62	649.59
Basic earnings per share	(Yen)	39.37	10.05	90.22	113.22	199.91
Diluted earnings per share	(Yen)	39.36	10.04	90.17	113.08	199.44
Ratio of equity attributable to owners of parent to total assets	(%)	36.5	33.3	37.6	42.4	49.4
Ratio of equity attributable to owners of parent to profit	(%)	12.7	3.4	25.6	24.9	34.7
Price-earnings ratio	(Times)	39.67	227.96	25.93	20.48	11.07
Cash flows from operating activities	(Millions of yen)	133,544	124,122	169,729	98,490	42,365
Cash flows from investing activities	(Millions of yen)	(62,430)	(118,918)	(71,016)	(58,414)	359,992
Cash flows from financing activities	(Millions of yen)	(19,462)	40,800	(40,667)	(143,178)	(276,010)
Cash and cash equivalents at end of period	(Millions of yen)	162,717	217,478	302,572	205,512	340,933
Numbers of employees (Excludes average number of temporary employees)	(Persons)	35,174 [1,437]	31,653 [1,135]	31,557 [934]	32,805 [786]	28,838 [942]

- Notes:
- The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS").
 - Separately from the number of employees in the key financial data of group, the average number of temporary employees is shown in parentheses.
 - The Scientific Solutions Business has been classified as a discontinued operation from the 155th fiscal year (fiscal year ended March 31, 2023). As a result, revenue and profit before tax for the 155th fiscal year (fiscal year ended March 31, 2023) and the 156th fiscal year (fiscal year ended March 31, 2024) in the above financial data show the amounts from continuing operations from which the discontinued operation has been excluded, and profit attributable to owners of parent shows the aggregate of continuing operations and discontinued operations. The same reclassification has been made for revenue and profit before tax for the 154th fiscal year (fiscal year ended March 31, 2022) in the above financial data. For more information on discontinued operations, please refer to "V. Financial Information, 1. Consolidated Financial Statements, etc., Notes to Consolidated Financial Statements, 41. Discontinued Operations."
 - The figures in the consolidated statement of financial position have been retroactively revised to correct fair values of assets and liabilities acquired in association with the business combination, which were provisionally measured for the 156th fiscal year (the fiscal year ended March 31, 2024). In conjunction with this, the key financial data for the 155th fiscal year (the fiscal year ended March 31, 2023) indicate monetary values after these adjustments have been applied. For more information on the contents of these retroactive revisions, please refer to "V. Financial Information, 1. Consolidated Financial Statements and Other Notes, Notes to the Consolidated Financial Statements, 40. Business Combinations (Revised provisional amounts)."

(2) Business results of reporting company

Fiscal Year		152nd	153rd	154th	155th	156th
Year End		March 2020	March 2021	March 2022	March 2023	March 2024
Revenue	(Millions of yen)	375,258	344,134	378,637	380,014	379,373
Ordinary profit	(Millions of yen)	13,266	49,000	57,187	152,299	135,139
Profit	(Millions of yen)	9,861	8,541	84,844	130,338	293,613
Share capital	(Millions of yen)	124,643	124,643	124,643	124,643	124,643
Total number of issued shares	(Thousand shares)	1,370,915	1,370,915	1,299,294	1,266,179	1,215,147
Net assets	(Millions of yen)	376,219	349,770	357,229	418,309	512,912
Total assets	(Millions of yen)	771,026	826,569	900,917	973,602	954,925
Net assets per share	(Yen)	292.24	271.69	280.30	333.48	439.81
Dividend per share	(Yen)	10.00	12.00	14.00	16.00	18.00
(Includes interim dividend paid per share)	(Yen)	[-]	[-]	[-]	[-]	[-]
Basic earnings per share	(Yen)	7.51	6.64	66.13	102.88	241.97
Diluted earnings per share	(Yen)	7.51	6.64	66.10	102.76	241.41
Equity ratio	(%)	48.7	42.3	39.6	42.9	53.7
Rate of return on equity	(%)	2.3	2.4	24.0	33.6	63.1
Price-earnings ratio	(Times)	208.0	345.0	35.4	22.5	9.1
Payout ratio	(%)	133.2	180.7	21.2	15.6	7.4
Numbers of employees	(Persons)	7,146	4,775	3,478	2,727	2,834
Total shareholder return	(%)	130.8	192.4	197.6	197.2	189.9
(Comparison indicator: TOPIX (including dividends))	(%)	(90.5)	(128.6)	(131.2)	(138.8)	(196.2)
Highest share price	(Yen)	2,148	2,476	2,741	3,198	2,532
Lowest share price	(Yen)	1,156	1,413	1,998	2,175	1,782

- Notes:
1. The highest and lowest share prices are those quoted on the Prime Market of the Tokyo Stock Exchange from April 4, 2022, and on the First Section of the Tokyo Stock Exchange before that date.
 2. Effective April 1, 2020, Olympus Corporation has transferred certain functions such as R&D, manufacturing, and repair planning to its subsidiary Olympus Medical Systems Corp. through an absorption-type company split in order to strengthen its quality regulatory functions in the medical field. On January 1, 2021, the Imaging Business was succeeded to by OM Digital Solutions Corporation, a subsidiary of Olympus Corporation, through an absorption-type company split, and then transferred to OJ Holdings, Ltd.
 3. Effective October 1, 2021, Olympus Corporation has transferred a domestic sales function in the medical field to its subsidiary Olympus Marketing, Inc. through an absorption-type company split in order to strengthen the domestic sales structure in the medical field.
 4. Effective April 1, 2022, Olympus Corporation transferred its Scientific Solutions Business to its subsidiary, Evident Corporation, through an absorption-type split, in order to achieve sustainable growth and profitability in the Scientific Solutions Business. On April 3, 2023, the Scientific Solutions Business was transferred to K.K. BCJ-66 with the aim of enhancing the corporate value of the Olympus Group and realizing autonomous and sustainable growth for the Scientific Solutions Business.

2. History

Month / Year	Overview
October 1919	Takachiho Seisakusho was established in Hatagaya, Shibuya-ku, Tokyo, with a view to achieving domestic production of microscopes and other optical machinery
April 1936	Began manufacturing photographic equipment
June 1942	Renamed Takachiho Optical Co., Ltd.
February 1944	Opened Ina Factory (currently Nagano Facility) in Ina-shi, Nagano Prefecture
January 1949	Renamed Olympus Optical Co., Ltd.
May 1949	Stock listed on the Tokyo Stock Exchange
May 1952	Began manufacturing medical equipment
May 1955	Participated in the management of Takachiho Shokai and strengthened domestic sales of photographic equipment
October 1960	Began manufacturing measuring equipment
August 1963	Opened Hachioji Plant (currently Technology Development Center Ishikawa) in Hachioji-shi, Tokyo
May 1964	Established Olympus Optical Co. (Europa) GmbH (currently Olympus Europa SE & Co. KG, a consolidated subsidiary) to strengthen sales of Olympus Corporation's products in Europe (subsequently established manufacturing and sales locations throughout Europe)
January 1968	Established Olympus Corporation of America (currently Olympus America Inc., a consolidated subsidiary) to strengthen sales of microscopes and medical equipment in the U.S.
May 1969	Established Olympus Seiki (currently Aizu Olympus Co., Ltd., a consolidated subsidiary) (subsequently established manufacturing affiliates in various locations in Japan)
March 1977	Established Olympus Camera Corporation (currently Olympus America Inc., a consolidated subsidiary) to strengthen sales of photographic equipment in the U.S.
February 1980	Relocated Headquarters to Nishi-Shinjuku, Shinjuku-ku, Tokyo
November 1981	Established Tatsuno Plant (currently Nagano Facility) in Kamiina-gun, Nagano Prefecture
February 1988	Opened Utsugi Technology Research Institute in Hachioji-shi, Tokyo
June 1990	Established Olympus USA Incorporated (currently Olympus Corporation of the Americas, a consolidated subsidiary) to strengthen the business foundation in the U.S.
April 1993	Opened Hinode Plant in (relocated Hachioji Plant to) Nishitama-gun, Tokyo
October 2003	Renamed Olympus Corporation
October 2004	Spun off the Imaging and Medical businesses to create Olympus Imaging Corporation and Olympus Medical Systems Corp.
June 2005	Established Olympus NDT Corporation to strengthen non-destructive testing business
February 2008	Acquired Gyrus Group PLC to strengthen the surgical area in the medical field
April 2011	Set Olympus Corporation of Asia Pacific Limited as the supervising company for Asia and Oceania to strengthen the business foundation in the region.
October 2011	Olympus Opto-Technology Co. Ltd. and Okaya Olympus Co., Ltd. merged to form Nagano Olympus Co., Ltd. (currently a consolidated subsidiary)
September 2012	Transferred the information and communication business to IJ Holdings, Inc. established by Japan Industrial Partners, Inc.
April 2015	Absorbed the medical and imaging businesses through an absorption-type company split in which Olympus Corporation is the succeeding company and Olympus Medical Systems Corp. is the splitting company, and an absorption-type merger between Olympus Corporation and Olympus Imaging Corporation.
April 2016	Changed the address of registered head office to Hachioji-shi, Tokyo
April 2020	Split off certain functions such as R&D, manufacturing, and repair planning to Olympus Medical Systems Corp. through an absorption-type company split to strengthen Olympus Corporation's quality regulatory functions in the medical field
January 2021	Transferred the Imaging business to OM Digital Solutions Corporation and then to OJ Holdings, Ltd. established by Japan Industrial Partners, Inc.
February 2021	Acquired Quest Photonic Devices B.V. to strengthen fluorescence imaging technology in the medical field for surgical applications
May 2021	Acquired Medi-Tate Ltd. to strengthen the urology area in the medical field
October 2021	Transferred the domestic sales function of the medical business to Olympus Medical Science Sales Corporation, and Olympus Medical Science Sales Corporation renamed Olympus Marketing, Inc.
April 2022	Spun off the Scientific Solutions business to create Evident Corporation
December 2022	Acquired Odin Medical Ltd. to strengthen the use of digital technology in the medical field

Month / Year	Overview
April 2023	Transferred Evident Corporation to K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP
April 2024	Relocated head office to Ishikawa-machi, Hachioji-shi, Tokyo

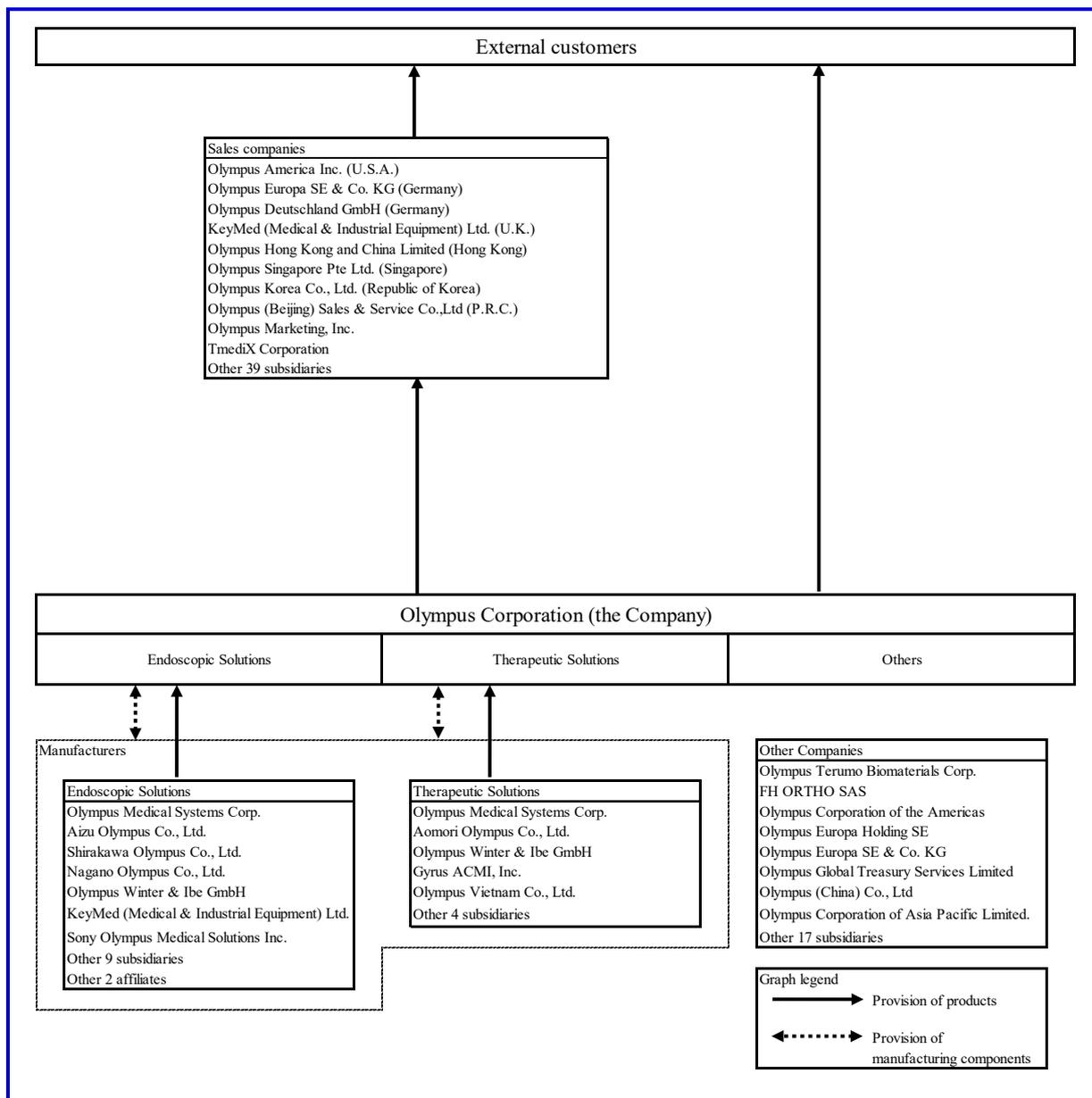
3. Description of Business

The Olympus Group consists of Olympus Corporation, 89 subsidiaries and 3 affiliates, and is primarily engaged in the manufacturing and sales of endoscopic, therapeutic and other products, as well as serving as a holding company and engaging in financial investment and other business activities related to each business.

The following three businesses, “Endoscopic Solutions,” “Therapeutic Solutions,” and “Others,” are the same as the segment classifications stated in “V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, 6. Business Segments.”

Business	Principal products and businesses	Names of major companies
Endoscopic Solutions	GI-Endotherapy, surgical endoscopes, medical service	Olympus Corporation (Consolidated subsidiaries) Olympus Medical Systems Corp., Olympus Marketing, Inc., Aizu Olympus Co., Ltd., Shirakawa Olympus Co., Ltd., Nagano Olympus Co., Ltd., TmediX Corporation, Olympus America Inc., Olympus Europa SE & Co. KG, Olympus Deutschland GmbH, KeyMed (Medical & Industrial Equipment) Ltd., Olympus Winter & Ibe GmbH, Olympus (Beijing) Sales & Service Co., Ltd., Olympus Korea Co., Ltd., Olympus Singapore Pte. Ltd. (Affiliated companies) Sony Olympus Medical Solutions Inc.
Therapeutic Solutions	Gastroenterology devices, urology products, respiratory products, energy devices, ENT products, gynecology products	Olympus Corporation (Consolidated subsidiaries) Olympus Medical Systems Corp., Olympus Marketing, Inc., Aomori Olympus Co., Ltd., TmediX Corporation, Olympus America Inc., Olympus Europa SE & Co. KG, Olympus Deutschland GmbH, Gyrus ACMI, Inc., Olympus Winter & Ibe GmbH, Olympus (Beijing) Sales & Service Co., Ltd., Olympus Korea Co., Ltd., Olympus Singapore Pte. Ltd., Olympus Vietnam Co., Ltd.
Others	Biomedical materials, orthopedic equipment, others	Olympus Corporation (Consolidated subsidiaries) Olympus Terumo Biomaterials Corp., FH ORTHO SAS
Common	Holding company, financial investment	Olympus Corporation (Consolidated subsidiaries) Olympus Corporation of the Americas, Olympus Europa Holding SE, Olympus Europa SE & Co. KG, Olympus (China) Co., Ltd., Olympus Corporation of Asia Pacific Limited., Olympus Global Treasury Services Limited

The business structure of the Olympus Group as of March 31, 2024 is shown in the following diagram, which schematically illustrates the matters described above.



4. Subsidiaries and Other Affiliated Entities

(As of March 31, 2024)

Company name	Location	Capital stock or capital contribution	Main business	Voting rights held by Olympus Corporation (%)	Relationship with Olympus Corporation				
					Concurrent officers, etc.		Financial assistance loans	Business transactions	Major profit/loss information, etc. (1) Revenue (2) Operating profit (3) Profit (4) Total equity (5) Total assets (Millions of yen)
					Officers of the reporting company	Employees of the reporting company			
(Consolidated subsidiaries)									
Olympus Medical Systems Corp. (Note 2)	Hachioji-shi, Tokyo	¥90 million	Manufacturing Endoscopic Solutions Business products and Therapeutic Solutions Business products	100	Yes	Yes	No	Manufacturing Olympus Corporation's products	
Aizu Olympus Co., Ltd. (Note 2)	Aizu-Wakamatsu-shi, Fukushima	¥214 million	Manufacturing Endoscopic Solutions Business products	100	No	Yes	No	Manufacturing Olympus Corporation's products	
Aomori Olympus Co., Ltd.	Kuroishi-shi, Aomori	¥26 million	Manufacturing Therapeutic Solutions Business products	100	No	Yes	No	Manufacturing Olympus Corporation's products	
Nagano Olympus Co., Ltd.	Tatsuno-machi, Kamiina-gun, Nagano	¥100 million	Manufacturing Endoscopic Solutions Business products	100	No	Yes	Lending of ¥866 million for working capital	Manufacturing Olympus Corporation's products	
Shirakawa Olympus Co., Ltd.	Nishigo-mura, Nishishirakawa-gun, Fukushima	¥80 million	Manufacturing Endoscopic Solutions Business products	100	No	Yes	No	Manufacturing Olympus Corporation's products	
Olympus Marketing, Inc. (Notes 2, 3)	Shinjuku-ku, Tokyo	¥96 million	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100	No	Yes	No	Sales of Olympus Corporation's products	(1) 111,026 (2) 12,568 (3) 7,770 (4) 33,663 (5) 69,174
Olympus Terumo Biomaterials Corp. (Note 1)	Shibuya-ku, Tokyo	¥72 million	Research and development, manufacturing and sales of biomaterials products and regenerative medicine	95.7 [100]	No	Yes	Lending of ¥374 million for working capital	Development for manufacturing and sales of biomaterials products	
TmediX Corporation (Note 1)	Shinjuku-ku, Tokyo	¥50 million	Lease of products of the Endoscopic Solutions Business	100 [100]	No	Yes	No	Sales of Olympus Corporation's products	
Olympus-Supportmate Corp.	Hachioji-shi, Tokyo	¥10 million	Administration services for domestic subsidiaries and affiliates	100	No	Yes	Lending of ¥21 million for working capital	Provision of administration services	

Company name	Location	Capital stock or capital contribution	Main business	Voting rights held by Olympus Corporation (%)	Relationship with Olympus Corporation				
					Concurrent officers, etc.		Financial assistance loans	Business transactions	Major profit/loss information, etc. (1) Revenue (2) Operating profit (3) Profit (4) Total equity (5) Total assets (Millions of yen)
					Officers of the reporting company	Employees of the reporting company			
Olympus Corporation of the Americas (Note 2)	Pennsylvania, U.S.A.	US\$15 thousand	Holding company of corporate planning and financial support to affiliated companies in Americas region	100	Yes	Yes	No	Sales of Olympus Corporation's products	
Olympus America Inc. (Notes 1, 3)	Pennsylvania, U.S.A.	US\$0 thousand	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	No	Yes	No	Sales of Olympus Corporation's products	(1) 323,994 (2) 65,316 (3) 57,925 (4) 126,398 (5) 196,447
Olympus Latin America, Inc. (Note 1)	Florida, U.S.A.	US\$0 thousand	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	No	Yes	No	Sales of Olympus Corporation's products	
Gyrus ACMI, Inc. (Notes 1, 2)	Massachusetts, U.S.A.	US\$1 thousand	Manufacturing Therapeutic Solutions Business products	100 [100]	Yes	Yes	No	No	
Gyrus ACMI LP (Note 1)	Minnesota, U.S.A.	US\$0 thousand	Manufacturing Therapeutic Solutions Business products	100 [100]	No	No	No	No	
Olympus Innovation Ventures, LLC (Note 1)	Massachusetts, U.S.A.	US\$0 thousand	Investment in Endoscopic Solutions Business and Therapeutic Solutions Business	100 [100]	Yes	No	No	No	
Olympus Europa Holding SE	Hamburg, Germany	€1,000 thousand	Holding company of corporate planning to affiliated companies in Europe region	100	Yes	Yes	No	No	
Olympus Europa SE & Co. KG (Notes 1, 2)	Hamburg, Germany	€100,000 thousand	Holding company and sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	No	No	No	Sales of Olympus Corporation's products	
Olympus Deutschland GmbH (Note 1)	Hamburg, Germany	€10,100 thousand	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	No	Yes	No	Sales of Olympus Corporation's products	

Company name	Location	Capital stock or capital contribution	Main business	Voting rights held by Olympus Corporation (%)	Relationship with Olympus Corporation				
					Concurrent officers, etc.		Financial assistance loans	Business transactions	Major profit/loss information, etc. (1) Revenue (2) Operating profit (3) Profit (4) Total equity (5) Total assets (Millions of yen)
					Officers of the reporting company	Employees of the reporting company			
Olympus France S.A.S. (Note 1)	Rungis Cedex, France	€3,914 thousand	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	No	No	No	Sales of Olympus Corporation's products	
Olympus Winter & Ibe GmbH (Note 1)	Hamburg, Germany	€8,182 thousand	Manufacturing Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	Yes	Yes	No	Manufacturing Olympus Corporation's products	
KeyMed (Medical & Industrial Equipment) Ltd. (Note 1)	Essex, U.K.	£10 thousand	Manufacturing and sales of Endoscopic Solutions Business products	100 [100]	No	Yes	No	Sales and manufacturing of Olympus Corporation's products	
Quest Photonic Devices B.V. (Note 1)	North Holland The Netherlands	€21 thousand	Development of Endoscopic Solutions Business products	100 [100]	No	Yes	No	Development of Olympus Corporation's products	
Arc Medical Design Limited (Note 1)	West Yorkshire, U.K.	£52 thousand	Manufacturing Therapeutic Solutions Business products	100 [100]	No	Yes	No	Manufacturing Olympus Corporation's products	
FH ORTHO SAS (Note 1)	Heimsbrunn France	€44,757 thousand	Sales and manufacturing of orthopedic equipment	100 [100]	No	Yes	No	Sales and manufacturing of Olympus Corporation's products	
Olympus Global Treasury Services Limited (Note 2)	Essex, U.K.	£266,693 thousand	Fund management of the whole group	100	Yes	Yes	No	No	
Odin Medical Ltd.	London, U.K.	£1	Development of Endoscopic Solutions Business products	100	No	Yes	No	Development of Olympus Corporation's products	
Medi-Tate Ltd. (Note 1)	Or-Akiva, Israel	₪28 thousand	Development and manufacturing of Therapeutic Solutions Business products	100 [100]	No	Yes	No	Manufacturing Olympus Corporation's products	
Olympus Corporation of Asia Pacific Limited (Note 2)	Hong Kong	HK\$1,729,704 thousand	Holding company of corporate planning to affiliated companies in Asia region	100	Yes	Yes	No	No	
Olympus Hong Kong and China Limited (Note 1)	Hong Kong	HK\$540,000 thousand	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	No	Yes	No	Sales and manufacturing of Olympus Corporation's products	

Company name	Location	Capital stock or capital contribution	Main business	Voting rights held by Olympus Corporation (%)	Relationship with Olympus Corporation				
					Concurrent officers, etc.		Financial assistance loans	Business transactions	Major profit/loss information, etc. (1) Revenue (2) Operating profit (3) Profit (4) Total equity (5) Total assets (Millions of yen)
					Officers of the reporting company	Employees of the reporting company			
Olympus (China) Co., Ltd. (Note 1)	Beijing, P.R.C.	US\$31,000 thousand	Holding company of corporate planning to affiliated companies in China	100 [100]	Yes	Yes	No	No	
Olympus (Beijing) Sales & Service Co., Ltd. (Notes 1, 3)	Beijing, P.R.C.	US\$5,000 thousand	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	No	Yes	No	Sales of Olympus Corporation's products	(1) 105,583 (2) 3,620 (3) 2,877 (4) 8,526 (5) 52,085
Olympus Trading (Shanghai) Limited (Notes 1, 2)	Shanghai, P.R.C.	US\$1,000 thousand	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	No	Yes	No	Import and sales of Olympus Corporation's products	
Olympus Korea Co., Ltd.	Seoul, Republic of Korea	₩18,000 million	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100	Yes	Yes	No	Sales of Olympus Corporation's products	
Olympus Singapore Pte. Ltd. (Note 1)	Singapore	S\$330 thousand	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	No	Yes	No	Sales of Olympus Corporation's products	
Olympus Vietnam Co., Ltd.	Vietnam	US\$24,000	Manufacturing Therapeutic Solutions Business products	100	Yes	Yes	No	Manufacturing Olympus Corporation's products	
Olympus Australia Pty Ltd. (Note 1)	Victoria, Australia	A\$7,928 thousand	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]	No	Yes	No	Sales of Olympus Corporation's products	
53 others	—	—	—	—	—	—	—	—	—
(Equity method affiliated companies)									
Sony Olympus Medical Solutions Inc.	Hachioji-shi, Tokyo	¥50 million	Development of Endoscopic Solutions Business products	49	No	Yes	Lending of ¥1,960 million for working capital	Development of Olympus Corporation's products	
2 others	—	—	—	—	—	—	—	—	—

- Notes:
1. Figures disclosed in parentheses in the “Voting rights held by Olympus Corporation” column represent voting rights held indirectly by Olympus Corporation.
 2. The company falls under the category of “specified subsidiary.”
 3. Olympus Marketing, Inc., Olympus America Inc., and Olympus (Beijing) Sales & Service Co., Ltd. account for more than one-tenth of consolidated revenue.
 4. No company has filed a securities registration statement or securities report.

5. Employees

(1) Information about group

(As of March 31, 2024)

Segment	Numbers of employees (persons)	
Endoscopic Solutions	14,948	[452]
Therapeutic Solutions	8,337	[228]
Others	441	[12]
Management division	5,112	[250]
Total	28,838	[942]

- Notes:
1. The number of employees represents individuals working within the Olympus Group.
 2. The number of employees includes employees on loan to the Olympus Group but does not include employees on loan outside the Olympus Group. The average number of temporary employees for the year is shown in parentheses.
 3. The Scientific Solutions Segment is excluded from the above list because Evident Corporation, which took over the Scientific Solutions Segment of Olympus Corporation during the fiscal year ended March 31, 2024, is no longer a subsidiary of Olympus Corporation. The number of employees in the Scientific Solutions Segment decreased by 4,124 from the fiscal year ended March 31, 2023.
 4. The number of employees was standardized throughout the Group from the fiscal year ended March 31, 2024.

(2) Information about reporting company

(As of March 31, 2024)

Numbers of employees (persons)	Average age (years)	Average length of service (years)	Average annual salary (yen)
2,834	43.18	13.63	10,410,683

Segment	Numbers of employees (persons)
Endoscopic Solutions	729
Therapeutic Solutions	361
Others	2
Management division	1,742
Total	2,834

- Notes:
1. The number of employees represents individuals working within the Olympus Corporation.
 2. The number of employees includes employees on loan to Olympus Corporation but does not include employees on loan outside Olympus Corporation.
 3. Average annual salary includes bonuses and extra wages.

(3) Information about labor union (as of March 31, 2024)

Name: Olympus Labor Union

Labor-management relation: Labor-management relations are stable and there are no matters requiring special mention.

Number of members: 4,571

(4) Diversity indicators

Diversity indicators for the fiscal year ended March 31, 2024 are as follows.

Reporting company and consolidated subsidiaries	Number of all employees (persons) (Note 1)	Percentage of female employees in managerial positions (%) (Note 2)	Percentage of male employees taking childcare leave, etc. (%) (Note 2)	Wage difference between men and women (%) (Note 1)		
				All employees	Full-time employees	Part-time and fixed-term employees
Reporting company	6,613	9.1	88.0	77.1	76.4	72.0
Nagano Olympus Co., Ltd.	512	1.8	73.3	68.4	67.8	88.3
Aizu Olympus Co., Ltd.	2,046	14.2	82.2	68.5	70.3	85.5
Shirakawa Olympus Co., Ltd.	982	7.7	100.0	64.7	64.5	73.0
Aomori Olympus Co., Ltd.	897	12.1	100.0	60.9	62.6	62.3
Olympus Marketing, Inc.	609	6.0	68.4	70.2	69.9	74.3
Olympus Terumo Biomaterials Corp.	108	12.9	80.0	65.0	72.1	58.6
Olympus-Supportmate Corp.	165	18.2	— (Note 3)	108.1	110.6	75.2
TmediX Corporation	67	0.0	0.0	83.0	80.2	94.4

- Notes:
1. Seconded employees are counted as employees of the company from which they are seconded.
 2. Seconded employees are counted as employees of the company to which they are seconded.
 3. This indicates that there are no male employees eligible for childcare leave, etc.
 4. The periods covered are as follows;
Percentage of female employees in managerial positions: as of March 2024
Percentage of male employees taking childcare leave, etc. and wage difference between men and women: fiscal year ended March 31, 2024 (April 2023 to March 2024)
 5. The percentage of female employees in managerial positions is calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015). The standards of the aforementioned are also applied in the calculations for our overseas companies.
 6. The percentage of male employees taking childcare leave, etc. is calculated based on the rate of usage of childcare leave and the rate of usage of leave for childcare purposes as indicated in Article 71, Paragraph 4, Item 2 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25, 1991).”
 7. Nine domestic companies are subject to the count.

Wage difference between men and women

The wage difference between men and women, which is one of the indicators for promoting the active participation of women, is 77.1% for Olympus Corporation.

We believe that the difference is due to the fact that male employees have been with Olympus Corporation longer, the average age of male employees is higher, and the ratio of higher-paid positions is higher for male employees than for female employees.

As part of our efforts to address these issues, we have set a target for the percentage of female managers across Japan, set the active participation of women as one of our medium-term policies, and are implementing measures to strengthen the environment in which women can balance work and life, and to increase the ratio of women in management, senior management, and executive positions.

Diversity targets

1. We have set the targets of having the percentage of female managers be 30% for the Olympus Group and 13% for Olympus Corporation (Japan) by March 31, 2028.

2. We have set the target of having 100% of eligible male employees take childcare leave, etc. at Olympus Corporation (Japan) by March 31, 2026.
3. The Olympus Group will seek to further increase its diversity of nationalities and cultures while further raising employee engagement scores.

Current status

- Percentage of female managers within the Olympus Group: 25.4% (as of March 1, 2024)
- Percentage of female managers within the Olympus Corporation: 9.1% (as of March 1, 2024)
- Percentage of eligible male employees taking childcare leave, etc. within the Olympus Corporation: 88.0% (between April 1, 2023 and March 31, 2024)

II. Overview of Business

1. Management Policy, Business Environment, Issues to Address

The management policy, business environment, and issues to address of the Olympus Group are as follows. Note that matters related to future developments that are mentioned in this section are judgments of the Olympus Group that were made as of the end of the fiscal year ended March 31, 2024 (on a consolidated basis).

(1) Basic management policy

The Olympus Group’s corporate philosophy, our purpose, is to contribute broadly to society by meeting the fundamental needs of people and society around the world for healthy, safe and fulfilling lives through our business activities, and this is expressed as “Making people’s lives healthier, safer and more fulfilling” as the basic philosophy of all our activities. In addition, in January 2024, the Olympus Group refreshed “Our Core Values,” a code of conduct for our employees, in order to transform us into a global MedTech company.

The Olympus Group continue to provide innovative products and services to society to realize its corporate philosophy, and strive for sustainable business growth and increased corporate value.

OUR PURPOSE

Making people’s lives healthier, safer and more fulfilling

OUR CORE VALUES



Since April 2023, we have defined three guiding principles of “patient safety and sustainability,” “innovation for growth,” and “productivity.” To continue as a sincere and transparent company, we build a firm and durable organization in cooperation with regulatory authorities and our stakeholders and focus all our activities on customer experience value to become a company leading the healthcare industry and ESG. We also focus on QA/RA (quality assurance and regulatory affairs) with patient safety as our top priority, and implement initiatives such as “executing transformation with the aim of a single global quality system and fully harmonized processes,” “enhancing global quality and compliance functions to ensure consistent execution,” and “resolving product compliance issues and complete remediation.” We also provide high-quality products and services in various fields in line with our long-term strategy to achieve sustainable business growth and increased corporate value.

OUR GUIDING PRINCIPLES



(2) Company strategy

We have announced a new company strategy in 2023 to achieve our corporate philosophy.

(Strategic value pools for long-term sustainable growth)

Going forward, we intend to focus on both growth and profitability in this new stage of “Shift to Grow,” with the goal of expanding our market position in key segments and ultimately improving patients’ experience and treatment outcomes. As sources of value to support long-term and sustainable growth that contributes to this, we have four key drivers: i) business and global expansion, ii) strategic M&A, iii) care pathway enhancement, and iv) intelligent endoscopy ecosystem.

We would unleash our potential by developing the organizational focus, operational structure and employee mindset needed for long-term, sustainable growth.



i) Business and global expansion

With the change in global population dynamics and an increase in the occurrence of diseases, the need for solutions for diseases targeted by our products and services have been growing. We continue to focus on three fields of gastroenterology, urology, and respiratory where we have leading positions, and provide optimal solutions for patient care pathways through advanced visualization, precision treatment, and value added solutions.

- EVIS X1, our mainstay gastrointestinal endoscopic system: Sales began in the fiscal year ended March 31, 2021 in Europe, Asia, and Japan, and began in the U.S. and China in the fiscal year ended March 31, 2024. We plan to expand sales further in the future.
- Single-use endoscopes: We launched a bronchoscope in the fiscal year ended March 31, 2022 and a pharyngoscope in the fiscal year ended March 31, 2024. We plan to launch a ureteroscope in the fiscal year ending March 31, 2025, and we are aiming to launch single-use endoscopes in the areas of duodenoscope and cholangioscope going forward. (Includes technologies not yet approved or released in some regions)
- Chinese market: This is one of our strategically important markets, where we continue to invest in clinician education and training and assess unmet needs from Chinese healthcare professionals. We are also preparing a local manufacturing site in China and are considering offering Chinese domestic products for the Chinese market.

ii) Strategic M&A

We will continuously enhance our product portfolio through opportunities for tuck-in M&As in existing disease areas in the GI, urology, and respiratory fields and related areas with high growth potential to transform clinical and procedural workflows, enhance care, and expand business geographically. We contribute to improving patient outcomes by providing comprehensive solutions.

iii) Care pathway enhancement

We aim to improve patient outcomes by elevating the standard of care. In the care pathway covering early detection and diagnosis, stage classification, treatment, and follow-up care, we improve the experience of patients and healthcare professionals through our solutions and provide more patients with access to healthcare to improve the quality of care and outcomes, with a focus on the three fields of GI, urology, and respiratory.

iv) Intelligent endoscopy ecosystem

With the increase in chronic diseases and an aging population, there is an even greater need to deliver better treatment outcomes to more people and improve the experience of healthcare providers and patients, while reducing medical costs. We are considering providing solutions to these challenges through intelligent endoscopy that leverages connectivity, AI, and data insights to standardize the user experience through “workflow management,” “CAD* and real-time procedure support,” and “AI clinical and operations insights.” The AI-powered intelligent endoscopy ecosystem will enable the co-creation of value between our customers, the Olympus Group, and our partners through a new software platform and achieve more accurate early detection, diagnosis,

and treatment, with the goal of moving to a business model that constantly delivers innovation by upgrading the platform’s software and applications.

* Computer Aided Detection/Diagnosis: AI assisted detection/diagnosis

(Activities to enable investments and innovation)

In order to strengthen the foundation for value creation initiatives such as investment and innovation, we are focusing our efforts on the following four areas in particular.

- **QA/RA:** Complete QA/RA reform and corrective actions by introducing a consistent and robust quality system and strengthening the organization
- **R&D:** Quicker and higher investments in R&D with the aim of accelerating innovation. Create a more robust innovation pipeline, seek more proactively strategic partnerships, and accelerate our time-to-market
- **Manufacturing and supply chain management:** Improve cost of sales, optimize organizational size and location structure, streamline and digitize processes, and pursue further efficiencies
- **Global Target Operating Model (GTOM):** Achieve continuous improvement of global governance and operations. Clarify decision-making processes and create a high-performance organization that enables more efficient allocation of resources to promote innovation

 <p>QARA – functional transformation globally</p>	 <p>R&D – investments to accelerate innovation</p>	 <p>Mfg & SCM – opportunity for COGS improvements</p>	 <p>Global TOM – efficiencies by an improved operations</p>
<ul style="list-style-type: none"> ▪ Execute Quality and Regulatory functional transformation with the aim of one global quality system ▪ Integrate Global Quality and Compliance Functions to ensure the consistent execution ▪ Resolve compliance issues and complete remediation 	<ul style="list-style-type: none"> ▪ Apply an unmet need-oriented innovation approach ▪ Right investments for future to ensure an innovation engine ▪ Pro-actively seek strategic partnerships ▪ Accelerate time-to-market 	<ul style="list-style-type: none"> ▪ Improve efficiency and cost to apply a fit-for-purpose organization and processes ▪ Actions include site and resource streamlining, fast-track efficiencies, procurement and supply chain best-practices, and benefits from digitization 	<ul style="list-style-type: none"> ▪ Further fine-tune our global governance and operation to establish a high-performing organization of a global medical company that unlocks capital to drive innovation ▪ Enable cross-functional and effective decision-making, with efficient resource allocation and rigorous execution to fund & deliver key projects
<p>Ensure patient safety according to the highest industry standards</p>			

(Financial guidance)

Financial guidance for the three-year period from the fiscal year ended March 31, 2024 through the fiscal year ending March 31, 2026 is as follows. In this new stage of “Shift to Grow,” with a focus on both growth and profitability, we aim to achieve stable value creation and competitive growth by maintaining a revenue CAGR of approximately 5% and an adjusted operating margin of around 20%, while targeting a CAGR of approximately 8% for EPS, which exceeds sales growth.



* Constant currency basis.

** After adjusting special factors: Excluding other income and expenses, etc. Impact from fluctuations in the exchange rate is not adjusted. The actual foreign exchange rate is used.

(3) Holistic quality transformation program “Elevate”

Concerning “patient safety and sustainability” in our basic guidelines, we are carrying out initiatives to strengthen the QA/RA system, processes and capabilities over the three years from the fiscal year ended March 31, 2024 until the fiscal year ending March 31, 2026. Through this program, we strive to fully harness its potential, build a robust foundation for future innovation, and lead to the realization of sustainable growth.

Key long-term goals

Elevate is a multi-year, holistic remediation and transformation program focused on meeting four core goals

- | | |
|--|--|
| <p>01. Strengthening our patient safety focus and product quality culture</p> | <p>03. Fostering constructive relationships with health authorities</p> |
| <p>02. Embedding sustainable, repeatable processes and compliance</p> | <p>04. Leveraging quality as a competitive advantage</p> |

2. Approach and Initiatives for Sustainability

(1) Sustainability in general

The Olympus Group strives to contribute to society through activities aimed at achieving Our Purpose, “making people’s lives healthier, safer and more fulfilling.” We recognize that through doing this, the Olympus Group will be able to continue functioning as a sustainable company. Therefore, the Olympus Corporation’s ESG strategy is crucial for achieving Our Purpose.

<Governance>

To reinforce the implementation of the ESG measures, in April 2021, we designated an officer in charge of ESG (ESG Officer) to be responsible for our ESG initiatives and established the KPIs to be specified in our Company Strategy. The ESG Officer comprehensively manages ESG initiatives while monitoring the implementation progress of ESG measures. The ESG Officer also reports the status of the progress to the Group Executive Committee and the Board of Directors for deliberation. From the fiscal year ended March 31, 2021, part of the executive officers’ performance share unit (PSU) of long-term incentive compensation, was linked to the results of an evaluation by an external ESG rating agency. The percentage of that part will be increased from 10% in the fiscal year ended March 31, 2024, to 20% in the fiscal year ending March 31, 2025. Since ESG initiatives are integral to corporate management itself to require long term for the outcome, the performance in ESG is linked to the long-term incentives in the total incentive structure, and evaluations are linked to the results of initiatives over the three-year period, rather than the short-term incentives evaluated by the results in a single year. In the fiscal year ended March 31, 2023, we reviewed the governance structure for the implementation of our ESG strategy and established a new governance system in group level starting from the fiscal year ended March 31, 2024. Under this new governance structure, the ESG Committee, which mainly consists of heads of respective businesses and functions, drives and monitors the implementation of the ESG strategy. Under the ESG Committee, working groups are set for some of ESG initiatives which require cross-functional approach to drive those ESG initiatives. In addition, the progress, outcomes and issues in the implementation of ESG strategy are regularly reported to the Group Executive Committee and the Board of Directors. In the fiscal year ended March 31, 2024, two regular reporting sessions were held in the Group Executive Committee and the Board of Directors. By receiving instructions and advice from the Group Executive Committee and the Board of Directors, the ESG strategy is appropriately implemented under a proper governance structure.

<Governance system>



<Strategy>

In the fiscal year ended March 31, 2023, we reviewed and refined our ESG strategy. In our new company strategy started from the first year ended March 31, 2024, we positioned ESG as one of the primary priorities and further reinforced the linkage between our ESG strategy and the company strategy, business strategy, as well as function strategy.

Funding our journey and invest to create value for all stakeholders



While retaining the essentials and framework of the prior ESG strategy, the new ESG strategy was developed through a process including communication with stakeholders, analysis in the increasing expectations and requirements from society to companies on sustainability, major trend of MedTech industry and discussion in the Group Executive Committee and the Board of Directors, and "25 materiality topics" were identified under the "six focus areas." In the process of identifying the 25 materiality topics, we prioritize them into three levels: "top priority," "high priority," and "others," according to the stakeholder impact and the impact on our business. These "six focus areas" and "25 materiality topics" are embedded in the initiatives of the Olympus Group's company management and business management to represent our commitment to our contribution to solve social issues through our ESG strategy. We recognize ESG as one of the most topics to become a global leading MedTech company as well as to contribute to realize a sustainable society. Materiality needs to be reviewed and improved continuously according to changes in society and business environment.

Six focus areas

- Healthcare access and outcomes
- Compliance, product quality and safety
- Responsible supply chain
- Healthy organization
- Carbon neutral society and circular economy
- Corporate governance

6 Focus Areas / 25 materiality topics

Focus areas	25 Materiality topics		
	Top Priority (8 topics)	High Priority (9 topics)	Others (8 topics)
Healthcare Access and Outcome	<ul style="list-style-type: none"> Contribution to health equity and access <ul style="list-style-type: none"> Contribution to health equity HCP training and enablement Strategy to improve accessibility to product 	<ul style="list-style-type: none"> Innovation for better healthcare outcome Public awareness building on early detection and treatment 	<ul style="list-style-type: none"> Corporate citizenship and philanthropy
Compliance, Product Quality and Safety	<ul style="list-style-type: none"> Quality and safety in product, service and solution 	<ul style="list-style-type: none"> Business ethics and compliance Privacy, Information and cyber security 	<ul style="list-style-type: none"> Tax transparency Ethical marketing practice Risk and crisis management, risk culture Innovation to improve mftg process
Responsible Supply Chain	<ul style="list-style-type: none"> Supply chain risk mitigation and resilience 	<ul style="list-style-type: none"> Human rights commitment in supply chain management 	
Healthy Organization	<ul style="list-style-type: none"> Promotion of diversity, equity and inclusion 	<ul style="list-style-type: none"> Employee development and engagement Workplace safety and human rights 	
Carbon Neutral Society and Circular Economy	<ul style="list-style-type: none"> Scope 1 and 2 carbon emissions Scope 3 carbon emissions Circularity through product stewardship 	<ul style="list-style-type: none"> Water and waste management Climate risk resilience 	<ul style="list-style-type: none"> Environmental reporting transparency
Corporate Governance	<ul style="list-style-type: none"> Corporate governance and reporting transparency 		<ul style="list-style-type: none"> Involvement of other stakeholders Diversity in Board of Directors

<Risk management>

In the process of the enterprise risk assessment, we identify potential risks related to sustainability and ESG, and manage them through the enterprise risk management system. The status and progress are reported to the Group Executive Committee and the Board of Directors.

<Indexes and targets>

In the fiscal year ended March 31, 2024, we continued to use the Dow Jones Sustainability Index (DJSI), one of the most globally recognized corporate sustainability indices, as an indicator to measure the achievement and effort in our ESG activities, aiming to be selected to some of the indices. So far, we were selected as a composite of the DJSI Asia Pacific for the first time in 2018 and that of DJSI World in December 2022, the year following the fiscal year ended March 31, 2022, when the ESG rating by an external ESG rating agency is linked to the long-term incentives of executive officers. Since then, we have been selected a composite of the DJSI World for three consecutive years and the DJSI Asia Pacific for five consecutive years until the fiscal year ended March 31, 2024.

In the fiscal year ended March 31, 2023, we also set flagship initiatives to implement the ESG strategy, focusing on the materiality topics in the top priority category with quantitative and qualitative KPIs and targets for each of them.

In the fiscal year ended March 31, 2024, we reviewed the conventional structure of the performance evaluations in sustainability for executive compensation, which used to be based only on the DJSI as an external evaluation indicator, to revise the structure to make it more comprehensive with the performance evaluation based on KPIs and targets in our own ESG strategy. Starting from the fiscal year ending March 31, 2025, we will practice ESG activities with comprehensive performance indicators, adding the performance evaluations based on KPIs and targets of our ESG strategy's flagship initiatives while continuing to use the DJSI as one of our ESG activity indicators for the objective external evaluation indicator.

Six focus areas and materiality topics with top priorities

 <p>Healthcare Access and Outcome</p> <p>Contribution to health equity and access</p> <p>+20% Colorectal cancer related training in target emerging countries and regions</p> <p>+20% Colorectal cancer related online / hybrid training provided with HCPs globally</p>	 <p>Compliance, Product Quality and Safety</p> <p>Quality and safety in product, service and solution</p> <p>Timely ESG disclosures According to SASB Standard</p>	 <p>Responsible Supply Chain</p> <p>Supply chain risk mitigation and resilience</p> <p>Annual assessment / monitoring For multi-tier supply chain risks</p>	 <p>Healthy Organization</p> <p>Diversity, equity and inclusion</p> <p>30% Management positions held by women by FY2028 globally</p> <p>100% Men employees in Japan^{*1} take parental leave by FY2026</p>	 <p>Carbon Neutral Society and Circular Economy</p> <p>Circularity through product stewardship, Carbon emissions (Scope 1, 2 and 3)</p> <p>Net-zero Net-zero GHG emissions across scope 1, 2 and 3 by FY2040</p> <p>Carbon Neutral In our site operations across scope 1 and 2 by FY2031</p>	 <p>Corporate Governance</p> <p>Corporate governance and reporting transparency</p> <p>Enterprise Risk Management applied consistently across the globe</p>
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*1 Olympus Corporation

Results for the fiscal year ended March 31, 2024

Focus Area	Healthcare Access and Outcome	Compliance, Product Quality and Safety	Responsible Supply Chain	Healthy Organization	Carbon Neutral Society and Circular Economy	Corporate Governance
Indicator	Colorectal cancer related training in target emerging countries and regions	ESG disclosures According to SASB Standards	Assessment / monitoring for multi-tier supply chain risks	Management positions held by women globally	Net-zero GHG emissions across scope 1, 2 and 3	Enterprise Risk Management applied consistently across the globe
Goal	+20% Compared to the previous year	Timely and appropriate disclosure	Annual assessment and monitoring	By FY2028: 30%	Net-zero by FY2040	Annually conduct Enterprise Risk Management
Result in Mar. FY2024	20 programs	Appropriate disclosure was done *Details shown in the following chart	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.	25.4%	Set the Net Zero target (SBTi certified) by **2040(Scope 1, 2, 3)	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
Indicator	Colorectal cancer related online / hybrid training provided with HCPs globally		This enhancement, including BCP plans and ESG performance indicators, emphasizes our adherence to stringent compliance standards and strengthens supply chain resilience.	Eligible male employees in Japan** take parental leave	Carbon Neutral in our site operations across scope 1 and 2	
Goal	+20% Compared to the previous year			By FY2026: 100%	Carbon Neutral by FY2031	
Result in Mar. FY2024	58 programs			88.0%	**GHG emissions : 45.7% reduced (compared to Mar. FY2020)	
Remark		In Dec.2023, the industry-based SASB standards were revised for global application. Our current disclosure is based on the previous version. The application of revised version is under consideration		** Employees of Olympus Corporation	**The data of GHG & CO2 emissions in FY2023 with independent assurance. The near-term target & The net-zero target are verified by SBTi	For details, refer 3. [Business Risks]

Information disclosure along SASB standards regarding product quality and safety		
SASB Code	Accounting Metrics	Our disclosed information
SASB:HC-MS-250a.1	Number of recalls issued. total units recalled	Appropriately disclosed on the websites of regulatory authorities in each country e.g.) U.S. FDA : Medical Device Recalls (fda.gov) https://www.accessdata.fda.gov/scripts
SASB:HC-MS-250a.2	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	Appropriately disclosed in accordance with U.S. FDA requirements MedWatch: The FDA Safety Information and Adverse Event Reporting Program FDA https://www.fda.gov/safety/medwatch-fda-safety-information-and-adverse-event-reporting-program
SASB:HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	Appropriately disclosed in accordance with U.S. FDA requirements MAUDE - Manufacturer and User Facility Device Experience (fda.gov) https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfmaude/search.cfm
SASB:HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices(cGMP), by type	Appropriately disclosed on the following website https://datadashboard.fda.gov/ora/cd/inspections.htm

(2) Climate change

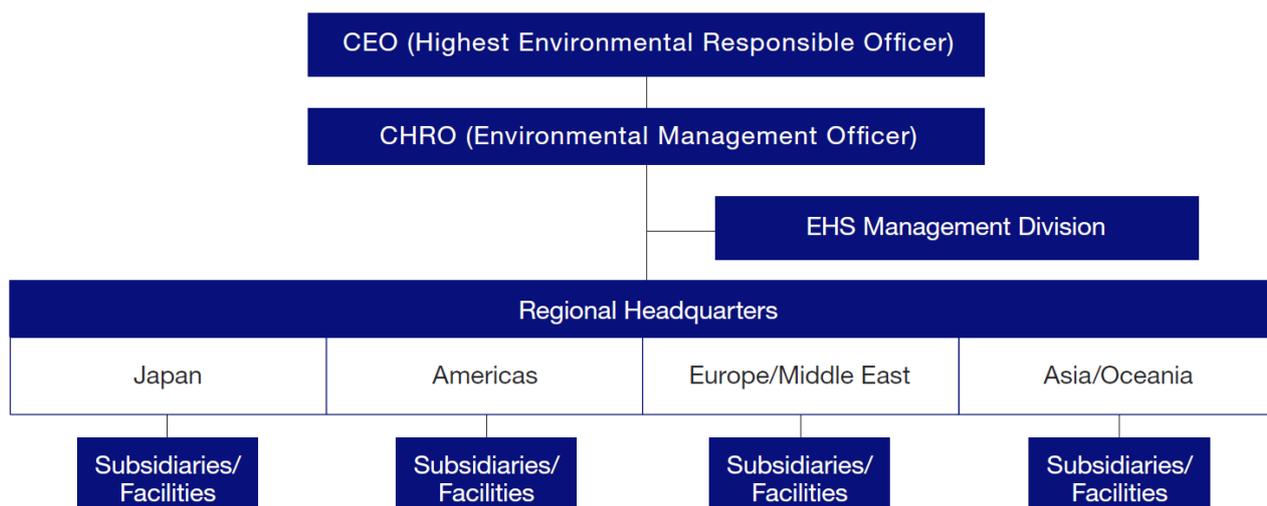
<Governance>

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, who is the highest environmental responsible officer, the Chief Human Resources Officer (CHRO) oversees matters related to the environment, health and safety (EHS) for the entire Group.

In accordance with the CHRO's instructions, the EHS division formulates the Environmental Health and Safety Policy of the Olympus Group and creates an environmental action plan, including the reduction target of greenhouse gas emissions, as well as monitoring the progress of action plan implementation across the entire Group. In response to the progress report, the highest environmental responsible officer (CEO) gives instructions for any improvement required. The Board of Directors monitors the status of the implemented climate change measures while receiving the related reports as appropriate.

- * The highest environmental responsible officers were CEO and CHRO until the fiscal year ended March 31, 2024, and this position was transferred to CEO from April 1, 2024
- * The person in charge of environmental management was the Human Resources Head until the fiscal year ended March 31, 2024, and this position was transferred to CHRO from April 1, 2024

Environmental management structure (at the time of filing this Annual Securities Report)



<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°C: RCP1.9 (NZE) (holding the increase in the global average temperature to below 1.5°C above pre-industrial levels) and the 4°C: RCP8.5 (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 within the short-term period (one to five years) would be the suspension of factory operations or breakdown of the supply chain due to natural disasters or harm to our evaluations or reputation by stakeholders due to insufficient climate change response or insufficient disclosure of our climate change response; and the risks within the medium- to long-term period (10 to 20 years) would be an increase in business costs due to the introduction of carbon taxes and further tightening of greenhouse gas emissions regulations.

Although such climate change risks could affect our company strategy and financial plan, we estimate that the scope of influence would be comparatively 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 a business continuation plan for each site was created in case of emergency. As a supply chain risk, we consider our ability to procure materials and supply products could be impacted given the occurrence of typhoons and flooding across the world in recent years, and we are therefore building systems such as a production contingency system involving alternative suppliers.

As a climate change opportunity, we will continue development of environmentally conscious products with energy-saving and other functions, taking the rising requirement for such products, which contribute to greenhouse gas emissions reduction, as a business opportunity. However, we estimate the impact from this opportunity on our business will not be so large because the majority of our products are already small with low energy consumption, and the nature of our products and services are relatively independent from any impact from climate change.

	Environmental changes	Risks	Opportunities	Measures
1.5°C scenario	Stronger regulatory actions and market changes in conjunction with transition to a low carbon society	<p><Transition risks></p> <ul style="list-style-type: none"> • Increase in procurement and operating cost due to carbon tax, carbon emissions trading and stronger regulatory action on greenhouse gas emission by various countries • Decline in market competitiveness due to insufficient responses to strengthening of regulatory action on greenhouse gas emissions associated with products • Harm to evaluations or reputation by stakeholders due to insufficient climate change response or insufficient disclosure of climate change response 	<ul style="list-style-type: none"> • Reduction of business costs by energy-saving measures • Improvements in market competitiveness by development of environmentally conscious products • Strengthening of relationships with stakeholders 	<ul style="list-style-type: none"> • Improvements in energy efficiency • Wider use of renewable energy • Diversification of suppliers • Strengthening of engagement with suppliers • Enhancement of disclosures regarding climate change response policies and initiatives • Environmentally conscious design in the product/service design & development stage
4°C scenario	Rise in temperature and increased extreme weather events	<p><Physical risks></p> <ul style="list-style-type: none"> • Supply chain disruption caused by growing scale of natural disasters, such as typhoons, floods, etc. • Suspension of deliveries from suppliers and to customers due to suspension of distribution bases, repair centers and sales branches, etc. 		

<Risk management>

During the management strategy and business plan formulation stages, the Olympus Group identifies risks that have the potential to impact our 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, issues instructions to reviews action plans.

<Indexes and targets>

The Olympus Group has set two targets. One is carbon neutrality by the fiscal year ending March 31, 2031 for its site operations (Scope 1, 2), and the other is using electricity generated 100% from renewable energy at our site operations also by the fiscal year ending March 31, 2031. In order to contribute broadly to the development of a decarbonized society, we believe that it is necessary to take action concerning not just the Group's own greenhouse gas emissions, but all greenhouse gas emissions throughout the supply chain, and in light of this, in May 2023, we set and announced a target of achieving net zero greenhouse gas emissions throughout the entire supply chain (Scope 1, 2, and 3) by the fiscal year ending March 31, 2040. In October 2023, the Olympus Group's short-term goals and net zero goals were certified by the Science Based Targets initiative (SBTi) as being in line with the target of 1.5°C set by the Paris Agreement.

For further information regarding the SBTi certification, please refer to our website.

URL: <https://www.olympus-global.com/news/2023/nr02589.html>

Achievements during the fiscal year ended March 31, 2023 include a 45.7% reduction in greenhouse gas emissions (Scope 1, 2) compared to the fiscal year ended March 31, 2020 and a 71.9% introduction rate of electricity derived from renewable energy. We will continue our production efficiency improvements, energy-saving activities and introduction of renewable energy in business sites across the world, in order to achieve the targets by the fiscal year ending 2031. We also pursue the development of environmentally conscious products, green procurement, and improvement of logistical efficiency in order to reduce greenhouse gas emissions across the supply chain.

Results for the fiscal year ended March 31, 2023 and targets

	Results	Target
	Fiscal year ended March 31, 2023	Fiscal year ending March 31, 2031
Greenhouse gas emissions (Scope 1, 2)	45.7% reduction (in comparison to the fiscal year ended March 31, 2020)	Achieve carbon neutrality*
Percentage of renewable energy usage	71.9%	100%

* Carbon neutrality: 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.

Total greenhouse gas emissions from entire supply chain (unit: t-CO₂e)

Category	Fiscal year ended March 31, 2023
Scope 1	27,967
Scope 2	18,374
Total (Scope 1 + 2)	46,341
Scope 3	659,891
Total (Scope 1 + 2 + 3)	706,232

* Actual data is for the fiscal year ended March 31, 2023, for which third-party assurance was obtained at the time of filing of this Annual Securities Report.

For detailed information, please refer to our website or Sustainability Report 2023.

URL:

https://www.olympus-global.com/csr/download/pdf/Olympus_Sustainability_Report_2023_en.pdf

Sustainability Report 2024 is planned to be posted on our website around October 2024.

(3) Human capital and diversity

<Strategy>

Our vision of human capital management

The Olympus Group regards its employees as its most important management resource and aims to create innovation by bringing together the limitless possibilities of employees around the globe, realizing Our Purpose: “Making people’s lives healthier, safer and more fulfilling.”

Our employees and organization must be able to rapidly respond to our dramatically changing world and the needs of our patients, based on a foundation of connecting diverse employees through shared values, sincerely fostering personal growth at both the employee and company levels, and continuously growing together. We have defined a policy for achieving these aims.



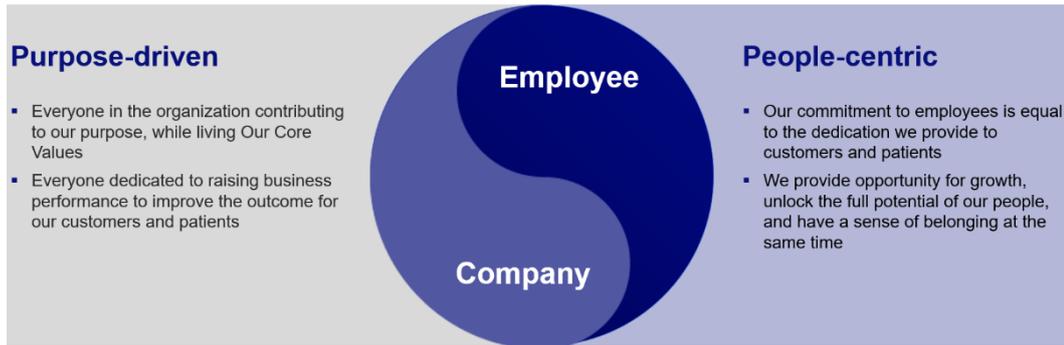
Healthy Organization

As part of its business transformation plan, the Olympus Group is working to create a Healthy Organization. Our organization is a healthy one when we focus on both the Company’s needs and the daily experiences of our employees, maintaining a balance between them. When we are healthy, our employees can achieve their full potential. We believe that a culture in which each and every employee performs at their best is one capable of continual growth, enabling us to achieve Our Purpose of “Making people’s lives healthier, safer and more fulfilling.”

For us to realize this culture and advance further as a global MedTech company, we have identified three challenges: “reinforcing our ‘Patient Focus’ corporate culture,” “enhancing our systems for promoting Healthy Organization,” and “creating opportunities for diverse employees to grow and thrive at the global level.” We are carrying out various related measures around the world.

A Healthy Organization

Committed to delivering Olympus' Purpose by creating a working culture where everyone is empowered to perform their best



How we are bringing a Healthy Organization to life at Olympus

■ Revising Our Core Values

In January 2024, we revised Our Core Values. Every day, stakeholders' expectations for patient safety and our products rise, as do our responsibilities for meeting these expectations. Olympus has transformed into a pure-play MedTech company and increased its global presence. We decided to make these revisions to enable our employees to focus on the activities they need to carry out as they realize the Group's priorities in response to these changes and the challenges that have arisen as a result.

The previous iteration of Our Core Values of "Integrity," "Empathy," "Long-term view," "Agility," and "Unity" have been changed to "Patient Focus," "Integrity," "Innovation," "Impact" and "Empathy." We further elevate the mindsets of all employees so that in their day-to-day duties they have a deeper understanding of the impact our products and services have on patients.

To realize Our Purpose of "Making people's lives healthier, safer and more fulfilling" we act in accordance with these new Our Core Values, reflecting them in our daily operations. To instill these Our Core Values, we will launch a succession of initiatives, including conducting leaders' workshops, introducing an ambassador system, and implementing e-learning.

 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.
OUR BEHAVIORS				
<ul style="list-style-type: none"> Seek to understand the realities of patients, customers, and healthcare systems. Take responsibility to ensure patient safety is our primary focus guiding every decision and action. Create solutions to improve patient safety, healthcare access, and health outcomes. 	<ul style="list-style-type: none"> Deliver excellence and high quality in everything we do. Be honest, sincere, transparent, and fair in every interaction. Speak up for what's right, and don't be afraid to admit mistakes. 	<ul style="list-style-type: none"> Think beyond what might be possible to improve patient lives and treat diseases. Continuously seek to improve and learn. Have the courage to try new things and find bold paths forward. 	<ul style="list-style-type: none"> Make clear decisions, take ownership, and follow through to completion. Collaborate across functions and borders to strengthen how we work together. Seek opportunities to simplify processes and increase productivity. 	<ul style="list-style-type: none"> Treat all people with respect regardless of background or identity. Include and apply diverse perspectives in our work to enrich our collective outputs. Anticipate and support the needs of patients, customers, and colleagues.

■ Globally standard talent and succession management

Employees' opportunities should not be limited to specific regions. Instead, they should be provided with a wealth of opportunities to thrive from anywhere in the world. Led by its global human resource strategy, Olympus began promoting globally unified human resource processes several years ago. Following the introduction of talent review and succession plan processes for top

management positions in 2019, we have expanded the application of these processes to global positions. In 2021, we fully rolled out our Global Leadership Competency Model (GLCM), which serves as our leadership guidelines. We have also gradually implemented skill development programs and learning content for employees worldwide. In 2023, we introduced our performance management system, a standard global system for visualizing goal setting and evaluations for all employees. We are working to create systems that enable our global leaders and business leaders to embody the concept of “Leaders Developing Leaders” and to access information concerning human resource placement processes, compensation, as well as training and skill development, among others. We accelerate the placement of the right personnel in the right positions worldwide, and foster the growth of motivated employees.

■ Diversity, equity, and inclusion

The Olympus Group recognizes DEI as being a vital strategy in achieving Our Purpose of “Making people’s lives healthier, safer and more fulfilling.”

For the “six focus areas” and “25 materiality topics” of our ESG strategy, which we formulated in the fiscal year ended March 31, 2023, we positioned diversity, equity, and inclusion as Materiality Topics—top priorities of particular importance—and we announced our DEI strategy. Furthermore, we have newly established the position of CDO (Chief Diversity, Equity and Inclusion Officer) to monitor and promote related measures, and appointed Corporate Officer Wenlei Yang in this role.

In these measures, we have positioned four key themes as vital strategic areas in our global operations. In all of our business sites around the world, we deepen our measures for achieving DEI and strive to foster a Healthy Organization.

(i) Gender and Life Priority

Further support for women employees and all care takers that may have time constraints due to personal life events.

(ii) Nationality and Culture

Increase diversity and ensure equitable access to opportunities regardless of nationality, culture or language skills.

(iii) Career and Experience

Enhance employee professional experience and broaden the perspective of team and organizational coverage.

(iv) Inclusive Environment

Ensure psychological safety and build an environment where everyone can speak up freely and collaborate effectively.

<Indexes and targets>

For specific indexes and targets in this section “Human capital and diversity,” please refer to “(i) Percentage of female employees in managerial positions, (ii) Percentage of male employees taking childcare leave, etc., and (iii) Wage difference between men and women,” as shown in “I. Overview of Company, 5. Employees.”

3. Business Risks

The business performances of the Olympus Group may be materially influenced by various risks (uncertainties) which may occur in the future. The Olympus Group has implemented a global Enterprise Risk Management Methodology to support the achievement of its business objectives which include inter alia its management philosophy and company strategy. Specifically, the Olympus Group's risk management is based on the "Policy of Risk Management & Crisis Response" and related rules. The Olympus Group is undertaking Enterprise Risk Management from the perspective of both opportunities and threats. Opportunities are seized through active and appropriate risk taking leading to sustainable growth and value creation for the Olympus Group. Threats are identified, prioritized, and treated to ensure the achievement of business objectives and to prevent non-compliance.

In April 2023, the Olympus Group launched a new global organizational design to integrate the four functions Risk & Controls, Compliance, Privacy, and Information Security related to Governance, Risk and Compliance (GRC) into a global GRC organization. In addition, the Olympus Group started to transfer the existing Enterprise Risk Management Portfolio into an advanced methodology and performed a global Risk Assessment with all functions to validate and update Olympus Corporation's global Risk Portfolio based on this enhanced methodology.

In particular, the elements of the enhanced Enterprise Risk Management System are:

- A global Risk & Controls organization embedded into the GRC function,
- An enhanced global Enterprise Risk Management Methodology and Approach, and
- A globally harmonized Enterprise Risk Management Process.

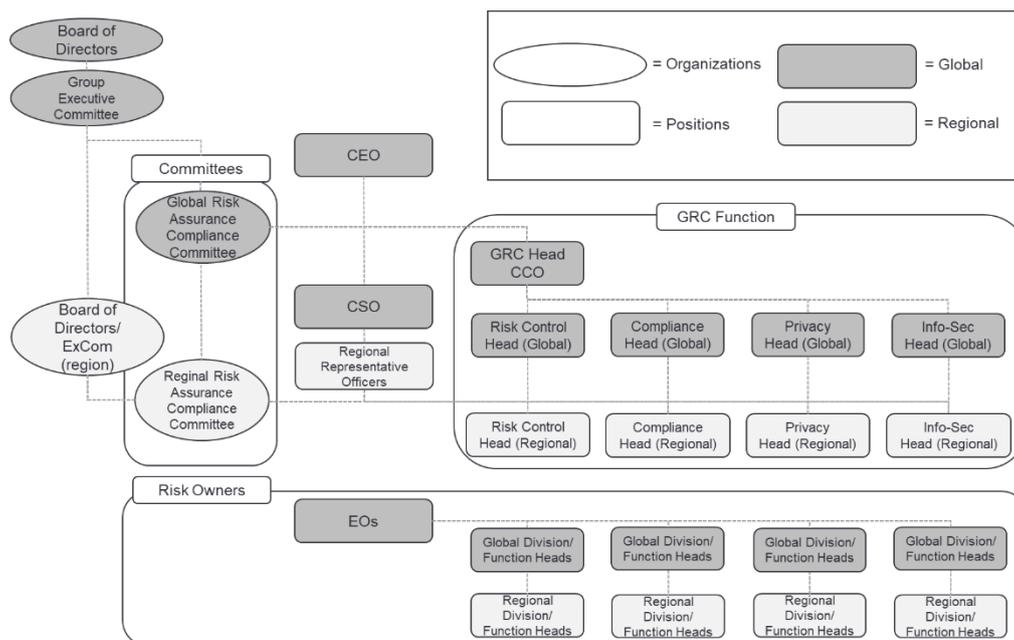
Those three elements aim to ensure a streamlined Enterprise Risk Management that feeds into business and financial planning and safeguards the achievement of Olympus Corporation's business objectives and its company strategy by supporting informed decision making.

Enterprise Risk Management Organizational Setup

The Olympus Group has established a new committee structure on both a global and regional level, the Global and Regional Risk Assurance and Compliance Committees (G-RACC and R-RACC, collectively the "RACCs"). 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 Group Executive Committee (GEC), the Board of Directors (Board), and the Audit Committee for ongoing monitoring.

The Olympus Group also identified and collaboratively nominated Risk Owners, i.e., Global Division and Function Heads and Regional Division and Function Heads and respective Risk Coordinators responsible for managing risks. Each Risk Owner is accountable to execute the necessary measures (organizational structure, process preparation, focus measures, etc.) in their designated area of risk.

< Enterprise Risk Management Organizational Chart >



Enterprise Risk Management Methodology and Approach

The Olympus Group has established a global Enterprise Risk Management Methodology and Approach which includes 5 calibrated Risk Categories (1. Strategic (incl. External), 2. Operations & Product, 3. Financial, 4. Governance, and 5. IT & Digital) and corresponding Risk Sub-Categories.

< Enterprise Risk Management Risk Categories >

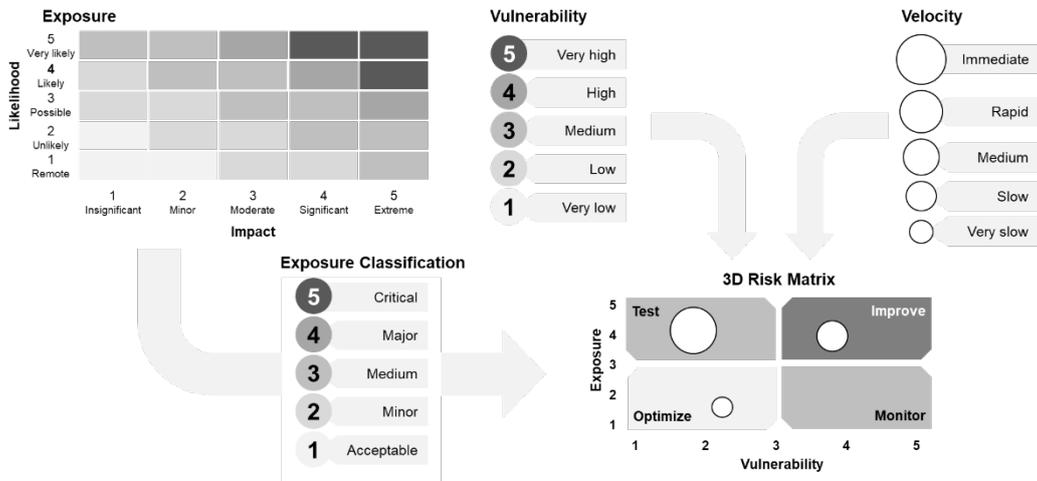
Risk Categories	Strategic (incl. External)	Operations & Product	Financial	Governance	IT & Digital
Risk Sub-Categories	<ul style="list-style-type: none"> Planning & resource allocation Business Development & Investment Communication & Stakeholder Management Market dynamics Force Majeure 	<ul style="list-style-type: none"> Research & Development Manufacturing & Repair End-to-end Supply Chain Sales, Marketing & Service Quality Physical Assets People & HR 	<ul style="list-style-type: none"> Capital Structure Accounting & Reporting Liquidity & Credit Revenue Cycle Tax 	<ul style="list-style-type: none"> Culture Regulatory Legal Compliance Data Privacy Corporate Governance 	<ul style="list-style-type: none"> IT Security & Cyber IT Applications IT Governance IT Infrastructure & Services Digital

The Olympus Group also introduced three Risk Evaluation Criteria (1. Exposure, 2. Vulnerability, 3. Velocity) to evaluate and display each individual risk that might have an effect on the achievement of Olympus’ business objectives as well as on the company strategy:

- Exposure which is determined by likelihood and impact. The likelihood indicates the probability of a risk materializing, while the 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 which refers to how well the organization is prepared to manage a risk if it occurs.
- Velocity which indicates how fast Olympus Corporation would be affected by a risk after it occurs.

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

< Enterprise Risk Management Risk Evaluation Method >



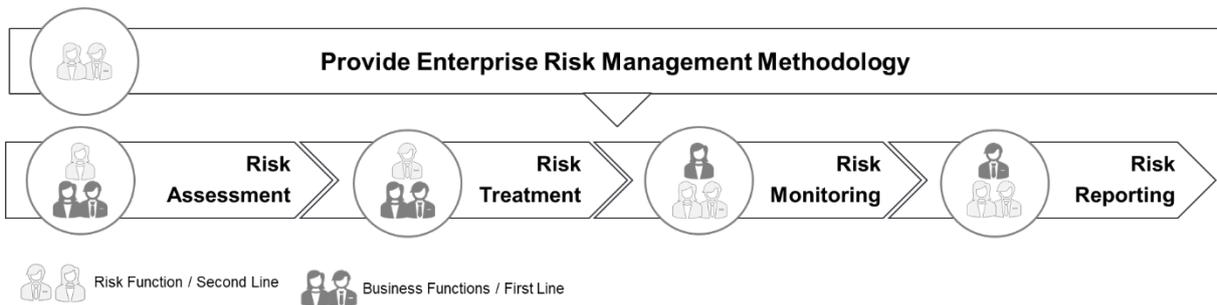
Enterprise Risk Management Process

The main components of the Enterprise Risk Management Process are:

- Risk Assessment to identify, analyze, and evaluate risks.
- Risk Treatment to mitigate risk, coordinate and execute Risk Management Activities.
- Risk Monitoring to design and implement monitoring procedures on risks and evaluate effectiveness on Risk Treatment activities.
- Risk Reporting to aggregate and evaluate risk and mitigating measures and report to relevant stakeholders regularly. Risk Reporting is developed and deployed internally as part of the annual plan.

The Enterprise Risk Management Process is based on the strong collaboration between the Risk & Controls Function and the Division/Business Functions following the principle of the Three Lines Model. Risk & Controls is responsible to provide, maintain and develop the Enterprise Risk Methodology and operational guidance. We are promoting the spread of the new organizational structure and methods within the Company.

< Enterprise Risk Management Process >



Macroeconomic Business Environment

Macroeconomic developments worldwide have been severely affected by the impact of the war in Ukraine and the situation in the Middle East region. Energy prices have risen and remain high on a global level. Inflationary developments are also aggravated by supply chain disruptions. Combined with noticeable skills shortages, this has been leading to an overall slowdown in the economy and consumption. However, inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy.

Geopolitical instability is also one of the greatest threats to economic growth, and other potential high-impact supply chain risk events including cyber-attacks, high-impact weather events, and uncertainty in the procurement of raw materials and components have increased in recent years. Material price increases and product shortages resulting from external issues (e.g., increasing trade barriers and lower raw material availability) require intensive focus on strong supplier management.

Awareness of the impact that environmental issues may have on business operations has reached significant levels and has become an inherent business requirement from stakeholders.

On the technology front, digital transformation is accelerating across all areas. In response to this, there is a trend towards shortened development cycles being requested. Practical application of technology innovation (AI/robotics/ICT) is also progressing rapidly.

Industry-specific Business Environment

In the medical field, healthcare system reforms are being continuously implemented in Japan and overseas with the aim of curbing medical care costs and improving the quality of life of patients by improving the safety and efficacy of healthcare services. As a result, legal and regulatory requirements for medical device applications and registrations in each country, including the US Food and Drug Administration (FDA) and European Medical Device Regulations (EU-MDR), are increasing every year. In addition, the requirements concerning infection prevention and reprocessing (i.e., cleaning, disinfection, and sterilization) are becoming more complex.

The hurdles and complexities for technology development are increasing due to changes in healthcare policies in various countries, reductions in healthcare costs, tighter healthcare-related laws and regulations, and further increased demands for infection prevention and reprocessing. Accordingly, the business environment is becoming more demanding, not only due to new and alternative technologies, but also due to the entrants into the medical industry from other industries, including large technology companies.

Furthermore, there is a growing need for healthcare as societies progressively age, particularly in developed countries. There are efforts underway in various countries to reform healthcare systems, aiming to optimize the provision of effective, high quality healthcare services in spite of rising healthcare costs. Under such circumstances, there are many competitors in the business areas in which the Olympus Group is involved, and technological innovation is also progressing. Especially, competition in the Therapeutic Solutions Business is intensifying more than ever before.

In the Chinese market, the trade friction between the U.S. and China is intensifying, and Chinese government policies favoring national production and the promotion of concentrated purchasing have increased uncertainty, and we need to continue to pay attention to it. However, the Olympus Group sees the Chinese market as a market with the potential for sustainable growth. Furthermore, other emerging markets are also experiencing increasing healthcare needs and economic growth potential.

In the industries in which the Olympus Group operates, competition for talent is intensifying globally, and changes in the labor market are leading to higher retirement rates. Recruitment, development, and retention of personnel is becoming increasingly important.

The Olympus Group's Risk State for the Fiscal Year Ended March 31, 2024

Based on the Olympus Group's global Risk Assessment performed in the fiscal year ended March 31, 2024, risks impacting the Olympus Group have been identified, quantified, and prioritized.

Risks designated as "Improve" in the 3D-Risk Matrix have been prioritized for Risk Treatment. For the risks in the "Test" quadrant controls are in place. Routine audits ensure that the existing controls are designed well and operate effectively. Risks located in the "Monitor" quadrant are subject to periodic re-evaluation to ensure that their Risk Exposure is still at an acceptable level or to initiate additional Risk Treatment where necessary. The Olympus Group reports the following top risks per Risk Category:

Risk Category: “Strategy (incl. External)”	Type: Opportunity and Threat
Risk Scenarios	
<p>This Risk Category consists of the following sub-categories: Planning & Resource Allocation, Business Development & Investment, Communication & Stakeholder Management, Market Dynamics, and Force Majeure. The highest rated risks are geopolitical threats, supply chain interruptions and challenges to business development in a volatile market. This category includes risks related to market competition.</p> <ul style="list-style-type: none"> • We need to launch products that are competitive in terms of price, technology, quality, etc. into the market in a timely manner, but earnings may be adversely affected depending on the results. • The selection of targets for mergers and acquisitions offers both opportunity and threats and requires a careful, risk-based selection, pre signing due diligence and an integration process following up on due diligence findings and post-closing due diligence. If we are not able to sufficiently mitigate these risks, the Olympus Group’s business execution may be adversely affected, or its business performance and financial position may be adversely affected due to impairment of goodwill or other related expenses. 	
Risk Treatment	
<p>To manage above risks the Olympus Group has been focusing on the following top Risk Treatment activities:</p> <ul style="list-style-type: none"> • The Olympus Group monitors the competitive environment, including the emergence of alternative technologies and products in the market, and works towards expediting the selection and development of new technologies that should be adopted in cooperation with marketing, intellectual property and relevant departments. We actively consider not only in-house development, but also the incorporation of external technologies through M&A and alliances, etc. The Olympus Group is working towards the development of new high-value added products and technologies that meet the market needs. • Increasing supply chain visibility to reduce vulnerability to supply chain disruptions. • Enhancement and harmonization of the global Business Continuity Management System. • Review and enhancement of the Merger & Acquisition process. 	
Connection with company strategy and policies: Innovation for Growth, Productivity	

Risk Category: “Operations & Product”	Type: Opportunity and Threat
Risk Scenarios	
<p>This Risk Category consists of the following sub-categories: Research & Development (R&D), Manufacturing & Repair, End-to-end Supply Chain, Sales, Marketing & Service, Quality, Physical Assets, and People & HR. The most significant risks belong to Product Quality, End-to-End Supply Chain and Marketing & Sales. These risks include the availability of products as well as product lifecycle. In particular, these are:</p> <ul style="list-style-type: none"> • Risks associated with the follow up activities of the FDA warning letters received in the fiscal year ended March 31, 2023. The initialization of a major quality improvement program and remediation activities utilized significant resources in Manufacturing, Quality, Supply Chain Management and R&D that had to be balanced and integrated into routine operations. If we are not able to sufficiently mitigate these risks, the Olympus Group’s business execution may be adversely affected. • The need for improving Olympus Corporation’s resilience against external disruptions in the supply chain has been identified in the course of increasing number of geopolitical crises, natural disasters and other supply chain challenges. An example of a natural disaster risk was the 2024 Noto Peninsula Earthquake. This affected a key supplier to Olympus Corporation’s manufacturing operations and its supply of materials in the short to middle term. 	
Risk Treatment	
<p>The Olympus Group has been focusing on improving the stability of the End-to-End Supply Chain and quality processes to provide a premium service and supply to customers, with a primary focus on patient safety.</p> <p>Key activities are:</p> <ul style="list-style-type: none"> • A global multi-year quality program has been initialized to globally and sustainably enhance and harmonize the Quality Management System and Quality processes. • Projects to improve the supply chain visibility and to maintain independence from suppliers. • Enhancement and harmonization of the global Business Continuity Management System. 	
Connection with company strategy and policies: Patient Safety and Sustainability, Productivity	

Risk Category: “Financial”	Type: Opportunity and Threat
Risk Scenarios	
<p>This Risk Category consists of the following sub-categories: Capital Structure, Accounting & Reporting, Liquidity & Credit, Revenue Cycle, and Tax.</p> <p>The Olympus Group provides products and services in various markets all over the world and recognizes the risks associated with foreign currencies exchange rate fluctuations. The Olympus Group’s business performance may be adversely affected by a strong yen, while it may be positively affected by a weak yen. We hedge foreign currency-denominated receivables and payables where possible, however in the event that sudden exchange fluctuations occur or if receivables and payables being hedged differ significantly from expectations, the Olympus Group’s business performance may be adversely affected.</p> <p>The Olympus Group finances itself by, among others, loans from financial institutions as well as issuance of bonds. Changes in the financial markets may have an adverse impact on our financing capacities. Furthermore, if the financing cost rises due to the deterioration of the Olympus Group’s business performance, the financing of the Olympus Group may be adversely affected, while if the financing cost decreases due to the improvement of the business performance, it may be positively affected.</p> <p>The Olympus Group’s tax burden may be increased due to changes in applicable tax laws or changes in their interpretations and application guidelines in jurisdiction of each country in the world. The valuation allowance for deferred tax assets may need to be increased as a result of recoverability reassessment due to changes in business conditions or the implementation of organizational restructuring. If such situations occur, it may adversely affect the Olympus Group’s business performance and financial position. We also recognize risks related to credit risks of customers, suppliers, etc.</p>	
Risk Treatment	
<p>The Olympus Group uses derivative instruments such as forward exchange contracts, currency swaps, etc. to reduce the risk of exchange fluctuations. Furthermore, we are working to reduce foreign currency denominated receivables and payables through improving the efficiency of the Olympus Group’s funds by introducing global cash pooling.</p> <p>For risks related to financing, the Olympus Group is reducing funding costs through the diversification of funding methods such as the issuance of commercial paper and public bonds. The Olympus Group adopts a fixed interest rate policy for long-term interest-bearing debt to limit the impact of rising interest rates. In addition, we are working to improve the efficiency of the Olympus Group’s funds and strengthen financial management by introducing global cash pooling.</p> <p>In regard to changes in applicable tax laws in each jurisdiction, or changes in their interpretations and application guidelines, the Olympus Group is monitoring the amendments to laws and changes in regulations and making changes as appropriate to rules for transactions within the Olympus Group. In regard to deferred tax assets, the Olympus Group is monitoring the profitability of each group company and controlling the financial results so that the respective companies can appropriately secure profitability while also paying close attention in cases of business combinations for changes in profitability following such restructuring in order to minimize risks.</p> <p>With respect to credit risk, the Company monitors the financial condition of credit recipients and takes action as necessary.</p>	
Connection with company strategy and policies: Productivity	

Risk Category: “Governance”	Type: Opportunity and Threat
Risk Scenarios	
<p>This Risk Category consists of the following sub-categories: Culture, Regulatory, Legal, Compliance, Data Privacy, and Corporate Governance. These risks relate to the following areas:</p> <ul style="list-style-type: none"> • A lack of integration of contract management processes and contract management database may cause a lack of transparency and potentially trigger contract breaches, claims or liabilities. • The Olympus Group is facing numerous medical device regulations and laws as well a complex web of trade regulations where incomplete documentation or breaches may immediately impact product availability. • The remediation activities underway to address the FDA warning letters received in the fiscal year ended March 31, 2023 need to be fully executed in order to comply with regulations. Depending on future progress, additional regulatory actions may be taken by the FDA. • A lack of a globally consistent Business Continuity Management system. 	
Risk Treatment	
<p>The following key activities have been started and/or implemented:</p> <ul style="list-style-type: none"> • A project has been initiated to assess and enhance contract management processes. • Integration of regulatory improvement projects into the global quality enhancement program to enhance overall quality and regulatory systems. In addition, Quality Assurance and Regulatory Affairs Committee, consisting of outside directors with experience and knowledge of leading global MedTech companies, was established to monitor the program’s initiatives and provide strategic advice. • A close communication between Olympus Corporation and the regulatory authorities to ensure alignment of plans and expectations. • A project for developing and implementing a globally consistent Business Continuity Management system has been kicked-off and is being implemented to harmonize existing Business Continuity Measures. 	
Connection with company strategy and policies: Patient Safety and Sustainability	

Risk Category: "IT & Digital"	Type: Opportunity and Threat
Risk Scenarios	
This Risk Category consists of the following sub-categories: IT Security & Cyber, IT Applications, IT Governance, IT Infrastructure & Services, and Digital. Cyber Security breaches are evaluated as high risks and require constant attention and adjustment. As Olympus products are increasingly utilizing digital technologies to improve quality and efficiency of patients' treatments, the measures to protect against cyber security breaches extend from product development all along value chain.	
Risk Treatment	
Top treatment measures to avoid or manage Cyber Security breaches include: <ul style="list-style-type: none"> • An enhanced IT and Information Security organization has been established to maintain and manage the IT and information security management topics. A global project has been run and is continued to enhance the overall security posture of the Olympus Group. • An IT Risk Management Framework that directly feeds into the Enterprise Risk Management System has been implemented. • Security and collaboration requirements with Third Party Providers have been and/or are being reviewed and enhanced. • Business Continuity Plans and Disaster Recovery Plans are being enhanced in line within a project to globally harmonize Business Continuity Management to minimize effects on customers and patients in case Cyber Security breach materializes. • To protect products and digital services from Cyber Security breach, a global initiative was launched to implement measures including technologies and processes considering latest Cyber Security requirements. • Employees are educated in periodic manner about Cyber Security threats as well as preventive measures they can do in their daily jobs. 	
Connection with company strategy and policies: Patient Safety and Sustainability, Productivity	

Due to the change in the Risk Assessment Methodology and the full review of the Olympus Group's Risk Portfolio, the content and the order of the risks have changed. After the re-evaluation, the below risks have been ranked lower than the above Top Risks and therefore are not mentioned. These risks are still covered in our current Risk Portfolio and are being addressed and monitored.

- Risks associated with Litigation
- Risks associated with Human Resources
- Sustainability risks, including those related to climate and the environment

4. Management Analysis of Financial Position, Operating Results and Cash Flows

(1) Overview of business results, etc.

(i) Business results

In the second quarter ended September 30, 2022, Olympus Corporation concluded a share transfer agreement related to the transfer of Scientific Solutions Business of the Olympus Group with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP (together with its affiliates, “Bain Capital”). Due to this, profit (loss) from the Scientific Solutions Business has been classified as profit (loss) from discontinued operation from the second quarter ended September 30, 2022. Furthermore, the amounts presented for revenue, operating profit, adjusted operating profit, profit before tax and profit from continuing operations are the amounts from continuing operations from which the discontinued operation has been excluded, while the amounts presented for profit attributable to owners of parent are aggregates of continuing operations and discontinued operation.

Additionally, the Olympus Group formerly had four reportable segments: “Endoscopic Solutions,” “Therapeutic Solutions,” “Scientific Solutions,” and “Others.” However, from the second quarter ended September 30, 2022, they have been changed to three segments: “Endoscopic Solutions,” “Therapeutic Solutions,” and “Others.”

Based on the above share transfer agreement, on April 3, 2023, we completed transferring all shares of Evident Corporation (“Evident”), a consolidated subsidiary of Olympus Corporation to which our Scientific Solutions Business was transferred through an absorption-type company split.

Trends in overall business results

During the fiscal year ended March 31, 2024 the global economy continued to move towards recovery, but global monetary tightening and concerns about the outlook for China’s economy pose downside risks. In addition, the impact of the situation in the Middle East region also needs to be closely monitored. Furthermore, impacts were felt from the war in Ukraine and global inflation along with rising raw material prices and supply chain constraints. Notwithstanding a gradual improvement in business conditions, the Japanese economy was impacted by volatility in foreign exchange rates, and by the same soaring raw material prices and supply chain constraints that affected the global economy, with the 2024 Noto Peninsula Earthquake also occurring during the period.

Despite this environment, the Olympus Group is continuing to work to transform into a global MedTech company by pursuing our three priorities of “Patient safety and sustainability,” “Innovation for growth” and “Productivity” in line with the company strategy announced in May 2023.

Business results

Business results of continuing operations are presented in (1) to (10), and business results of the sum of continuing operations and discontinued operation are presented in (11) below.

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Increase (Decrease)	Increase (Decrease) ratio (%)
(1) Revenue	881,923	936,210	54,287	6.2%
(2) Cost of sales	285,074	311,087	26,013	9.1%
(3) Selling, general and administrative expenses	420,547	473,231	52,684	12.5%
(4) Share of profit (loss) of investments accounted for using equity method/Other income/Other expenses	10,307	(108,294)	(118,601)	–
(5) Operating profit	186,609	43,598	(143,011)	(76.6)%
(6) Adjusted operating profit	176,793	151,534	(25,259)	(14.3)%
(7) Finance income (loss)	(4,315)	(7,744)	(3,429)	–
(8) Profit before tax	182,294	35,854	(146,440)	(80.3)%
(9) Income taxes	44,304	8,881	(35,423)	(80.0)%
(10) Profit from continuing operations	137,990	26,973	(111,017)	(80.5)%
(11) Profit attributable to owners of parent	143,432	242,566	99,134	69.1%
Exchange rate (Yen/USD)	135.47	144.62	9.15	–
Exchange rate (Yen/EUR)	140.97	156.80	15.83	–
Exchange rate (Yen/CNY)	19.75	20.14	0.39	–

(1) Revenue

Revenue increased by ¥54,287 million year on year to ¥936,210 million. This increase was due to an increase in revenue in all business of the Endoscopic Solutions Business, Therapeutic Solutions Business and other businesses. Details are as described in “Analysis of the performance by segment” on the page 43.

(2) Cost of sales

Cost of sales increased by ¥26,013 million year on year to ¥311,087 million. The cost-to-sales ratio deteriorated by 0.9 percentage points year on year to 33.2%, as a result of approximately ¥5,200 million in costs associated with market correction measures for hi-flow insufflation units in the Endoscopic Solutions Business, and of recording a provision of approximately ¥4,200 million for expenses associated with the voluntary recall of small intestine endoscope systems, also in the Endoscopic Solutions Business.

(3) Selling, general and administrative expenses

Selling, general and administrative expenses increased by ¥52,684 million year on year to ¥473,231 million. The main factors are expenses related to the holistic quality transformation program Elevate and measures aimed at generating sustained growth, including the development and strengthening of business operating bases mainly for the purpose of improving productivity.

(4) Share of profit (loss) of investments accounted for using equity method/Other income/Other expenses

The sum of share of profit (loss) of investments accounted for using equity method, other income, and other expenses amounted to expenses of ¥108,294 million, and the profit or loss deteriorated by ¥118,601 million year on year. A gain on sale of fixed assets of approximately ¥16,400 million was recorded in other income in the previous fiscal year, along with the recording of approximately ¥1,400 million owing to adjustments to the original acquisition consideration due to changes in the fair value of the contingent consideration, which makes up part of the acquisition consideration of Medi-Tate Ltd. However, in the period under review a gain on transfer of approximately ¥1,100 million related to the collagen business, etc. (which had been included in other businesses) was recorded, and as a result, other income declined by ¥19,040 million year on year. While in the previous fiscal year approximately ¥2,400 million in expenses for the promotion of Transform Olympus were recorded in other expenses, in the period under review other expenses increased by ¥98,712 million year on year. This was due to a loss of approximately ¥51,900 million related to the discontinuation of the manufacture and sale of Veran Medical Technologies, Inc.'s electromagnetic navigation systems, a one-off expense related to the holistic quality transformation program Elevate of approximately ¥23,000 million, a loss of approximately ¥8,600 million related to the orthopedic surgery business (which is included in other businesses), impairment losses on Endoscopic Solutions Business development assets and research and development in progress of approximately ¥6,000 million and ¥4,600 million respectively, impairment losses on Therapeutic Solutions Business development assets of approximately ¥2,300 million, approximately ¥2,000 million in costs associated with the conclusion and rescission of an agreement to acquire the shares of Taewoong Medical Co., Ltd., and special additional payment and other expenses associated with the implementation of a career support system for external opportunities of approximately ¥5,900 million.

(5) Operating profit

Reflecting the factors stated above, operating profit decreased by ¥143,011 million on year to ¥43,598 million.

(6) Adjusted operating profit

Reflecting the factors stated above, adjusted operating profit, which is the amount of profit after deducting other income and other expenses from operating profit, decreased by ¥25,259 million year on year to ¥151,534 million.

(7) Finance income (loss)

Finance loss, which reflects finance income and finance costs, deteriorated ¥3,429 million year on year to ¥7,744 million. The deterioration in finance loss was due mainly to the increase of foreign exchange losses as a result of the yen depreciating against various currencies.

(8) Profit before tax

Reflecting the factors stated above, profit before tax decreased by ¥146,440 million on year to ¥35,854 million.

(9) Income taxes

The decreased profit before tax led income taxes to decrease by ¥35,423 million on year to ¥8,881 million.

(10) Profit from continuing operations

Reflecting the factors stated above, profit from continuing operations decreased by ¥111,017 million on year to ¥26,973 million.

(11) Profit attributable to owners of parent (the aggregate of continuing operations and discontinued operation)

As a result of recording a gain of approximately ¥349,000 million on the transfer of Scientific Solutions Business in discontinued operations during the fiscal year ended March 31, 2024,

profit attributable to owners of parent increased by ¥99,134 million year on year to ¥242,566 million.

(Research and development, and capital investments)

During the fiscal year ended March 31, 2024, the Olympus Group invested ¥86,368 million on research and development, and spent ¥80,727 million on capital investments in continuing operations, excluding discontinued operation.

(Impact of foreign exchanges rates)

Compared to the previous fiscal year, the yen depreciated against the USD, EUR, and CNY. The average exchange rate during the period was ¥144.62 against the USD (¥135.47 in the previous fiscal year), ¥156.80 against the EUR (¥140.97 in the previous fiscal year) and ¥20.14 against the CNY (¥19.75 in the previous fiscal year), which caused revenue, operating profit and adjusted operating profit to increase by ¥51,404 million, ¥12,279 million and ¥17,102 million, respectively, year on year. Consolidated revenue increased 0.3% year on year, and consolidated operating profit decreased 83.2% year on year, excluding the impact of the foreign exchange rate.

Analysis of the performance by segment

	Revenue			Operating profit (loss)		
	Previous fiscal year (Millions of yen)	Current fiscal year (Millions of yen)	Increase (Decrease) ratio (%)	Previous fiscal year (Millions of yen)	Current fiscal year (Millions of yen)	Increase (Decrease) ratio (%)
Endoscopic Solutions	551,823	586,617	6.3	152,769	104,684	(31.5)
Therapeutic Solutions	318,207	337,331	6.0	63,692	(8,466)	–
Others	11,893	12,262	3.1	(914)	(7,809)	–
Subtotal	881,923	936,210	6.2	215,547	88,409	(59.0)
Elimination or Unallocation	–	–	–	(28,938)	(44,811)	–
Consolidated total	881,923	936,210	6.2	186,609	43,598	(76.6)

Note: Businesses are segmented by adding similarities of sales market to the business established based on line of products.

Endoscopic Solutions Business

Consolidated revenue in the Endoscopic Solutions Business amounted to ¥586,617 million (up 6.3% year on year), while operating profit amounted to ¥104,684 million (down 31.5% year on year).

In GI Endoscopy, while sales in China declined due to the impact of delays in bidding activity caused by anti-corruption campaigns and other factors, performance was favorable in North America where the gastrointestinal endoscopy system “EVIS X1” was launched and this, together with the effects of yen depreciation, resulted in year-on-year growth.

In Surgical Endoscopy, although North America and China recorded lower revenue due to the impact of discontinued shipments of some products in a difficult business environment, sales rose in Europe, Asia, and Oceania, where the “VISERA ELITE III” surgical endoscopy system was launched, which together with the effects of yen depreciation resulted in positive growth year on year.

In Medical Service, all regions showed positive year-on-year growth due to an increase in new contracts, in addition to stable sales of existing service contracts including maintenance services.

Operating profit in the Endoscopic Solutions Business decreased. Despite the positive impact of the increase in revenue, in addition to approximately ¥5,200 million in costs associated with market correction measures for hi-flow insufflation units, the recording of a provision of approximately ¥4,200 million for expenses associated with the voluntary recall of small intestine endoscope systems, increases in expenses in sales departments related to increased compensation and the like owing to increases in personnel and inflation, and the booking of costs associated with the holistic quality transformation program Elevate, there was a one-off expense related to that program of approximately ¥14,700 million, and impairment losses on development assets and research and development in progress of approximately ¥6,000 million and ¥4,600 million respectively posted in other expenses.

Revenue increased 0.5% year on year, and operating profit decreased 40.5% year on year, excluding the impact of the foreign exchange rate.

Therapeutic Solutions Business

Consolidated revenue in the Therapeutic Solutions Business amounted to ¥337,331 million (up 6.0% year on year), while operating loss amounted to ¥8,466 million (compared with an operating profit of ¥63,692 million in the previous fiscal year).

GI-Endotherapy saw positive growth, primarily in North America and Europe, recording higher revenue year on year. Furthermore, sales increased in product groups for ERCP (Endoscopic Retrograde Cholangio Pancreatography), which are used in endoscopic diagnoses and treatment of pancreatic duct, bile duct, etc., product groups for ESD (Endoscopic Submucosal Dissection), and EMR (Endoscopic Mucosal Resection), which are used in lesion resection.

Urology recorded higher revenue year on year, due mainly to positive growth in Europe and Asia and Oceania, as well as the effects of yen depreciation. Resection electrodes for BPH (Benign Prostatic Hyperplasia) and other products also contributed to the increase in sales.

Respiratory saw positive growth, primarily in North America and Europe, recording higher revenue year on year due in part to the effects of yen depreciation, and despite lower revenues in China resulting from shortages of some products, the impact of delays in bidding activity caused by anti-corruption campaigns, and other factors. Sales of devices used mainly for EBUS-TBNA (Endobronchial Ultrasound-guided Transbronchial Needle Aspiration) increased.

In other therapeutic areas, revenue decreased following the sale of Gyrus Medical Limited, but the effects of yen depreciation contributed to year-on-year growth in revenue.

Operating profit in the Therapeutic Solutions Business declined despite the positive impact of higher sales. This was due not only to expenses related to the holistic quality transformation program Elevate and higher costs associated with the strengthening of supply chain management, but also to a loss of approximately ¥51,900 million related to the discontinuation of the manufacture and sale of Veran Medical Technologies, Inc.'s electromagnetic navigation systems, a one-off expense related to the aforementioned Elevate program of approximately ¥8,400 million, approximately ¥2,000 million in costs associated with the conclusion and rescission of an agreement to acquire the shares of Taewoong Medical Co., Ltd., and impairment losses on development assets in the Therapeutic Solutions Business of approximately ¥2,300 million recorded in other expenses.

Revenue remained at the same level as the previous fiscal year, and operating profit (loss) decreased by ¥71,889 million year on year, excluding the impact of the foreign exchange rate.

Others

In other businesses, the Olympus Group conducts R&D and exploratory activities for new businesses in addition to engaging in the developing, manufacturing, and selling of biomedical materials, such as synthetic bone filler, and orthopedic equipment.

Consolidated revenue in other businesses amounted to ¥12,262 million (up 3.1% year on year), while operating loss amounted to ¥7,809 million (compared with an operating loss of ¥914 million in the previous fiscal year).

Revenue increased due to positive growth primarily in China. Operating profit in other businesses worsened, due in part to a loss of approximately ¥8,600 million related to the orthopedic surgery business, recorded in other expenses.

(ii) Financial position

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)	Increase (Decrease) (Millions of yen)	Increase (Decrease) ratio (%)
Total assets	1,508,701	1,534,216	25,515	1.7
Total equity	641,234	757,186	115,952	18.1
Equity attributable to owners of parent to total assets	42.4%	49.4%	7.0%	

[Assets]

As of the end of the fiscal year ended March 31, 2024, total assets increased by ¥25,515 million compared to the end of the previous fiscal year to ¥1,534,216 million. In current assets, despite expenditures of ¥180,002 million for the repurchase of treasury shares, cash and cash equivalents increased by ¥171,604 million, mainly as a result of the receipt of ¥379,091 million in consideration for the transfer of the Scientific Solutions Business, while inventories rose by ¥27,036 million, trade and other receivables rose by ¥22,927 million, and income taxes receivable increased by ¥20,726 million due mainly to gain on transfer of the Scientific Solutions Business. On the other hand, assets held for sale declined by ¥169,566 million following the transfer of the Scientific Solutions Business. In non-current assets, property, plant and equipment increased by ¥21,237 million, while trade and other receivables increased by ¥18,784 million, and other financial assets, especially derivative assets, increased by ¥12,670 million. On the other hand, deferred tax assets decreased by ¥84,219 million due mainly to a gain on the transfer of the Scientific Solutions Business. In addition, intangible assets decreased by ¥24,796 million as a result of the impairment loss related to Veran Medical Technologies, Inc.

[Liabilities]

Total liabilities decreased by ¥90,437 million from the end of the previous fiscal year to ¥777,030 million. Income taxes payable decreased by ¥60,909 million due mainly to gains on the transfer of Scientific Solutions Business, liabilities directly related to assets held for sale decreased by ¥43,253 million following the completion of the Scientific Solutions Business transfer, and bonds and borrowings decreased by ¥40,441 million.

[Equity]

Total equity increased by ¥115,952 million from the end of the previous fiscal year to ¥757,186 million. This increase was achieved despite share repurchase of ¥180,002 million and dividends of surplus of ¥20,240 million, mainly as a result of profit attributable to owners of parent of ¥242,566 million arising from the transfer of the Scientific Solutions Business and other factors, and an increase of ¥71,847 million in other components of equity due mainly to exchange differences on translation of foreign operations.

Based on resolution of the Board of Directors meeting held on May 12, 2023, Olympus Corporation repurchased its own shares of ¥100,000 million and canceled treasury shares of ¥104,800 million on February 29, 2024. Furthermore, due to the repurchase of ¥80,000 million in treasury shares based on the resolution passed at the meeting of the Board of Directors held on November 9, 2023, treasury shares increased by ¥73,931 million (widening negative balance in equity).

As a result of the foregoing, equity attributable to owners of parent to total assets increased from 42.4% as of the end of the previous fiscal year to 49.4%.

(iii) Cash flows

	Previous fiscal year (Millions of yen)	Current fiscal year (Millions of yen)	Increase (Decrease) (Millions of yen)
Cash flows from operating activities	98,490	42,365	(56,125)
Cash flows from investing activities	(58,414)	359,992	418,406
Cash flows from financing activities	(143,178)	(276,010)	(132,832)
Cash and cash equivalents at end of year	205,512	340,933	135,421

[Cash flows from operating activities]

Net cash provided by operating activities for the fiscal year ended March 31, 2024 was ¥42,365 million (compared with ¥98,490 million provided for the fiscal year ended March 31, 2023). Although there were negative factors such as income taxes paid of ¥137,390 million, this increase was driven mainly by adjustment for depreciation and amortization of ¥65,940 million, adjustment for impairment loss of ¥64,568 million, and profit before tax of ¥35,854 million.

[Cash flows from investing activities]

Net cash provided by investing activities for the fiscal year ended March 31, 2024 was ¥359,992 million (compared with ¥58,414 million used for the fiscal year ended March 31, 2023). Cash flows from investing activities increased mainly due to the receipt of ¥379,091 million in consideration for the transfer of Scientific Solutions Business and the collection of ¥53,373 million in loans receivable from Evident, etc. despite expenditures of ¥46,425 million for the purchase of property, plant and equipment and ¥18,199 million for the purchase of intangible assets.

In addition, in response to the expenditure of ¥43,647 million in accordance with the agreement to acquire the shares of Taewoong Medical Co., Ltd., ¥31,110 million was recovered during the fiscal year ended March 31, 2024 due to the cancellation of the share purchase agreement on March 7, 2024.

[Cash flows from financing activities]

Net cash used in financing activities for the fiscal year ended March 31, 2024 was ¥276,010 million (compared with ¥143,178 million used for the fiscal year ended March 31, 2023). The main factors behind this were payments for share repurchase of ¥180,002 million, redemption of bonds and repayments of long-term borrowings of ¥50,000 million, dividends paid of ¥20,240 million, and repayments of lease liabilities of ¥19,518 million.

As a result of the foregoing, cash and cash equivalents at the end of the fiscal year ended March 31, 2024 reached ¥340,933 million, an increase of ¥135,421 million compared to the end of the previous fiscal year. Note that of the related indicators, the interest-bearing debt to cash flows ratio went from 3.5 years at the end of the previous fiscal year to 7.1 years for the current fiscal year. This rise in the ratio was due to a decrease in cash flows from operating activities of ¥56,125 million compared with the previous fiscal year to ¥42,365 million, despite a decrease in bonds and borrowings of ¥40,441 million from the end of the previous fiscal year. The interest coverage ratio went from 18.3 times at the end of the previous fiscal year to 8.8 times for the current fiscal year.

(2) Production, orders, and sales results

(i) Production results

Segment	Production (Millions of yen)	Increase (Decrease) ratio (%)
Endoscopic Solutions	426,787	1.4
Therapeutic Solutions	253,969	10.1
Others	8,470	(3.2)
Total	689,226	4.4

Note: Amounts are based on sales prices and before intersegment transfers.

(ii) Order results

Because the Olympus Group's products are mainly manufactured on a production schedule, the description of orders received is omitted.

(iii) Sales results

Segment	Sales (Millions of yen)	Increase (Decrease) ratio (%)
Endoscopic Solutions	586,617	6.3
Therapeutic Solutions	337,331	6.0
Others	12,262	3.1
Total	936,210	6.2

Note: Intersegment transactions are offset and eliminated.

(3) Management analysis of financial position, operating results and cash flows

The future outlooks described below are based on the forecasts made as of the end of the fiscal year ended March 31, 2024.

(i) Analysis of financial position and operating results for the fiscal year ended March 31, 2024

In the company strategy announced in May 2023, the Olympus Group has defined the financial guidance for the three years from the fiscal year ended March 31, 2024, to the fiscal year ending March 31, 2026 in terms of revenue growth, adjusted EPS growth, and adjusted operating margin, of which the latter two are to be adjusted for extraordinary items.

We are aiming to achieve revenue compound annual growth rate (CAGR) of approximately 5%. In the Endoscopic Solutions Business, we are targeting a CAGR of 5% by expanding sales primarily of the gastrointestinal endoscopy system “EVIS X1.” In the Therapeutic Solutions Business, we aim for CAGR to exceed 5% through M&As and expansion of our product portfolio mainly in the three areas of GI-Endotherapy, urology, and respiratory.

With respect to EPS, we are aiming to achieve a CAGR of approximately 8%, exceeding revenue growth, and adjusted operating margin of around 20%, through capital efficiency improvements based on sustainable sales growth.

In the fiscal year ended March 31, 2024, due to unanticipated factors such as delays in bidding caused by anticorruption campaigns in China, prolonged supply chain issues, inflation, and the 2024 Noto Peninsula Earthquake, revenue increased only 0.3% year on year, excluding the impact of the foreign exchange rate. Despite the positive impact of the increase in revenue, the adjusted operating margin was 16.2% due to expenses related to the holistic quality transformation program Elevate, measures aimed at generating sustained growth, and the development and strengthening of business operating bases for the purpose of improving productivity. Going forward, to achieve our financial guidance, we strive to grow sales and further improve profitability.

(ii) Analysis and discussion of cash flows and the status of capital resources and liquidity of funds

(i) Analysis and discussion of cash flows

As stated in “4. Management Analysis of Financial Position, Operating Results and Cash Flows, (1) Overview of business results, etc., (iii) Cash flows,” as of the end of the fiscal year ended March 31, 2024, the Olympus Group’s cash and cash equivalents amounted to ¥340,933 million (increased ¥135,421 million from the end of the previous fiscal year), due to payments for share repurchase and income taxes paid, while cash and cash equivalents increased by investing activities. We recognize that this level of cash and cash equivalents is sufficient to ensure stable business operations and financial foundation.

(ii) Financial policy

The Olympus Group’s basic financial policy is to balance between maintaining financial stability and improving capital efficiency through appropriate control of financial leverage. Based on this basic policy, the Olympus Group maintains financial stability considering indicators such as its interest-bearing debt/EBITDA ratio and equity ratio. In addition, we enhance our funding base through diversification of our funding measures, including the issuance of public bonds in Japanese and overseas capital markets, and are working to reduce funding costs.

Olympus Corporation has obtained credit ratings from Rating and Investment Information, Inc., S&P Global Ratings Japan Inc., and Moody’s Japan K.K., and the status as of March 31, 2024 is as follows.

Rating and Investment Information, Inc.: A+ (long-term, stable outlook), a-1 (short-term)

S&P Global Ratings Japan Inc.: BBB+ (long-term, stable outlook)

Moody's Japan K.K.: Baa1 (long-term, stable outlook)

(iii) Funding demand

The Olympus Group's working capital demands are mainly due to the purchase of materials and parts to manufacture its products as well as operating expenses such as manufacturing costs and selling, general and administrative expenses, and operating expenses mainly consist of personnel expenses and marketing expenses such as advertising and sales promotion expenses. The Olympus Group's main demand for investment is for capital expenditure to improve production efficiency, including the expansion of its main manufacturing facilities in Japan and its manufacturing and repair sites mainly in Europe and the U.S. We will continue to actively respond to the demand for strategic investments for future growth, while balancing between maintaining financial stability and improving capital efficiency.

(iv) Financing

The Olympus Group's working capital and capital expenditure are allocated from internal funds, and when necessary, funds are raised through loans from financial institutions and the issuance of bonds. We believe that the cash flow from operating activities will be sufficient to repay these loans and bonds. In addition, since we maintain good business relationships with our major financial institutions and as stated in (ii) Financial policy, the credit rating by Rating and Investment Information, Inc. is A+, S&P Global Ratings Japan Inc. is BBB+, and Moody's Japan K.K. is Baa1, we believe that we can raise funds stably and at low cost in a timely manner. Furthermore, we have established a global commitment line in major currencies (USD, EUR, and JPY), which enables us to raise funds flexibly and smoothly. We will continue to consider appropriate funding in response to funding needs, while balancing between maintaining financial stability and improving capital efficiency.

(v) Capital allocation

In order to achieve sustainable growth of the Olympus Group, we prioritize the allocation of our cash to investments in growth drivers and carry out investment for profitable, organic growth and strategic investment for growth opportunities. While prioritizing investment in business growth, we will also actively return profits to shareholders in consideration of shareholder value. Our policy is to increase dividends stably and gradually and to implement buyback of company shares flexibly based on investment opportunities and cash conditions. We will maintain sufficient cash on hand for stable business operations while appropriately allocating cash to growth investment and shareholder returns.

(iii) Material accounting policies and estimates

The Olympus Group prepares its consolidated financial statements in accordance with IFRS. Estimates considered necessary in the preparation of these consolidated financial statements have been made on a reasonable basis. For more information on material accounting policies and estimates, please refer to "V. Financial Information, 1. Consolidated Financial Statements, etc., Notes to Consolidated Financial Statements, 3. Material Accounting Policies and 4. Significant Accounting Estimates and Associated Judgments."

5. Material Contracts, etc.

(1) Alliance agreement

Name of contracting company	Counterparty	Country	Contents of agreement	Period of agreement
Olympus Corporation	Sony Corporation	Japan	Establishment of a joint venture in the medical business	No fixed term after September 28, 2012

(2) Business alliance agreement

Name of contracting company	Counterparty	Country	Contents of agreement
Olympus Corporation	1. Sony Corporation 2. Sony Olympus Medical Solutions Inc.	Japan	Business alliance in product development of next-generation endoscope systems

(3) Acquisition of additional ownership interest in a subsidiary

On July 24, 2023, Olympus Corporation and Terumo Corporation agreed that the Olympus Group would acquire all shares of Olympus Terumo Biomaterials Corporation (“OTB”), a consolidated subsidiary of Olympus Corporation. Based on this contract, the Olympus Group acquired all shares of OTB on August 4, 2023. As a result, OTB became a wholly owned subsidiary of the Olympus Group.

The following is a significant contract terminated during the fiscal year ended March 31, 2024.

(Alliance agreement)

Name of contracting company	Counterparty	Country	Contents of agreement	Period of agreement
Olympus Corporation	Terumo Corporation	Japan	Alliance for development and sales in the medical device field	One year from April 25, 2001, with automatic annual extensions

Note: Olympus Corporation and Terumo Corporation have agreed to transfer the above alliance agreement to a separate contract as of October 30, 2023.

(Acquisition of subsidiary stock)

On February 24, 2023, Olympus Corporation executed an agreement to acquire all the issued shares of Taewoong Medical Co., Ltd. (hereinafter, “Taewoong Medical”), a South Korean manufacturer of medical devices such as metal stents for digestive organs. However, effective March 7, 2024, we reached an agreement with the former shareholders of Taewoong Medical to rescind the share acquisition agreement.

6. Research and Development Activities

The Olympus Group's corporate philosophy, our purpose, is "Making people's lives healthier, safer and more fulfilling," and we conduct research and development activities with the aim of realizing sustainable development.

We are focusing our investments and resources in the areas of GI, urology, and respiratory, where the Olympus Group has strengths, to achieve profitable and sustainable growth and improve patient outcomes.

In the company strategy, R&D is positioned as center of the most important value-creating initiatives for innovation, which is essential for our development. We aim to introduce innovation methods that address unmet needs, make appropriate investments that will drive future innovation, actively pursue strategic partnerships, and accelerate speed to market.

- Customer-driven innovation: Focus on clinical-driven innovation to address unmet needs, lower healthcare cost, and build on co-development practice with healthcare professionals.
- Strategic partnerships: Pro-actively seek for strategic partnerships through joint venture, early-stage investments, M&As and co-creation.
- Efficient and exceptional R&D organization: Become more efficient and predictable in project execution, fully leveraging our global resources and enhance capabilities and capacity.
- Right investment: Make the right choices for future investments to ensure long-term growth.

R&D expenditures for continuing operations, excluding discontinued operations, for the fiscal year ended March 31, 2024 were ¥86.4 billion, up 12.4% year on year, and the ratio to revenue was 9.2%, up 0.5 percentage points from the previous fiscal year.

As for the ratio of research and development expenditures to revenue, we aim to invest approximately 8.5% on research and development activities in the fiscal year ending March 31, 2026, reflecting the average of our peers in the MedTech industry. To advance as a leading global MedTech company, it is critical for the Olympus Group to provide competitive and innovative products to the markets in a faster cadence. We gradually shift investments from sustaining activities to medium-term innovation and technology development, supporting our clinical unmet-needs driven strategy for next-generation products. In addition, we invest in the further search for transformative/disruptive technologies.

○ Endoscopic Solutions Business

We are mainly engaged in research and development of medical devices such as endoscopic videoscope systems and surgical endoscopy systems that contribute to early detection of diseases and minimally invasive treatments that are less burdensome for patients.

Major achievements during the period included development for the U.S. and Chinese launches of our most advanced endoscope system, "EVIS X1," and development for the U.S. launches of the "GIF-1100" general-purpose upper gastrointestinal videoscope and the "CF-HQ1100DL/T" colorectal videoscope. Furthermore, we strengthen our collaboration with Sony Corporation on the development of next-generation endoscope system and our collaboration with Canon Medical Systems Corporation on the development of ultrasonic endoscope system while developing various products.

R&D expenditures related to this business area were ¥52.0 billion, up 17.5% year on year.

○ Therapeutic Solutions Business

We are mainly engaged in the research and development of medical devices that contribute to minimally invasive treatments with less burden on patients, such as GI-Endotherapy, respiratory, and urological treatment devices.

Major achievements during the period included the European launches of the "FlexLifter" device for gastrointestinal endoscopes and the "SutuArt," the U.S. launch of the "ESG-410" energy generator, which can be used together with the "THUNDERBEAT" surgical device, and development of the attaching device "POWERSEAL Straight Jaw," a blood vessel-sealer for use in laparoscopic surgery. Also, following 510 (k) clearance of the "RenaFlex" single-use flexible ureteroscope in the U.S., we are developing other single-use endoscopes in other fields.

R&D expenditures related to this business area were ¥25.9 billion, up 13.9% year on year.

- Other businesses and matters common to group

We are engaged in research and development in various fields with the aim of further developing our Endoscopic Solutions and Therapeutic Solutions Businesses.

Major achievements during the period included the development of optical technology and image processing technology including AI to improve early diagnosis and observation functions, device technology to realize minimally invasive treatment, and precision control technology including robotics; and initiatives related to production technology, such as the functionality advancement of new endoscopes, treatment devices, and other products in the medical field, the development of simulation technology and material technology to realize low costs, the development of processing technology for mass production of high precision lenses, and the development of equipment that leads to automated production lines.

R&D expenditures related to this business area were ¥8.5 billion, down 14.3% year on year.

III. Information about Facilities

1. Overview of Capital Investment

Capital investment in the fiscal year ended March 31, 2024 was ¥80,700 million for the Olympus Group as a whole, mainly for the development of new products, streamlining of production, reinforcement of sales structure, and renewal of aging facilities, mainly by Olympus Corporation.

The situation by reportable segment is as follows.

Endoscopic Solutions Business

Capital investments in the endoscope business during the fiscal year ended March 31, 2024 totaled ¥50,700 million. In Japan, investments in R&D assets, investments for sales promotion purposes, and investments in production facilities for next-generation endoscope systems were the main items. Overseas, in addition to investments for sales promotion purposes and investments in R&D assets, investments were made for production bases in China.

Therapeutic Solutions Business

Capital investment in the therapeutic solutions business for the fiscal year ended March 31, 2024 totaled ¥19,300 million. In Japan, investments in R&D assets as well as investments to strengthen machinery and equipment, etc. in order to expand the lineup and increase production of endotherapy devices were the main items. Overseas, investments were made for sales promotion purposes and for R&D assets.

Others

Capital investment in other businesses for the fiscal year ended March 31, 2024 totaled ¥1,400 million. Capital investments were mainly related to the orthopedic surgery business.

Management Division

Capital investments in the management division during the fiscal year ended March 31, 2024 totaled ¥9,300 million. Capital investments were mainly related to the redevelopment of the Hachioji Facility and Nagano Facility in Japan.

- Notes:
1. Capital investments include investments in property, plant and equipment and intangible assets.
 2. Businesses classified as discontinued operations are not included.

2. Major Facilities

(1) Reporting company

(As of March 31, 2024)

Facility (Location)	Segment	Details of major facilities and equipment	Book value of facilities and equipment by type (Millions of yen)						Numbers of employees (persons)	
			Buildings and structures	Machin- ery and vehicles	Land [Area in thousands of m ²]	Lease assets (Property, plant and equip- ment)	Others	Total		
Global Headquarters (Hachioji-shi, Tokyo)	Endoscopic Solutions Therapeutic Solutions Management Division	Office equipment and testing and research facilities	13,199	808	93 [49]	231	4,403	18,734	1,509	
Technology Development Center Utsugi (Hachioji-shi, Tokyo)	Endoscopic Solutions Therapeutic Solutions Management Division	Testing and research facilities and other fixtures	2,913	153	4,231 [41]	12	598	7,907	230	
Nagano Facility Tatsuno (Tatsuno-machi, Kamiina-gun, Nagano)	Endoscopic Solutions	Office equipment and production equipment	8,889	800	1,110 [120]	2	587	11,388	157	
Nagano Facility Ina (Ina-shi, Nagano)	Endoscopic Solutions	Production equipment	563	1	67 [32]	–	9	640	1	
Shirakawa Facility (Nishigo-mura, Nishishirakawa- gun, Fukushima)	Endoscopic Solutions	Office equipment and other fixtures	3,397	44	–	–	923	4,364	281	
Distribution Center Sagamihara (Minami-ku, Sagamihara-shi, Kanagawa)	Endoscopic Solutions Therapeutic Solutions	Equipment for sales promotion	89	431	–	–	26	546	33	
Hatagaya Former Headquarters (Shibuya-ku, Tokyo)	Management Division	Office equipment and other fixtures	–	–	280 [1]	–	–	280	–	
Shinjuku Satellite Office (Shinjuku-ku, Tokyo)			137	–	–	–	137	274	586	
Rental facilities and equipment	Nagano Olympus Co., Ltd. (Tatsuno-machi, Kamiina-gun, Nagano)	Endoscopic Solutions	Production equipment	1,338	129	–	–	233	1,700	–
	Aizu Olympus Co., Ltd. (Aizu-Wakamatsu- shi, Fukushima)	Endoscopic Solutions	Production equipment	3,390	–	–	–	66	3,456	–
	Aomori Olympus Co., Ltd. (Kuroishi-shi, Aomori)	Therapeutic Solutions	Production equipment	2,173	–	184 [31]	–	–	2,357	–
	Shirakawa Olympus Co., Ltd. (Nishigo-mura, Nishishirakawa-gun, Fukushima)	Endoscopic Solutions	Production equipment	–	37	–	–	171	208	–

Facility (Location)		Segment	Details of major facilities and equipment	Book value of facilities and equipment by type (Millions of yen)						Numbers of employees (persons)
				Buildings and structures	Machin- ery and vehicles	Land [Area in thousands of m ²]	Lease assets (Property, plant and equip- ment)	Others	Total	
Rental facilities and equipment	Olympus Medical Systems Corp. (Hinode-cho, Nishitama-gun, Tokyo)	Endoscopic Solutions Therapeutic Solutions	Production equipment	315	–	–	–	–	315	–
	Others	–	–	203	–	–	–	–	203	–
Social welfare facilities (dormitory for bachelors and company housing)		–	–	621	–	2,609 [21]	–	4	3,234	–
Others		–	–	201	108	–	857	7,654	8,820	37
Total				37,428	2,511	8,574 [295]	1,102	14,811	64,426	2,834

- Notes: 1. Book value is the book value in the non-consolidated financial statements in accordance with Japanese GAAP.
2. Others include tools, furniture and fixtures, as well as construction in progress and intangible assets.
3. The main difference with IFRS is ¥1,959 million for right-of-use assets (land, buildings and structures).
4. Major leased facilities from companies other than consolidated companies are as follows.

(Rental contract)

(As of March 31, 2024)

Facility (Location)	Segment	Details of major facilities and equipment	Area (Thousands of m ²)	Annual rent (Millions of yen)
Shinjuku Satellite Office (Shinjuku-ku, Tokyo)	Management Division	Office building	5	764

(Lease contract)

(As of March 31, 2024)

Facility (Location)	Segment	Details of major facilities and equipment	Lease term	Lease contract amount (Millions of yen)	Annual lease payment (Millions of yen)	Lease contract balance (Millions of yen)
Others	Management Division	Network equipment	March 2024 to February 2029	361	6	355

(2) Major domestic subsidiaries

(As of March 31, 2024)

Company name	Facility name (Location)	Segment	Details of major facilities and equipment	Book value of facilities and equipment by type (Millions of yen)						Numbers of employees (persons)	
				Buildings and structures	Machinery and vehicles	Land (Area in thousands of m ²)	Lease assets (Property, plant and equipment)	Others	Total		
Olympus Medical Systems Corp.	Hinode Plant (Hinode-cho, Nishitama-gun, Tokyo)	Endoscopic Solutions Therapeutic Solutions	Production equipment	130	531	1,440 [10]	–	119	2,220	254	
	Management division Ishikawa (Hachioji-shi, Tokyo)	Endoscopic Solutions Therapeutic Solutions	Testing and research facilities and other fixtures	–	631	–	39	3,594	4,264	2,156	
	Technology Development Center Utsugi (Hachioji-shi, Tokyo)	Endoscopic Solutions Therapeutic Solutions	Testing and research facilities and other fixtures	–	208	–	10	1,191	1,409	156	
	Rental facilities and equipment	Nagano Olympus Co., Ltd. (Tatsunomachi, Kamiina-gun, Nagano)	Endoscopic Solutions	Production equipment	15	1,217	–	–	164	1,396	–
		Aizu Olympus Co., Ltd. (Aizu-Wakamatsu-shi, Fukushima)	Endoscopic Solutions	Production equipment	1,022	2,484	1,232 [76]	–	683	5,421	–
		Aomori Olympus Co., Ltd. (Kuroishi-shi, Aomori)	Therapeutic Solutions	Production equipment	439	836	420 [40]	–	114	1,809	–
		Shirakawa Olympus Co., Ltd. (Nishigo-mura, Nishishirakawa-gun, Fukushima)	Endoscopic Solutions	Production equipment	179	1,011	868 [75]	–	689	2,747	–
		Social welfare facilities (dormitory for bachelors and company housing)	–	–	15	–	40 [3]	–	–	55	–
	Others	–	–	–	609	–	6	1,724	2,339	191	
Total				1,800	7,527	4,000 [204]	55	8,278	21,660	2,757	

Notes: 1. Book values are based on Japanese GAAP.

2. Others include tools, furniture and fixtures, as well as construction in progress and intangible assets.

3. The main difference with IFRS is ¥26,583 million for R&D assets.
4. Major leased facilities from companies other than consolidated companies are as follows.

(Rental contract)

(As of March 31, 2024)

Facility (Location)	Segment	Details of major facilities and equipment	Area (Thousands of m ²)	Annual rent (Millions of yen)
Distribution Center Sagamihara (Minami-ku, Sagamihara-shi, Kanagawa)	Endoscopic Solutions Therapeutic Solutions	Warehouse	32	571

(3) Major overseas subsidiaries

(As of March 31, 2024)

Company name (Location)		Segment	Details of major facilities and equipment	Book value of facilities and equipment by type (Millions of yen)					Numbers of employees (persons)
				Buildings and structures	Machinery and vehicles	Land (Area in thousands of m ²)	Others	Total	
Olympus Corporation of the Americas	Pennsylvania, U.S.A.	Management Division	Office buildings Sales promotion equipment and other facilities	13,300	1,021	–	2,061	16,382	978
Olympus America Inc.	Pennsylvania, U.S.A.	Endoscopic Solutions Therapeutic Solutions	Business assets	5,026	46	887 [219]	32,203	38,162	1,401
Gyrus ACMI, Inc.	Massachusetts, U.S.A.	Therapeutic Solutions	Production equipment, sales promotion equipment and other facilities	8,837	1,751	139 [43]	19,775	30,502	2,670
Olympus Vietnam Co., Ltd.	Dong Nai Province, Vietnam	Therapeutic Solutions Others	Office buildings Production equipment	4,703	776	–	276	5,755	1,742
Olympus (Beijing) Sales & Service Co., Ltd.	Beijing, China	Endoscopic Solutions Therapeutic Solutions	Sales promotion equipment and other facilities	2,451	7	–	17,229	19,687	1,355
KeyMed (Medical & Industrial Equipment) Ltd.	Essex, U.K.	Endoscopic Solutions	Production equipment, sales promotion equipment and other facilities	4,701	218	154 [55]	5,256	10,329	829
Olympus Europa SE & Co. KG	Hamburg, Germany	Endoscopic Solutions Therapeutic Solutions	Office buildings Sales promotion equipment and other facilities	21,342	41	–	5,620	27,003	789
Olympus Winter & Ibe Properties GmbH & Co. KG	Hamburg, Germany	Endoscopic Solutions Therapeutic Solutions	Office buildings Land	12,706	–	2,181 [34]	–	14,887	–
Olympus Winter & Ibe GmbH	Hamburg, Germany	Endoscopic Solutions Therapeutic Solutions	Office buildings Production equipment	3,350	2,145	–	1,954	7,449	1,523
Medi-Tate Ltd.	Or-Akiva, Israel	Therapeutic Solutions	Intangible assets	13	15	–	9,651	9,679	13

- Notes: 1. Book values are based on IFRS.
2. The above does not include construction in progress and software in progress.
3. Others include tools, furniture and fixtures and intangible assets.

3. Planned Addition, Retirement, and Other Changes of Facilities

The Olympus Group's capital investment plan (new construction and expansion) for the year after the current fiscal year, planned as of March 31, 2024, is as follows.

(1) Significant addition of facilities

Company category	Company name/Facility name (Location)	Segment	Details of major facilities and equipment	Total planned investment (Millions of yen)	Amount already paid (Millions of yen)	Financing methods	Production capacity after completion	
Reporting company	Nagano Facility Tatsuno (Tatsuno-machi, Kamiina-gun, Nagano)	Endoscopic Solutions	Land	30	–	Own capital	The production capacity is expected to be the same level as the current production capacity.	
			Buildings and auxiliary facilities	9,078	79			
			Machinery	471	–			
			Others	81	–			
				Total	9,660	79		
	Nagano Facility Ina (Ina-shi, Nagano)	Endoscopic Solutions	Buildings and auxiliary facilities	366	–	Own capital		
			Others	187	–			
			Total	553	–			
	Global Headquarters (Hachioji-shi, Tokyo)	Endoscopic Solutions Therapeutic Solutions Management Division	Buildings and auxiliary facilities	6,166	1,067	Own capital		
			Testing and research facilities	509	6			
			Software	5,701	–			
			Others	1,210	10			
				Total	13,586	1,083		
Assets for rent: Aizu Olympus Co., Ltd.	Endoscopic Solutions	Buildings and auxiliary facilities	571	66	Own capital			
		Tools	203	–				
		Others	30	–				
		Total	804	66				
Assets for rent: Aomori Olympus Co., Ltd.	Therapeutic Solutions	Buildings and auxiliary facilities	169	–	Own capital			
		Tools	286	–				
		Others	250	3				
		Total	705	3				
Assets for rent: Shirakawa Olympus Co., Ltd.	Endoscopic Solutions	Buildings and auxiliary facilities	1,032	–	Own capital			
		Others	444	–				
		Total	1,476	–				
Assets for rent: Others	–	Buildings and auxiliary facilities	221	–	Own capital			
		Others	80	–				
		Total	301	–				
Others	–	Buildings and auxiliary facilities	242	–	Own capital			
		Testing and research facilities	202	–				
		Others	181	2,617				
		Total	625	2,617				

Company category	Company name/Facility name (Location)	Segment	Details of major facilities and equipment	Total planned investment (Millions of yen)	Amount already paid (Millions of yen)	Financing methods	Production capacity after completion
	Total			27,710	3,848		
Domestic subsidiary	Olympus Marketing, Inc. (Hachioji-shi, Tokyo)	Endoscopic Solutions Therapeutic Solutions	Buildings and auxiliary facilities	187	–	Own capital	
			Equipment for sales promotion	10,452	–		
			Others	34	–		
			Total	10,673	–		
Domestic subsidiary	Olympus Medical Systems Corp. (Hachioji-shi, Tokyo)	Endoscopic Solutions Therapeutic Solutions	Machinery	2,120	9	Own capital	
			Testing and research facilities	2,168	2		
			Others	183	5		
			Total	4,471	16		

- Notes: 1. Values are based on Japanese GAAP.
2. The main difference with IFRS is ¥6,763 million for R&D assets and ¥4,481 million for right-of-use assets.
3. Amount already paid includes construction in progress.

Company category	Company name/Facility name (Location)	Segment	Details of major facilities and equipment	Total planned investment (Millions of yen)	Amount already paid (Millions of yen)	Financing methods	Production capacity after completion
Overseas subsidiaries	Olympus Corporation of the Americas, Olympus America Inc., and others (Americas)	Endoscopic Solutions Therapeutic Solutions Others	Buildings and auxiliary facilities	2,678	(319)	Own capital	The production capacity is expected to be the same level as the current production capacity.
			Machinery	2,383	1,434		
			Software	889	2,110		
			Equipment for sales promotion	10,143	–		
			R&D assets	8,054	–		
			Others	314	443		
			Total	24,460	3,669		
			Olympus Europa SE & Co. KG, Olympus Winter & Ibe GmbH, and others (Europe and Middle East)	Endoscopic Solutions Therapeutic Solutions Others	Buildings and auxiliary facilities		
	Machinery	3,366			2,279		
	Tools	284			103		
	Software	1,050			771		
	Equipment for sales promotion	7,074			195		
	R&D assets	3,657			–		
	Others	660			157		
	Total	21,491			5,052		
	Olympus (Beijing) Sales & Service Co., Ltd. (Beijing, China)	Endoscopic Solutions Therapeutic Solutions Others	Buildings and auxiliary facilities	2,600	–	Own capital	
			Equipment for sales promotion	3,244	–		
			Others	63	15		
			Total	5,907	15		
	Endoscopic Solutions	Machinery	966	–	Own capital		
		R&D assets	1,445	–			

Company category	Company name/Facility name (Location)	Segment	Details of major facilities and equipment	Total planned investment (Millions of yen)	Amount already paid (Millions of yen)	Financing methods	Production capacity after completion
	Olympus (Suzhou) Medical Device Co., Ltd. (Suzhou, China)		Others	105	4		
			Total	2,516	4		
	Olympus Vietnam Co., Ltd. (Dong Nai Province, Vietnam)	Therapeutic Solutions	Buildings and auxiliary facilities	1,286	–	Own capital	
			Machinery	343	–		
			Others	26	–		
			Total	1,655	–		

(2) Significant retirement of facilities

There are no significant events.

IV. Information about Reporting Company

1. Company's Shares, etc.

(1) Total number of shares, etc.

(i) Total number of shares

Class	Total number of shares authorized to be issued (Shares)
Common stock	4,000,000,000
Total	4,000,000,000

(ii) Issued shares

Class	Number of issued shares as of the end of the current fiscal year (Shares) (March 31, 2024)	Number of issued shares as of the filing date (Shares) (June 20, 2024)	Name of financial instruments exchange on which the Reporting Company is listed or authorized financial instruments business association to which the Reporting Company is registered	Description
Common stock	1,215,146,700	1,177,700,200	Tokyo Stock Exchange, Prime Market	The number of shares constituting one unit: 100 shares
Total	1,215,146,700	1,177,700,200	–	–

Note: Based on resolution of the Board of Directors meeting held on November 9, 2023, Olympus Corporation canceled 37,446,500 shares of treasury shares on April 30, 2024.

(2) Subscription rights to shares, etc.

(i) Stock option plans

	The first subscription rights to shares	The second subscription rights to shares
Date of resolution	August 8, 2013	June 26, 2014
Classification and number of grantees	Five directors 20 corporate officers	Five directors 20 corporate officers
Number of subscription rights to shares*	134 [134]	189 [185]
Class, description and number of shares to be issued upon exercise of subscription rights to shares*	Common stock 53,600 [53,600] (Note 2)	Common stock 75,600 [74,000] (Note 2)
Paid-in amount upon exercise of subscription rights to shares*	¥1 (Note 3)	¥1 (Note 3)
Exercise period for subscription rights to shares*	From August 27, 2013 to August 26, 2043	From July 12, 2014 to July 11, 2044
Issue price and amount of capital incorporation of shares to be issued upon exercise of subscription rights to shares*	Issue price: ¥735 Amount of capital incorporation: ¥368	Issue price: ¥907 Amount of capital incorporation: ¥454
Conditions for exercising subscription rights to shares*	(i) A holder of subscription rights to shares may exercise the rights only during a period of 10 years that starts after one year has passed since the day immediately following the day on which the holder loses his/her position of director, executive officer or corporate officer of Olympus Corporation. (ii) In the event of the death of a holder of subscription rights to shares, rights may be exercised by heirs.	

	The first subscription rights to shares	The second subscription rights to shares
	(iii) Holders of subscription rights to shares may exercise all or part of their subscription rights.	
Matters related to the transfer of subscription rights to shares*	Any acquisition of subscription rights to shares by way of transfer requires the approval of the Board of Directors.	
Matters related to the delivery of subscription rights to shares in connection with reorganization*	(Note 4)	

	The third subscription rights to shares	The fourth subscription rights to shares
Date of resolution	June 26, 2015	June 28, 2016
Classification and number of grantees	Five directors 19 corporate officers	Five directors 19 corporate officers
Number of subscription rights to shares*	184 [184]	199 [199]
Class, description and number of shares to be issued upon exercise of subscription rights to shares*	Common stock 73,600 [73,600] (Note 2)	Common stock 79,600 [79,600] (Note 2)
Paid-in amount upon exercise of subscription rights to shares*	¥1 (Note 3)	¥1 (Note 3)
Exercise period for subscription rights to shares*	From July 14, 2015 to July 13, 2045	From July 14, 2016 to July 13, 2046
Issue price and amount of capital incorporation of shares to be issued upon exercise of subscription rights to shares*	Issue price: ¥1,104 Amount of capital incorporation: ¥552	Issue price: ¥896 Amount of capital incorporation: ¥448
Conditions for exercising subscription rights to shares*	(i) A holder of subscription rights to shares may exercise the rights only during a period of 10 years that starts after one year has passed since the day immediately following the day on which the holder loses his/her position of director, executive officer or corporate officer of Olympus Corporation. (ii) In the event of the death of a holder of subscription rights to shares, rights may be exercised by heirs. (iii) Holders of subscription rights to shares may exercise all or part of their subscription rights.	
Matters related to the transfer of subscription rights to shares*	Any acquisition of subscription rights to shares by way of transfer requires the approval of the Board of Directors.	
Matters related to the delivery of subscription rights to shares in connection with reorganization*	(Note 4)	

* Details as of the end of the current fiscal year (March 31, 2024). The details as of the end of the month prior to the filing date are stated in [] for items that changed between the end of the current fiscal year and the end of the month prior to the filing date (May 31, 2024), and there is no change to other items from the details as of the end of the current fiscal year.

- Notes:
- Olympus Corporation conducted a four-for-one split of common stock with an effective date of April 1, 2019 by resolution of the Board of Directors meeting held on February 8, 2019. As a result, the “number of shares to be issued upon exercise of subscription rights to shares” and the “Issue price and amount of capital incorporation of shares to be issued upon exercise of subscription rights to shares” have been adjusted.
 - The number of shares to be issued for each stock subscription right (hereinafter “Number of Shares Granted”) shall be 400. If, after the stock subscription right allotment date, Olympus Corporation conducts a stock split, allotment of shares without contribution or consolidation of shares with regard to its common stock, the Number of Shares Granted shall be adjusted according to the following formula, and any fraction of less than one share resulting from the adjustment shall be rounded down.

$$\text{Number of Shares Granted after adjustment} = \text{Number of Shares Granted before adjustment} \times \text{ratio of stock split, allotment of shares without contribution or consolidation of shares}$$
The Number of Shares Granted after adjustment shall be applied, in the case of a stock split or allotment of shares without contribution, on and after the day following the record date of such stock split or allotment of shares without contribution, and in the case of a consolidation of shares, on and after the effective date of such consolidation of shares.

However, if a stock split or allotment of shares without contribution is conducted on the condition that a proposal to increase capital or reserves by reducing the amount of surplus is approved at a General Meeting of Shareholders, and the record date for the stock split or allotment of shares without contribution is a date prior to the conclusion of such General Meeting of Shareholders, the Number of Shares Granted after adjustment shall be applied on and after the day following the date of the conclusion of such General Meeting of Shareholders.

In addition, if subscription rights to shares are succeeded through an absorption-type merger or consolidation-type merger, or through a share exchange or share transfer in which Olympus Corporation becomes a wholly owned subsidiary, Olympus Corporation may adjust the Number of Granted Shares as deemed necessary in accordance with the merger ratio or other factors.

3. The amount to be paid in per share that can be delivered by exercising subscription rights to shares shall be ¥1 multiplied by the Number of Granted Shares.
4. In the event of a merger (only if Olympus Corporation is dissolved in the merger), absorption-type company split or incorporation-type company split (only if Olympus Corporation is split in each case), or share exchange or share transfer (only if Olympus Corporation becomes a wholly owned subsidiary in each case) (hereinafter collectively, "Reorganization"), Olympus Corporation shall issue the subscription rights to shares of the stock company listed in Article 236, Paragraph 1, Item 8 (a) to (e) of the Companies Act (hereinafter "Reorganizing Company") to holders of subscription rights to shares holding subscription rights to shares remaining immediately before the effective date (effective date of an absorption-type merger if an absorption-type merger, date of incorporation of a newly incorporated company if an incorporation-type merger, effective date of the absorption-type split if absorption-type split, date of incorporation of a newly incorporated company if an incorporation-type split, effective date of a share exchange if a share exchange, and the date of incorporation as a wholly owning parent company established through a share transfer if a share transfer) of Reorganization (hereinafter "Remaining Subscription Rights to Shares"), in each case. However, the delivery of the subscription rights to shares of the Reorganizing Company in accordance with the following conditions shall be provided for in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan.
 - (1) Number of subscription rights to shares of the Reorganizing Company to be delivered
The same number of subscription rights to shares as the number of Remaining Subscription Rights to Shares held by the holder of subscription rights to shares shall be delivered to each holder.
 - (2) Class of shares of the Reorganizing Company to be issued upon exercise of subscription rights to shares
Shares of common stock of the Reorganizing Company.
 - (3) Number of shares of the Reorganizing Company to be issued upon exercise of subscription rights to shares
To be determined in accordance with Note 2, after taking into consideration the conditions, etc. for Reorganization.
 - (4) Value of assets to be contributed upon exercise of the subscription rights to shares
 - (i) The value of the assets to be contributed upon exercising each subscription rights to shares to be delivered shall be the amount obtained by multiplying the amount paid in after reorganization set forth in (ii) below by the number of shares of the Reorganizing Company to be issued for each stock subscription right determined in accordance with (3) above.
 - (ii) The amount to be paid in after reorganization shall be ¥1 per share of the Reorganizing Company that can be delivered by exercising each stock subscription right to be delivered.
 - (5) Period during which subscription rights to shares may be exercised
The period from the later of either the start date of the period during which subscription rights to shares may be exercised set forth in "Exercise period for subscription rights to shares" above or the effective date of Reorganization, until the date of expiration of the period during which subscription rights to shares may be exercised set forth in "Exercise period for subscription rights to shares" above.
 - (6) Matters related to the increase in share capital and capital surplus when shares are issued through the exercise of subscription rights to shares
 - (i) The amount of share capital to be increased when shares are issued upon the exercise of the subscription rights to shares shall be the upper limit amount of increase in share capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Regulations on Corporate Accounting, multiplied by 0.5, and any fractions less than ¥1 resulting from such calculation shall be rounded up.
 - (ii) The amount of capital surplus to be increased when shares are issued upon the exercise of the subscription rights to shares shall be the upper limit amount of increase in share capital, etc. set forth in (i) above minus the amount of increase in share capital set forth in (i) above.
 - (7) Restrictions on acquisition of subscription rights to shares by transfer
The acquisition of subscription rights to shares by transfer shall require approval by a resolution of the Board of Directors of the Reorganizing Company.
 - (8) Acquisition provisions for subscription rights to shares
If any of the proposals (i), (ii), (iii), (iv) or (v) below is approved by the General Meeting of Shareholders (or by a resolution of the Board of Directors if a resolution of a General Meeting of Shareholders is not required),

Olympus Corporation may acquire subscription rights to shares without contribution on a date separately determined by the Board of Directors.

- (i) Proposal to approve a merger agreement under which Olympus Corporation becomes the dissolving company
 - (ii) Proposal to approve a company split agreement or an incorporation-type company split plan under which Olympus Corporation becomes the splitting company
 - (iii) Proposal to approve a share exchange agreement or share transfer plan under which Olympus Corporation becomes a wholly owned subsidiary
 - (iv) Proposal to approve an amendment to the Articles of Incorporation to establish a provision requiring the approval of Olympus Corporation for the acquisition of all shares issued by Olympus Corporation by means of transfer
 - (v) Proposal to approve an amendment to the Articles of Incorporation to establish a provision that the acquisition of such shares by transfer shall require the approval of Olympus Corporation or that Olympus Corporation shall acquire all of such class of shares by a resolution of a General Meeting of Shareholders, as the details for shares to be issued upon exercise of subscription rights to shares
- (9) Other conditions for exercising subscription rights to shares
To be determined in accordance with “Conditions for exercising subscription rights to shares” above.

(ii) Rights plans

Not applicable.

(iii) Other subscription rights to shares, etc.

Not applicable.

(3) Exercises of bonds with subscription rights to shares containing a clause for exercise price amendment, etc.

Not applicable.

(4) Changes in the total number of issued shares, share capital, etc.

Date	Increase (Decrease) in the total number of issued shares (Thousand shares)	Balance of the total number of issued shares (Thousand shares)	Increase (Decrease) in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Increase (Decrease) in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
April 1, 2019 (Note 1)	1,028,140	1,370,853	–	124,606	–	91,026
July 25, 2019 (Note 2)	62	1,370,915	37	124,643	37	91,063
June 4, 2021 (Note 3)	(71,621)	1,299,294	–	124,643	–	91,063
June 8, 2022 (Note 4)	(13,402)	1,285,892	–	124,643	–	91,063
March 28, 2023 (Note 5)	(19,713)	1,266,179	–	124,643	–	91,063
February 29, 2024 (Note 6)	(51,032)	1,215,147	–	124,643	–	91,063

- Notes:
1. Due to the four-for-one stock split.
 2. Due to the paid in issuance of new shares for granting restricted stock compensation.
Issue price: ¥1,205
Amount of capital incorporation: ¥602.5
Allottees: 4 executive officers (including persons those who double as directors), 15 corporate officers
 3. Due to cancellation of treasury shares.
 4. Due to cancellation of treasury shares.
 5. Due to cancellation of treasury shares.

6. Due to cancellation of treasury shares.
7. Based on resolution of the Board of Directors meeting held on November 9, 2023, Olympus Corporation canceled 37,446,500 shares of treasury shares on April 30, 2024.

(5) Shareholding by shareholder category

As of March 31, 2024

Category	Status of shares (Number of shares constituting one unit: 100 shares)								Shares less than one unit (Shares)
	Government and local municipalities	Financial institutions	Financial instrument business operators	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders (Persons)	–	59	44	516	838	224	54,270	55,951	–
Number of shares held (Unit)	–	4,368,018	407,527	340,373	5,913,170	2,121	1,118,320	12,149,529	193,800
Percentage of shares held (%)	–	35.95	3.36	2.80	48.67	0.02	9.20	100.00	–

- Notes:
1. Of the 49,514,907 shares of treasury shares, 495,149 units are included in “Individuals and others” and 7 shares are included in “Shares less than one unit.”
 2. The figures in “Other corporations” include 41 units held under the name of Japan Securities Depository Center.

(6) Principal shareholders

As of March 31, 2024

Name of shareholders	Location	Number of shares held (Shares)	Percentage of shares held against the total number of issued shares (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo, Japan	237,227,500	20.35
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo, Japan	90,256,100	7.74
SMBC Trust Bank Ltd. (Olympus shares in Sumitomo Mitsui Banking Corporation’s retirement benefit trust account)	1-3-2 Marunouchi, Chiyoda-ku, Tokyo, Japan	39,509,300	3.39
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	Boston, U.S.A. (3-11-1 Nihonbashi, Chuo-ku, Tokyo, Japan)	37,975,376	3.26
JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd.)	London, U.K. (Shinagawa Intercity A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	27,218,957	2.34
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	North Quincy, U.S.A. (Shinagawa Intercity A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	22,672,912	1.95
STATE STREET BANK AND TRUST COMPANY 505223 (Standing proxy: Mizuho Bank, Ltd.)	Boston, U.S.A. (Shinagawa Intercity A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	21,827,589	1.87
NIPPON LIFE INSURANCE COMPANY	1-6-6 Marunouchi, Chiyoda-ku, Tokyo, Japan	21,258,572	1.82
GOLDMAN, SACHS & CO. REG (Standing proxy: Goldman Sachs Japan Co., Ltd.)	New York, U.S.A. (Roppongi Hills Mori Tower, 6-10-1 Roppongi, Minato-ku, Tokyo, Japan)	16,953,644	1.46

BNYM AS AGT/CLTS 10 PERCENT (Standing proxy: MUFG Bank, Ltd.)	New York, U.S.A. (2-7-1 Marunouchi, Chiyoda-ku, Tokyo, Japan)	16,132,479	1.38
Total	-----	531,032,429	45.56

- Notes: 1. In the Large Shareholding Report (change report) dated June 21, 2021, which is available for public inspection, Sumitomo Mitsui Trust Bank, Limited and two joint holders are listed as holding the 82,941,600 shares as of June 15, 2021. However, since Olympus Corporation is unable to confirm the number of shares actually held as of March 31, 2024, Sumitomo Mitsui Trust Bank, Limited and its joint holders are not included in the above list of principal shareholders. The details in the Large Shareholding Report (change report) are as follows.

Name	Numbers of shares held (Shares)	Percentage of shares held against the total number of issued shares (%)
Sumitomo Mitsui Trust Bank, Limited	3,556,000	0.27
Sumitomo Mitsui Trust Asset Management Co., Ltd.	37,309,500	2.87
Nikko Asset Management Co., Ltd.	42,076,100	3.24
Total	82,941,600	6.38

2. In the Large Shareholding Report dated July 9, 2021, which is available for public inspection, Baillie Gifford & Co and one joint holder are listed as holding the 65,597,033 shares as of June 30, 2021. However, since Olympus Corporation is unable to confirm the number of shares actually held as of March 31, 2024, Gifford & Co and its joint holder are not included in the above list of principal shareholders. The details in the Large Shareholding Report are as follows.

Name	Numbers of shares held (Shares)	Percentage of shares held against the total number of issued shares (%)
Baillie Gifford & Co	27,961,656	2.15
Baillie Gifford Overseas Limited	37,635,377	2.90
Total	65,597,033	5.05

3. In the Large Shareholding Report (change report) dated November 4, 2022, which is available for public inspection, BlackRock Japan Co., Ltd. and seven joint holders are listed as holding the 78,732,691 shares as of October 31, 2022. However, since Olympus Corporation is unable to confirm the number of shares actually held as of March 31, 2024, BlackRock Japan Co., Ltd. and its joint holders are not included in the above list of principal shareholders. The details in the Large Shareholding Report (change report) are as follows.

Name	Numbers of shares held (Shares)	Percentage of shares held against the total number of issued shares (%)
BlackRock Japan Co., Ltd.	26,958,500	2.10
BlackRock Investment Management LLC	1,416,452	0.11
BlackRock (Netherlands) BV	2,028,312	0.16
BlackRock Fund Managers Limited	2,992,359	0.23
BlackRock Asset Management Ireland Limited	6,743,472	0.52
BlackRock Fund Advisors	19,848,900	1.54
BlackRock Institutional Trust Company, N.A.	17,083,072	1.33
BlackRock Investment Management (UK) Limited	1,661,624	0.13
Total	78,732,691	6.12

4. In the Large Shareholding Report (change report) dated May 10, 2023, which is available for public inspection, Nomura Asset Management Co., Ltd. and one joint holder are listed as holding the 85,792,527 shares as of April 28, 2023. However, since Olympus Corporation is unable to confirm the number of shares actually held as of March 31, 2024, Nomura Asset Management Co., Ltd. and its joint holder are not included in the above list of principal shareholders. The details in the Large Shareholding Report (change report) are as follows.

Name	Numbers of shares held (Shares)	Percentage of shares held against the total number of issued shares (%)
NOMURA INTERNATIONAL PLC	2,882,627	0.23
Nomura Asset Management Co., Ltd.	82,909,900	6.55
Total	85,792,527	6.78

(7) Voting rights

(i) Issued shares

As of March 31, 2024

Category	Number of shares (Shares)	Number of voting rights	Description
Shares with no voting rights	–	–	–
Shares with restricted voting rights (treasury shares, etc.)	–	–	–
Shares with restricted voting rights (other)	–	–	–
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common stock 49,514,900	–	–
Shares with full voting rights (other)	Common stock 1,165,438,000	11,654,380	–
Shares less than one unit	Common stock 193,800	–	–
Total number of issued shares	1,215,146,700	–	–
Number of voting rights held by all shareholders	–	11,654,380	–

- Notes:
1. Common stock in “Shares with full voting rights (other)” includes 4,100 shares (41 voting rights) held under the name of Japan Securities Depository Center.
 2. Based on resolution of the Board of Directors meeting held on November 9, 2023, Olympus Corporation canceled 37,446,500 shares of treasury shares on April 30, 2024.
 3. Olympus Corporation conducted the disposal of treasury shares of 180,710 shares based on its subsequent grant-type restricted stock unit (RSU) system and performance-based stock compensation (PSU) system on June 10, 2024.

(ii) Treasury shares, etc.

As of March 31, 2024

Name of shareholder	Address of shareholder	Number of shares held under own name (Shares)	Number of shares held under the names of others (Shares)	Total number of shares held (Shares)	Percentage of shares held against the total number of issued shares (%)
(Treasury shares) Olympus Corporation	2951 Ishikawa-machi, Hachioji-shi, Tokyo, Japan	49,514,900	–	49,514,900	4.07
Total	–	49,514,900	–	49,514,900	4.07

- Notes:
1. Based on resolution of the Board of Directors meeting held on November 9, 2023, Olympus Corporation canceled 37,446,500 shares of treasury shares on April 30, 2024.
 2. Olympus Corporation conducted the disposal of treasury shares of 180,710 shares based on its subsequent grant-type restricted stock unit (RSU) system and performance-based stock compensation (PSU) system on June 10, 2024.

2. Share Repurchase

Class of Shares: Repurchase of common stock under Article 155, Item 3 of the Companies Act, repurchase of common stock under Article 155, Item 7 of the Companies Act, and repurchase of common stock under Article 155, Item 13 of the Companies Act

(1) Repurchase by resolution of General Meeting of Shareholders

Not applicable.

(2) Repurchase by resolution of Board of Directors

Category	Number of shares (Shares)	Total amount (Yen)
Status of resolutions at meeting of the Board of Directors (May 12, 2023) (Repurchase period: May 15, 2023 to January 31, 2024)	55,000,000	100,000,000,000
Shares repurchased prior to the current fiscal year	–	–
Shares repurchased in the current fiscal year	51,032,000	99,999,818,834
Number and total amount of residual resolution shares	3,968,000	181,166
Unexercised ratio at the end of the current fiscal year (%)	7.21	0.00
Shares repurchased during the current period	–	–
Unexercised ratio as of the filing date (%)	7.21	0.00

Category	Number of shares (Shares)	Total amount (Yen)
Status of resolutions at meeting of the Board of Directors (November 9, 2023) (Repurchase period: November 10, 2023 to March 31, 2024)	53,000,000	80,000,000,000
Shares repurchased prior to the current fiscal year	–	–
Shares repurchased in the current fiscal year	37,446,500	79,999,783,550
Number and total amount of residual resolution shares	15,553,500	216,450
Unexercised ratio at the end of the current fiscal year (%)	29.35	0.00
Shares repurchased during the current period	–	–
Unexercised ratio as of the filing date (%)	29.35	0.00

Category	Number of shares (Shares)	Total amount (Yen)
Status of resolutions at meeting of the Board of Directors (May 10, 2024) (Repurchase period: May 13, 2024 to December 31, 2024)	60,000,000	100,000,000,000
Shares repurchased prior to the current fiscal year	–	–
Shares repurchased in the current fiscal year	–	–
Number and total amount of residual resolution shares	–	–
Unexercised ratio at the end of the current fiscal year (%)	–	–
Shares repurchased during the current period (Note 1)	0	0
Unexercised ratio as of the filing date (%) (Note 2)	100.00	100.00

- Notes:
1. The number of shares repurchased during the current period does not include shares acquired from June 1, 2024 to the filing date of this Annual Securities Report.
 2. The unexercised ratio as of the filing date is calculated without including shares acquired from June 1, 2024 to the filing date of this annual securities report.

(3) Repurchase not based on resolution of General Meeting of Shareholders or of Board of Directors

Category	Number of shares (Shares)	Total amount (Yen)
Shares repurchased in the current fiscal year	1,619	2,098,910
Shares repurchased during the current period	100	233,752

- Notes:
- 639 shares of shares repurchased during the current fiscal year were acquired without contribution under the restricted stock compensation plan.
 - The number of shares repurchased during the current period does not include shares due to the purchase of shares less than one unit from June 1, 2024 to the filing date of this Annual Securities Report.

(4) Disposition and holding of treasury shares

Category	Current fiscal year		Current period	
	Number of shares (Shares)	Total amount of disposal value (Yen)	Number of shares (Shares)	Total amount of disposal value (Yen)
Treasury shares solicited to subscribers	–	–	–	–
Treasury shares disposed of for cancellation	51,032,000	104,795,495,596	37,446,500	77,161,056,403
Treasury shares transferred in connection with a merger, share exchange, share issuance, or corporate split	–	–	–	–
Other (disposal of treasury shares pertaining to the exercising of subscription rights to shares)	20,400	43,362,065	1,600	3,296,909
Other (disposal of treasury shares pertaining to restricted stock compensation)	554,030	1,231,608,690	–	–
Number of treasury shares held	49,514,907	–	12,066,907	–

- Notes:
- The number of treasury shares held during the current period does not include shares due to the repurchase of shares of Olympus Corporation and disposal of treasury shares from June 1, 2024 to the filing date of this Annual Securities Report.
 - Olympus Corporation conducted the disposal of treasury shares of 180,710 shares based on its subsequent grant-type restricted stock unit (RSU) system and performance-based stock compensation (PSU) system on June 10, 2024.

3. Dividend Policy

In order to achieve sustainable growth of the Olympus Group, we prioritize the allocation of our cash to investments in growth drivers and carry out investment for profitable, organic growth and strategic investment for growth opportunities. Our policy is to increase dividends stably and gradually and to implement buyback of company shares flexibly based on investment opportunities and cash conditions.

In accordance with the above policy, Olympus Corporation has decided to pay a year-end dividend of ¥18 per share for the current fiscal year, increased by ¥2 from the previous fiscal year by a resolution at the meeting of the Board of Directors held on May 10, 2024. Effective date and payment start date are June 5, 2024.

Olympus Corporation's Articles of Incorporation provide that Olympus Corporation may pay dividends from retained earnings, etc. by a resolution of the Board of Directors, pursuant to Article 459, Paragraph 1 of the Companies Act. There is no provision regarding the number of times dividends can be paid each fiscal year. In addition, Olympus Corporation is subject to consolidated dividend regulations.

Resolution	Total dividends (Millions of yen)	Dividend per share (Yen)
Board of Directors meeting held on May 10, 2024	20,981	18

4. Corporate Governance, etc.

(1) Overview of corporate governance

As of the filing date of the Annual Securities Report (June 20, 2024)

(i) Basic Concepts Regarding Corporate Governance

[Basic Policy on 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 for the Olympus Group’s continuous development and medium- and long-term corporate value improvement for all stakeholders, including shareholders.

Basic Concepts Regarding Corporate Governance

Based on our fiduciary responsibility to shareholders and our responsibility to stakeholders including clients, employees and local communities, etc. as well as the above corporate philosophy, our company has implemented basically the principles of the Corporate Governance Code and developed this policy with the aim of realizing effective corporate governance.

1. Securing Shareholders’ Rights and Equality

(1) Securing Shareholders’ Rights

We respect shareholders’ rights and secure their substantial equality.

(2) Exercise of Rights at the General Meeting of Shareholders

We take appropriate steps to improve the environment pertaining to the exercise of rights at the General Meeting of Shareholders.

(3) Basic Capital Policy

In order to enhance corporate value, our basic capital policy is to provide continuous shareholder returns, with priority given to investment in growth areas, based on the premise of securing a stable financial base. In addition, we explain this policy in dialogue with shareholders/ investors.

(4) Cross-Shareholdings

If it is judged that listed shares will contribute to the improvement of the Olympus Group’s corporate value in the mid- to long-term, then, upon verifying the economic rationality and the future prospects for the mid- to long-term, we will hold listed shares. Every year, the Board of Directors will assess the suitability of ownership of such listed shares, considering comprehensively the purpose of and the risks and benefits associated with the holdings, and may gradually reduce such shares that we judge not to be suitable for continued ownership. In order to exercise shareholders’ rights as to their holdings, we will exercise our voting rights on all agenda items, and from the viewpoint of improving the mid- to long-term corporate value of an enterprise issuing such shares, will consider said enterprise’s financial condition and decide appropriately about whether to approve or disapprove each agenda item.

(5) Related Party Transactions

In the case of conducting related party transactions, the approval of the Board of Directors of Olympus Corporation or its applicable majority owned subsidiary company involved in the transaction is required to be obtained, all in accordance with the “Job Authority Rules” and any other related rules. Its applicable majority-owned subsidiary company is required to report to Olympus Corporation after obtaining approval from the regional headquarters.

2. Cooperation with Stakeholders other than Shareholders

Under “Making people’s lives healthier, safer and more fulfilling.” as stated in our corporate philosophy, we endeavor to cooperate as appropriate with various stakeholders including employees, clients, business connections, creditors and local communities.

(1) Formulate and Implement the Code of Conduct

We will present our values regarding appropriate cooperation with stakeholders, respect for their interests, and ethics for sound business activities, and stipulate and implement a code of conduct to be complied with by such members. Specifically, we have formulated the “Corporate Philosophy,” “Our Behaviors” and the “Olympus Global Code of Conduct” as a code of conduct for all groups, and have widely disseminated them among all officers and employees who belong to the Olympus Group.

(2) Basic Concepts on Sustainability Related Initiatives

Based on our corporate philosophy, the Olympus Group identifies important ESG areas and important issues (materiality) on which we should focus and strives to resolve various social and environmental issues through its business.

(3) Ensuring Diversity within the Company

We promote diversity, equity and inclusion throughout the Olympus Group, and regardless of our people’ age, gender, race, sexual orientation, gender identity, socioeconomic status, ethnicity, (dis)ability, nationality and culture, language, religion, opinions, political stance, and career backgrounds, we provide diverse human resources with appropriate opportunities and opportunities to excel.

(4) Whistleblowing

We appoint a supervisor responsible for compliance-related matters. Furthermore, we have established a global contact desk which is available 24 hours a day in multiple languages for any employees and external stakeholders and which is in addition to local internal compliance-related reporting systems in each region. The supervisor responsible for compliance-related matters reports the status of use thereof to the Audit Committee regularly and to the Board of Directors as necessary.

(5) Roles of Corporate Pension Funds as Asset Owners

We manage corporate pension funds through the Olympus Corporate Pension Fund. The Olympus Corporate Pension Fund arranges investment trusts and pension insurance policies and outsources their management to financial institutions in accordance with policies and portfolios approved by the Asset Management Committee, which consists of personnel, accounting and financial experts. The Olympus Corporate Pension Fund monitors its investment status, including stewardship activities, on a regular basis.

3. Complete Information Disclosure and Secured Transparency

(1) Complete Information Disclosure

Under the basic concept for all corporate activities, “Making people’s lives healthier, safer and more fulfilling.” as stated in our corporate philosophy, we will disclose corporate information, such as management policy, financial condition, status of business activities and sustainability in a fair, timely, appropriate and active manner for the purpose of obtaining all stakeholders’ correct understanding and trust.

(2) External Accounting Auditor

Our Audit Committee establishes evaluation standards for Accounting Auditor and confirms the appropriateness of audit quality, independence, etc. in accordance with the standards above.

4. Responsibility of the Board of Directors, etc.

(1) Role of the Board of Directors

The Board of Directors determines basic management policy, matters related to the internal control system, and other important matters, and monitors directors and executive officers, in the execution of their duties.

(2) Qualification of Directors

Having high ethical standards as well as the experience, knowledge and ability required to create mid- to long-term corporate value, our directors spend a sufficient amount of time for the Board of Directors in order to fulfill their own obligations and responsibilities.

(3) Diversity of the Board of Directors

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.

(4) Scale of the Board of Directors

Based on the Olympus Group's scale and business lines, we maintain an appropriate number of members, 15 or fewer persons, as stipulated in the Articles of Incorporation, in order to effectively and efficiently exercise the functions of the Board of Directors.

(5) Independent Outside Director

From the viewpoint of increasing the monitoring functions of the Board of Directors, more than half of the directors are independent outside directors. The independence standards are set forth by the Nominating Committee.

(6) Chairperson of the Board of Directors

For the purpose of securing the monitoring function of the Board of Directors, an independent outside director serves as the chairperson of the Board of Directors.

(7) Committees for Nomination, Compensation and Audit

The Board of Directors shall set up a Nominating Committee, Compensation Committee and Audit Committee.

Nominating Committee

- The Nominating Committee shall deliberate matters related to human resources at the director and executive officer level, and shall determine the content of proposals submitted to the General Meeting of Shareholders in relation to the appointment and dismissal of directors.
- The Nominating Committee consists of three or more committee members selected from among the directors by the Board of Directors, and independent outside directors constitute the absolute majority thereof. An independent outside director serves as the chairperson.

Compensation Committee

- The Compensation Committee shall deliberate directors' and executive officers' compensation related matters, etc., and prescribe policy in relation to determining the details of compensation, etc. for individuals, and in accordance with the policy, determine the contents of compensation, etc. for individuals.
- The Compensation Committee consists of three or more committee members selected from among the directors by the Board of Directors, and independent outside directors constitute the absolute majority thereof. An independent outside director serves as the chairperson.

Audit Committee

- The Audit Committee shall carry out the following duties.
 - 1) Auditing the execution of duties by executive officers and directors, and creating audit reports
 - 2) Determining the content of proposals relating to the appointment, dismissal and non-reappointment of Accounting Auditors
 - 3) Other duties prescribed by law or by the Articles of Incorporation, and other matters recognized as necessary by the Audit Committee
- The Audit Committee consists of at least three individuals selected from among the directors by the Board of Directors, of whom more than half shall be independent outside directors. The chairperson of the committee shall be an independent outside director. Moreover, at least one member shall be an individual who possesses extensive knowledge related to financial and accounting.

(8) Appointment Process of the Directors

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 appointment and dismissal of directors.

(9) Fostering and Deciding the CEO's Successor

The Nominating Committee periodically discusses a succession plan for the CEO.

As for determining the successor, the Nominating Committee discusses whether the candidates have qualifications that are suitable for the CEO, and provides opinions and advice to the Board of Directors. Thereafter, the successor is decided by the Board of Directors.

(10) Compensation System

Regarding officers' compensation (directors and executive officers), the basic policy is to provide compensation that is suited to their duties, and to increase the awareness among the officers in order to: "Meet expectations of various stakeholders by aiming to maximize corporate values." Based on said policy, the Compensation Committee focuses on appropriately setting the compensation ratio linked to short and mid- and long-term performance, and decides officers' compensation.

(11) Management of the Board of Directors Meeting

For the purpose of deciding on important matters and monitoring business operations, agenda items for, time of, and the frequency of holding the Board of Directors meeting are set in order to facilitate necessary and sufficient discussion. In order to facilitate constructive discussions and the exchange of opinions at the Board of Directors meeting, materials are sent regarding matters to be discussed and matters to be reported at the Board of Directors meeting in consideration of the time required for the attendees to prepare for the Board of Directors meeting. Moreover, the Board of Directors meeting schedule and expected agenda items are prepared in advance.

(12) Assembly for Outside Directors Only

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 four times a year (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 providing feedback on the details to the executive officers.

(13) Evaluation of the Board of Directors Meeting

Every year, the effectiveness of the Board of Directors is analyzed and evaluated including a third party's perspectives, and we aim to improve the effectiveness of the Board of Directors by extracting the issues and aiming for improvements, as necessary. Most importantly, we aim to improve our sustainable growth and medium- to long-term corporate value. An overview of the evaluation result is released.

(14) Information Acquisition and Support System

- We endeavor to actively provide the directors with information helpful for effectively fulfilling their roles and duties.
- The outside directors of Olympus Corporation may, whenever deemed necessary or appropriate, request an explanation or report from inside directors, executive officers or employees, or request the submission of internal materials.
- We are working to stimulate discussions at the Board of Directors, providing outside directors with explanation of agendas in advance and setting opportunities for debate about strategy, as necessary.
- We establish a secretariat with appropriate personnel at the Board of Directors, the Nominating Committee, the Compensation Committee and the Audit Committee to enable the Board of Directors and each director, and each Committee and each committee member to properly execute their duties.

(15) Training for Directors

The directors endeavor to improve themselves including by acquiring and updating, etc. their knowledge in order to fulfill their roles and duties. We provide newly-appointed outside directors with various programs for acquiring knowledge concerning Olympus Corporation, including tours to our business office and factory, as well as study groups on our business, etc.

5. Dialogue with Shareholders

(1) Policy for Constructive Dialogue with Shareholders

For the purpose of our continuous development and improvement of mid- to long-term corporate value, the Board of Directors has stipulated and announced the Policy for Improving the System and Initiatives for Promoting Constructive Dialogue with Shareholders/Investors.

Policy for Improving the System and Initiatives for Promoting Constructive Dialogue with Shareholders/Investors

1) Basic Policy

For the purpose of our continuous development and improvement of mid- to long-term corporate value, we, centering on the CEO and the CFO, actively conduct constructive dialogue with shareholders/investors (hereinafter, “Shareholders, etc.”). The IR function assists such initiatives through internal information exchange and improving the system for providing shareholders’ opinions as feedback, etc. to the upper management team.

In our dialogue with Shareholders, etc., we shall comply with the laws and the Financial Instruments Exchange rules, and shall disclose information in compliance therewith. We shall also proactively disclose those information which may have a material impact on our corporate value evaluation in accordance with Fair Disclosure Rules and the Internal Information Disclosure Criteria regardless whether such disclosure is not required by the laws or the rules.

2) Policy for Dialogue by the CEO and the CFO

The CEO and the CFO play a central role in conducting overall dialogue with Shareholders, etc. toward the realization of constructive dialogue. Specifically, in addition to investor meetings such as corporate strategy presentation, Investor Day, and financial results announcement, we proactively provide opportunities for direct dialogue with Shareholders, etc. through individual and group meetings, domestic and international road shows on a regular basis, and participation in conferences hosted by securities firms.

3) Policy for IR Activities by the IR Function

By putting the IR function in charge of IR activities, we actively implement IR activities toward solid dialogue with Shareholders, etc. Specifically, in addition to conducting individual interviews at any time as requested by Shareholders, etc., we will regularly implement IR events, such as briefing sessions for individual investors and facility tours. Moreover, we will actively provide information to Shareholders, etc. through the website, integrated reports, business reports for shareholders and the Convocation of the General Meeting of Shareholders, etc.

4) Policy for Internal Information Exchange by the IR Function

The IR function, as needed, exchanges information with relevant departments and each business units on a daily basis, and establishes a project team if necessary, in order to build a coordinated collaboration system. Moreover, the IR function reports opinions and concerns of Shareholders, etc. obtained from dialogue with Shareholders, etc. centering on institutional investors at the Group Executive Committee as well as the Board of Directors meeting, if necessary. Thereafter, the contents of such opinions and concerns will be discussed.

5) Policy for Insider Information Management in Dialogue with Shareholders, etc.

In accordance with the Internal Regulations, insider information is strictly managed. When engaging in dialogue with Shareholders, etc., the IR function issues a reminder to the person in charge of the dialogue, thereby preventing the divulgence of insider information.

(2) Establishment and Disclosure of Corporate Strategy

We shall formulate, announce, and implement corporate strategy to aim for sustainable growth and medium- to long-term corporate value improvement, including the establishment of management indices and appropriate allocation of management resources with an awareness of cost of capital, return on capital, and stock price, and shall actively engage in constructive dialogue with shareholders/investors.

6. Revision and Abolition of This Policy

Revision and abolition of this policy shall be subject to a resolution of the Board of Directors.

The Olympus Group’s IR activities are outlined below.

The Olympus Group has established a dedicated investor relations department to fulfill its corporate accountability and ensure management transparency. Olympus Corporation focuses on information disclosure in order to gain the correct understanding and trust of investors and various other stakeholders in the Olympus Group, as well as to realize appropriate corporate value. We hold financial results briefings each quarter for investors and analysts at which the Representative Executive Officer and executive officers directly explain management policies, business activities, and other corporate information. In addition, IR interviews and conference calls are held for investors and analysts each quarter. Olympus Corporation has been engaged in IR activities for overseas investors since the early 1970s, actively disclosing information, including visits to local investors by the (then) Representative Director and other officers in charge, etc. participation in conferences, and the disclosure of all information in English with the same level of content and timing as the Japanese version.

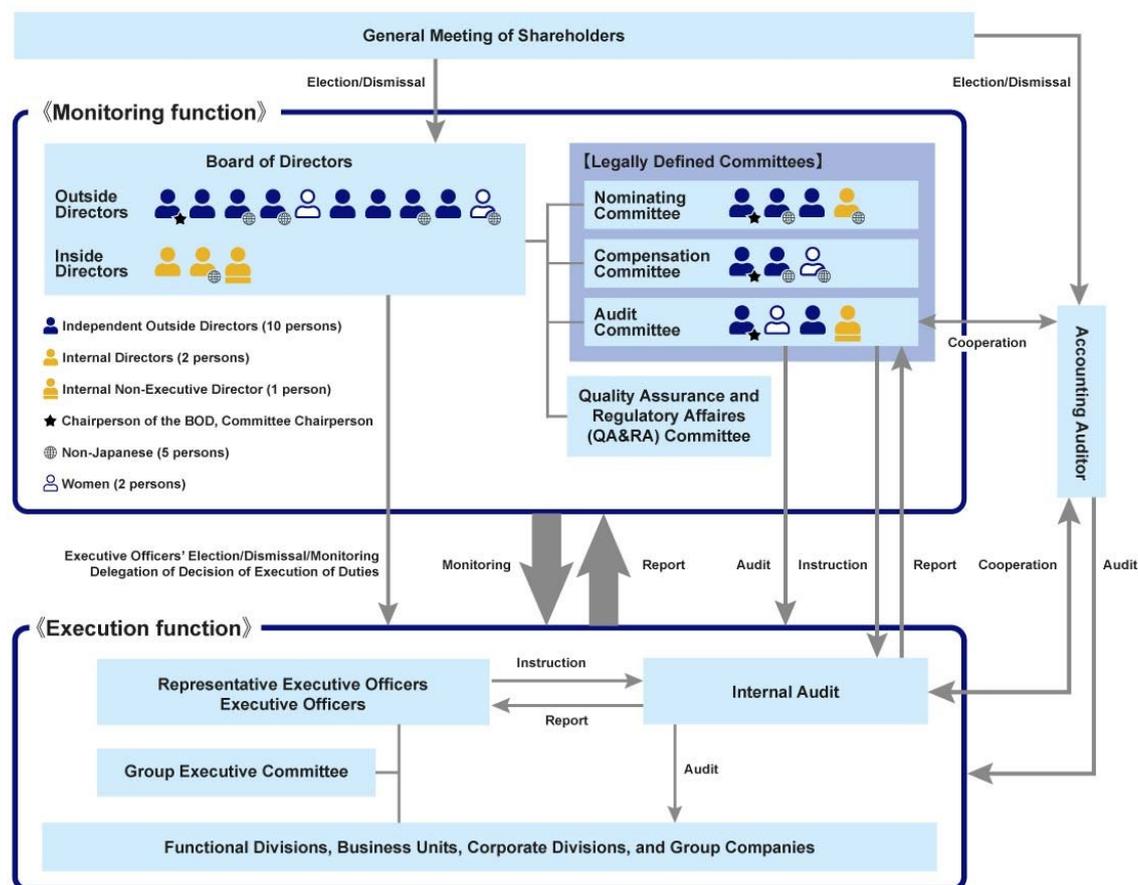
Since 2016, Olympus Corporation has been holding events at which the (then) Representative Director and other officers in charge, etc. explain our medium- and long-term company and business strategies to investors and others. In 2023, to strengthen our position as a global MedTech company and realize our Corporate Philosophy, “Making people’s lives healthier, safer and more fulfilling,” we announced a new company strategy. In addition, we are working to enhance our IR information by preparing and posting on our website “Olympus Medical Business,” which introduces the Olympus Group’s products and strengths, etc. in the medical field.

(ii) Overview of the Corporate Governance System and Reasons for Adopting the System

Olympus Corporation is a company with a Nominating Committee, etc. We strive to strengthen governance, further improve transparency, and accelerate and streamline decision-making in business execution through a clear separation of management monitoring and execution.

[Corporate Governance Structure (as of the filing date of the Annual Securities Report)]

Our corporate governance structure is shown in the following diagram.



* Olympus Corporation established the Quality Assurance and Regulatory Affairs (QA&RA) Committee as an optional committee in April 2023 to oversight and report on the progress of the establishment of the quality assurance and regulatory affairs (QA&RA) structure required of a global MedTech company, from the perspective of compliance with relevant laws and regulations, collaboration among internal functions, and securing human and other resources.

The composition of the Board of Directors and each committee is as follows.

Position	Name	Board of Directors	Nominating Committee	Compensation Committee	Audit Committee
Independent Outside Director	Sumitaka Fujita	◎	◎		
Independent Outside Director	Yasumasa Masuda	○			◎
Independent Outside Director	David Robert Hale	○			
Independent Outside Director	Jimmy C. Beasley	○		○	
Independent Outside Director	Sachiko Ichikawa	○			○
Independent Outside Director	Yasushi Shingai	○		◎	
Independent Outside Director	Kohei Kan	○			○
Independent Outside Director	Gary John Pruden	○	○		
Independent Outside Director	Tatsuro Kosaka	○	○		
Independent Outside Director	Luann Marie Pendy	○		○	
Director	Yasuo Takeuchi	○			
Director	Stefan Kaufmann	○	○		
Director	Toshihiko Okubo	○			○

○ indicates member, ◎ indicates the chair (Chairperson of the Board of Directors or Committee).

[Board of Directors]

<p>Purpose and authority, etc.</p>	<ul style="list-style-type: none"> • The Board of Directors convenes at least once every three months and when needed. The Board of Directors determines matters related to basic policies of management and internal control systems and other important matters, and monitors the execution of the duties of directors and executive officers, etc. • The Board of Directors is chaired by an independent outside director. We expect that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. • We proactively provide directors with information to enable the effective execution of their roles and duties. The outside directors may at all times when needed or when considered appropriate require clarifications, reports or the submission of internal documents from internal directors, executive officers, corporate officers, and employees, so as to strengthen the functions of information transmission and monitoring and to create systems to ensure the soundness of management.
<p>Considerations for the current fiscal year</p>	<ul style="list-style-type: none"> • Matters related to Olympus Corporation’s basic management policy; e.g. corporate strategy, business plans, performance forecasts and Basic Policy on the Internal Control System, etc. • Matters related to Corporate Governance (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.) • 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. <p>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.</p>

Attendance at meetings during the current fiscal year was as follows.

Position	Name	Attendance at meetings
Chairperson of Board of Directors / Independent Outside Director	Sumitaka Fujita	14 of 14 (100%)
Independent Outside Director	Yasumasa Masuda	13 of 14 (92.9%)
Independent Outside Director	David Robert Hale	14 of 14 (100%)
Independent Outside Director	Jimmy C. Beasley	14 of 14 (100%)
Independent Outside Director	Sachiko Ichikawa	14 of 14 (100%)
Independent Outside Director	Yasushi Shingai	14 of 14 (100%)
Independent Outside Director	Kohei Kan	14 of 14 (100%)
Independent Outside Director	Gary John Pruden	14 of 14 (100%)
Independent Outside Director	Tatsuro Kosaka	11 of 11 (100%) (Assumed the post of director in June 2023)
Independent Outside Director	Luann Marie Pendy	11 of 11 (100%) (Assumed the post of director in June 2023)
Director	Yasuo Takeuchi	14 of 14 (100%)
Director	Stefan Kaufmann	14 of 14 (100%)
Director	Toshihiko Okubo	11 of 11 (100%) (Assumed the post of director in June 2023)
Independent Outside Director	Tetsuo Iwamura	3 of 3 (100%) (Retired from the post of director in June 2023)
Director	Nobuyuki Koga	3 of 3 (100%) (Retired from the post of director in June 2023)

[Nominating Committee]

Purpose and authority, etc.	<ul style="list-style-type: none"> The Nominating Committee deliberates matters related to human resources at the director and executive officer level, and determined the content of proposals submitted to the general meeting of shareholders in relation to the appointment and dismissal of directors. The Nomination Committee shall consist of at least three members selected from among directors by the Board of Directors, and the majority shall be independent outside directors. In addition, the chairperson shall be an independent outside director.
Considerations for the current fiscal year	<ul style="list-style-type: none"> 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. 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 Corporation's Board of Directors. Regarding the selection plan for executive officers, the Nominating Committee discussed their suitability and made decisions after a year-long evaluation and selection process 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 Corporation.

Attendance at meetings during the current fiscal year was as follows.

Position	Name	Attendance at meetings
Nominating Committee Chairperson (Independent Outside Director)	Sumitaka Fujita	13 of 13 (100%)
Nominating Committee Member (Independent Outside Director)	Gary John Pruden	10 of 11 (90.9%) (Assumed the post of Committee Member in June 2023)
Nominating Committee Member (Independent Outside Director)	Tatsuro Kosaka	11 of 11 (100%) (Assumed the post of Committee Member in June 2023)
Nominating Committee Member (Director)	Stefan Kaufmann	11 of 11 (100%) (Assumed the post of Committee Member in June 2023)
Nominating Committee Member (Independent Outside Director)	David Robert Hale	2 of 2 (100%) (Retired from the post of Committee Member in June 2023)
Nominating Committee Member (Independent Outside Director)	Yasushi Shingai	2 of 2 (100%) (Retired from the post of Committee Member in June 2023)
Nominating Committee Member (Director)	Yasuo Takeuchi	2 of 2 (100%) (Retired from the post of Committee Member in June 2023)

[Compensation Committee]

Purpose and authority, etc.	<ul style="list-style-type: none"> The Compensation Committee considers matters related to compensation for directors and executive officers, establishes the policy for the content of individual compensation, etc., and determines the details for compensation of each director and executive officer according to this policy The Compensation Committee shall consist of at least three members selected from among directors by the Board of Directors, and the majority shall be independent outside directors. In addition, the chairperson shall be an independent outside director.
Considerations for the current fiscal year	<ul style="list-style-type: none"> Details about compensation for directors and executive officers were determined. As described in “(4) Compensation for Officers, etc. (iii) Compensation Committee.”

Attendance at meetings during the current fiscal year was as follows.

Position	Name	Attendance at meetings
Compensation Committee Chairperson (Independent Outside Director)	Yasushi Shingai	11 of 11 (100%) (Assumed the post of Committee Chairperson in June 2023)
Compensation Committee Member (Independent Outside Director)	Jimmy C. Beasley	11 of 11 (100%)
Compensation Committee Member (Independent Outside Director)	Luann Marie Pandy	8 of 8 (100%) (Assumed the post of Committee Member in June 2023)
Compensation Committee Chairperson (Independent Outside Director)	Tetsuo Iwamura	3 of 3 (100%) (Retired from the post of Committee Member in June 2023)
Compensation Committee Member (Independent Outside Director)	Gary John Pruden	3 of 3 (100%) (Retired from the post of Committee Member in June 2023)

[Audit Committee]

Purpose and authority, etc.	<ol style="list-style-type: none"> 1) Audits on how executive officers and directors execute their duties, and preparing audit report 2) Determining proposal contents for appointing, dismissing, and refusing reappointment of the accounting auditor 3) Other duties stipulated in laws and regulations and the Articles of Incorporation, and other matters determined to be necessary by the Audit Committee <ul style="list-style-type: none"> • The Audit Committee shall consist of at least three members selected from among directors by the Board of Directors, and the majority shall be independent outside directors. In addition, the chairperson shall be an independent outside director. At least one member shall have an extensive understanding of finance and accounting operations.
Considerations for the current fiscal year	As described in “(3) Audits b. Status of the Audit Committee’s activities.”

Attendance at meetings during the current fiscal year was as follows.

Position	Name	Attendance at meetings
Audit Committee Chairperson (Independent Outside Director)	Yasumasa Masuda	27 of 27 (100%)
Audit Committee Member (Independent Outside Director)	Sachiko Ichikawa	27 of 27 (100%)
Audit Committee Member (Independent Outside Director)	Kohei Kan	27 of 27 (100%)
Standing Audit Committee Member (Director)	Toshihiko Okubo	19 of 19 (100%) (Assumed the post of Committee Member in June 2023)
Standing Audit Committee Member (Director)	Nobuyuki Koga	8 of 8 (100%) (Retired from the post of Committee Member in June 2023)

[Executive Officers]

Executive officers are comprised of the following ten persons: Executive Chairperson, President and Chief Executive Officer (CEO), Endoscopic Solutions Division Head, Therapeutic Solutions Division Head, Chief Financial Officer (CFO), Chief Strategy Officer (CSO), Chief Manufacturing and Supply Officer (CMSO), Chief Technology Officer (CTO), Chief Quality Officer (CQO), and Chief Human Resources Officer (CHRO), who accelerate and streamline the decision-making processes in the Olympus Group and centrally manage risk management across the Olympus Group.

(iii) Other Matters Related to Corporate Governance

[Basic approach to the internal control system and status of such development]

The following is a summary of the details of the system resolved by the Board of Directors for a system to ensure the appropriateness of the Olympus Corporation’s operations and the status of operation of such system.

<p>All activities of Olympus Corporation are based on our Corporate Philosophy, “Making people’s lives healthier, safer and more fulfilling.”</p> <p>Olympus Corporation, based on this basic concept, shall prepare and operate a framework which ensures the effectiveness and efficiency of operations and appropriateness and reliability of financial reporting of Olympus Corporation and its subsidiaries (hereinafter, “the Olympus Group”), and make continuous improvements.</p>
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- I Framework to ensure the appropriateness of business operations in the Olympus Group
1. Framework to ensure that the execution of duties by Olympus Corporation's executive officers and employees and by the directors and employees of subsidiaries complies with applicable laws and regulations and the Articles of Incorporation
 - (1) Olympus Corporation shall establish "Management Basic Policy," basic policy the Board of Directors relies on when the Board of Directors monitors the execution of duties of directors and executive officers. Furthermore, it shall establish the Olympus Global Code of Conduct and internal corporate regulations for quality, product safety, and export control, etc., based on the Corporate Philosophy, and shall instill the policies and facilitate initiatives to raise awareness of compliance in the Olympus Group through continuing education and other measures.
 - (2) Olympus Corporation shall also establish a compliance promotion system by appointing an officer in charge of compliance and establishing a function in charge of group-wide compliance. The function in charge of group-wide compliance shall be responsible for activities toward the improvement of the group compliance system based on the Global Compliance Management System. In addition, whole Olympus Group shall continuously conduct education of employees and measures relating to assessment. Furthermore, within the Olympus Group, if there is or may be a violation of laws and regulations, etc., a global contact desk which can be available 24 hours a day in multiple languages, and a local hotline contact desk in each region will receive the report of them.
 - (3) Olympus Corporation shall set up an internal audit function reporting directly to the Chief Executive Officer. The internal audit function shall conduct audits to verify the effectiveness of the various processes for risk management, control and governance within the Olympus Group in accordance with the internal audit regulations. The internal audit function shall report the results of internal audits to the Chief Executive Officer and the Audit Committee.
 - (4) In order to ensure the appropriateness and reliability of financial reporting of the Olympus Group, the internal audit function shall continue to conduct improvement activities by regularly evaluating its efforts and operations to ensure that control activities relating to financial reporting function effectively under the internal control system.
 - (5) Olympus Corporation shall be responsible for working with lawyers, the police and other parties to systematically stand firm against anti-social forces and organizations which threaten societal order and safety. The Olympus Group continuously shall conduct measures for excluding anti-social forces and prepare relevant rules and regulations in order to maintain its social responsibility to exclude anti-social forces.

<Overview of Status of Management>

- (1) Olympus Corporation has established the “Management Basic Policy,” basic policy the Board of Directors relies on when the Board of Directors monitors the execution of duties of directors and executive officers. In addition, it has established the Olympus Global Code of Conduct and internal corporate regulations for quality, product safety, and export control, etc., based on the Corporate Philosophy. In addition, in order to instill the contents of this policy, we implement training, e-learning and other educational programs, as well as employee-participatory campaigns and other initiatives. Furthermore, as a global MedTech company, we consider patient safety to be our top priority, and we have stepped up efforts to instill this as part of our corporate culture, such as including “Patient Focus” in “Our Core Values” as part of our corporate philosophy, as well as by setting performance goals for all employees that focus on patient safety.
- (2) Under direction of the Chief Compliance Officer, Olympus Corporation regularly holds meetings and checks globally important measures. In addition, it provided compliance training to employees of the Olympus Group. Furthermore, it has familiarized employees with the whistleblowing system, and Olympus Corporation accepts reports through our global reporting desk, which is available 24 hours a day, 365 days a year by phone or online in multiple languages, as well as through our regional internal reporting desk.
- (3) The internal audit function makes proposals to the Board of Directors and the Audit Committee for discussion in accordance with the internal audit regulations, and reports the audit implementation status and others to the CEO, the Group Executive Committee, and the Audit Committee.
- (4) Olympus Corporation reports the internal control evaluation implementation policy of financial reports and its management status to the Board of Directors, the CEO, the Group Executive Committee, and the Audit Committee.
- (5) Olympus Corporation conducts measures for excluding anti-social forces, such as investigations on transactions of the Olympus Group in accordance with the rules for excluding anti-social forces.

2. Framework regarding the maintenance of records and management of information in relation to performance of duties by executive officers of Olympus

- (1) Pursuant to laws and regulations and the internal rules on document management in each region, Olympus Corporation shall maintain and manage documents or electronic data.
- (2) Directors may access important documents such as the minutes of a meeting of the Board of Directors and documentary approvals when necessary based on the internal rules on document management.

<Overview of Status of Management>

- (1) Pursuant to laws and regulations and the internal rules on document management in each region, Olympus Corporation saves the minutes of the Board of Directors’ meetings and other important documents and electromagnetic information pertaining to the execution of duties by executive officers.
- (2) Olympus Corporation stipulates that directors may access important documents when necessary.

3. Regulations and other framework relating to managing risks of loss of the Olympus Group

- (1) Olympus Corporation shall manage its business risks of the Olympus Group based on due deliberations held at meetings of the Board of Directors and the Group Executive Committee, among other meetings, and appropriate operation of the internal approval procedure.

The Board of Directors shall determine basic management policy, matters related to the internal control system, other important matters and important matters related to business execution, as well as deciding matters to delegate to executive officers. Also, for important matters not decided by the Board of Directors, executive officers shall make a decision, and make a report to the Board of Directors.

- (2) Olympus Corporation shall manage risks such as those relating to quality, product safety, export control, information security, health and safety, the environment and disasters by designating functions in charge, establishing internal corporate regulations, working for preventive risk management as the Olympus Group, and implementing education and training.
- (3) Based on the Internal Control Rules and other related rules, Olympus Corporation shall prevent the emergence of serious risks resulting from the business activities of the Olympus Group, and shall create, operate appropriately, and manage a risk management system to minimize damage in the event of such risks emerging. Moreover, pursuant to the Risk Management Operation Rules, each function in charge in the Olympus Group shall be aware of risks and take preventative measures, and Olympus Corporation has a framework which enables prompt actions in the event of an emergency. In the event of a violation of corporate ethics, or an earthquake, fire or accident, the function in charge shall make immediate reports to the executive officers and relevant people. The final determination in such circumstance shall be made by the Chief Executive Officer.

<Overview of Status of Management>

- (1) Olympus Corporation makes a proposal to the Board of Directors for resolution of significant matters of the Olympus Group, such as corporate strategy and business plans, following sufficient deliberations at meetings of the Group Executive Committee. Executive officers make decisions on matters delegated by the Board of Directors in accordance with the Job Authority Rules and report to the Board of Directors based on the Board of Directors Meeting Agenda and Reporting Standards. In addition, Olympus Corporation regularly and systematically held the meetings of the Group Executive Committee and the Board of Directors. It also performed business risk management of the Group by due operations of approval procedures using the electric approval system.
- (2) Olympus Corporation, as necessary, establishes and amends internal rules, holds meetings, and provides education regarding risks such as those relating to quality, product safety, export control, information security, health and safety, the environment and disasters. In particular, as a global MedTech company, Olympus Corporation places the highest priority on patient safety and is working to strengthen our quality assurance and regulatory affairs (QA&RA) systems. In addition, with regard to information security, Olympus has been working to enhance its incident response structure so that we can more promptly respond to incidents across the entire Olympus Group.
- (3) Based on the Internal Control Rules and other related rules, Olympus Corporation is making risk management efforts as the Olympus Group such as providing necessary education and training and holding meetings. In addition, Olympus performs risk assessment of each business and each function in charge, and reports the results to the Board of Directors. Furthermore, Olympus Corporation conducts training for prompt response in case a disaster occurs.

4. Framework to ensure the effective performance of duties by executive officers of Olympus Corporation and directors of its subsidiaries
 - (1) The Board of Directors shall approve medium- and long-term corporate strategy in which the business objectives of the Olympus Group are set forth, and action plans for these, which are called business plans and other important matters. In addition, the Board of Directors shall delegate except matters that should be resolved by the Board of Directors to executive officers in order to enhance efficient and agile decision-making on the execution of business. In addition, the Board of Directors shall receive reports, once a quarter, on business performance in order to evaluate the status of our business plan, and monitor executive officers' performance of duties.
 - (2) The Board of Directors shall determine the assignment of duties among the executive officers. In addition, the Board of Directors shall receive, at least once every three months, reports on their duties as performed.

- (3) Based on the Job Authority Rules, Organization Rules, and other related rules, Olympus Corporation shall define the responsibilities and authorities of major job ranks and the Board of Directors receives reports from major management organizations on their duties as performed.
- (4) With the establishment of Treasury Control Framework, which regulate financial policies as a base for financial operations of the Olympus Group, Olympus Corporation strengthens the governance of the Olympus Group from a financial aspect, and oversees and manages funding, foreign exchange, and transactions with financial institutions for the Olympus Group including the subsidiaries.

<Overview of Status of Management>

- (1) The Board of Directors approves business plans based on corporate strategy and other important matters after deliberations. The Board of Directors delegates matters on the execution of business except matters that should be resolved by the Board of Directors to executive officers in order to enhance efficient and agile decision-making. During the fiscal year ended March 31, 2024, 14 meetings of the Board of Directors were held.
- (2) The Board of Directors determines the assignment of duties among the executive officers and receives reports on their duties as performed.
- (3) Olympus Corporation defined the responsibilities and authorities of major job ranks based on the related rules, and conducts reviews based on organizational structure and other factors as appropriate. The Board of Directors receives reports on their duties as performed.
- (4) Based on the Treasury Control Framework, Olympus Corporation regularly oversees and manages funding, foreign exchange, and transactions with financial institutions for the subsidiaries by receiving this information, and making periodic reports to directors on the status of the entire Group's funds.

- 5. Framework for reporting to Olympus Corporation on matters concerning execution of duties by the directors and employees of the subsidiaries

- (1) After Olympus Corporation has clarified the management criteria of subsidiaries by means of the Affiliated Company Management Rules and other related rules, the officers responsible for the regional headquarters shall conduct reviews of the situation faced by subsidiaries' management, and periodically report the results of the reviews to the CEO of Olympus Corporation.
- (2) Olympus Corporation shall ensure receiving reports as appropriate and in a timely manner from the subsidiaries in accordance with the Global Consolidated Accounting Control Framework to ensure that we will remain accurately informed of financial position and results of operation of the Olympus Group, and appropriately maintain and manage the consolidated accounting policies.

<Overview of Status of Management>

- (1) The officers responsible for the regional headquarters regularly conduct reviews of the situation faced by subsidiaries' management and reports the results of the reviews to the CEO of Olympus Corporation. Based on the results of the review, the status of subsidiaries is constantly being monitored.
- (2) Olympus Corporation receives necessary financial information as appropriate and in a timely manner from the subsidiaries in accordance with the Global Consolidated Accounting Control Framework to confirm and approve the content.

- 6. Other framework to ensure the appropriateness of business operations in the Olympus Group

- (1) Olympus Corporation shall dispatch its executive officers, corporate officers, or employees to major subsidiaries as directors, auditors, or other equivalent positions, and the head of each function manages such whole function within the Olympus Group. Furthermore, in order to ensure the fairness of operations of subsidiaries, Olympus Corporation requests them to obtain our approval for significant matters of subsidiaries based on the Job Authority Rules and any other related rules.

- (2) Olympus Corporation has appointed an officer in charge of ESG and set goals related to ESG in the Olympus Group and shall continue to work on them. Moreover, Olympus Corporation has set ESG-related indicators as part of the performance-linked compensation for executives and is strengthening its efforts as a corporate strategy.

<Overview of Status of Management>

- (1) Olympus Corporation dispatches its officers, etc. to major subsidiaries as directors, or other equivalent positions, and the head of each function manages the whole of the relevant function within the Olympus Group. In addition, Olympus Corporation also deliberates on significant matters of subsidiaries based on the Job Authority Rules and any other related rules.
- (2) Olympus Corporation is taking steps to achieve its goals, including bolstering its system for monitoring the progress of its ESG strategy. Moreover, it has set evaluation results by ESG rating agencies as indicator for part of long-term incentive compensation that is performance-based compensations for executives.

II Matters necessary for the execution of duties of the Audit Committee

1. Framework for matters related to employees whose assignment is to assist in the duties of Olympus Corporation' Audit Committee, and matters related to the independence of those employees from the executive officers of Olympus Corporation, and matters related to ensuring the effectiveness of instructions from the Audit Committee of Olympus Corporation to those employees

Olympus Corporation shall allocate a dedicated employee who will assist with the Audit Committee's duties. Moreover, Olympus Corporation may have a concurrent employee as needed. In addition, we shall set forth internal corporate regulations to ensure independence from execution as stated below, and ensure effectiveness of directions from the Audit Committee to such employees.

- 1) While employees who have been assigned to assist in the duties of the Audit Committee assist in those duties, directors (excluding Audit Committee Members), executive officers and employees, etc. shall not give them commands or instructions.
- 2) The appointment, dismissal, transfer, wage or personnel evaluation of employees who are assisting the Audit Committee with their duties shall be decided only after obtaining the approval of the Audit Committee.

<Overview of Status of Management>

Olympus Corporation has established the Office of Audit Committee and allocated four dedicated employees as of March 31, 2024. In addition, pursuant provisions of the internal corporate regulations, we have ensured these employees' independence from execution, and ensure effectiveness of directions from the Audit Committee to such employees as follows.

- 1) While employees who have been assigned to assist in the duties of the Audit Committee assist in those duties, directors (excluding Audit Committee Members), executive officers and employees, etc. shall not give them commands or instructions.
- 2) The appointment, transfer, etc. of employees who are assisting the Audit Committee with their duties shall be decided only after obtaining the approval of the Audit Committee. Wage, personnel evaluation, etc. of such employees shall be decided after the Audit Committee confirms and consents to contents evaluated by Standing Audit Committee Members.

2. Framework regarding reports by directors (except those who are members of the Audit Committee), executive officers and employees of Olympus Corporation to the Audit Committee, and reports by directors and employees of the subsidiaries of Olympus or personnel who have received reports from them to the Audit Committee Olympus

- (1) When directors (except those who are members of the Audit Committee), executive officers, or employees of Olympus Corporation, as well as any directors, Audit and Supervisory Board Members, or employees of a subsidiary discover any material fact in violation of laws, regulations, or the Articles of Incorporation, any fact that may cause significant damage to the Olympus Group, or any fact that is significantly inappropriate for the corporate affairs of the Olympus Group, they shall immediately report such fact to the Audit Committee, either directly or through the responsible function. In other cases where the Audit Committee requests a report from a director, executive officer, or employee, etc. of the Olympus Group, in accordance with laws and regulations or Audit Committee Rules etc., the director, executive officer, or employee in question shall promptly report to the Audit Committee.
- (2) Chief Compliance Officer shall regularly make reports to the Audit Committee on the status of compliance within the Olympus Group. In addition, Chief Compliance Officer shall regularly make reports on details of issues reported and results of investigations in accordance with the Internal Reporting System.
- (3) The internal audit function of Olympus shall regularly report the status of internal audit in the Olympus Group to the Audit Committee of Olympus.

<Overview of Status of Management>

- (1) At Olympus Corporation, when directors, executive officers, corporate officers, or employees of Olympus Corporation and its subsidiaries discover any material fact in violation of laws and regulations, any fact that may cause significant damage to the Olympus Group, or any fact that is significantly inappropriate for the corporate affairs of the Olympus Group, Olympus Corporation shall report such fact to the Audit Committee. In addition, when reporting is requested from the Audit Committee, Olympus Corporation is working closely together with the Committee including making prompt reports to the Audit Committee.
- (2) Chief Compliance Officer regularly and as needed makes reports to the Audit Committee on the status of compliance and internal reporting as well as results of investigation.
- (3) Chief Internal Audit Officer regularly and as needed reported to the Audit Committee on internal audit plans and audit status.

3. Framework to ensure that any personnel who have made a report to the Audit Committee of Olympus Corporation will not be subjected to any unfair treatment due to the report made Olympus Corporation shall set forth internal corporate regulations and shall not impose any unfair treatment (including de-facto measures such as restricting the personnel to engage in duties, or assigning the personnel solely to work on chores, in addition to measures of personnel affairs such as dismissal, demotion, pay cut and other disciplinary actions and disadvantageous transfer) to any personnel who have made a report on the grounds of having made a report to the Audit Committee.

<Overview of Status of Management>

Under the rules concerning the framework supporting duties of Audit Committee Members and the Audit Committee and other rules, Olympus Corporation has been strictly prohibited from unfairly treating anyone who made a report to the Audit Committee for the reason of making such report, and the rules have been complied with.

4. Matters regarding procedures for advance payment of expenses incurred in connection with execution of duties by the Audit Committee Members of Olympus Corporation and their reimbursement, and treatment of other expenses or liabilities incurred in connection with execution of the duties
 When an advance payment or reimbursement of expenses is requested for execution of duties of Audit Committee Members, Olympus Corporation shall promptly, in accordance with Olympus Corporation's rules and regulations, process disbursement except for such case that the expense is obviously deemed unnecessary for execution of duties by Audit Committee Members.

<Overview of Status of Management>

Olympus Corporation has budgeted for the activities of the Audit Committee, and reimburses required expenses as appropriate upon request from Audit Committee Members.

5. Other systems to ensure the effectiveness of audit by the Audit Committee of Olympus Corporation
 - (1) Directors, executive officers and employees of Olympus Corporation and directors and employees of the subsidiaries shall ensure effectiveness of the audit by cooperating with the Audit Committee for investigations by interviews and on-site inspections.
 - (2) Olympus Corporation shall ensure that it provides the Audit Committee with opportunities to sufficiently exchange opinions with directors, executive officers, Accounting Auditors and any other personnel necessary.
 - (3) Olympus Corporation shall ensure that Audit Committee Members have opportunities to attend important meetings.
 - (4) The Audit Committee shall work closely with the internal audit function to receive reports on audit results, etc. from the internal audit function, and the Audit Committee may exercise its authority to give instructions and make commands to the internal audit function as necessary.
 - (5) Olympus Corporation shall ensure that it provides the Audit Committee with, upon their request, opportunities of collaboration between the Audit Committee and Audit Committee of the subsidiaries and collecting information from employees of the subsidiaries.

<Overview of Status of Management>

- (1) The Audit Committee conducted a total of 54 interviews with directors, executive officers, corporate officers and employees of Olympus Corporation including on-site inspections.
- (2) The Audit Committee regularly and as needed exchanges opinions with directors, executive officers, corporate officers, Accounting Auditors and any other personnel necessary.
- (3) Olympus Corporation ensures opportunities where the Audit Committee Members attend important meetings such as meetings of the Group Executive Committee. During the current fiscal year, the Standing Audit Committee Members attend necessary meetings and share information at such meetings with the Audit Committee as appropriate.
- (4) The internal audit function regularly and as needed reports to the Audit Committee. In addition, the Audit Committee requests an investigation or gives specific instructions to the internal audit function as necessary.
- (5) Olympus Corporation ensures that the Audit Committee has the opportunity to gather information from the auditors and employees of its subsidiaries. During the current fiscal year, the Audit Committee interviewed subsidiaries and conducted on-site inspections of subsidiaries.

[Overview of Content of Liability Limitation Agreement]

In order to enable directors to fully discharge their expected functions, we have entered with directors (excluding executive directors, etc.) into agreements based on the provisions of Article 427, paragraph (1) of the Companies Act which limit the indemnification liability pursuant to Article 423, paragraph (1) of the Companies Act, such that the indemnification liability under the said agreements corresponds to the statutory minimum indemnification liability amount. This limitation of liability applies only when the liability is the result of a director performing their duties in good faith and without gross negligence.

[Overview of Content of Indemnification Agreement]

Olympus Corporation has entered into indemnification agreements pursuant to Article 430-2, Paragraph 1 of the Companies Act with all directors and executive officers. Olympus Corporation will indemnify the directors and executive officers for the expenses mentioned in the first item of the same paragraph and for the losses mentioned in the second item of the same paragraph to the extent provided by law. To ensure that the proper execution of duties is not impaired by such an indemnification agreement, directors or executive officers will not be indemnified for cases such as malicious intent or gross negligence on the part of each director or executive officer in performing his or her duties.

[Overview of Content of Directors and Officers Liability Insurance Agreement]

We have entered into directors and officers liability insurance agreements with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. Insured persons in this insurance agreements include officers and managerial employees of Olympus Corporation and its subsidiaries (in Japan), and insurance premiums are paid in full by Olympus Corporation. The insurance agreements cover damages that may arise when the insured person assumes liability for the execution of his or her duties or receives claims related to the pursuit of such liability. We will bear the full amount of the insurance premiums. However, the Olympus Group takes measures to ensure that the proper execution of duties is not compromised by excluding damage claims resulting from criminal acts or acts performed with an awareness of legal violations not covered by insurance.

[Number of Directors and Resolution Requirements for the Election of Directors]

The Articles of Incorporation stipulate that Olympus Corporation shall have no more than 15 directors. Furthermore, the Articles of Incorporation stipulate that directors shall be elected by a majority of voting rights of the shareholders present at the General Meeting of Shareholders where shareholders holding one-third or more of the voting rights of all shareholders entitled to exercise voting rights at the meeting are present and that a resolution for election of directors shall not be passed by cumulative voting.

[Matters for Resolution by the General Meeting of Shareholders Which Can Be Resolved on by the Board of Directors]

In order to carry out capital policy in accordance with changes in the business environment and to carry out flexible return of profits to shareholders, we stipulate in its Articles of Incorporation that matters, including dividends from surplus, set forth in each item of Article 459, Paragraph 1 of the Companies Act shall be decided by resolutions of the Board of Directors, not those of General Meeting of Shareholders, unless otherwise provided by laws and regulations.

Furthermore, the Articles of Incorporation stipulate that in order to enable directors and executive officers to fully fulfill the roles expected of them, Olympus Corporation can, by a resolution of the Board of Directors, pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, in cases where the statutory requirements are satisfied, exempt directors (including former directors) and executive officers (including former executive officers) from the indemnity liability pursuant to Article 423, Paragraph 1 of the Companies Act, limited to the balance of the indemnity liability amount reduced by the statutory minimum liability amount.

[Requirements for Special Resolutions of the General Meeting of Shareholders]

The Articles of Incorporation stipulate that in order to facilitate the operations of the General Meeting of Shareholders by relaxing the quorum requirements for special resolutions of the General Meetings of Shareholders, special resolutions of the General Meetings of Shareholders prescribed in Article 309, Paragraph 2 of the Companies Act shall be passed by two-thirds or more

of the voting rights of the shareholders present at the meeting where shareholders holding one-third or more of the voting rights of all shareholders entitled to exercise voting rights at the meeting are present.

[Basic Policy regarding Persons who Control Decisions on Financial and Business Policies]

The basic policy on control of a joint stock company is as follows.

Olympus Corporation believes that the persons who control decisions on Olympus Corporation's financial and business policies need to be persons who fully understand the details of Olympus Corporation's financial and business affairs and the source of Olympus Corporation's corporate value and who will make it possible to continually and persistently ensure and enhance Olympus Corporation's corporate value and, furthermore, the common interests of its shareholders.

Olympus Corporation will not indiscriminately reject a large-scale acquisition of Olympus Corporation's shares if it will contribute to the corporate value of Olympus Corporation, and furthermore, the common interests of its shareholders. Olympus Corporation also believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of a joint stock company.

Nonetheless, there are some forms of a large-scale acquisition that benefits neither the corporate value of the target company nor, furthermore, the common interests of its shareholders. Unless a person who would make a large-scale acquisition of Olympus Corporation's shares understands the source of Olympus Corporation's corporate value and would ensure and enhance these elements over the medium-to-long term, the corporate value of Olympus Corporation and, furthermore, the common interests of its shareholders would be harmed. Olympus Corporation believes that persons who would make a large-scale acquisition of Olympus Corporation's shares in a manner that does not contribute to the corporate value of Olympus Corporation and, furthermore, the common interests of its shareholders would be inappropriate to become persons who would control decisions on Olympus Corporation's financial and business policies. Against a large-scale acquisition of Olympus Corporation's shares by such persons, in order to ensure the corporate value of Olympus Corporation and, furthermore, the common interests of its shareholders, Olympus Corporation will require the acquirer, etc. to provide necessary and sufficient information, disclose relevant information appropriately in a timely manner, and ensure that shareholders will have sufficient information and time needed to make proper decisions whether or not the large-scale acquisition is acceptable. Olympus Corporation will also take other appropriate measures within the scope permitted by the Financial Instruments and Exchange Act, the Companies Act, other laws and ordinances, and the Articles of Incorporation.

(iv) Status of Other Corporate Governance Initiatives

[Risk Management]

In FY2024 Olympus Corporation decided to move to an approach of 'Aligned Assurance', which enables company-wide assurance process across the functional boundaries, bringing all risk and compliance management activities under the leadership of a newly established Governance, Risk and Compliance ("GRC") Function which is also in charge of Privacy and Information Security Governance. The aim of the approach is to provide the organization with a holistic view of its risks, provide decision relevant information and manage risk mitigation consistently.

With the creation of Regional Risk Assurance and Compliance Committees ("R-RACC") reporting to the newly established Global Risk Assurance and Compliance Committee ("G-RACC") in FY2024, Olympus will aim to ensure that executive management has sufficient visibility and oversight of reported risks. From FY2025, the Regional Representative Officers alongside the regional Chief Compliance Officer and regional Head of GRC plan to direct the R-RACC meetings on a regular basis. At the global level, the Olympus Chief Executive Officer (CEO) and Global Chief Compliance Officer (CCO)/ Head of GRC co-chair the discussion. The Global CCO and Head of GRC have reporting lines to the Audit Committee.

With new Executive Officers appointed, and their areas of responsibility being different to their predecessors, the accountability for each risk has been reviewed and, if need be, changed to the Executive Officer now in charge of risk mitigation.

In FY2024, the Enterprise Risk Management (“ERM”) approach as a first step to Aligned Assurance has therefore been enhanced. In addition to assessing the likelihood and impact of each reported risk, Olympus also analyzes the preparedness of the organization (vulnerability) and the possible speed of onset of a risk (velocity) to determine different types of mitigation actions indicated. Business Continuity Management is understood as one of the risk mitigation measures and part of the ERM system. In this process, we have defined the roles and collaboration among the Risk Owners (first line), the functions that support and guide the Risk Owners and monitor and reports risk management activities (second line) such as GRC and QARA, and the Audit department (third line), based on a three-line model. An enhanced global enterprise risk report covering the risk landscape and mitigation measures –has been rendered to the Group Executive Committee and Board of Directors in FY2024. The report also forms the basis for the corporate disclosures, including this annual securities report and the annual integrated report.

With this enhanced ERM approach we will continue to understand risk management from the perspective of both “offense” through active and appropriate risk taking for leading to sustainable growth and value creation for Olympus Corporation and “defense” to prevent certain risks, illegalities and accidents.

[Compliance]

The Olympus Group has established the Olympus Global Code of Conduct, which explains our unwavering commitment to integrity, our passion for what we do, and our shared standard of excellence. Our Code is designed to help put Our Purpose and Core Values into practice. It serves as our guide to ethical and responsible business conduct, along with local policies and procedures. 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 CEO is responsible for compliance with applicable laws and regulations within the business operations of the Olympus Group and has appointed the Global 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 managers of the GRC Function, works with regional headquarters to implement compliance activities and observe internal regulations which are reflective of best practices through the Compliance Management Systems.

During fiscal year 2024, the CCO led key initiatives including implementation of the G-RACC, as well as R-RACC, operationalization of the company’s first Global Internal Investigations Policy and Global Internal Investigations Committee, advancements to its Compliance risk assessment and mitigation processes, as well as the Company’s ERM and Business Continuity Management approach, and improvement of the third-party management policy, procedure and processes, now fully globalized.

[Information Security]

We have been propelling activities to enhance the security of our products and services so that we can properly protect, manage, and securely use the business-related information and internal operational information as well as provide safe and reliable products and services.

In the current fiscal year, we implemented various initiatives based on the information security roadmap we established in the fiscal year ended March 31, 2022. Specifically, for cyber-attacks, we have put in place a global incident response team and process, implemented table-top exercises, and improved processes for information asset management in the product development and manufacturing environment. Additionally, to ensure that new and existing products comply with the laws and regulations of each country, processes for product development and responding to

customer inquiries were improved. Furthermore, we have initiated efforts associated with Artificial Intelligence (AI) governance, including creation of guidelines for utilizing generative AI, as represented by ChatGPT.

The objective of these efforts is to enable us to increase resilience to cyber-attacks not only in our general IT systems but also in our product development and manufacturing environments, continuously ensure product security not only in the development phase but throughout the product lifecycle. It is also to enhance our ability to utilize, protect and secure confidential business information.

[Privacy]

In the previous fiscal year, Olympus appointed a Global Chief Privacy Officer (CPO) to build a dedicated global function and to streamline regional privacy compliance programs and initiatives. The newly implemented Privacy function was tasked with connecting the evolving global Olympus business strategy with Olympus' commitment to implement a respectful, fair and transparent approach towards collecting and using personal data across the business. Olympus' products and services are being designed to comply with applicable Privacy requirements.

In the current fiscal year, once we established a global privacy program, we defined integral Olympus privacy capabilities and their current maturity levels; thus, we have established a transparent strategy to build, implement, and operationalize these capabilities over the following fiscal years. In particular, we developed and adopted a global internal Privacy Policy. To make this an accessible and usable tool, the policy was complimented with a more user friendly and interactive version. In an effort to increase awareness and educate all Olympus employees, we created and launched a new global privacy eLearning module to further engrain key privacy principles and concepts into the organization. Moreover, we identified potential privacy control gaps that exist in the organization while agreeing on mid-term and long-term implementation roadmaps to drive privacy maturity in our engagements with third parties. We are also aligning global security incident management practices with legal and regulatory requirements to define data breach and response criteria.

At an organizational level, we established a Privacy Operations Center of Excellence (Priv Ops CoE). The Priv Ops CoE supports the function with the creation and implementation of privacy processes. Furthermore, the Priv Ops CoE strengthens the privacy program by driving standardization and automation.

With the implementation of these organizational, procedural, and operational activities, Olympus aims to accelerate the maturity of its privacy program to align with best practices. By enabling our Olympus business functions and educating our business stakeholders about the importance of privacy, we are creating a culture for our employees to play their part in the expansion of Olympus' Privacy initiatives. As Olympus evolves with its Digital Transformation, the strength and maturity of our privacy program aim to enhance our offerings and build brand trust within the industry.

[Quality Management]

Continuing on from the previous fiscal year, in the current fiscal year, we have been engaged in various activities to maintain and improve our organizational culture in which employees in not only the quality assurance and regulatory affairs function but all functions and regions of the Olympus Group, act with the safety and security of patients as the top priority, in line with the Olympus Group Quality Policy, in order to further improve the mindset of all Olympus Group employees to place importance on safety and quality. We integrated corrective actions to address issues pointed out by the U.S. Food and Drug Administration (FDA) and quality transformation projects into a holistic program called "Elevate." Elevate not only addresses issues raised by the FDA but is also expected to continuously improve product lifecycle management, reduce costs and increase efficiency through the digitalization of business processes, and shorten lead times from product development to approval and launch, and we believe this will be a key initiative for innovation, growth, and profitability enhancement.

We revised our Corporate Philosophy "Our Core Values" in January 2024. In order to build a corporate culture that emphasizes the necessary quality as a MedTech company, we have added new core values such as putting patients first and clarified the key points we should focus on.

As for the Chief Quality Officer (CQO), the head of the quality assurance and regulatory affairs function, in April 2024, Boris Shkolnik, a global leader in quality assurance, took over the position from Pierre Boisier, who has held the position for the past three years and led the Olympus Group's quality assurance and regulatory affairs. Like Pierre Boisier, Boris Shkolnik also has extensive experience in many MedTech companies, and under the new CQO, we aim for swift and appropriate decision-making and responses appropriate for a global MedTech company. Pierre Boisier will continue to contribute to quality assurance and regulatory affairs as an executive advisor.

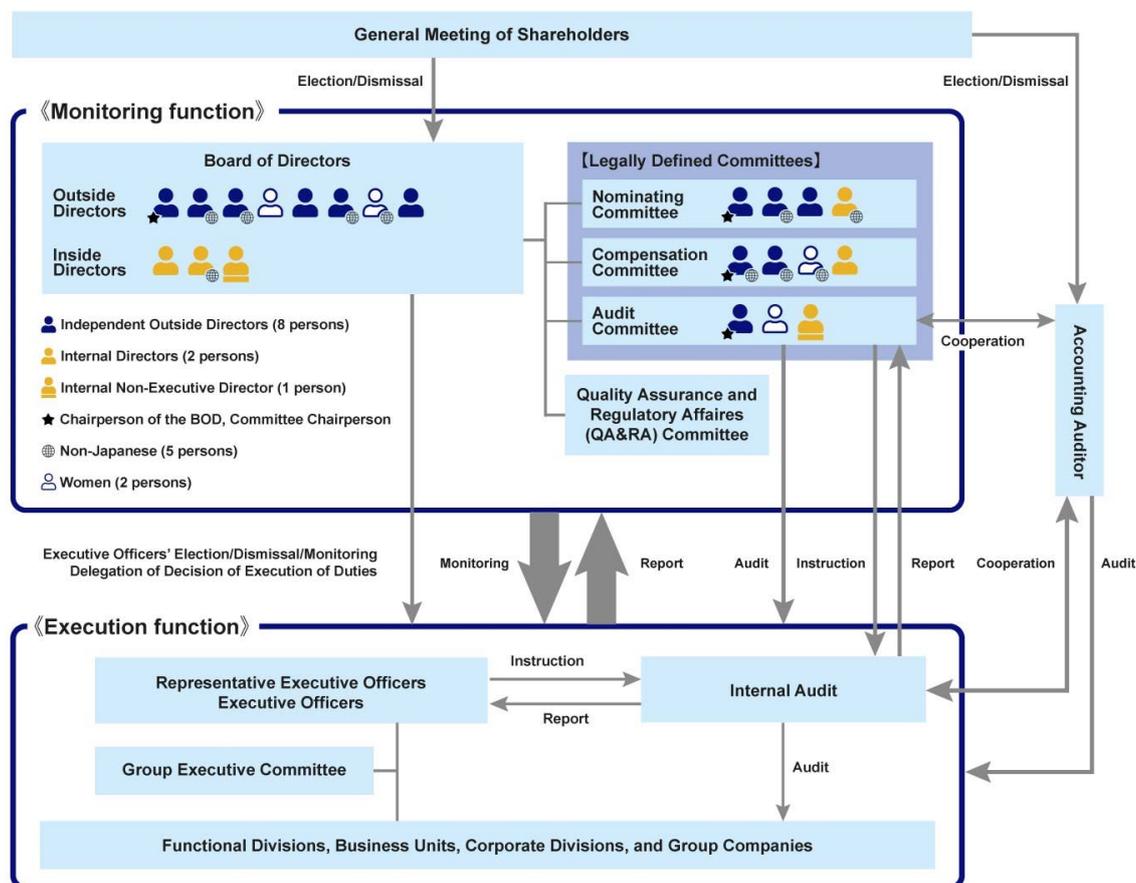
The Olympus Group will continue to improve the quality of our operations globally and contribute to the safety and security of patients.

As of the closing date of the General Meeting of Shareholders (June 26, 2024)

(i) Basic Concepts Regarding Corporate Governance

[Corporate Governance Structure (as of the closing date of the General Meeting of Shareholders, June 26, 2024)]

Our corporate governance structure will be as shown in the following diagram.



* Olympus Corporation established the Quality Assurance and Regulatory Affairs (QA&RA) Committee as an optional committee in April 2023 to oversight and report on the progress of the establishment of the quality assurance and regulatory affairs (QA&RA) structure required of a global MedTech company, from the perspective of compliance with relevant laws and regulations, collaboration among internal functions, and securing human and other resources.

The composition of the Board of Directors and each committee is planned to be as follows.

Position	Name	Board of Directors	Nominating Committee	Compensation Committee	Audit Committee
Independent Outside Director	Sumitaka Fujita	◎	◎		
Independent Outside Director	David Robert Hale	○		○	
Independent Outside Director	Jimmy C. Beasley	○		◎	
Independent Outside Director	Sachiko Ichikawa	○			○
Independent Outside Director	Kohei Kan	○			◎
Independent Outside Director	Gary John Pruden	○	○		
Independent Outside Director	Luann Marie Pendy	○		○	
Independent Outside Director	Masato Iwasaki	○	○		
Director	Yasuo Takeuchi	○		○	
Director	Stefan Kaufmann	○	○		
Director	Toshihiko Okubo	○			○

○ indicates member, ◎ indicates the chair (Chairperson of the Board of Directors or Committee).

(2) Status of Officers

(i) Officers

a. Directors

1. The status of Olympus Corporation's directors as of the filing date of the Annual Securities Report (June 20, 2024) is as follows.

Men officers: 18, women officers: 3 (14% of Officers are women) *Figure of the left includes the number of executive officers.

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Sumitaka Fujita	December 24, 1942	<p>April 1965 Joined ITOCHU Corporation</p> <p>June 1995 Director, ITOCHU Corporation</p> <p>April 1997 Managing Director, ITOCHU Corporation</p> <p>April 1998 Representative Managing Director, ITOCHU Corporation</p> <p>April 1999 Representative Senior Managing Director, ITOCHU Corporation</p> <p>April 2001 Representative Executive Vice President, ITOCHU Corporation</p> <p>April 2006 Representative Vice Chairperson, ITOCHU Corporation</p> <p>June 2006 Director, Vice Chairperson, ITOCHU Corporation</p> <p>June 2007 Outside Director, Orient Corporation</p> <p>June 2008 Senior Corporate Adviser, ITOCHU Corporation Outside Director, Furukawa Electric Co., Ltd. Outside Auditor, NIPPONKOA Insurance Company, Limited (currently Sompo Japan Insurance Inc.)</p> <p>June 2009 Outside Director, Nippon Sheet Glass Co., Ltd.</p> <p>April 2010 Outside Director, NKSJ Holdings, Inc. (currently Sompo Holdings, Inc.)</p> <p>June 2011 Chairperson, Japan Association for Chief Financial Officers</p> <p>April 2012 Outside Director, Olympus Corporation (present)</p>	(Note 3)	19,801 [8,646] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Yasumasa Masuda	February 27, 1957	<p>April 1980 Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)</p> <p>June 2008 Corporate Executive, Vice President, Corporate Finance & Control, Astellas Pharma Inc.</p> <p>June 2011 Corporate Executive, Vice President, Corporate Finance & Control, and Chief Financial Officer, Astellas Pharma Inc.</p> <p>April 2012 Corporate Executive, Vice President and Chief Financial Officer, Astellas Pharma Inc.</p> <p>June 2012 Senior Corporate Executive, Senior Vice President and Chief Financial Officer, Astellas Pharma Inc.</p> <p>April 2017 Senior Corporate Executive, Senior Vice President and Assistant to President, Astellas Pharma Inc.</p> <p>June 2017 Independent Non-Executive, Deloitte Touche Tohmatsu LLC</p> <p>June 2018 Independent Non-Executive, Deloitte Tohmatsu LLC Outside Director, Olympus Corporation (present)</p> <p>June 2023 Outside Auditor, SUBARU CORPORATION (present)</p> <p><Important concurrent positions> Outside Auditor, SUBARU CORPORATION</p>	(Note 3)	12,334 [8,646] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	David Robert Hale	December 21, 1984	<p>September 2007 Joined The Parthenon Group (currently EY-Parthenon)</p> <p>January 2009 Assigned as Analyst to Strategic Value Capital* * An investment subsidiary of The Parthenon Group</p> <p>June 2009 Senior Associate, The Parthenon Group</p> <p>May 2010 Principal, The Parthenon Group</p> <p>January 2011 Joined ValueAct Capital Management L.P.</p> <p>December 2012 Vice President, ValueAct Capital Management L.P.</p> <p>May 2014 Partner, ValueAct Capital Management L.P.</p> <p>March 2015 Director, MSCI Inc.</p> <p>August 2015 Director, Bausch Health Companies Inc.</p> <p>June 2019 Outside Director, Olympus Corporation (present)</p> <p>June 2021 Outside Director, JSR Corporation (scheduled to retire on June 27, 2024)</p> <p>August 2023 Co-Chief Executive Officer, ValueAct Capital Management L.P. (present)</p> <p><Important concurrent positions> Outside Director, JSR Corporation (scheduled to retire on June 27, 2024) Co-Chief Executive Officer, ValueAct Capital Management L.P.</p>	(Note 3)	— (Note 4) (Note 5)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Jimmy C. Beasley	April 6, 1963	<p>March 1986 Territory Manager, Roche Laboratories (Division of Hoffman La Roche)</p> <p>June 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.</p> <p>June 2003 President, Bard Access Systems Division, C.R. Bard Inc.</p> <p>April 2007 President, Bard Peripheral Vascular Division, C.R. Bard Inc.</p> <p>May 2009 Group Vice President, C.R. Bard Inc.</p> <p>June 2013 Group President, C.R. Bard Inc.</p> <p>May 2018 Consultant and Executive Advisor* to ValueAct Capital Management L.P. (hereinafter called "VAC")</p> <p>* The executive advisor role is a consulting role to VAC; it is not an employee position. This consulting agreement finished at the end of March 2019.</p> <p>June 2019 Outside Director, Olympus Corporation (present)</p>	(Note 3)	5,946 [3,560] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Sachiko Ichikawa	January 17, 1967	<p>April 1997 Registered as attorney Joined Tanabe & Partners</p> <p>January 2005 Registered as attorney of the State of New York</p> <p>November 2009 Statutory Auditor, The Board Director Training Institute of Japan</p> <p>January 2011 Partner, Tanabe & Partners (present)</p> <p>June 2015 Outside Director, ANRITSU CORPORATION Director, The Board Director Training Institute of Japan</p> <p>April 2018 Registered as certified public accountant of the U.S.A.</p> <p>May 2018 Outside Auditor, Ryohin Keikaku Co., Ltd.</p> <p>June 2020 Statutory Auditor, The Board Director Training Institute of Japan</p> <p>June 2021 Outside Director, Tokyo Electron Ltd. (present) Outside Director, Olympus Corporation (present)</p> <p>June 2022 Director, The Board Director Training Institute of Japan (present)</p> <p>June 2024 Outside Director, Azbil Corporation (assuming the office on June 25, 2024)</p> <p><Important concurrent positions> Partner, Tanabe & Partners Outside Director, Tokyo Electron Ltd. Director, The Board Director Training Institute of Japan Outside Director, Azbil Corporation (assuming the office on June 25, 2024)</p>	(Note 3)	7,105 [7,105] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)	
Outside Director	Yasushi Shingai	January 11, 1956	April 1980	Joined Japan Tobacco and Salt Public Corporation (currently Japan Tobacco Inc.)	(Note 3)	5,798 [5,798] (Note 4)
			June 2004	Executive Officer and Finance Group Leader, Japan Tobacco Inc.		
			July 2004	Executive Officer and Senior Vice President, CFO, Japan Tobacco Inc.		
			June 2005	Director, Executive Officer and Senior Vice President, CFO, Japan Tobacco Inc.		
			June 2006	Director, Japan Tobacco Inc. Executive Vice President and Deputy CEO, JT international S.A.		
			June 2011	Representative Director, Executive Vice President and Deputy CEO, Japan Tobacco Inc.		
			June 2014	Outside Director, Recruit Holdings Co., Ltd.		
			January 2018	Director, Japan Tobacco Inc.		
			March 2018	Outside Director, Asahi Group Holdings, Ltd.		
			June 2018	Outside Director, ExaWizards Inc. (present) Outside Director, Mitsubishi UFJ Financial Group, Inc.		
			June 2019	Outside Director, Dai-ichi Life Holdings, Inc. (present)		
			June 2021	Outside Director, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (present)		
			April 2022	Representative Director, Shingai Institute of Management Consulting, Inc. (present)		
June 2022	Outside Director, Olympus Corporation (present)					

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
			<Important concurrent positions> Outside Director, ExaWizards Inc. Outside Director, Dai-ichi Life Holdings, Inc. Outside Director, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION Representative Director, Shingai Institute of Management Consulting, Inc.		

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Kohei Kan	March 7, 1960	<p>September 1986 Registered as Certificated Public Accountant</p> <p>April 1987 Joined Mita Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>June 1998 Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>November 2013 Board Member, Deloitte Tohmatsu Group and Deloitte Touche Tohmatsu LLC</p> <p>November 2015 Chief Executive Officer, Deloitte Touche Tohmatsu LLC</p> <p>June 2018 Senior Advisor, Deloitte Tohmatsu LLC</p> <p>September 2018 Audit & Assurance Leader, Deloitte Asia Pacific Limited</p> <p>January 2020 Senior Advisor, Deloitte Asia Pacific Limited</p> <p>October 2020 Chief, Kan Kohei Certified Public Accountant Office (present)</p> <p>November 2020 Board Member, International Federation of Accountants “IFAC” (present)</p> <p>January 2022 Senior Advisor, The Japanese Institute of Certified Public Accountants (present)</p> <p>June 2022 Outside Director, Olympus Corporation (present)</p> <p><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</p>	(Note 3)	7,424 [5,798] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Gary John Pruden	May 10, 1961	<p>October 1985 Joined Janssen Pharmaceutica, a division of Johnson & Johnson</p> <p>June 1999 Director of Marketing, GI Franchise Marketing, Janssen Pharmaceutica</p> <p>May 2001 Vice President, Marketing, Primary Care Franchise, Janssen Pharmaceutica</p> <p>November 2002 Vice President, Marketing, CNS Franchise, Janssen Pharmaceutica</p> <p>February 2004 President & Chief Operating Officer, Janssen-Ortho Canada INC</p> <p>January 2006 Worldwide President, Ethicon Products Inc, a division of Johnson & Johnson</p> <p>April 2009 Company Group Chairperson, Ethicon Franchise Inc.</p> <p>January 2012 Worldwide Chairperson, Global Surgery Group, Johnson & Johnson</p> <p>June 2015 Executive Vice President & Worldwide Chairperson, Medical Devices, Johnson & Johnson</p> <p>December 2017 Independent Board Director, Motus GI Holdings Inc. (present)</p> <p>April 2018 Independent Board Director, Lantheus Holdings Inc. (present)</p> <p>December 2019 Chief Executive Officer, GPS Med Tech Strategy Consulting LLC (present)</p> <p>June 2022 Outside Director, Olympus Corporation (present)</p> <p><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</p>	(Note 3)	4,598 [3,560] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Tatsuro Kosaka	January 18, 1953	<p>April 1976 Joined CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>April 1995 Deputy President, Chugai Pharma Europe, Ltd.</p> <p>October 2002 Vice President and General Manager of Corporate Planning Dept., CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>October 2004 Senior Vice President and General Manager of Corporate Planning Dept., CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>March 2005 Senior Vice President and Deputy Managing Director of Sales & Marketing Division, CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>July 2005 Senior Vice President and Head of Strategic Marketing Unit, CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>March 2008 Senior Vice President and Head of Life Cycle Management & Marketing Unit, CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>March 2010 Director and Executive Vice President, CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>March 2012 Representative Director, President and Chief Operating Officer (COO), CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>March 2016 Outside Director, Asahi Group Holdings, Ltd.</p>	(Note 3)	3,560 [3,560] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
			<p>March 2018 Representative Director, President and Chief Executive Officer (CEO), CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>March 2020 Representative Director, Chairperson and Chief Executive Officer (CEO), CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>March 2021 Representative Director and Chairperson, CHUGAI PHARMACEUTICAL CO., LTD.</p> <p>March 2022 Senior Advisor, CHUGAI PHARMACEUTICAL CO., LTD. (present)</p> <p>June 2022 Outside Auditor, Komatsu Ltd. (present)</p> <p>Outside Director, Mitsubishi Electric Corporation (present)</p> <p>Vice Chairperson of Council, Chairperson of Bio-Economy Committee, KEIDANREN (Japan Business Federation) (present)</p> <p>June 2023 Outside Director, Olympus Corporation (present)</p> <p><Important concurrent positions> Senior Advisor, CHUGAI PHARMACEUTICAL CO., LTD. Outside Auditor, Komatsu Ltd. Outside Director, Mitsubishi Electric Corporation Vice Chairperson of Council, Chairperson of Bio-Economy Committee, KEIDANREN (Japan Business Federation)</p>		

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Luann Marie Pandy	May 8, 1960	<p>December 1987 Joined Abbott Laboratories</p> <p>February 1998 Director, Quality Control Production Laboratories, Chemical and Agricultural Product Division, Abbott Laboratories</p> <p>February 2007 Corporate Vice President, Global Quality & Regulatory Affairs, Hospira Inc</p> <p>November 2008 Vice President, Corporate Quality, Medtronic Inc. (currently Medtronic plc.)</p> <p>June 2014 Senior Vice President, Global Quality, Medtronic Inc. (currently Medtronic plc.)</p> <p>November 2017 Senior Vice President, Regulatory Affairs & Global Quality, Medtronic plc.</p> <p>January 2018 Senior Vice President, Chief Quality and Regulatory Affairs Officer, Medtronic plc.</p> <p>June 2023 Outside Director, Olympus Corporation (present)</p>	(Note 3)	3,560 [3,560] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Director Representative Executive Officer, Executive Chairperson and ESG Officer	Yasuo Takeuchi	February 25, 1957	<p>April 1980 Joined Olympus Corporation</p> <p>April 2009 Director, Olympus Europa Holding GmbH (currently Olympus Europa SE & Co. KG)</p> <p>June 2009 Corporate Officer, Olympus Corporation</p> <p>October 2011 Executive Managing Director and Chairperson of the Board, Olympus Europa Holding GmbH (currently Olympus Europa SE & Co. KG)</p> <p>April 2012 Director, Olympus Corporation (present) Senior Corporate Managing Officer, Olympus Corporation Group President of Group Management Office, Olympus Corporation</p> <p>Chairperson of the Board, Olympus Corporation of the Americas</p> <p>Director, Olympus Corporation of Asia Pacific Limited</p> <p>March 2013 Administrative Board and Managing Director, Olympus Europa Holding SE</p> <p>April 2015 Head of Corporate Management Office, Olympus Corporation</p> <p>April 2016 Director, Vice President, Olympus Corporation Chief Financial Officer (CFO), Olympus Corporation Chief Regional Representative Officer, Olympus Corporation</p> <p>April 2019 Representative Director, Olympus Corporation President, Olympus Corporation Chief Executive Officer (CEO), Olympus Corporation</p>	(Note 3)	248,740 [99,641] (Note 4)

Position	Name	Date of birth	Profile		Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
			June 2019	Representative Executive Officer, President and Chief Executive Officer (CEO), Olympus Corporation		
			April 2023	Representative Executive Officer, Executive Chairperson, Olympus Corporation (present) ESG Officer, Olympus Corporation (present)		

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Director, Representative Executive Officer, President and Chief Executive Officer (CEO)	Stefan Kaufmann	January 24, 1968	<p>September 1990 Various roles in operational and strategic HR functions, Karstadt AG</p> <p>October 2000 Head of HR Development, Thomas Cook</p> <p>May 2003 Joined Olympus Europa GmbH (currently Olympus Europa SE & Co. KG) General Manager Human Resources, Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)</p> <p>April 2008 Managing Director Corporate Division, Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)</p> <p>November 2011 Executive Managing Director, Olympus Europa SE & Co. KG</p> <p>September 2013 Managing Director Consumer Business, Olympus Europa SE & Co. KG</p> <p>April 2017 Corporate Officer, Olympus Corporation</p> <p>April 2019 Chief Administrative Officer (CAO), Olympus Corporation</p> <p>Supervisory Board (Chairperson), Olympus Europa Holding SE</p> <p>June 2019 Director, Olympus Corporation (present) Executive Officer and Chief Administrative Officer (CAO), Olympus Corporation</p> <p>April 2022 Chief Strategy Officer (CSO), Olympus Corporation ESG Officer, Olympus Corporation Director, Olympus (China) Co., Ltd.</p>	(Note 3)	169,149 [115,805] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)	
			April 2023	Representative Executive Officer, President and Chief Executive Officer (CEO), Olympus Corporation (present) Chairperson of the Board, Olympus Corporation of the Americas (present)		
Director	Toshihiko Okubo	June 1, 1960	<p>February 1991 July 2005 August 2011 June 2013 April 2014 April 2015 April 2016 April 2019 April 2021 April 2022 April 2023 June 2023</p>	<p>Joined Olympus Corporation President and Chief Executive Officer (CEO), Olympus NDT Corporation (currently Evident Scientific Inc.) General Division Manager of the Life & Industrial Systems, Olympus Corporation Chairperson, Olympus NDT Corporation (currently Evident Scientific Inc.) Corporate Officer, Olympus Corporation Division Manager of the Scientific Solutions Business Strategy Division, Olympus Corporation Head of the Scientific Solutions Business Unit, Olympus Corporation Senior Vice President of New Business Development, Olympus Corporation Senior Vice President of Corporate Planning, Olympus Corporation Deputy Chief Strategy Officer, Olympus Corporation Assistant to Chief Strategy Officer, Olympus Corporation Director, Olympus Corporation (present)</p>	(Note 3)	24,709 [9,688] (Note 4)
Total					512,724 [275,367] (Note 4)	

- Notes:
1. Messrs. Sumitaka Fujita, Yasumasa Masuda, David Robert Hale and Jimmy C. Beasley, Ms. Sachiko Ichikawa, Messrs. Yasushi Shingai, Kohei Kan, Gary John Pruden and Tatsuro Kosaka and Dr. Luann Marie Pendy are outside directors.
 2. Messrs. Sumitaka Fujita, Yasumasa Masuda, David Robert Hale and Jimmy C. Beasley, Ms. Sachiko Ichikawa, Messrs. Yasushi Shingai, Kohei Kan, Gary John Pruden and Tatsuro Kosaka, and Dr. Luann Marie Pendy are independent directors as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.
 3. The term of office shall expire upon the close of the General Meeting of Shareholders pertaining to the final business year ending within one (1) year after election at the General Meeting of Shareholders held on June 27, 2023.
 4. “Number of shares held” indicates the number of shares held as of March 31, 2024. It also includes the number of shares each director holds through the Officers’ Shareholding Association of Olympus Corporation, his/her own equity interest held through a company managing stock compensation of Olympus Corporation as well as the number of shares to be delivered under the stock compensation plan.
 5. Mr. David Robert Hale is a Co-CEO of ValueAct Capital Management L.P. The number of shares of Olympus Corporation held by ValueAct Capital Master Fund, L.P. controlled by ValueAct Capital Management L.P. is 6,403,084 shares as of March 31, 2024.
 6. Olympus Corporation is a company with a Nominating Committee, etc. The structure of the committees is as follows.
Nominating Committee: Messrs. Sumitaka Fujita, Gary John Pruden, Tatsuro Kosaka and Stefan Kaufmann
Compensation Committee: Messrs. Yasushi Shingai and Jimmy C. Beasley and Dr. Luann Marie Pendy
Audit Committee: Mr. Yasumasa Masuda, Ms. Sachiko Ichikawa and Messrs. Kohei Kan and Toshihiko Okubo

2. Olympus Corporation has proposed the “Election of Eleven Directors” as an agenda item (matter to be resolved) at the General Meeting of Shareholders to be held on June 26, 2024, and if the proposal is approved and passed, the directors of Olympus Corporation will be as follows.

The details of the resolutions of the Board of Directors’ meeting scheduled to be held immediately after the General Meeting of Shareholders (such as positions) are included below.

Men officers: 16, women officers: 3 (16% of Officers are women) *Figure of the left includes the number of executive officers.

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Sumitaka Fujita	December 24, 1942	<p>April 1965 Joined ITOCHU Corporation</p> <p>June 1995 Director, ITOCHU Corporation</p> <p>April 1997 Managing Director, ITOCHU Corporation</p> <p>April 1998 Representative Managing Director, ITOCHU Corporation</p> <p>April 1999 Representative Senior Managing Director, ITOCHU Corporation</p> <p>April 2001 Representative Executive Vice President, ITOCHU Corporation</p> <p>April 2006 Representative Vice Chairperson, ITOCHU Corporation</p> <p>June 2006 Director, Vice Chairperson, ITOCHU Corporation</p> <p>June 2007 Outside Director, Orient Corporation</p> <p>June 2008 Senior Corporate Adviser, ITOCHU Corporation</p> <p> Outside Director, Furukawa Electric Co., Ltd.</p> <p> Outside Auditor, NIPPONKOA Insurance Company, Limited (currently Sompo Japan Insurance Inc.)</p> <p>June 2009 Outside Director, Nippon Sheet Glass Co., Ltd.</p> <p>April 2010 Outside Director, NKSJ Holdings, Inc. (currently Sompo Holdings, Inc.)</p> <p>June 2011 Chairperson, Japan Association for Chief Financial Officers</p> <p>April 2012 Outside Director, Olympus Corporation (present)</p>	(Note 3)	19,801 [8,646] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	David Robert Hale	December 21, 1984	<p>September 2007 Joined The Parthenon Group (currently EY-Parthenon)</p> <p>January 2009 Assigned as Analyst to Strategic Value Capital* * An investment subsidiary of The Parthenon Group</p> <p>June 2009 Senior Associate, The Parthenon Group</p> <p>May 2010 Principal, The Parthenon Group</p> <p>January 2011 Joined ValueAct Capital Management L.P.</p> <p>December 2012 Vice President, ValueAct Capital Management L.P.</p> <p>May 2014 Partner, ValueAct Capital Management L.P.</p> <p>March 2015 Director, MSCI Inc.</p> <p>August 2015 Director, Bausch Health Companies Inc.</p> <p>June 2019 Outside Director, Olympus Corporation (present)</p> <p>June 2021 Outside Director, JSR Corporation (scheduled to retire on June 27, 2024)</p> <p>August 2023 Co-Chief Executive Officer, ValueAct Capital Management L.P. (present)</p> <p><Important concurrent positions> Outside Director, JSR Corporation (scheduled to retire on June 27, 2024) Co-Chief Executive Officer, ValueAct Capital Management L.P.</p>	(Note 3)	— (Note 4) (Note 5)

Position	Name	Date of birth	Profile		Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Jimmy C. Beasley	April 6, 1963	March 1986	Territory Manager, Roche Laboratories (Division of Hoffman La Roche)	(Note 3)	5,946 [3,560] (Note 4)
			June 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.		
			June 2003	President, Bard Access Systems Division, C.R. Bard Inc.		
			April 2007	President, Bard Peripheral Vascular Division, C.R. Bard Inc.		
			May 2009	Group Vice President, C.R. Bard Inc.		
			June 2013	Group President, C.R. Bard Inc.		
			May 2018	Consultant and Executive Advisor* to ValueAct Capital Management L.P. (hereinafter called "VAC") * The executive advisor role is a consulting role to VAC; it is not an employee position. This consulting agreement finished at the end of March 2019.		
June 2019	Outside Director, Olympus Corporation (present)					

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Sachiko Ichikawa	January 17, 1967	<p>April 1997 Registered as attorney Joined Tanabe & Partners</p> <p>January 2005 Registered as attorney of the State of New York</p> <p>November 2009 Statutory Auditor, The Board Director Training Institute of Japan</p> <p>January 2011 Partner, Tanabe & Partners (present)</p> <p>June 2015 Outside Director, ANRITSU CORPORATION Director, The Board Director Training Institute of Japan</p> <p>April 2018 Registered as certified public accountant of the U.S.A.</p> <p>May 2018 Outside Auditor, Ryohin Keikaku Co., Ltd.</p> <p>June 2020 Statutory Auditor, The Board Director Training Institute of Japan</p> <p>June 2021 Outside Director, Tokyo Electron Ltd. (present) Outside Director, Olympus Corporation (present)</p> <p>June 2022 Director, The Board Director Training Institute of Japan (present)</p> <p>June 2024 Outside Director, Azbil Corporation (assuming the office on June 25, 2024)</p> <p><Important concurrent positions> Partner, Tanabe & Partners Outside Director, Tokyo Electron Ltd. Director, The Board Director Training Institute of Japan Outside Director, Azbil Corporation (assuming the office on June 25, 2024)</p>	(Note 3)	7,105 [7,105] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Kohei Kan	March 7, 1960	<p>September 1986 Registered as Certificated Public Accountant</p> <p>April 1987 Joined Mita Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>June 1998 Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>November 2013 Board Member, Deloitte Tohmatsu Group and Deloitte Touche Tohmatsu LLC</p> <p>November 2015 Chief Executive Officer, Deloitte Touche Tohmatsu LLC</p> <p>June 2018 Senior Advisor, Deloitte Tohmatsu LLC</p> <p>September 2018 Audit & Assurance Leader, Deloitte Asia Pacific Limited</p> <p>January 2020 Senior Advisor, Deloitte Asia Pacific Limited</p> <p>October 2020 Chief, Kan Kohei Certified Public Accountant Office (present)</p> <p>November 2020 Board Member, International Federation of Accountants “IFAC” (present)</p> <p>January 2022 Senior Advisor, The Japanese Institute of Certified Public Accountants (present)</p> <p>June 2022 Outside Director, Olympus Corporation (present)</p> <p><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</p>	(Note 3)	7,424 [5,798] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Gary John Pruden	May 10, 1961	<p>October 1985 Joined Janssen Pharmaceutica, a division of Johnson & Johnson</p> <p>June 1999 Director of Marketing, GI Franchise Marketing, Janssen Pharmaceutica</p> <p>May 2001 Vice President, Marketing, Primary Care Franchise, Janssen Pharmaceutica</p> <p>November 2002 Vice President, Marketing, CNS Franchise, Janssen Pharmaceutica</p> <p>February 2004 President & Chief Operating Officer, Janssen-Ortho Canada INC</p> <p>January 2006 Worldwide President, Ethicon Products Inc, a division of Johnson & Johnson</p> <p>April 2009 Company Group Chairperson, Ethicon Franchise Inc.</p> <p>January 2012 Worldwide Chairperson, Global Surgery Group, Johnson & Johnson</p> <p>June 2015 Executive Vice President & Worldwide Chairperson, Medical Devices, Johnson & Johnson</p> <p>December 2017 Independent Board Director, Motus GI Holdings Inc. (present)</p> <p>April 2018 Independent Board Director, Lantheus Holdings Inc. (present)</p> <p>December 2019 Chief Executive Officer, GPS Med Tech Strategy Consulting LLC (present)</p> <p>June 2022 Outside Director, Olympus Corporation (present)</p> <p><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</p>	(Note 3)	4,598 [3,560] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Luann Marie Pandy	May 8, 1960	<p>December 1987 Joined Abbott Laboratories</p> <p>February 1998 Director, Quality Control Production Laboratories, Chemical and Agricultural Product Division, Abbott Laboratories</p> <p>February 2007 Corporate Vice President, Global Quality & Regulatory Affairs, Hospira Inc</p> <p>November 2008 Vice President, Corporate Quality, Medtronic Inc. (currently Medtronic plc.)</p> <p>June 2014 Senior Vice President, Global Quality, Medtronic Inc. (currently Medtronic plc.)</p> <p>November 2017 Senior Vice President, Regulatory Affairs & Global Quality, Medtronic plc.</p> <p>January 2018 Senior Vice President, Chief Quality and Regulatory Affairs Officer, Medtronic plc.</p> <p>June 2023 Outside Director, Olympus Corporation (present)</p>	(Note 3)	3,560 [3,560] (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Outside Director	Masato Iwasaki	November 6, 1958	<p>April 1985 Joined Takeda Pharmaceutical Company Limited</p> <p>June 2008 Senior Vice President and Head, Strategic Product Planning Department, Takeda Pharmaceutical Company Limited.</p> <p>June 2010 Corporate Officer, Takeda Pharmaceutical Company Limited.</p> <p>January 2012 Head of Chief Medical & Scientific Officer Office, Takeda Pharmaceuticals International, Inc.</p> <p>April 2012 Senior Vice President, Pharmaceutical Marketing Division, Takeda Pharmaceutical Company Limited.</p> <p>June 2012 Director, Takeda Pharmaceutical Company Limited.</p> <p>April 2015 President, Japan Pharm Business Unit, Takeda Pharmaceutical Company Limited.</p> <p>April 2021 Japan General Affairs, Takeda Pharmaceutical Company Limited.</p> <p>June 2021 Representative Director, Takeda Pharmaceutical Company Limited.</p> <p>June 2022 Outside Director, JSR Corporation (scheduled to retire on June 27, 2024)</p> <p>June 2023 Chairperson of Economic, Fiscal, Financial, and Social Security Committee, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (present)</p> <p> Representative Director and Chief Executive Officer, Rock&Company K.K. (present)</p> <p>September 2023 Drug Discovery Strategic Advisor, CellSource Co., Ltd. (present)</p>	(Note 3)	— (Note 4)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
			<p>June 2024 Outside Director, Olympus Corporation (scheduled)</p> <p><Important concurrent positions> Outside Director, JSR Corporation (scheduled to retire on June 27, 2024) 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.</p>		

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Director, Representative Executive Officer, Executive Chairperson and ESG Officer	Yasuo Takeuchi	February 25, 1957	<p>April 1980 Joined Olympus Corporation</p> <p>April 2009 Director, Olympus Europa Holding GmbH (currently Olympus Europa SE & Co. KG)</p> <p>June 2009 Corporate Officer, Olympus Corporation</p> <p>October 2011 Executive Managing Director and Chairperson of the Board, Olympus Europa Holding GmbH (currently Olympus Europa SE & Co. KG)</p> <p>April 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</p> <p>Director, Olympus Corporation of Asia Pacific Limited</p> <p>March 2013 Administrative Board and Managing Director, Olympus Europa Holding SE</p> <p>April 2015 Head of Corporate Management Office, Olympus Corporation</p> <p>April 2016 Director, Vice President, Olympus Corporation Chief Financial Officer (CFO), Olympus Corporation Chief Regional Representative Officer, Olympus Corporation</p> <p>April 2019 Representative Director, Olympus Corporation President, Olympus Corporation Chief Executive Officer (CEO), Olympus Corporation</p>	(Note 3)	248,740 [99,641] (Note 4)

Position	Name	Date of birth	Profile		Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
			June 2019	Representative Executive Officer, President and Chief Executive Officer (CEO), Olympus Corporation		
			April 2023	Representative Executive Officer, Executive Chairperson, Olympus Corporation (present) ESG Officer, Olympus Corporation (present)		

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Director, Representative Executive Officer, President and Chief Executive Officer (CEO)	Stefan Kaufmann	January 24, 1968	September 1990 Various roles in operational and strategic HR functions, Karstadt AG	(Note 3)	169,149 [115,805] (Note 4)
			October 2000 Head of HR Development, Thomas Cook		
			May 2003 Joined Olympus Europa GmbH (currently Olympus Europa SE & Co. KG) General Manager Human Resources, Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)		
			April 2008 Managing Director Corporate Division, Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)		
			November 2011 Executive Managing Director, Olympus Europa SE & Co. KG		
			September 2013 Managing Director Consumer Business, Olympus Europa SE & Co. KG		
			April 2017 Corporate Officer, Olympus Corporation		
			April 2019 Chief Administrative Officer (CAO), Olympus Corporation Supervisory Board (Chairperson), Olympus Europa Holding SE		
			June 2019 Director, Olympus Corporation (present) Executive Officer and Chief Administrative Officer (CAO), Olympus Corporation		
			April 2022 Chief Strategy Officer (CSO), Olympus Corporation ESG Officer, Olympus Corporation Director, Olympus (China) Co., Ltd.		
April 2023 Representative Executive Officer, President and Chief Executive Officer (CEO), Olympus Corporation (present)					

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
			Chairperson of the Board, Olympus Corporation of the Americas (present)		

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)	
Director	Toshihiko Okubo	June 1, 1960	February 1991	Joined Olympus Corporation	(Note 3)	24,709 [9,688] (Note 4)
			July 2005	President and Chief Executive Officer (CEO), Olympus NDT Corporation (currently Evident Scientific Inc.)		
			August 2011	General Division Manager of the Life & Industrial Systems, Olympus Corporation		
			June 2013	Chairperson, Olympus NDT Corporation (currently Evident Scientific Inc.)		
			April 2014	Corporate Officer, Olympus Corporation		
			April 2015	Division Manager of the Scientific Solutions Business Strategy Division, Olympus Corporation		
			April 2016	Head of the Scientific Solutions Business Unit, Olympus Corporation		
			April 2019	Senior Vice President of New Business Development, Olympus Corporation		
			April 2021	Senior Vice President of Corporate Planning, Olympus Corporation		
			April 2022	Deputy Chief Strategy Officer, Olympus Corporation		
			April 2023	Assistant to Chief Strategy Officer, Olympus Corporation		
		June 2023	Director, Olympus Corporation (present)			
Total					491,032 [257,363] (Note 4)	

- Notes:
- Messrs. Sumitaka Fujita, David Robert Hale and Jimmy C. Beasley, Ms. Sachiko Ichikawa, Messrs. Kohei Kan and Gary John Pruden and Drs. Luann Marie Pendy and Masato Iwasaki are outside directors.
 - If Messrs. Sumitaka Fujita, David Robert Hale and Jimmy C. Beasley, Ms. Sachiko Ichikawa, Messrs. Kohei Kan and Gary John Pruden and Drs. Luann Marie Pendy and Masato Iwasaki are elected as directors, Olympus Corporation plans to notify the Tokyo Stock Exchange, Inc. of their election as independent directors as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.
 - The term of office shall expire upon the close of the General Meeting of Shareholders pertaining to the final business year ending within one (1) year after election at the General Meeting of Shareholders held on June 26, 2024.
 - “Number of shares held” indicates the number of shares held as of March 31, 2024. It also includes the number of shares each director holds through the Officers’ Shareholding Association of Olympus Corporation, his/her own equity

interest held through a company managing stock compensation of Olympus Corporation as well as the number of shares to be delivered under the stock compensation plan.

5. Mr. David Robert Hale is a Co-CEO of ValueAct Capital Management L.P. The number of shares of Olympus Corporation held by ValueAct Capital Master Fund, L.P. controlled by ValueAct Capital Management L.P. is 6,403,084 shares as of March 31, 2024. Since the share of voting rights held by the said company is less than 5%, Olympus Corporation plans to maintain his position as independent director.
6. Olympus Corporation is a company with a Nominating Committee, etc. The structure of the committees will be as follows.

Nominating Committee: Messrs. Sumitaka Fujita and Gary John Pruden, Dr. Masato Iwasaki and Mr. Stefan Kaufmann

Compensation Committee: Messrs. Jimmy C. Beasley and David Robert Hale, Dr. Luann Marie Pendy and Mr. Yasuo Takeuchi

Audit Committee: Mr. Kohei Kan, Ms. Sachiko Ichikawa and Mr. Toshihiko Okubo

b. Executive Officers

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Director, Representative Executive Officer, Executive Chairperson and ESG Officer	Yasuo Takeuchi	February 25, 1957	a. See Status of Directors	(Note 1)	248,740 [99,641] (Note 2)
Director, Representative Executive Officer, President and Chief Executive Officer (CEO)	Stefan Kaufmann	January 24, 1968	a. See Status of Directors	(Note 1)	169,149 [115,805] (Note 2)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Executive Officer and Endoscopic Solutions Division Head	Frank Drewalowski	April 21, 1965	<p>February 1993 Joined Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)</p> <p>April 2000 Department Manager GI/EUS/BF and Service Marketing Division, Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)</p> <p>April 2005 General Manager Medical Endoscopy & Surgical, Olympus Medical Systems Europa GmbH (currently Olympus Europa SE & Co. KG)</p> <p>April 2006 Managing Director Medical, Olympus Germany</p> <p>April 2009 Regional Managing Director Medical, Microscopy and Consumer Business, Olympus Germany</p> <p>April 2011 Managing Director Medical Systems Division, Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)</p> <p>April 2019 Executive Managing Director, Olympus Europa Holding GmbH (currently Olympus Europa SE & Co. KG)</p> <p>April 2020 Corporate Officer, Olympus Corporation Global Division Head Endoscopic Solutions Division, Olympus Corporation</p> <p>April 2023 Executive Officer and Endoscopic Solutions Division Head, Olympus Corporation (present) Supervisory Board (Chairperson), Olympus Europa Holding SE (present)</p>	(Note 1)	45,903 [45,903] (Note 2)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Executive Officer and Therapeutic Solutions Division Head	Seiji Kuramoto	August 4, 1964	<p>April 1988 Joined Olympus Corporation</p> <p>April 2005 Vice President, Olympus Surgical & Industrial America Inc. (currently Olympus America Inc.)</p> <p>April 2008 Executive Director, Olympus America Inc.</p> <p>April 2009 General Manager of Marketing for Surgical, Olympus Medical Systems Corp.</p> <p>May 2013 General Manager of Product Planning, Sony Olympus Medical Solutions Inc.</p> <p>July 2017 Executive Vice President and Representative Director, Sony Olympus Medical Solutions Inc.</p> <p>April 2020 Senior Vice President, Endoscopic Solution GI Business Leader, Global, Olympus Corporation Senior Vice President, Endoscopic Solution Surgical Business Leader, Global, Olympus Corporation Director, Sony Olympus Medical Solutions Inc.</p> <p>April 2021 Global Division Head Therapeutic Solutions Division, Olympus Corporation</p> <p>April 2022 Corporate Officer, Olympus Corporation</p> <p>April 2024 Executive Officer and Therapeutic Solutions Division Head, Olympus Corporation (present)</p>	(Note 1)	9,261 [3,864] (Note 2)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Executive Officer and Chief Financial Officer (CFO)	Tatsuya Izumi	September 1, 1964	<p>April 1987 Joined ITOCHU Corporation</p> <p>May 2006 General Manager, Planning & Control Department, Finance Division, ITOCHU Corporation</p> <p>May 2010 Treasurer & General Manager, Finance Division, ITOCHU International Inc.</p> <p>April 2013 CFO, ASEAN & South West Asia Bloc, ITOCHU Corporation</p> <p>May 2016 CFO, Textile Company, ITOCHU Corporation</p> <p>April 2019 Executive Officer, General Manager, General Accounting Control Division, ITOCHU Corporation</p> <p>May 2021 Director, Managing Executive Officer, Chief Executive of Administration, NIPPON ACCESS, INC.</p> <p>April 2022 Director, Senior Managing Executive Officer, Chief Executive of Administration, NIPPON ACCESS, INC.</p> <p>April 2024 Joined Olympus Corporation</p> <p>Executive Officer and Chief Financial Officer (CFO), Olympus Corporation (present)</p> <p>Supervisory Board, Olympus Europa Holding SE (present)</p> <p>Director, Olympus Corporation of Asia Pacific Limited (present)</p> <p>Director, Olympus (China) Co., Ltd. (present)</p>	(Note 1)	— (Note 2)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)	
Executive Officer and Chief Strategy Officer (CSO)	Gabriela Castillo Kaynor	November 20, 1975	April 2000	Joined Johnson & Johnson Services, Inc.	(Note 1)	28,540 [27,694] (Note 2)
			May 2004	Business Unit Manager, Johnson & Johnson Services, Inc.		
			February 2007	Engineering Manager, Johnson & Johnson Services, Inc.		
			July 2008	R&D Director Monitoring & OR Products, SharpSafety, Covidien plc (currently Cardinal Health, Inc.)		
			February 2012	Director Program Management Office & Advanced Supplier Development, Covidien plc (currently Cardinal Health, Inc.)		
			February 2015	Director of Operations, Acclarent, Inc.		
			April 2016	Joined Olympus Corporation of the Americas Executive Director Strategy Development & Portfolio Management, Olympus Corporation of the Americas		
			July 2017	Vice President, Upstream Marketing & PMO, Olympus Corporation of the Americas		
			April 2019	Senior Vice President, Global Portfolio Management, Strategy & PMO Therapeutic Solutions Division, Olympus Corporation		
			April 2020	Global Division Head Therapeutic Solutions Division, Olympus Corporation		
April 2022	Corporate Officer, Olympus Corporation Director, Olympus Corporation of the Americas (present)					
April 2023	Executive Officer and Therapeutic Solutions Division Head, Olympus Corporation					

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
			<p>April 2024</p> <p>Executive Officer and Chief Strategy Officer (CSO), Olympus Corporation (present)</p> <p>Director, Olympus Corporation of Asia Pacific Limited (present)</p>		

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)	
Executive Officer and Chief Manufacturing and Supply Officer (CMSO)	Tetsuo Kobayashi	June 17, 1960	April 1983	Joined Olympus Corporation	(Note 1)	55,208 [24,692] (Note 2)
			April 2011	Division Manager of Business Structure Reformation Division, Olympus Corporation		
			April 2012	Corporate Officer, Olympus Corporation Division Manager of Group Management Division, Olympus Corporation		
			July 2013	Division Manager of Finance Division, Olympus Corporation		
			May 2016	Executive Vice President, Olympus Corporation of the Americas		
			February 2019	Division Manager of Management Division, Olympus Corporation		
			April 2019	Office of Chief Executive Officer, Olympus Corporation		
			April 2020	Supervisory Board, Olympus Europa Holding SE		
			April 2021	Chief Strategy Officer (CSO), Olympus Corporation		
			April 2022	Executive Officer and Chief Manufacturing and Supply Officer (CMSO), Olympus Corporation (present)		
April 2024	Director, Olympus (China) Co., Ltd. (present)					

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)	
Executive Officer and Chief Technology Officer (CTO)	Andre Heribert Roggan	September 19, 1962	September 1991	Joined Laser-Medizin-Zentrum (currently Laser- und Medizin-Technologie GmbH)	(Note 1)	43,781 [43,781] (Note 2)
			July 1996	Project Manager, University Hospital Benjamin Franklin		
			April 1998	Technical Director, Division of Biomedical Engineering, Laser- und Medizin-Technologie GmbH		
			July 2001	Director Research and Development, Celon AG medical instruments		
			January 2004	Chief Technology Officer (CTO), Celon AG medical instruments		
			October 2008	Chief Executive Officer (CEO), Celon AG medical instruments		
			April 2010	Joined Olympus Winter & Ibe GmbH Managing Director, Olympus Winter & Ibe GmbH		
			April 2012	Managing Director and Speaker of the Board, Olympus Winter & Ibe GmbH		
			April 2013	Executive Managing Director and Chairperson of the Board, Olympus Winter & Ibe GmbH Managing Director, Olympus Europa Management SE		
			April 2019	Global Head of Development, Therapeutic Systems Division, Olympus Corporation		
April 2021	Corporate Officer, Olympus Corporation Operation Group Management Head and Olympus Surgical Technologies Europe Head, Olympus Corporation					
April 2022	Executive Officer and Chief Technology Officer (CTO), Olympus Corporation (present)					

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Executive Officer and Chief Quality Officer (CQO)	Boris Shkolnik	July 12, 1970	<p>March 1993 Joined Cordis</p> <p>February 2003 Manager, Plant Quality Assurance, Cordis</p> <p>March 2005 Senior Director, Quality Management, Becton, Dickinson and Company</p> <p>August 2011 Worldwide Vice President, Quality Management, Becton, Dickinson and Company</p> <p>August 2019 Senior Vice President, Quality Management, Medical Segment, Becton, Dickinson and Company</p> <p>February 2022 Joined Olympus Corporation of the Americas</p> <p>Senior Vice President, Product Quality, Olympus Corporation</p> <p>April 2023 Global Functional Head of Quality, Olympus Corporation</p> <p>April 2024 Executive Officer and Chief Quality Officer (CQO), Olympus Corporation (present)</p>	(Note 1)	6,737 [6,737] (Note 2)

Position	Name	Date of birth	Profile	Term of office	Number of shares held (Of which, the number of shares to be delivered under the stock compensation plan) (Shares)
Executive Officer and Chief Human Resources Officer (CHRO)	Shigeto Ohtsuki	November 12, 1961	<p>April 1984 June 1999</p> <p>Joined Hitachi, Ltd. Manager, Human Resources, General Electric Japan, Ltd.</p> <p>June 2008</p> <p>Director & Corporate Officer, Human Resources, Hewlett Packard Japan, Ltd.</p> <p>March 2011</p> <p>Corporate Officer, General Manager of Personnel Department, Shiseido Company, Limited</p> <p>June 2015</p> <p>Executive Officer, Human Resources and CSR, Miraca Holdings Inc. (currently H.U. Group Holdings, Inc.)</p> <p>November 2019</p> <p>Joined Olympus Corporation</p> <p>February 2020</p> <p>Human Resources Head, Olympus Corporation</p> <p>April 2020</p> <p>Corporate Officer, Olympus Corporation</p> <p>April 2022</p> <p>Supervisory Board, Olympus Europa Holding SE (present)</p> <p>April 2023</p> <p>Executive Officer and Chief Human Resources Officer (CHRO), Olympus Corporation (present)</p>	(Note 1)	18,239 [13,752] (Note 2)
Total					625,558 [381,869] (Note 2)

- Notes:
- The term of office shall be until March 31, 2025.
 - “Number of shares held” indicates the number of shares held as of March 31, 2024. It also includes the number of shares each executive officer holds through the Officers’ Shareholding Association of Olympus Corporation, his/her own equity interest held through a company managing stock compensation of Olympus Corporation as well as the number of shares to be delivered under the stock compensation plan.
 - Olympus Corporation has adopted a corporate officer system. The 7 corporate officers are as follows.
 - Corporate Officer Hidenao Tsuchiya
 - Corporate Officer Yoshio Tashiro
 - Corporate Officer Tomohisa Sakurai
 - Corporate Officer Masahito Goto
 - Corporate Officer Wenlei Yang
 - Corporate Officer Hironobu Kawano
 - Corporate Officer Stephen Kneebone

(ii) Outside Directors

Olympus Corporation has strengthened its corporate governance system by having the majority of its directors be independent outside directors, to reflect their objective viewpoints and wealth of experience and knowledge in its management. In addition, Olympus Corporation is a company with a Nominating Committee, etc. and the Nominating Committee, the majority of which are independent outside directors, determines the candidates for the Board of Directors.

1. The reasons for the appointment of the ten outside directors as of the filing date of the Annual Securities Report (June 20, 2024) are as follows.

There are no special interests between the outside directors and Olympus Corporation. Olympus Corporation has designated all ten outside directors as independent directors.

Name	Reasons for appointment
Sumitaka Fujita	Mr. Sumitaka Fujita has extensive experience and diverse knowledge as a business manager at ITOCHU Corporation. He also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation through his experience as an outside director and outside auditor at several other companies and his experience as the Chairperson of the Japan Association for Chief Finance Officers. Since he assumed the post of director of Olympus Corporation in April 2012, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, he contributed to the development of a transparent director compensation system as Chairperson of the Compensation Committee, which was established voluntarily. Since June 2018, he has been leading the Board of Directors as Chairperson of the Board. After the transition to a company with a Nominating Committee, etc. in June 2019, he continued to chair the Board of Directors and monitored business execution of Olympus Corporation at the Board of Directors, and as Chairperson of the Nominating Committee, he facilitated decisions regarding the contents of the agenda for election of directors. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors.
Yasumasa Masuda	Mr. Yasumasa Masuda has extensive experience and diverse knowledge as a business manager in the healthcare industry at Astellas Pharma Inc. In addition, through his experience as an independent non-executive officer at the Deloitte Tohmatsu Group, he possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation. Since he assumed the post of director of Olympus Corporation in June 2018, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors and the Nominating Committee. After the transition to a company with a Nominating Committee, etc. in June 2019, he monitored business execution of Olympus Corporation at the Board of Directors, and as a member of the Nominating and Compensation Committees, he facilitated decisions regarding the contents of the agenda for election of directors and regarding executive compensation. In addition, he has been promoting the audit of the execution of duties by the executive officers and directors of Olympus Corporation as Chairperson of the Audit Committee since June 2021. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors.

Name	Reasons for appointment
David Robert Hale	<p>Mr. David Robert Hale is a Partner of ValueAct Capital Management L.P. (hereinafter called “VAC”), one of Olympus Corporation’s shareholders. He has a track record of helping global companies transform themselves with his knowledge of the global capital markets and the healthcare industry as a business management consultant and investor with experience in diverse industries, and he possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation. Since he assumed the post of director of Olympus Corporation in June 2019, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, as a member of the Nominating Committee, he facilitated decisions regarding the contents of the agenda for election of directors. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors. Since he is a Partner of VAC, one of Olympus Corporation’s shareholders, it is expected that he can contribute to enhancing corporate value by reflecting shareholder opinions in management.</p>
Jimmy C. Beasley	<p>Through his 30 years of global business experience and extensive management experience in the C. R. Bard Group, one of the world’s leading companies in the healthcare industry, Mr. Jimmy C. Beasley possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation. Since he assumed the post of director of Olympus Corporation in June 2019, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, he has participated in decisions on executive compensation as a member of the Compensation Committee. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors. Olympus Corporation has determined that he will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of Olympus Corporation, as well as fulfilling Olympus Corporation’s aim of enhancing the diversity of the Board of Directors including the internationality as a global MedTech company.</p>
Sachiko Ichikawa	<p>Ms. Sachiko Ichikawa has extensive experience, broad knowledge and a global perspective as an attorney (in Japan and the State of New York, U.S.A.) and a certified public accountant in the U.S. She also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation through her experience as an outside director and Outside Auditor at several other companies and her experience as Director and Statutory Auditor of the Board Director Training Institute of Japan. Since she assumed the post of director of Olympus Corporation in June 2021, she has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, she has promoted the audit of the execution of duties by the executive officers and directors of Olympus Corporation as a member of the Audit Committee. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that she is an indispensable person for the composition of the Board of Directors.</p>

Name	Reasons for appointment
Yasushi Shingai	<p>Mr. Yasushi Shingai possesses extensive experience and diverse knowledge as a business manager at Japan Tobacco Inc. He also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation through his experience as an outside director at several other companies, combined with his professional knowledge beyond corporate finance regarding acquisition of global companies as well as post-acquisition management and governance, in addition to his extensive experience as a business manager of an overseas business headquarters company of the Japan Tobacco Group. Since he assumed the post of director of Olympus Corporation in June 2022, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, as a member of the Nominating and Compensation Committees, he facilitated decisions regarding the contents of the agenda for election of directors and regarding executive compensation. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors.</p>
Kohei Kan	<p>Mr. Kohei Kan has extensive experience and diverse knowledge as Chief Executive Officer of Deloitte Touche Tohmatsu LLC, in addition to his extensive experience and diverse knowledge as a certified public accountant. He also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation given that he has experience working abroad and experience as person in charge of auditing and assurance businesses overseas at the aforementioned company with a global perspective. In addition, he currently serves as a board member of the International Federation of Accountants. Since he assumed the post of director of Olympus Corporation in June 2022, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, he has promoted the audit of the execution of duties by the executive officers and directors of Olympus Corporation as a member of the Audit Committee. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors.</p>
Gary John Pruden	<p>Mr. Gary John Pruden has over 30 years of global business experience and extensive experience and knowledge as a business manager at Johnson & Johnson Group, one of the world's leading companies in the healthcare industry. He also has experience as an outside director of several U.S. companies. Since he assumed the post of director of Olympus Corporation in June 2022, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, he has participated in decisions on executive compensation as a member of the Compensation Committee. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors. Olympus Corporation has determined that he will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of Olympus Corporation, as well as fulfilling Olympus Corporation's aim of enhancing the diversity of the Board of Directors including the internationality as a global MedTech company.</p>

Name	Reasons for appointment
Tatsuro Kosaka	Mr. Tatsuro Kosaka has extensive experience and diverse knowledge as a business manager in the healthcare industry at CHUGAI PHARMACEUTICAL CO., LTD. He implements global corporate management at CHUGAI PHARMACEUTICAL CO., LTD. He also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation through his experience as an outside director and Outside Auditor at several other companies. Furthermore, he currently serves as Vice Chairperson of Council at KEIDANREN (Japan Business Federation). Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors.
Luann Marie Pendy	Dr. Luann Marie Pendy has extensive experience and diverse knowledge through her work with Medtronic plc., one of the world's leading companies in the healthcare industry, as well as with several other companies. In particular, she also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation through her experience in the areas of Quality Assurance and Regulatory Affairs (QA&RA), as well as her experience on quality-related committees. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth of Olympus Corporation and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that she is an indispensable person for the composition of the Board of Directors. Olympus Corporation has determined that she will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of Olympus Corporation, as well as fulfilling Olympus Corporation's aim of enhancing the diversity of the Board of Directors including the internationality as a global MedTech company.

- Olympus Corporation has proposed the “Election of Eleven Directors” as an agenda item (matter to be resolved) at the General Meeting of Shareholders to be held on June 26, 2024, and the reasons for the election of the eight persons nominated as candidates for outside directors in the agenda are as follows.

There are no special interests between the candidates for outside directors and Olympus Corporation. If the candidates for outside directors are elected, Olympus Corporation plans to designate all eight outside directors as independent directors.

Name	Reasons for appointment
Sumitaka Fujita	<p>Mr. Sumitaka Fujita has extensive experience and diverse knowledge as a business manager at ITOCHU Corporation. He also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation through his experience as an outside director and Outside Auditor at several other companies and his experience as the Chairperson of the Japan Association for Chief Finance Officers. Since he assumed the post of director of Olympus Corporation in April 2012, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, he contributed to the development of a transparent director compensation system as Chairperson of the Compensation Committee, which was established voluntarily. Since June 2018, he has been leading the Board of Directors as Chairperson of the Board. Furthermore, after the transition to a company with a Nominating Committee, etc. in June 2019, he has been monitoring business execution of Olympus Corporation at the Board of Directors, and as Chairperson of the Nominating Committee, he has been facilitating decisions regarding the contents of the agenda for election of directors. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors.</p>
David Robert Hale	<p>Mr. David Robert Hale is a business manager of ValueAct Capital Management L.P. (hereinafter called "VAC"), one of Olympus Corporation's shareholders. He has a track record of helping global companies transform themselves with his knowledge of the global capital markets and the healthcare industry as a business management consultant and investor with experience in diverse industries, and he possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation. Since he assumed the post of director of Olympus Corporation in June 2019, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, as a member of the Nominating Committee until June 2023, he facilitated decisions regarding the contents of the agenda for election of directors. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors. Since he is Co-Chief Executive Officer of VAC, one of Olympus Corporation's shareholders, it is expected that he can contribute to enhancing corporate value by reflecting shareholder opinions in management.</p>

Name	Reasons for appointment
Jimmy C. Beasley	<p>Through his 30 years of global business experience and extensive management experience in the C. R. Bard Group, one of the world’s leading companies in the healthcare industry, Mr. Jimmy C. Beasley possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation. Since he assumed the post of director of Olympus Corporation in June 2019, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, he has been participating in decisions on executive compensation as a member of the Compensation Committee. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors. Olympus Corporation has determined that he will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group, as well as fulfilling Olympus Corporation's aim to enhancing the diversity of the Board of Directors including the internationality as a global MedTech company.</p>
Sachiko Ichikawa	<p>Ms. Sachiko Ichikawa has extensive experience, broad knowledge and a global perspective as an attorney (in Japan and the State of New York, U.S.A.) and a certified public accountant in the U.S. She also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation through her experience as an outside director and Outside Auditor at several other companies and her experience as Statutory Auditor of The Board Director Training Institute of Japan. Since she assumed the post of director of Olympus Corporation in June 2021, she has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, she has been promoting the audit of the execution of duties by the directors and executive officers of Olympus Corporation as a member of the Audit Committee. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that she is an indispensable person for the composition of the Board of Directors.</p>
Kohei Kan	<p>Mr. Kohei Kan has extensive experience and diverse knowledge as Chief Executive Officer of Deloitte Touche Tohmatsu LLC, in addition to his extensive experience and diverse knowledge as a certified public accountant. He also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation given that he has experience working abroad and experience as person in charge of auditing and assurance businesses overseas at the aforementioned company with a global perspective. In addition, he currently serves as a board member of the International Federation of Accountants. Since he assumed the post of director of Olympus Corporation in June 2022, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, he has been promoting the audit of the execution of duties by the directors and executive officers of Olympus Corporation as a member of the Audit Committee. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors.</p>

Name	Reasons for appointment
Gary John Pruden	<p>Mr. Gary John Pruden has over 30 years of global business experience and extensive experience and knowledge as a business manager at Johnson & Johnson Group, one of the world's leading companies in the healthcare industry. He also has experience as an outside director of several U.S. companies. Since he assumed the post of director of Olympus Corporation in June 2022, he has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, as a member of the Compensation Committee until June 2023, he participated in decisions on executive compensation. As a member of the Nominating Committee since June 2023, he has facilitating decisions regarding the contents of the agenda for election of directors. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors. Moreover, Olympus Corporation has determined that he will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group, as well as fulfilling Olympus Corporation's aim of enhancing the diversity of the Board of Directors including the internationality as a global MedTech company.</p>
Luann Marie Pency	<p>Dr. Luann Marie Pency has extensive experience and diverse knowledge through her work with Medtronic plc., one of the world's leading companies in the healthcare industry, as well as with several other companies. In particular, she also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation through her experience in the areas of Quality Assurance and Regulatory Affairs (QA&RA), as well as her experience on quality-related committees. Since she assumed the post of director of Olympus Corporation in June 2023, she has been giving guidance/advice regarding the business management of Olympus Corporation at meetings of the Board of Directors. In addition, she has been participating in decisions on executive compensation as a member of the Compensation Committee. Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that she is an indispensable person for the composition of the Board of Directors. Moreover, Olympus Corporation has determined that she will contribute to achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group, as well as fulfilling Olympus Corporation's aim of enhancing the diversity of the Board of Directors including the internationality as a global MedTech company.</p>
Masato Iwasaki	<p>Dr. Masato Iwasaki has extensive and diverse knowledge as a business manager in the healthcare industry, having previously served as an executive at Takeda Pharmaceutical Company Limited. He also possesses a high level of insight, expertise, and capabilities that are expected of an outside director of Olympus Corporation through his experience as an outside director at another company, together with his experience in leading various acquisitions and establishment of overseas companies and restructuring, to promote globalization at Takeda Pharmaceutical Company Limited. Additionally, he currently serves as a Chairperson of Economic, Fiscal, Financial, and Social Security Committee at KEIZAI DOYUKAI (Japan Association of Corporate Executives). Olympus Corporation expects that outside directors will monitor management from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long term of the Olympus Group as entrusted by shareholders, and will provide advice based on their own knowledge. From the above, Olympus Corporation has determined that he is an indispensable person for the composition of the Board of Directors.</p>

To enable directors to fully fulfill the roles expected of them, Olympus Corporation has entered into liability limitation agreements with directors (excluding executive directors, etc.), and indemnification agreements with all directors. Olympus Corporation has also entered into a directors and officers liability insurance agreement with an insurance company. Details are described in “(iii) Other Matters Related to Corporate Governance” in “(1) Overview of corporate governance.”

[Policy on Independence of Outside Officers]

Olympus Corporation has established its “Criteria for Independence of Outside Officers” as described below in order to clarify its policy on the independence of Outside Officers:

<p>(Criteria for Independence of Outside Officers)</p> <ol style="list-style-type: none">1. In any of the past 10 fiscal years, the Outside Officer has not directly received more than ¥10 million in remuneration (excluding remuneration from Olympus Corporation to Officers) or other assets from Olympus Corporation and Olympus Corporation’s affiliates (hereinafter, collectively the “Olympus Group”). If the Outside Officer is a consultant, accounting expert or legal expert, the organization to which he or she belongs has not received more than ¥10 million in remuneration or similar from the Olympus Group.2. During the past ten-year period, the Outside Officer has not been an Executive Director, executive officer, corporate officer or employee of the rank of General Manager or above at a company that falls under the following categories.<ol style="list-style-type: none">1) In any of the past 10 fiscal years, the monetary amount of the relevant company’s transactions with the Olympus Group has been more than 2% of the consolidated revenue of either Olympus Corporation or the Olympus Group2) The relevant company is a principal shareholder of Olympus Corporation (holding more than 5% of the total number of voting rights of Olympus Corporation directly or indirectly; the same shall apply hereinafter)3) The Olympus Group is a principal shareholder of the relevant company4) The relevant company has substantive interests in the Olympus Group (as a main bank, consultant, etc.)5) The Olympus Group and the relevant company have a relationship in which they mutually dispatch and appoint directors3. The Outside Officer is not financially dependent on a person who falls under the categories of 1. or 2. above.4. The Outside Officer is not a spouse of, or a relative within the third degree of kinship of, a director, Executive Director, corporate officer or employee of the rank of General Manager or above at the Olympus Group.5. The Outside Officer does not belong to an auditing firm that conducts statutory audits of the Olympus Group.6. In addition to each of the above items, the Outside Officer does not have any significant interest that casts doubt on his or her independence.
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(iii) Cooperation between Supervision or Auditing by outside directors and Internal Auditing, Audit Committee Auditing, and Accounting Auditing, and the Relationship with the Internal Control Division

Olympus Corporation is a company with a Nominating Committee, etc. Olympus Corporation’s outside directors, as members of the Board of Directors, decide important matters such as basic management policy, as well as receiving reports on the status of activities from each committee and execution function, etc. Outside directors are entrusted by shareholders to monitor the duties of directors and executive officers to ensure the sustainable growth and the medium- to long-term enhancement of corporate value of Olympus Corporation. The Audit Committee, which consists of members selected by the Board of Directors, works closely with the internal audit, the Accounting

Auditor, and internal control functions, and regularly reports the status of its auditing activities to the Board of Directors. Details are provided under “(3) Audits.”

(3) Audits

(i) Audit Committee Audits

a. Organization, members and procedures of the Audit Committee

The Audit Committee consists of four members. The majority of members (three) are independent outside directors who are part-time Audit Committee Members. The part-time Audit Committee Members are Mr. Yasumasa Masuda, Ms. Sachiko Ichikawa and Mr. Kohei Kan. The other member, Mr. Toshihiko Okubo, is a standing Audit Committee Member. The Audit Committee is chaired by Mr. Yasumasa Masuda, an independent outside director. Audit Committee Member, Ms. Sachiko Ichikawa is a qualified attorney (in Japan and the State of New York, U.S.A.). In addition, Ms. Sachiko Ichikawa, as a U.S. certified public accountant, and Mr. Kohei Kan, as a Japanese certified public accountant, have considerable knowledge of finance and accounting. Mr. Yasumasa Masuda has experience in finance and accounting as a chief financial officer (CFO) and independent non-executive officer of an audit firm, and Mr. Kohei Kan has experience in finance and accounting as a chief executive officer of an audit firm and a current Board Member of the International Federation of Accountants.

(Role of Standing Audit Committee Members)

Standing Audit Committee Members collect necessary information at Olympus Corporation and affiliated companies. The information collected is shared with the Audit Committee and opinions are exchanged to form an audit opinion as the Audit Committee. In addition, while aiming for organizational audits, when the Audit Committee communicates closely with the parties from whom they collect information, Standing Audit Committee Members focus on promoting understanding by sharing the Audit Committee's points of view in advance so that discussions with the Audit Committee Members can be conducted efficiently and smoothly. Furthermore, Standing Audit Committee Members work in coordination with the Accounting Auditor in giving instructions to and receiving reports from the Chief Internal Audit Officer (CIAO), as well as hearing reports from other divisions. In addition to attending the Board of Directors meetings, Standing Audit Committee Members attend important meetings including meetings of the Group Executive Committee, exchange opinions with the Chief Executive Officer (CEO) and other executive officers to improve governance as a corporate group.

(Role of part-time Audit Committee Members)

Part-time Audit Committee Members who are independent outside directors exchange opinions from a neutral and independent standpoint in light of the information shared by the Audit Committee and others, based on their professional expertise, to form an audit opinion as the Audit Committee. In addition, part-time Audit Committee Members work in coordination with the Accounting Auditor in giving instructions to and receiving reports from the CIAO, hearing reports from the other divisions, attending the Board of Directors meetings and other important meetings, and exchanging opinions with the executive officers.

(Staff to assist the Audit Committee)

Four dedicated employees have been appointed after confirming their independence from the execution function, to assist the Audit Committee by drafting various documents, conducting research on governance matters under instructions from the Audit Committee, and by attending and providing supplemental opinions at hearings of reports from employees.

(Use of external experts)

The Audit Committee entered into an agreement with a legal advisor, who is independent from the execution function, in order to receive advice that will contribute to improving the quality of the Audit Committee's activities and legal support in the event of contingencies.

b. Status of the Audit Committee's activities

(Frequency of the Audit Committee meetings and attendance of each Audit Committee Member)

The Audit Committee holds meetings either on the same day as the Board of Directors meetings and preliminary briefings held to preliminarily explain for proposals for the Board of Directors meetings or on an ad hoc basis. The Audit Committee held 27 meetings for the current fiscal year. The average time required for the Audit Committee meetings is three hours and six minutes per meeting, and the number of proposals per year is 104. The main agenda items were as follows.

Reports: The performance of duties by the executive officers, description of the business report, summary of quarterly financial results and financial reports by the accounting function, the Accounting Auditor's accounting audit plan and quarterly financial results review, and accounting audit reports on audits under the Companies Act and audits under the Financial Instruments and Exchange Act, internal audit plan and J-SOX evaluation and internal audit results report by the internal audit function, the status of activities by the governance risk and compliance function, the status of development and operation of Basic Policy on the Internal Control System, etc.

Resolutions: The Audit Committee's audit plan and budget, appropriateness of the Accounting Auditor's audit methods and audit results, the Accounting Auditor's evaluation, reappointment of the Accounting Auditor, the Audit Committee's audit report, selection of Selected Audit Committee Members and Specified Audit Committee Members, consent to remuneration to the Accounting Auditor's audit, revisions of the Audit Committee's auditing standards and preparation of "Procedures for Handling Internal Reports to the Audit Committee," etc.

The attendance of each Audit Committee Member is as follows.

Position	Name	Attendance at meetings	Percentage
Audit Committee Chairperson (Independent Outside Director)	Yasumasa Masuda	27 of 27	100%
Audit Committee Member (Independent Outside Director)	Sachiko Ichikawa	27 of 27	100%
Audit Committee Member (Independent Outside Director)	Kohei Kan	27 of 27	100%
Standing Audit Committee Member (Director)	Toshihiko Okubo	19 of 19 (Assumed the post of Committee Member in June 2023)	100%
Standing Audit Committee Member (Director)	Nobuyuki Koga	8 of 8 (Retired from the post of Committee Member in June 2023)	100%

(Specific considerations involving the Audit Committee)

The Audit Committee aims to conduct effective and efficient audits on a global level by determining the appropriateness of audits by the Accounting Auditor, directly verifying the suitability and validity of the execution of duties by directors and executive officers through attendance at important meetings and exchanges of opinions with the CEO and other executive officers, and promoting organizational audits through cooperation with internal control functions including the CIAO and Chief Compliance Officer (CCO). The Audit Committee has verified the planning and progress of sustainability initiatives and the status of disclosure of those activities. In the current fiscal year, the Audit Committee focused on quality assurance and regulatory compliance by working with the Quality Assurance and Regulatory Affairs (QA&RA) Committee to confirm their activities.

(Promote effectiveness and organizational audits of the internal audit function)

In order to improve the effectiveness of the internal audit function, Olympus Corporation adopts a dual reporting line for the internal audit function to directly report to the CEO and Audit Committee. The Audit Committee receives regular reports from the internal audit function, from internal audit plans to audit results, ensuring consistency with the Audit Committee's point of view, providing instructions as appropriate, and confirming the effectiveness of processes related to risk assessment, control, and monitoring conducted by the executive officers.

(Points of view of audits specific to the current fiscal year and hearings of reports from executive officers, etc.)

In addition to attending important meetings, Audit Committee Members directly hear reports from executive officers, etc. upon request by the Audit Committee. The selection of applicable executive officers, etc. and themes is determined based on the points of view outlined in the audit plan and is adjusted according to the circumstances during the fiscal year. In the current fiscal year, hearings were conducted mainly from the following points of view.

- (1) Whether the Quality Assurance and Regulatory Affairs (QA&RA) Committee and each functions are performing their expected roles with respect to quality assurance and regulatory compliance.
- (2) Whether progress has been made in fostering a healthy corporate culture and determining the degree to which it has been fostered.
- (3) Whether the governance risk and compliance function has evolved with respect to integrated risk management.
- (4) Whether appropriate risks were recognized and whether measures were taken to deal with these risks with respect to M&As.
- (5) Whether information was provided to the capital market in a timely and appropriate manner.

(Appropriateness of audits by the Accounting Auditor)

The Audit Committee confirms the status of the development and operation of the quality control system at the Accounting Auditor, Ernst & Young ShinNihon LLC, as well as the status of quality control and audit implementation in the accounting audit of the Accounting Auditor's Olympus Corporation audit team. In addition, we confirmed the independence of the Accounting Auditor through the operation of obtaining prior consent regarding the engagement of non-assurance services including at affiliated companies. Furthermore, the Audit Committee focused on the global accounting audit system, audit quality, and the leadership to global network firms by Ernst & Young ShinNihon LLC, and determined the appropriateness of the accounting audit.

(Handling of competitive and conflict-of-interest transactions by directors and scandals)

The Audit Committee will respond appropriately to any issues that arise regarding competitive or conflict-of-interest transactions by directors. In the event of a scandal, appropriate action will be taken in accordance with the Audit Committee's auditing standards.

(ii) Internal Audits

At the internal audit department, the CIAO, who reports directly to the CEO, manages the internal audit system for the entire Olympus Group in Europe, the US and Asia, including Japan, and oversees internal audit operations. The scope of internal audits covers Olympus Corporation and Olympus Group companies. Internal audits are conducted according to an annual audit plan formulated on a risk basis, and include suggesting improvements to the auditee and following up on the status of such improvements. We also assess the development and operation of internal controls over financial reporting based on the Financial Instruments and Exchange Act.

In addition to having a dual reporting line that reports the status and results of internal audits and the results of the evaluation of the development and operation of internal controls regularly or as

appropriate to the CEO and Audit Committee, Olympus Corporation works closely with the Accounting Auditor by exchanging information on audit plans and audit results. To ensure the independence of internal audits, the internal audit department shall conduct internal audits independently from the organization being audited and in addition to not engaging in any business activities conducted by the organization being audited, the CEO shall obtain confirmation from the Board of Directors when appointing the CIAO. Furthermore, to ensure expertise in internal audits, Olympus Corporation has adopted a job rotation and on-the-job training system, and has developed a system to support the acquisition of internal audit-related qualifications and ongoing professional skill development. Currently (as of March 31, 2024), the internal audit function has 65 employees throughout the Olympus Group, including 12 certified public accountants (including accountants certified outside Japan), 21 Certified Internal Auditors, nine Certified Information Systems Auditors, and seven Certified Fraud Examiners (including duplicate qualification holders).

(iii) Accounting Audits

a. Name of auditing firm

Ernst & Young ShinNihon LLC

b. Continuous audit period

15 years

c. Engagement certified public accountants

Takahiro Yamazaki

Tetsuya Yoshida

Mitsuharu Konno

d. Other personnel engaged in assisting the audit

16 certified public accountants, 18 personnel who have passed the certified public accountant exam and 34 other personnel engage in assisting the accounting audit of Olympus Corporation.

e. Policy and reasons for selecting audit firm

The Audit Committee selects the Accounting Auditor in accordance with the accounting auditor selection criteria of Olympus Corporation after confirming whether any of the items of Article 340, Paragraph 1 of the Companies Act, which provides for the dismissal of the Accounting Auditor by the Audit Committee, applies to the Accounting Auditor, and whether there are any circumstances that affect the eligibility or credibility of the Accounting Auditor.

If the Accounting Auditor is recognized as falling under any of the items of Article 340, Paragraph 1 of the Companies Act, the Audit Committee will dismiss the Accounting Auditor with the unanimous consent of the Audit Committee Members, if necessary. Furthermore, in addition to the above cases, the Audit Committee shall decide the details of the proposal to dismiss or not reappoint the Accounting Auditor to be submitted to the General Meeting of Shareholders if it is deemed that the audit at Olympus Corporation is not being conducted properly due to events occurring that affect the eligibility or credibility of the Accounting Auditor, if Olympus Corporation seeks to further improve audit quality, or if Olympus Corporation otherwise judges it necessary.

f. Evaluation of the audit firm by the Audit Committee

The Audit Committee believes it is desirable to ensure transparency in the selection of the Accounting Auditor, and to compare the Accounting Auditor with other audit firms regularly, in addition to annual evaluations, for the purpose of maintaining a healthy tension with the Accounting Auditor. The Audit Committee establishes the Olympus Corporation's accounting auditor selection criteria based on the Practical Guidelines for Auditors Concerning the Evaluation of Accounting Auditors and the Establishment of Selection Criteria, formulated by the Japan Audit & Supervisory Board Members Association, placing the top priority in high-quality audits, assessed multiple candidates for Accounting Auditor from the perspectives of

the quality control system of the Accounting Auditor, and the appropriateness of audit quality, independence, and global group audit system of the audit team, not only through evaluation by the Audit Committee, but also in cooperation with the CFO and the internal audit function. As a result, the Audit Committee deemed that the reappointment of Ernst & Young ShinNihon LLC as appropriate for the fiscal year ending March 31, 2025 and did not submit any proposals for dismissal or non-reappointment of the Accounting Auditor. The specific evaluation process for the current fiscal year is as follows.

Process	Timing	Main Implementation Details
Establishment of selection criteria, preparation of request for proposal, and identification of audit firms for comparison	April 2023 to June 2023	A request for proposal for the Accounting Auditor was prepared after establishing the criteria for selecting the Accounting Auditor. In addition, multiple audit firms were selected for comparison in accordance with the selection criteria.
Sending out requests for proposals and exchanging information for proposals	July 2023 to September 2023	Requests for proposals were sent out to audit firms, and information was exchanged as necessary.
Receipt of proposals and evaluation of contents of proposals	September 2023 to December 2023	Received proposals from audit firms, heard explanations, and evaluated the proposals. In addition to the evaluation by the Audit Committee, evaluations were also conducted by the global accounting function and the internal audit function.
Pre-selection of the Accounting Auditor candidate	December 2023	The Audit Committee selected the accounting auditor candidate based on the evaluation of each function.
Final evaluation of the Accounting Auditor and review of the appropriateness of the Accounting Auditor for reappointment	May 2024	Because the pre-selected accounting auditor candidate is the incumbent, a final evaluation of the Accounting Auditor was performed and the appropriateness of reappointing the Accounting Auditor was reviewed after determining the appropriateness of the accounting audit for the fiscal year ended March 31, 2024.

(iv) Audit Remuneration, etc.

a. Remuneration paid to the certified public accountants, etc.

Category	Previous fiscal year		Current fiscal year	
	Remuneration for auditing services (Millions of yen)	Remuneration for non-auditing services (Millions of yen)	Remuneration for auditing services (Millions of yen)	Remuneration for non-auditing services (Millions of yen)
Reporting company	244	2	229	2
Consolidated subsidiaries	91	–	41	–
Total	335	2	270	2

(Previous fiscal year)

Olympus Corporation commissions and pays certified public accountants, etc. to provide various advisory and other services, as non-auditing services.

(Current fiscal year)

Olympus Corporation commissions and pays certified public accountants, etc. to provide various advisory and other services, as non-auditing services.

- b. Remuneration paid to member firms belonging to the same network (EY) to which the certified public accountant, etc. belong (excluding a.)

Category	Previous fiscal year		Current fiscal year	
	Remuneration for auditing services (Millions of yen)	Remuneration for non-auditing services (Millions of yen)	Remuneration for auditing services (Millions of yen)	Remuneration for non-auditing services (Millions of yen)
Reporting company	–	8	–	179
Consolidated subsidiaries	1,013	40	1,017	28
Total	1,013	48	1,017	207

(Previous fiscal year)

Non-auditing services for Olympus Corporation and its consolidated subsidiaries include advisory and other services.

(Current fiscal year)

Non-auditing services for Olympus Corporation and its consolidated subsidiaries include advisory and other services.

- c. Other important details of remuneration for auditing service

(Previous fiscal year)

Not applicable.

(Current fiscal year)

Not applicable.

- d. Policy for determining audit remuneration

When determining audit remuneration for certified public accountants, etc., Olympus Corporation considers and discusses the appropriateness of the number of audit man-hours, etc., based on the details in the audit plan presented by the certified public accountants, etc., and determines the audit remuneration after obtaining the consent of Audit Committee, in accordance with Article 399 of the Companies Act.

- e. Reason for the Audit Committee consenting to the remuneration paid to the Accounting Auditor

The Audit Committee gave its consent for remuneration, etc. for the Accounting Auditor, in accordance with Article 399, Paragraph 1 of the Companies Act, after obtaining and verifying the necessary information, including the details in the Accounting Auditor's audit plan, the status of performance of the auditing work, and the basis for calculating the audit remuneration estimate.

(4) Compensation, etc. for Officers

- (i) Matters relating to policy to determine the amount of compensation, etc. for officers or the calculation method thereof and how the policy is determined

As a company with Nominating Committee, etc., Olympus Corporation has established the Compensation Committee, which consists of three or more members and a majority of which is independent outside directors. The Compensation Committee is chaired by an independent outside director to ensure transparency and to determine fair and appropriate compensation. Our basic policy regarding the officer compensation structure is to make officers have a strong sense of awareness that maximizes the corporate value and meets expectations of various stakeholders and to reward their responsibilities with suitable and appropriate treatments. The Compensation Committee, in accordance with the basic policy mentioned above, decides the policy on the determination of compensations for individual directors and executive officers. In accordance with this policy, the Compensation Committee determines the amount of compensation, etc., for individual directors and executive officers and reports them to the Board of Directors.

a. Compensation structure for directors (excluding those who are also executive officers)

i. Compensation level for directors

- (i) In order to set the director's compensation level at competitive level that enables securement/retention of brilliant talents and encourages positive participation in various activities as director of Olympus Corporation, and in the light of roles/responsibilities the compensation level shall be targeted at the 75% level compared with the peer group in each region of residence.
- (ii) The companies to compose a peer group are selected from those having medical equipment in the business portfolio and health care companies in respective region of residence.
- (iii) Compensation levels for each peer group are confirmed using objective compensation survey data from external specialized organizations.
- (iv) If a director requests to decline compensation, the Compensation Committee will confirm and decide on the response.

ii. Compensation composition of directors

- (i) With importance placed on the concept that directors shall share interests between and investors, in addition to base salary (BS) non-performance-based stock compensation (non-monetary compensation) is granted.
- (ii) The stock compensation here is to be subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit), 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 of residence for those directors who are non-resident in Japan.
- (iii) The stock-based compensation for the fiscal year ending March 2025 will be set at 8 million yen for both residents and non-residents in Japan.
- (iv) 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 provided after vesting.
- (v) The following shareholding guidelines are established.
1. Residents in Japan: All subsequent grant-type restricted stock compensation (RSU) is vested at the time of retirement so that shareholding guidelines are not established.
 2. Non-residents in Japan: One time or more of the base salary (BS). This level is the one to be achieved in about five years after assuming office. However, this

five-year period does not take into account the impact of stock disposal by use of “sell plan before knowledge” for tax payment purposes.

- (vi) The Chairperson of the Board of Directors receives a chairperson allowance in addition to the base salary (BS).
 - (vii) The Chairpersons of the Nominating Committee, the Compensation Committee, the Audit Committee and the Quality Assurance and Regulatory Affairs (QA&RA) Committee receive chairperson allowance in addition to the base salary (BS).
 - (viii) With an exception of full-time members, the Audit Committee members receive an Audit Committee allowance in addition to the base salary (BS). The Audit Committee allowance is set as an equivalent amount to the difference between the Audit Committee allowance and the Nominating and Compensation Committee allowance in the peer group.
 - (ix) QA&RA Committee members receive a QA&RA Committee allowance in addition to the base salary (BS).
 - (x) For directors who are also executive officers, monetary compensation for the monitoring functions as directors shall be paid separately from executive officer compensation as directors compensation for those who are natives of Japan. For those who are not natives of Japan, monetary compensation paid for monitoring functions performed as directors is included in compensation of executive officers.
- b. Compensation structure for executive officers (including those who are also directors)
- i. Philosophy on compensation
 - (i) In order to achieve our corporate strategy and to create corporate value, it is essential that we have a compensation structure 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 structure based on the following concepts.
 1. Establish a more powerful incentive program which can compete with global med-tech 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 Long-Term Incentive compensation (LTI), which is non-monetary compensation
 4. Set a compensation level considering the stage of development to become a global med-tech 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.
 - ii. Compensation level for executive officers
 - (i) Thoughts on compensation amount
 1. We assign weights to performance-linked monetary compensation and stock compensation and looks to raise the weights based on its philosophy of compensation, which is to set a compensation level considering the stage of development to become a global med-tech company (a hybrid mix of “Global labor market” and “Home”), with consideration given to compensation amount of officers of other global med-tech companies.
 2. By considering the situation of labor market of executive officers’ home countries and competitiveness in the market, and the roles and responsibilities, we set target level in

the market, and determine compensation after holistic comparisons of base salary, TCC (Total Cash Compensation) and TDC (Total Direct Compensation). The compensation level of labor market of each country is confirmed through use of objective compensation survey data from external specialized organizations.

3. The appropriateness of the compensation amount for executive officers is monitored by the pay ratio (the ratio of CEO's compensation to the median salary of employees resident in Japan). We are also working to ensure the consistency in terms of executive officer compensation and employee compensation systems, including providing of stock compensation to some employees (including non-residents in Japan).

iii. Compensation composition of executive officers

- (i) Compensation for executive officers is a combination of base salary (BS), which is a fixed compensation, short-term incentive compensation (STI), which is performance-linked monetary compensation, and long-term incentive compensation (LTI), which is non-monetary compensation.
- (ii) For executive officers who are not from Japan, fringe benefits, severance payments, etc., are set individually at the general level of fringe benefits and severance payments in their place of origin.
- (iii) Focusing on achieving our company strategy to enhance medium- to long-term corporate value and shareholder value and considering the compensation amounts of global med-tech companies, the ratio of performance-linked compensation (performance-linked monetary compensation and performance-based stock compensation (PSU: Performance Share Unit)), particularly long-term incentive compensation (LTI), was raised and we set the composition as follows:

<Representative executive officers>
BS : STI : LTI = 1 (19%) : 1.25 (24%) : 3 (57%)

<Executive officers>
BS : STI : LTI = 1 (24%) : 1.15 (28%) : 2 (48%)
- (iv) Long-Term Incentive compensation (LTI) consists of subsequent grant-type restricted stock compensation (RSU) and performance-based stock compensation (PSU).

iv. Compensation risk management

- (i) Shareholding guidelines
 1. Shareholding guidelines are established to share interests between shareholders and management (executive officers).
 2. Shareholding guidelines shall be as follows:
 - Executive Officers shall hold Olympus Corporation's shares that is five times the amount of base salary or more.
 3. The guidelines for shareholding are set at a level that will be achieved approximately five years after the assumption of office although the length may fluctuate subject to the status of achievement of the targets.
- (ii) Clawback clause

A clawback clause has been set up to deter the management (executive officers) from reckless investments and improper accounting. Clawback is subject to short-term incentive compensation (STI) and long-term incentive compensation (LTI) for Executive Officers. The clawback will be turned on if the following events occur.

 - a. An event that requires the refund of the difference between the amount of compensation that have been paid and the amount of compensation that should have been paid caused by a revelation that the information prerequisites for compensation is incorrect or different.

- b. An event that requires the return of the amount of compensation already paid as a kind of sanctions in the event of a violation of obligations, etc.
The final decision on the application of clawback to individual events is made by the Compensation Committee and reported to the Board of Directors.
- v. Short-term incentive compensation, which is performance-linked monetary compensation. (FY2025-STI)

(i) Target composition

Short-term incentive compensation (FY2025-STI) for the fiscal year ending March 2025 (FY2025) consists of financial indicators, quality target for all executive officers and executive officer individual target. Financial indicators are set to be revenue and operating profit margin aiming at assessing growth and efficiency. In addition, since it is important to steadily implement long-term and strategic efforts within each fiscal year, continuing from the previous year, quality target is set as an indicator. The executive officer individual target is also added to follow our new refreshed Core Values, especially “Impact” and facilitate the cultural change towards more impact and personal accountability of executive officers. The ratio for each indicator, as shown in the figure below, is set at 25% for revenue, 25% for operating profit margin, 30% for quality target and 20% for executive officer individual target.

Revenue 25%	Operating profit margin 25%	Quality target 30%	EO individual target 20%
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Note: 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 profit margin and 40% for quality target.

(ii) Upper and lower limits on the evaluation table and adjustment items

1. Upper and lower limits are set for each evaluation indicator.
2. Adjustment items
 - Revenue: The exchange rate used for FY2025 earnings forecasts is applied to make a foreign currency adjustment.
 - Operating profit: Other income/other expenses are deducted.

(iii) Evaluation table of revenue

1. Payout rate 200%: $\text{FY2025 revenue forecast} + \{(\text{FY2025 revenue forecast} - \text{FY2024 actual revenue}) * 70\%\} = 10,210 + \{(10,210 - 9,705) * 70\}\} = 10,564$ Oku-yen
2. Payout rate 100% to 200%: $100 + (X - 10,210) * 100/354$
3. Payout ratio 100%: “revenue forecast for FY2025” = 10,210 Oku-yen
4. Payout rate 50%: FY2024 actual revenue (after FX adjustment) = 9,705 Oku-yen
5. Payout rate 0% to 100%: $50 + (X - 9,705) * 50/505$
6. Payout rate 0%: $9,705 - (10,210 - 9,705) = 9,200$ Oku-yen

Notes: 1. X represents FY2025 actual revenue (after FX adjustment)

2. Upper limit is set as 200% and lower limit 0%.

3. Adjustment: Exchange rate (USD = ¥151, EUR = ¥163, CNY = ¥21)

(iv) Evaluation table of operating profit margin

1. Payout rate 200%: FY2025 operating profit margin forecast + 5.5% or more = 24.9% or more
2. Payout rate 100% to 200%: FY2025 operating profit margin 19.9% or more, less than 24.9% = $100 + 20 * (Y - 19.9)$
3. Payout rate 100%: FY2025 operating profit margin forecast +/- 0.5% = 18.9% or more, less than 19.9%
4. Payout rate 50% to 100%: FY2025 operating profit margin 16.4% or more, less than 18.9% = $100 - 20 * (18.9 - Y)$
5. Payout rate 50%: FY2025 operating profit margin forecast - 3% = 16.4%
6. Payout rate 0%: less than 16.4%

Notes: 1. Y represents FY2025 actual operating profit margin (after adjustment)

2. Upper limit is set as 200% and lower limit 0%.
 3. Adjustments: Other income/other expenses are deducted.
- (v) Quality target
1. The goals for the STI and PSU reward evaluation are 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.
 2. The Compensation Committee and the Quality Assurance and Regulatory Affairs (QA&RA) Committee, which is made up of outside directors, cooperate to determine proper compensation evaluation targets and achievement rates based on completion of extensive remediation and Quality Systems improvement work streams.
- (vi) Executive officer individual target
1. Individual targets of very concrete results or outcomes he/she has to deliver in FY2025.,
 2. The target consists of four goals related to (1) Company-wide quality reform program, (2) Long-term sustainability, (3) Short-term basic improvement, (4) Budget. Each will count for 5% of FY2025-STI
- vi. Long-term incentive compensation, which is non-monetary compensation (FY2025-LTI)
- The following section describes long-term incentive compensation (FY2025-LTI) covering the three-year period from the fiscal year ending March 2025 to the fiscal year ending March 2027.
- The ratio of subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit) and performance-based stock compensation (PSU: Performance Share Unit) is in accordance with the basic concept of putting emphasis on performance-linked compensation. In light of the current uncertain and drastically changing business environment, the Compensation Committee has determined 40% for RSU and 60% for PSU for FY2025-LTI in order to secure a desirable share of stock in the total compensation.
- (i) Subsequent grant-type restricted stock compensation (FY2025-RSU)
1. Grant date and number of units granted
 1. The grant date shall be April 1, 2024.
 2. The stock price used in the calculation shall be the closing price of Olympus' common shares on the business day preceding the grant date.
 3. For foreign exchange, apply average TTM (Telegraphic Transfer Middle Rate) for the fiscal year before the grant date.
 4. The total base salary of executive officers, which is the basis for granting, is 692,984,048 yen, and the total number of RSU granted is 291,483 units.
 2. Vesting
 1. Every one year after the grant date, one-third each of the rights will be vested upon approval by the Compensation Committee and corresponding number of shares are provided.
 2. If end of contract of an executive officer occurs during the rights calculation period, unvested units at the time of end of contract will be handled as follows.
 - (1) Except for the cases falling under below (2)(3), the company will rightfully acquire all units that an executive officer holds, without consideration.
 - (2) If end of contract of an executive officer occurs due to a legitimate cause approved by the Compensation Committee, the number of units will be prorated by the number of months during which an executive officer held

- office, including the last month of office, and corresponding number of shares will be provided upon resolution of the Compensation Committee.
- (3) Notwithstanding above (2), if end of contract of an executive officer occurs as a result of "Retirement" defined under the compensation regulation, the number of shares corresponding to the number of all units held by an executive officer at the time of end of contract shall be provided upon resolution of the Compensation Committee, to the extent that any requirements otherwise determined by the Compensation Committee are satisfied.
 3. If end of contract of an executive officer occurs during the rights calculation period, the unvested units at the time of end of contract shall be vested upon resolution of the Compensation Committee held after disclosure of annual financial result, in principle, after one year has passed from the end of contract.
 4. If an agreement with an executive officer stipulates individual arrangement, the rights will be vested, and shares will be provided according to such individual agreement.
- (ii) Performance-based stock compensation (FY2025-PSU)
1. Performance-based stock compensation (PSU) is determined based on the philosophy of compensation, which is to make the incentive program consistent with the corporate strategy, and in consideration of the business environment.
 2. Grant date and number of units granted
 1. The grant date shall be April 1, 2024.
 2. The stock price used in the calculation shall be the closing price of Olympus' common shares on the business day preceding the grant date.
 3. For foreign exchange, apply average TTM (Telegraphic Transfer Middle Rate) for the fiscal year before the grant date.
 4. The total base salary of executive officers, which is the basis for granting, is 692,984,048 yen, and the total number of PSU granted is 437,225 units.
 3. Vesting
 1. After three years from the grant date, performance rate is evaluated against the pre-defined performance evaluation metrics, then for the number of units calculated according to the performance rate, the rights will be vested upon approval by the Compensation Committee, and corresponding number of shares will be provided.
 2. If end of contract of an executive officer occurs during the performance evaluation period, unvested units at the time of end of contract will be handled as follows.
 - (1) Except for the cases falling under below (2)(3), the company will rightfully acquire all units that an executive officer holds, without consideration.
 - (2) If end of contract of an executive officer occurs due to a legitimate cause approved by the Compensation Committee, the number of units calculated under performance evaluation metrics after expiration of the performance evaluation period shall be prorated by the number of months in office of said person, including the last month of office, and the corresponding number of shares shall be provided upon resolution of the Compensation Committee.
 - (3) Notwithstanding above (2), if end of contract of a an executive officer occurs as a result of "Retirement" defined under the compensation regulation, the number of shares calculated under performance evaluation metrics after the expiration of the performance evaluation period based on the number of units that an executive officer has at the time of end of contract shall be provided upon resolution of the Compensation Committee, to the extent that any requirements otherwise determined by the Compensation Committee are satisfied.

3. If an agreement with an executive officer stipulates individual arrangement, the rights will be vested, and shares will be provided according to such individual agreement.
4. PSU performance evaluation metrics consist of relative TSR, quality target and ESG metrics, and their ratios are as follows:

Relative TSR 60%	Quality target 20%	ESG 20%
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5. The target values and evaluation table for each metric are set as follows:
 1. Relative TSR: 60%
 - (i) The Compensation Committee determined that the relative TSR is appropriate as an indicator for evaluating the corporate value and shareholder value.
 - (ii) 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 health care 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
 - (iii) If the company’s TSR rank is above the 75% level, provide a payment rate of 200%; at the 50% level, provide a payment rate of 100%, at the 25% level, provide a payment rate of 50%; and at the level below the 25% level, the payment rate is 0%. The percentage of the payment (Y), between the rank 50% and 75% level (X) is, $Y = 4*(X-50) + 100$. The percentage of the payment (Y), between the rank 25% and 50% level (X) is, $Y = 2*(X-25) + 50$.
 2. Quality target: 20%
 - (i) Since it is important to steadily implement long-term and strategic efforts for quality, quality target is set as indicator also for FY2025-PSU.
 - (ii) The goals for the STI and PSU reward are 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.
 - (iii) The Compensation Committee and the QA&RA Committee, which is made up of outside directors, cooperate to determine proper compensation evaluation targets and achievement rates based on quantitative and qualitative goals.
 3. ESG: 20%
 - (i) Indicators for ESG, which is a basis of business management, and is announced to be reinforced in the company strategy, is used as an index.
 - (ii) As was in the previous fiscal year, DJSI (Dow Jones Sustainability Index) is set as an evaluation index for the following reasons.
 - It 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.
 - It is a highly reliable external evaluation organization and ensures transparency and fairness.

- (iii) In addition, in light of ESG focus areas and materiality of Olympus, we set evaluation index for the following three focus areas of ESG as internal index.
- Healthcare Access & Outcome
 - Healthy Organization
 - Carbon Neutral Society & Circular Economy
- (iv) Target setting and evaluation
The following targets and evaluation table are set according to achievement rate.

Focus Area	Index	Target in fiscal year ending March 2027	Mid-term goals (for reference)
Healthcare Access & Outcome	CRC (Colorectal Cancer) related training in target emerging countries and regions	36~37 (Number of programs)	+20% growth rate
Healthy Organization	Management positions held by women globally	28.5%~29.6%	30% in fiscal year ending March 2028
Carbon Neutral Society & Circular Economy	Reduction of CO2 emission in our site operations across Scope 1 and 2	-68% ~ -70% (Reduction compared with fiscal year ended March 2020)	Carbon neutral by 2030
DJSI	Included in DJSI Index	World	World maintained

(ii) Compensation, etc., for the fiscal year ended March 2024

- a. Total amount of compensation, etc. by officer classification, total amount by type of compensation, etc. and the number of officers subject to compensation, etc.

Officer classification		Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc., by type (Millions of yen)			Number of subject officers (persons)
			Base salary	Performance-linked monetary compensation	Non-monetary compensation	
Director	Inside	1,772	830	289	653	4
	Outside	277	207	–	70	10
	Total	2,049	1,037	289	723	14
Executive Officer		2,373	1,105	522	746	8

- Notes:
1. Base salary includes the amount paid in the fiscal year under review. Performance-linked monetary compensation, which is short-term incentive, and non-monetary compensation (subsequent grant-type restricted stock compensation (RSU) and performance-based stock compensation (PSU)), which is long-term incentive, include the amounts to be recorded as expenses for the fiscal year under review.
 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 Corporation 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 FY2023 General Meeting of Shareholders held on June 27, 2023.
 5. One outside director 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.

- b. Total amount of compensation, etc. for each officer whose total amount of compensation, etc. is 100 million yen or more.

Name	Officer classification	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc., by type (Millions of yen)		
			Base salary	Performance-linked monetary compensation	Non-monetary compensation
Yasuo Takeuchi	Director, Executive Officer	496	92	97	308
Stefan Kaufmann	Director, Executive Officer	1,138	607	192	339
Tetsuo Kobayashi	Executive Officer	119	35	40	44
Jose Ignacio Abia Buenache (Common name: Nacho Abia)	Executive Officer	528	155	108	265
Chikashi Takeda	Executive Officer	164	34	39	91
Frank Drewalowski	Executive Officer	459	273	102	84
Andre Heribert Roggan	Executive Officer	462	300	72	90
Gabriela Castillo Kaynor	Executive Officer	219	91	67	60
Pierre Albert Boisier	Executive Officer	204	89	61	54

- Notes:
1. The “Base salary” in the table above includes the amount paid in the fiscal year ended March 2024. “Performance-linked monetary compensation” includes the amount of short-term incentive compensation with the fiscal year ended March 2024 as the evaluation period, and “Non-monetary compensation” includes the amount of long-term incentive compensation with the fiscal year ended March 2024 as a part of the evaluation period (subsequent grant-type restricted stock compensation and performance-based stock compensation), both of which are to be recorded as expenses in the fiscal year under review.
 2. Stefan Kaufmann, Jose Ignacio Abia Buenache, Frank Drewalowski, Andre Heribert Roggan, Gabriela Castillo Kaynor and Pierre Albert Boisier have employment contracts with overseas subsidiaries and the “Base salary” amount in the above table includes various allowances and welfare benefits provided under such employment contracts for them.
 3. Stefan Kaufmann, Frank Drewalowski and Andre Heribert Roggan are Executive Officers of Olympus Corporation having office for execution in Japan and their principal place of residence is Japan, while belonging to an overseas subsidiary. We make the necessary adjustments to ensure that their tax burden for income taxes is consistent with that of the residents of the belonging country. The amount of taxes, etc. incurred in connection with such treatment is also included in the amount shown under “Base salary” in the table above. In addition, in case of Stefan Kaufmann and Andre Heribert Roggan, unsettled taxes that are temporarily incurred in the relevant country and for which a refund is to be requested (Stefan Kaufmann: 99 million yen, Andre Heribert Roggan: 99 million yen) are not included in the compensation of the table above.

- c. Short-term incentive compensation, for which the evaluation period was the fiscal year ended March 2024 (FY2024-STI)

Short-term incentive compensation (STI) for the fiscal year ended in March 2024 consists of financial indicators and quality target. Financial indicators were set to be revenue and operating profit margin aiming at assessing growth and efficiency. In addition, since it is important to steadily implement long-term and strategic efforts within each fiscal year, quality target was set as indicator. Composition rates for each indicator were: Revenue = 25%, Operating profit margin = 25%, and Quality target = 50%.

- i. Revenue: 25%

The Compensation Committee has made a resolution to define the target to the revenue according to the “next term forecast” of the financial statements for the fiscal year ended March 2023 on June 9, 2023. For achieving 100% of the target, 100% will be paid, and the payout rate will be from a lower limit of 0% and an upper limit of 200%. If revenue

(X) exceeds the target, for the payout rate of between 100% and 200% payment, it is calculated as $\text{Payout rate} = 100 + (X - 9,140) * 100/307$. If revenue (X) is below the target, the payout rate is calculated as $\text{Payment rate} = 50 + (X - 8,702) * 50/438$. If Revenue is less than 8,264 Oku-yen, the payout rate is 0%.

ii. Operating profit margin: 25%

The Compensation Committee has made a resolution to define the target to the operating margin after adjustment according to the “next term forecast” of the financial statements for the fiscal year ended March 2023 on June 9, 2023. For achieving operating profit margin within minus/plus one percentage point of the target operating profit margin, 100% will be paid, and the payout rate will be from a lower limit of 50% to an upper limit of 200%. If operating profit margin (Y) exceeds the target, for the payout rate of between 100% and 200% payment, it is calculated as $\text{Payout rate} = 100 + 25 * (Y - 20.9)$. If operating profit margin (Y) is below the target, the payout rate between 50% and 100% payment is calculated as $\text{Payout rate} = 100 - 25 * (18.9 - Y)$. If operating profit margin is less than 16.9%, the payout rate is 0%.

iii. Quality target: 50%

1. The goals for the STI and PSU reward are 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.
2. The Compensation Committee and the Quality Assurance and Regulatory Affairs (QA&RA) sub-Committee, which is made up of outside directors, cooperate to determine proper compensation evaluation targets and achievement rates based on completion of extensive remediation and Quality Systems improvement work streams. Successful completion of these work streams was further verified by regular meetings of QA&RA sub-Committee and the preliminary results of an independent third party audit at one facility.

The target values and actual values for each performance evaluation index are as follows.

Short-term incentive compensation (STI)		Target value	Actual value	Payout rate
Performance evaluation index	Revenue (25%)	¥914.0 billion	¥871.5 billion	51.1%
	Operating profit margin (25%)	18.9~20.9%	16.2%	0%
	Quality target (50%)	401 work streams	Exceeded target level	200.0%

Note: 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 profit margin is calculated from operating profit after adjustments that deduct other income and other expenses.

Based on the above results, the Compensation Committee determines the total payout rate. The consolidated payout rate of each performance index was 112.8%. The payment amount is determined by multiplying this payout rate by the standard amount of short-term incentive compensation (STI).

d. Long-term incentive compensation (FY2022-PSU), for which the fiscal year ended March 2024 was set as the final year of the evaluation period

The composition of the evaluation index for performance-based stock compensation (PSU) is Operating profit margin 40%, Relative TSR 40% and ESG 20%. As index related to enhancement of corporate value or shareholders' value, financial perspective, shareholder's perspective and ESG perspective are taken and goals for Operating profit margin, Relative TSR and DJSI-Index were set respectively. The same weight (40% each) was set to Operating Profit margin and Relative TSR and half the weight (20%) was set to DJSI-Index as ESG perspective.

The following table summarizes the weight for each index, target values for 100% payment, results, and the payout rates based thereon.

Performance evaluation index	Weight	Target (100% Payout)	Result	Payout rate	Payout rate
(1) Operating profit margin	40%	Setting 100% payout target for each year	Note: 1	57.3%	87.8%
(2) Relative TSR	40%	50%ile (Peer group)	31.1%ile	62.2%	
(3) ESG	20%	DJSI-Index	Note: 4	200.0%	

- Notes: 1. Operating profit margin: 100% payout target for each year were as follows. Payout rate of operating profit 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 profit margin of each year were as follows.
FY2022=19.3%, FY2023=20.0%, FY2024=16.2%
2. Operating profit margin value is after adjustment by deducting other income and expenses.
3. (Relative TSR payout rate % for 25% to 50%) = 2 * (Relative TSR result %ile)
4. 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

The resulting consolidated payout rate of each performance index was 87.8%. The number of shares to be vested is determined by multiplying this payout rate and the number of PSU units granted to each executive officer.

e. Stock compensation with units granted for the fiscal year ended March 2024

Stock compensations with units granted for the fiscal year ended March 2024 were as follows.

Type	Name	Eligible person	Date of granting unit	Total number of units granted
Subsequent grant-type restricted stock compensation	FY2024-RSU	Non-executive Directors	June 27, 2023	32,040
		Executive Officers	April 1, 2023	289,098
Performance-based stock compensation	FY2024-PSU	Executive Officers	April 1, 2023	433,648

(iii) Compensation Committee

The Compensation Committee determined the details of compensations, etc. for the fiscal year ended March 2024 after discussing matters concerning the determination of compensations, etc., including the consistency of the policy to determine compensations, etc., of directors and executive officers on an individual basis with how the details and amounts of compensations, etc., are determined, and the rationality of the process of deriving the details and amounts of compensations, etc., by applying numerical values and other relevant factors to the way they are determined, and the Compensation Committee has decided that this is in accordance with said policy for determination.

The members of the Compensation Committee are as follows.

- From April 2023 to the General Meeting of Shareholders in June 2023
Chairperson: Tetsuo Iwamura (independent outside director)

Member: Jimmy C. Beasley (independent outside director)

Member: Yasushi Shingai (independent outside director)

Member: Gary John Pruden (independent outside director)

- After the General Meeting of Shareholders in June 2023

Chairperson: Yasushi Shingai (independent outside director)

Member: Jimmy C. Beasley (independent outside director)

Member: Luann Marie Pendy (independent outside director)

Matters on which the Compensation Committee decides or deliberates are as follows.

- Policy for determining individual compensation for directors and executive officers
- Type of compensation to be paid to each position of director and executive officer, the composition ratio of each type of compensation, and performance-linked compensation indicators
- Content of individual compensation, etc. for directors and executive officers
- Individual amount of fixed compensation, individual calculation method of variable compensation, and individual content of non-monetary compensation
- Matters concerning the compensation regulations for directors and executive officers
- In addition to the above, matters concerning the compensation of directors and executive officers consulted by the Board of Directors and matters deemed necessary by the Committee

The activities of the Compensation Committee in the fiscal year ended March 2024 concerning the process of determining the amounts of compensations, etc. of officers are as follows.

- The Compensation Committee met 11 times, for a total of 25 hours.
- All meetings were attended by all Committee members.
- The Compensation Committee retained “Pay Governance,” an international independent compensation consultant, to provide objective and professional advice and information on compensation for directors and executive officers, and to support investigations. They attended 10 of 11 meetings of the Compensation Committee held from April 2023 to March 2024.

The itemized contents of the Compensation Committee activities in the fiscal year ended March 2024 are as listed in the following table.

	Date of meeting	Agenda
45th	April 27, 2023	1. Report on FY2023-STI (Strategic goals) Results Review (resolution) 2. FY2024-LTI RSU and PSU grant units (resolution)
46th	May 17, 2023	1. FY2023-STI Results Review and determination of payment amount (resolution) 2. FY2021-PSU Result Review and determination of payment amount (resolution) 3. FY2024-STI Financial Index (resolution) 4. FY2024-PSU (resolution)
47th	June 9, 2023	1. FY2024-STI (resolution)
48th	June 27, 2023	1. Vesting of Stock Compensation (RSU) for retired directors and non-resident directors in Japan (resolution) 2. Vesting of Stock Compensation (RSU and PSU) for executive officers 3. Monthly individual compensation and determination of the number of units for stock compensation for directors (resolution)
49th	August 8, 2023	1. Proposal on Committee Chair Allowance (resolution) 2. Proposal on QA&RA Committee Allowance (resolution) 3. FY2024 Corporate officers / Senior positions compensation (discussion)
50th	August 22, 2023	1. FY2024-STI Quality Indices (resolution)
51st	September 28, 2023	1. FY2024-PSU Quality Indices (resolution) 2. FY2025 Compensation Philosophy (resolution) 3. Executive Officer Compensation Peer Group for Relative TSR Evaluation (resolution) 4. Latest Trend in Compensation for Outside Director (U.S.) (discussion)
52nd	November 8, 2023	1. FY2024-STI and FY2022-PSU Interim Progress Report (discussion)

		2. Proposal on LTI Mix (resolution)
53rd	December 15, 2023	1. Revision of Executive Officer Long-Term Incentive Compensation Regulations (resolution) 2. Report on compensation for Directors in FY2025 (discussion) 3. Payment of Stock Compensation at Retirement of Executive Officers (discussion)
54th	February 13, 2024	1. Report on FY2025-STI/PSU Index Composition (discussion) 2. Payment of Stock Compensation at Retirement of Executive Officers (discussion)
55th	March 29, 2024	1. Proposal on FY2025 Directors Compensation (resolution) 2. Proposal on ESG Index for FY2025-PSU (resolution) 3. Proposal on FY2025-STI and PSU Index Composition (resolution) 4. Payment of Stock Compensation at Retirement of Executive Officers (resolution) 5. Proposal on FY2025 Executive Officers Compensation (resolution)

Notes: FY2021: Fiscal Year Ended March 31, 2021
FY2022: Fiscal Year Ended March 31, 2022
FY2023: Fiscal Year Ended March 31, 2023
FY2024: Fiscal Year Ended March 31, 2024
FY2025: Fiscal Year Ending March 31, 2025
FY2023-STI: Short-term incentive compensation for the fiscal year ended March 31, 2023
FY2024-STI: Short-term incentive compensation for the fiscal year ended March 31, 2024
FY2025-STI: Short-term incentive compensation for the fiscal year ending March 31, 2025
FY2021-PSU: Performance-linked stock compensation covering the period from the fiscal year ended March 31, 2021 to the fiscal year ended March 31, 2023
FY2022-PSU: Performance-linked stock compensation covering the period from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024
FY2024-PSU: Performance-linked stock compensation covering the period from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026
FY2025-PSU: Performance-linked stock compensation covering the period from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027
FY2024-LTI: Long-term incentive compensation covering the period from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026

(5) Shareholdings

(i) Criteria for and Approach to Investment Shares

With regard to the classification of investment shares held for pure investment purposes and investment shares held for purposes other than pure investment, Olympus Corporation defines “pure investment purposes” as the purpose of exclusively benefiting from changes in the value of shares or dividends pertaining to the shares. However, in accordance with internal rules, the investment of surplus funds is limited to methods that guarantee the principal or ensure equivalent safety, and Olympus Corporation does not engage in risky investment management. “Purposes other than pure investment” is defined as the purpose of holding to contribute to the improvement of the medium- to long-term corporate value in the Olympus Group’s business operations.

(ii) Investment Shares Held for Purposes Other than Pure Investment

a. Policy of shareholding, method for verifying the rationality of shareholding, and details of verification of the suitability of holding individual issues by the Board of Directors, etc.

Olympus Corporation holds listed shares that we believe will contribute to the enhancement of the Olympus Group’s medium- to long-term corporate value after examining their medium- to long-term economic rationality and future prospects. Each year, the Board of Directors reviews the appropriateness of holding individual cross-shareholdings (shares held for purposes other than pure investment), taking into consideration the purpose of holding and the benefits and risks associated with holding, and is successively reducing the number of shares that are deemed unsuitable for holding. With respect to cross-shareholdings, in order to exercise our

rights as shareholders, Olympus Corporation exercises voting rights for all proposals, and we make appropriate decisions for or against each proposal, taking into consideration the management situation of the company in question from the perspective of improving the medium- to long-term corporate value of the company whose shares we hold.

During the current fiscal year, Olympus Corporation sold one issue of shares after examining the significance of its holdings. In addition, one issue of shares was retired.

b. Number of issues and carrying amount

	Number of issues (Issue)	Total carrying amount on balance sheet (Millions of yen)
Unlisted shares	5	42
Shares other than unlisted shares	1	538

(Issues whose number of shares increased during the current fiscal year)

	Number of issues (Issue)	Total acquisition cost for the shares increased (Millions of yen)	Reason for increase in number of shares
Unlisted shares	–	–	–
Shares other than unlisted shares	–	–	–

(Issues whose number of shares decreased during the current fiscal year)

	Number of issues (Issue)	Total selling price for the shares decreased (Millions of yen)
Unlisted shares	2	77
Shares other than unlisted shares	–	–

c. Information on number of shares, amount on balance sheet, etc., of specified investment shares and deemed investment shares by issuers

Specified investment shares

Issuer	Current fiscal year	Previous fiscal year	Purpose of holding, quantitative effect of holding, and reasons for increase in number of shares	Shareholding in Olympus Corporation
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of yen)	Amount on balance sheet (Millions of yen)		
OHARA INC.	400,000	400,000	We hold the company's shares to maintain and strengthen a smooth business relationship in our medical business. The company is our supply partner for optical glass used in our medical endoscopes, and we are collaborating to build a strong supply chain.	None
	538	470		

Deemed investment shares

Not applicable.

- (iii) Investment Shares Held for Pure Investment
Not applicable.

V. Financial Information

1. Basis of preparation of consolidated financial statements and non-consolidated financial statements

- (1) Since the consolidated financial statements of Olympus Corporation satisfy the requirements for a “Specified Company of Designated International Accounting Standards” set forth in Article 1-2 of the “Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter “Regulation on Consolidated Financial Statements”), they have been prepared in accordance with the International Financial Reporting Standards (hereinafter “IFRS”), as prescribed in provisions of Article 93 of the same Ordinance.
- (2) The non-consolidated financial statements of Olympus Corporation have been prepared in accordance with the “Regulation on Terminology, Forms, and Preparation Methods of Financial Statements” (Ordinance of the Ministry of Finance No. 59 of 1963; hereinafter “Regulations on Financial Statements”). Olympus Corporation falls under a special company submitting financial statements, and prepares the non-consolidated financial statements in accordance with the provision of Article 127 of the Regulation on Financial Statements.

2. Audit certification

In accordance with the provision of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the consolidated financial statements and non-consolidated financial statements of Olympus Corporation for the fiscal year ended March 31, 2024 were audited by Ernst & Young ShinNihon LLC.

3. Special efforts to ensure appropriateness of its consolidated financial statements and maintenance of the system to prepare the consolidated financial statements properly in accordance with IFRS

Olympus Corporation takes special efforts to secure appropriateness of its consolidated financial statements and maintains a system to prepare the consolidated financial statements properly in accordance with IFRS. The details of such efforts and system are as follows:

- (1) In order to ensure that Olympus Corporation properly understands the contents of accounting standards, etc. and accurately respond to their amendment, we collect information from the Financial Accounting Standards Foundation, etc. to ensure appropriateness.
- (2) With respect to the application of IFRS, Olympus Corporation obtains and keeps abreast of the latest standards by obtaining press releases and standards issued by the International Accounting Standards Board. In addition, in order to prepare the proper consolidated financial statements, etc., in accordance with IFRS, the Olympus Group accounting policies and practical guidelines are established in accordance with IFRS, and we follow accounting procedures based on these policies and guidelines.

1. Consolidated Financial Statements and Other Notes

(1) Consolidated Financial Statements

(i) Consolidated Statement of Financial Position
Olympus Corporation and Consolidated Subsidiaries
As of March 31, 2024

(Millions of yen)

	Notes	2023	2024
ASSETS			
Current assets			
Cash and cash equivalents	7,35	169,329	340,933
Trade and other receivables	8,35	174,672	197,599
Other financial assets	10,35	11,360	9,862
Inventories	9	162,994	190,030
Income taxes receivable		15,960	36,686
Other current assets	11	22,421	25,175
Subtotal		556,736	800,285
Assets held for sale	12	169,621	55
Total current assets		726,357	800,340
Non-current assets			
Property, plant and equipment	13	238,731	259,968
Goodwill	14	181,324	180,331
Intangible assets	14	116,757	91,961
Retirement benefit asset	23	27,028	36,815
Investments accounted for using equity method		1,010	479
Trade and other receivables	8,35	36,980	55,764
Other financial assets	10,35	21,476	34,146
Deferred tax assets	37	156,543	72,324
Other non-current assets	11	2,495	2,088
Total non-current assets		782,344	733,876
Total assets		1,508,701	1,534,216

(Millions of yen)

	Notes	2023	2024
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade and other payables	17,35	62,919	61,855
Bonds and borrowings	18,35	49,970	69,988
Other financial liabilities	19,35	23,235	27,673
Income taxes payable		99,567	38,658
Provisions	20	19,111	31,318
Other current liabilities	21	163,837	202,203
Subtotal		418,639	431,695
Liabilities directly associated with assets held for sale	12	43,253	–
Total current liabilities		461,892	431,695
Non-current liabilities			
Bonds and borrowings	18,35	290,087	229,628
Other financial liabilities	19,35	61,668	62,238
Retirement benefit liability	23	20,416	20,586
Provisions	20	2,912	2,362
Deferred tax liabilities	37	12,298	11,989
Other non-current liabilities	21	18,194	18,532
Total non-current liabilities		405,575	345,335
Total liabilities		867,467	777,030
Equity			
Share capital	24	124,643	124,643
Capital surplus	24	92,150	92,032
Treasury shares	24	(28,086)	(102,017)
Other components of equity	24	77,280	149,127
Other components of equity related to disposal group held for sale	24	3,034	–
Retained earnings	24	371,064	493,401
Total equity attributable to owners of parent		640,085	757,186
Non-controlling interests		1,149	–
Total equity		641,234	757,186
Total liabilities and equity		1,508,701	1,534,216

(ii) Consolidated Statement of Profit or Loss
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2024

(Millions of yen)

	Notes	2023	2024
Continuing operations			
Revenue	6,28	881,923	936,210
Cost of sales	9,13 14,23	285,074	311,087
Gross profit		596,849	625,123
Selling, general and administrative expenses	13,14 23,29	420,547	473,231
Share of profit (loss) of investments accounted for using equity method	6	491	(358)
Other income	30	23,706	4,666
Other expenses	16,30	13,890	112,602
Operating profit	6	186,609	43,598
Finance income	31	3,860	2,562
Finance costs	31	8,175	10,306
Profit before tax		182,294	35,854
Income taxes	37	44,304	8,881
Profit from continuing operations		137,990	26,973
Discontinued operation			
Profit from discontinued operation	41	5,623	215,956
Profit		143,613	242,929
Profit attributable to:			
Owners of parent		143,432	242,566
Non-controlling interests		181	363
Profit		143,613	242,929
Earnings per share			
Basic earnings per share (yen)			
Continuing operations	32	108.78	21.93
Discontinued operation	32	4.44	177.98
Basic earnings per share	32	113.22	199.91
Diluted earnings per share (yen)			
Continuing operations	32	108.65	21.88
Discontinued operation	32	4.43	177.56
Diluted earnings per share	32	113.08	199.44

(iii) Consolidated Statement of Comprehensive Income
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2024

(Millions of yen)

	Notes	2023	2024
Profit		143,613	242,929
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	33	(84)	(20)
Remeasurements of defined benefit plans	33	7,320	4,682
Total of items that will not be reclassified to profit or loss	33	7,236	4,662
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	33	47,093	69,011
Cash flow hedges	33	(1,280)	(177)
Total of items that may be reclassified to profit or loss	33	45,813	68,834
Total other comprehensive income		53,049	73,496
Comprehensive income		196,662	316,425
Comprehensive income attributable to:			
Owners of parent		196,481	316,062
Non-controlling interests		181	363
Comprehensive income		196,662	316,425

(iv) Consolidated Statement of Changes in Equity
Olympus Corporation and Consolidated Subsidiaries

For the fiscal year ended March 31, 2023

(Millions of yen)

	Notes	Equity attributable to owners of parent						Non-controlling interests	Total equity	
		Share capital	Capital surplus	Treasury shares	Other components of equity	Other components of equity related to disposal group held for sale	Retained earnings			Total
Balance at April 1, 2022		124,643	91,239	(45,589)	34,818	–	305,057	510,168	1,194	511,362
Profit							143,432	143,432	181	143,613
Other comprehensive income					53,049			53,049		53,049
Comprehensive income		–	–	–	53,049	–	143,432	196,481	181	196,662
Share repurchase	24			(50,003)				(50,003)		(50,003)
Disposal of treasury shares	24		(254)	254				0		0
Cancellation of treasury shares	24		(67,087)	67,087				–		–
Dividends from surplus	26						(17,822)	(17,822)	(226)	(18,048)
Transfer from retained earnings to capital surplus			67,156				(67,156)	–		–
Transfer from other components of equity to retained earnings					(7,553)	7,553		–		–
Share-based payment transactions	27		1,096	165				1,261		1,261
Transfer to other components of equity related to disposal group held for sale					(3,034)	3,034		–		–
Equity transactions with non-controlling interests										
Total transactions with owners		–	911	17,503	(10,587)	3,034	(77,425)	(66,564)	(226)	(66,790)
Balance at March 31, 2023		124,643	92,150	(28,086)	77,280	3,034	371,064	640,085	1,149	641,234

For the fiscal year ended March 31, 2024

(Millions of yen)

	Notes	Equity attributable to owners of parent						Total	Non-controlling interests	Total equity
		Share capital	Capital surplus	Treasury shares	Other components of equity	Other components of equity related to disposal group held for sale	Retained earnings			
Balance at April 1, 2023		124,643	92,150	(28,086)	77,280	3,034	371,064	640,085	1,149	641,234
Profit							242,566	242,566	363	242,929
Other comprehensive income					76,530	(3,034)		73,496		73,496
Comprehensive income		–	–	–	76,530	(3,034)	242,566	316,062	363	316,425
Share repurchase	24			(180,002)				(180,002)		(180,002)
Disposal of treasury shares	24		(43)	43				0		0
Cancellation of treasury shares	24		(104,795)	104,795				–		–
Dividends from surplus	26						(20,057)	(20,057)	(183)	(20,240)
Transfer from retained earnings to capital surplus			104,855				(104,855)	–		–
Transfer from other components of equity to retained earnings					(4,683)	4,683		–		–
Share-based payment transactions	27		1,457	1,233				2,690		2,690
Equity transactions with non-controlling interests			(1,592)					(1,592)	(1,329)	(2,921)
Total transactions with owners		–	(118)	(73,931)	(4,683)	–	(120,229)	(198,961)	(1,512)	(200,473)
Balance at March 31, 2024		124,643	92,032	(102,017)	149,127	–	493,401	757,186	–	757,186

Note: Details of Share capital, Capital surplus, Retained earnings, Treasury shares and Other components of equity are described in Note “24. Share Capital and Other Components of Equity.”

(v) Consolidated Statement of Cash Flows
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2024

(Millions of yen)

	Notes	2023	2024
Cash flows from operating activities			
Profit before tax		182,294	35,854
Profit before tax from discontinued operation	41	7,413	348,276
Depreciation and amortization		66,741	65,940
Impairment losses	16	2,498	64,568
Interest and dividend income		(3,971)	(2,376)
Interest expenses		6,037	5,409
Loss (gain) on sale and retirement of fixed assets	30	(15,757)	456
Share of loss (profit) of investments accounted for using equity method		(491)	358
Gain on transfer of the Scientific Solutions Business	34	–	(349,037)
Decrease (increase) in trade and other receivables		(27,013)	(11,851)
Decrease (increase) in inventories		(26,852)	(19,072)
Increase (decrease) in trade and other payables		8,770	(5,935)
Increase (decrease) in retirement benefit liability		(14,099)	1,013
Decrease (increase) in retirement benefit asset		952	(3,269)
Increase (decrease) in provisions		(3,555)	9,083
Other		14,507	42,765
Subtotal		197,474	182,182
Interest received		3,933	2,365
Dividends received		38	11
Interest paid		(5,388)	(4,803)
Income taxes paid		(97,567)	(137,390)
Net cash provided by operating activities		98,490	42,365

(Millions of yen)

	Notes	2023	2024
Cash flows from investing activities			
Payments into time deposits		(2,136)	–
Purchase of property, plant and equipment		(47,570)	(46,425)
Proceeds from sale of property, plant and equipment		20,460	1,471
Purchase of intangible assets		(23,053)	(18,199)
Purchase of investment securities		(3,705)	(28)
Proceeds from transfer of the Scientific Solutions Business	34	–	379,091
Proceeds from the transfer of the collagen business and dental product sales businesses	34	–	1,656
Payments for acquisition of subsidiaries	34,40	(3,859)	–
Proceeds from sale of subsidiaries	34	–	4,472
Collection of loans receivable	41	1,284	53,373
Payments for contingent consideration		(606)	(2,966)
Expenditures based on share purchase agreement		–	(43,647)
Amount recovered upon cancellation of share purchase agreement		–	31,110
Other		771	84
Net cash provided by (used in) investing activities		(58,414)	359,992
Cash flows from financing activities			
Increase (decrease) in short-term borrowings and commercial papers	34	(67)	(3)
Repayments of lease liabilities	34	(20,914)	(19,518)
Repayments of long-term borrowings	34	(13,547)	(40,000)
Dividends paid	26	(17,822)	(20,057)
Dividends paid to non-controlling interests		(226)	(183)
Payments for share repurchase		(50,003)	(180,002)
Redemption of bonds	18,34	(40,000)	(10,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests		–	(2,921)
Other		(599)	(3,326)
Net cash used in financing activities		(143,178)	(276,010)
Effect of exchange rate changes on cash and cash equivalents		6,042	9,074
Net increase (decrease) in cash and cash equivalents		(97,060)	135,421
Cash and cash equivalents at beginning of period		302,572	205,512
Cash and cash equivalents at end of period	7	205,512	340,933

Notes to the Consolidated Financial Statements
Olympus Corporation and Consolidated Subsidiaries

1. Reporting Entity

Olympus Corporation is a joint stock company located in Japan. The address of its registered head office is Hachioji-shi, Tokyo. Olympus Corporation's consolidated financial statements comprise Olympus Corporation and its subsidiaries (hereinafter, the "Olympus Group") and interests in Olympus Corporation's associates.

The Olympus Group is principally engaged in the manufacturing and sales of endoscopic, therapeutic and other products. Description of each business is as described in Note "6. Business Segments."

2. Basis of Preparation

(1) Statement of the consolidated financial statements' compliance with IFRS

The consolidated financial statements of the Olympus Group have been prepared in accordance with IFRS issued by the International Accounting Standards Board. Since the requirements for a "Specified Company of Designated International Accounting Standards" set forth in Article 1-2 of the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" are satisfied, Olympus Corporation adopts the provisions of Article 93 of the same Regulation.

The Japanese language consolidated financial statements for the fiscal year ended March 31, 2024 were approved by Stefan Kaufmann, Director, Representative Executive Officer, President and CEO, and Tatsuya Izumi, Executive Officer and CFO, on June 20, 2024.

(2) Functional currency and presentation currency

The Olympus Group's consolidated financial statements are presented in Japanese yen, which is also Olympus Corporation's functional currency, and figures are rounded off to the nearest million yen.

(3) Changes in presentation methods

(Consolidated Statement of Cash Flows)

(Cash flows from investing activities)

In the fiscal year ended March 31, 2023, because "Collection of loans receivable" and "Payments for contingent consideration," which had previously been included in "Other" of "Cash flows from investing activities," increased in monetary importance, they have been listed independently from the fiscal year ended March 31, 2024. Furthermore, due to the decreased monetary importance of "Proceeds from sale and redemption of investments," which had previously been listed independently, it has been disclosed in "Other" from the fiscal year ended March 31, 2024. To reflect this change in the presentation method, the consolidated financial statements for the fiscal year ended March 31, 2023 have been reclassified.

As a result, ¥516 million which had previously been presented in "Other" of "Cash flows from investing activities," has been listed independently as ¥1,284 million in "Collection of loans receivable," and ¥606 million in "Payments for contingent consideration" and ¥933 million in "Proceeds from sale and redemption of investments" has been reclassified as "Other" in the amount of ¥771 million.

3. Material Accounting Policies

(1) Basis of consolidation

(i) Subsidiaries

A subsidiary is an entity that is controlled by the Olympus Group. The Olympus Group considers that it has control over an entity when it is exposed or has rights, to variable returns arising from its involvement with the entity, while having the ability to affect those returns through the exercise of its power over the entity. Financial statements of a subsidiary are consolidated from the date on which the Olympus Group obtains control over such subsidiary, until the date on which the control is lost.

All intergroup balances, transactions, unrealized profit or loss arising from intergroup transactions are eliminated on consolidation.

Comprehensive income of the subsidiaries is attributed to the owners of parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in Olympus Corporation's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any difference between the adjustment to the non-controlling interests and the fair value of the consideration is recognized directly in equity attributable to owners of parent.

If the Olympus Group loses control over a subsidiary, any resulting gains or losses shall be recognized in profit or loss.

(ii) Associates

An associate is an entity over which the Olympus Group has significant influence on its financial and operating policies but does not have control or joint control. Investments in associates are accounted for by the equity method from the date the Olympus Group gains significant influence until the date it loses that influence.

Investments in associates include goodwill recognized on acquisition.

(2) Business combinations

Business combinations are accounted for by using the acquisition method.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which a business combination occurs, the items for which the accounting treatment is incomplete are measured at provisional amounts, and adjustments to the provisional amounts are finalized during the measurement period within one year from the acquisition date.

Consideration for an acquisition is measured at the sum of the acquisition-date fair value of the assets transferred, liabilities assumed, and equity instruments issued by the Olympus Group in exchange for the control over the acquiree. Consideration for an acquisition includes contingent consideration. If consideration for an acquisition exceeds the fair value of identifiable assets and liabilities, such excess is recognized as goodwill in the consolidated statement of financial position. If, conversely, the consideration is less than the fair value, the difference shall be directly recognized in profit or loss in the consolidated statement of profit or loss. In addition, acquisition-related costs incurred shall be recognized in profit or loss.

(3) Foreign currency translations

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of each Group company using the exchange rate at the transaction date or an exchange rate that approximates it. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into functional currencies using the exchange rate at the end of the reporting period. Nonmonetary assets and liabilities denominated in foreign currencies measured at fair value are translated into functional currencies using the exchange rate at the date when such fair value was measured. Translation differences arising from translations and settlements are recognized in profit or loss for the period; provided, however, that translation differences arising from financial assets measured at fair value through other comprehensive income are recognized in other comprehensive income.

(ii) Financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rates at the end of the reporting period. Income and expenses are translated into Japanese yen using the average exchange rates for the fiscal year unless exchange rates significantly fluctuate during the period. Exchange differences on translation of foreign operations are recognized in other

comprehensive income. Such translation differences of foreign operations are recognized in profit or loss for the period in which the foreign operations concerned are disposed of.

(4) Financial instruments

(i) Financial assets

(i) Initial recognition and measurement

The Olympus Group initially recognizes trade and other receivables on the date when they are incurred, and other financial assets at the transaction date when the Olympus Group becomes a party to the contract for the financial assets. At the initial recognition, financial assets are measured at fair value plus transaction costs, except for those measured at fair value through profit or loss.

(ii) Classification and subsequent measurement

The Olympus Group classifies the financial assets at initial recognition as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

(Financial assets measured at amortized cost)

Financial assets are classified into financial assets measured at amortized cost, on the condition that they meet both of the following criteria:

- Financial assets are held based on the business model to hold financial assets for the purpose of collecting contractual cash flows
- Contractual terms associated with financial assets give rise to cash flows on specified dates, consisting only of payment of the principal and interest on the principal balance

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method subsequent to the initial recognition.

(Financial assets measured at fair value through other comprehensive income)

Equity instruments such as shares held mainly for the purpose of maintaining or strengthening business relationships with investees are designated at initial recognition as financial assets measured at fair value through other comprehensive income.

Any change in fair value of equity financial assets measured at fair value through other comprehensive income is recognized in other comprehensive income subsequent to the initial recognition. If such assets are derecognized or the fair value decreases significantly, accumulated other comprehensive income is directly transferred to retained earnings.

Dividends from such financial assets are recognized in profit or loss.

(Financial assets measured at fair value through profit or loss)

Financial assets other than above are classified as financial assets measured at fair value through profit or loss.

Changes in fair value of financial assets measured at fair value through profit or loss are recognized in profit or loss subsequent to the initial recognition.

(iii) Impairment of financial assets

For financial assets measured at amortized cost, the Olympus Group recognizes allowance for doubtful accounts for expected credit losses.

The Olympus Group evaluates at the end of each reporting period whether there is a significant increase in credit risk of financial assets since initial recognition. When there is no significant increase in the credit risk since initial recognition, the amount equal to expected credit losses for 12 months are recognized as allowance for doubtful accounts. When there is a significant

increase in credit risk since initial recognition, the amount equal to expected credit losses for the remaining life of the financial assets are recognized as allowance for doubtful accounts.

For trade receivables, contract assets and lease receivables, allowance for doubtful accounts are always recognized at the amount equal to expected credit losses for the remaining life of the assets.

With regard to financial assets on which impairment losses were previously recognized, when the amount of impairment losses decreased due to any event that occurred after the initial recognition of the impairment losses, the previously recognized impairment losses are reversed and recognized in profit or loss.

(iv) Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to receive the cash flows from the financial asset are assigned and substantially all the risks and rewards of ownership are transferred.

(ii) Financial liabilities

(i) Initial recognition and measurement

The Olympus Group initially recognizes financial liabilities at the transaction date when the Olympus Group becomes a party to the contract for the financial liabilities. All financial liabilities are measured at fair value at initial recognition, whereas financial liabilities measured at amortized cost are measured at the amount less directly attributable transaction costs.

(ii) Classification and subsequent measurement

Financial liabilities are classified into financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost at initial recognition.

Changes in fair value of financial liabilities measured at fair value through profit or loss are recognized in profit or loss subsequent to the initial recognition.

Financial liabilities measured at amortized cost are measured at amortized cost subsequent to the initial recognition, by using the effective interest method. Amortization by the effective interest method, as well as gains and losses associated with derecognition shall be recognized in profit or loss.

(iii) Derecognition

The Olympus Group derecognizes a financial liability when it is extinguished, namely when the obligation specified in the contract is discharged, cancelled or expires.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset, with the net amount presented in the consolidated statement of financial position, only if the Olympus Group holds a legal right to offset the recognized amounts, and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(iv) Derivatives and hedge accounting

The Olympus Group uses derivatives such as forward exchange contracts, interest rate swaps and interest rate currency swap contracts, as hedging instruments against foreign exchange risk and interest rate risk. These derivatives are classified as financial assets measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss. Derivatives that meet criteria for hedge accounting are designated as hedging instruments, and hedge accounting is applied.

For the application of hedge accounting, the Olympus Group officially makes designation and prepares documentation at the inception of the hedge, regarding the hedging relationship as well as the risk management objectives and strategies. Such document contains hedging instruments, hedged items, the nature of the risks to be hedged and the method for evaluating the hedging effectiveness. The Olympus Group continually evaluates whether the hedging relationship is effective prospectively.

The Olympus Group applies cash flow hedges to interest rate-related and interest rate currency related derivative transactions that meet the criteria for hedge accounting.

Of changes in fair value associated with hedging instruments in cash flow hedges, the effective portion is recognized in other comprehensive income, and recognized in other components of equity until the hedged transaction is executed and recognized in profit or loss. The ineffective portion is recognized in profit or loss.

The amount associated with hedging instruments recognized in other components of equity is transferred to profit or loss, at the point in time when the hedged transaction affects profit or loss. If a hedged item results in the recognition of a non-financial asset or a non-financial liability, the associated amount recognized in other components of equity is accounted for as adjustment to the initial book value of the non-financial asset or the non-financial liability.

When any forecast transaction is no longer expected to occur, hedge accounting is discontinued, and any related cumulative gain or loss that has been recognized as other components of equity is transferred to profit or loss. Even if hedge accounting was discontinued, the amount that had been recognized as other components of equity until hedge accounting was discontinued continues to be recognized in other components of equity until future cash flows occur when these future cash flows are expected to occur.

The Olympus Group does not use fair value hedges or net investment hedges in foreign operations.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash, readily available deposits, and short-term, highly liquid investments having maturities of three months or less of the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Inventories

Inventories are measured at the lower of cost or net realizable value. The costs of inventories are calculated principally by using the weighted average method, which include purchase cost, processing cost, and other costs incurred in bringing inventories to their present location and condition. Net realizable value is determined at the estimated selling price in the ordinary course of business less estimated cost required up to the completion of the process and estimated selling expenses.

(7) Property, plant and equipment

Property, plant and equipment is measured by using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses.

The costs of property, plant and equipment include any costs directly attributable to the acquisition of assets, dismantlement, removal and restoration costs as well as borrowing costs eligible for capitalization.

Except for assets that are not depreciated such as land, each asset is depreciated over its estimated useful life on a straight-line basis. The estimated useful lives of major asset items are as follows (excluding right-of-use assets):

- Buildings and structures: 2 to 50 years
- Machinery and vehicles: 2 to 10 years
- Tools, furniture and fixtures: 2 to 15 years

The estimated useful lives, residual values and depreciation methods are subject to review at the end of each reporting period, and any change is prospectively applied as a change in an accounting estimate.

(8) Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is not amortized and is tested for impairment in each period or whenever there is an indication of impairment. Impairment loss of goodwill is recognized in profit or loss.

Goodwill measurements at initial recognition are presented in “(2) Business combinations.”

(9) Intangible assets

Intangible assets are measured by using the cost model and are carried at cost less accumulated amortization and accumulated impairment losses.

The costs of intangible assets acquired separately include any costs directly attributable to the acquisition of the assets. Intangible assets acquired through business combinations are measured at fair value at the acquisition date. With regard to internally generated intangible assets, of the costs incurred during the development phase, the following are eligible for capitalization and recognized as development costs, whereas such costs that are not eligible are recognized as expenses when incurred.

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Olympus Corporation’s intention to complete the intangible asset and use or sell it.
- Olympus Corporation’s ability to use or sell the intangible asset.
- The intangible asset is likely to create future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Olympus Corporation’s ability to measure reliably the expenditure attributable to the intangible asset during its development.

Except for intangible assets with indefinite useful lives, each asset is amortized over the estimated useful life on a straight-line basis. The estimated useful lives of major asset items are as follows:

- Capitalized development costs: 4 to 8 years
- Software: 3 to 5 years
- Other: 3 to 15 years

The estimated useful lives and amortization methods are reviewed at the end of each reporting period, and any change is prospectively applied as a change in an accounting estimate.

Intangible assets with indefinite useful lives and those yet to be usable are not amortized and are tested for impairment in each period or whenever there is an indication of impairment.

(10) Leases

(i) Leases as lessee

Olympus Corporation introduces a single lessee accounting model, instead of classifying leases into operating leases and finance leases, and recognizes right-of-use assets representing its rights to use the underlying leased assets and lease liabilities representing its obligations to make lease payments for all leases, in principle.

Lease liabilities are measured at the present value of the total lease payments that are not paid at the commencement date. Right-of-use assets are initially measured at the initial measurement amount of lease liabilities adjusted for any initial direct costs, prepaid lease payments, restoration costs, etc. Right-of-use assets are depreciated on a straight-line method over the shorter of their estimated useful lives and lease terms.

The lease term is estimated based on the non-cancellable period and adjusted for optional periods for which the Olympus Group is reasonably certain to exercise an option to extend or terminate the lease.

Furthermore, lease payments are categorized into amounts equivalent to the principal and interest of lease liabilities, and the amount equivalent to the interest apportioned to each fiscal period is calculated so as to achieve a constant rate of interest on the lease liabilities balance at each period-end, and recognized in profit or loss.

If the contract transfers the right to control the use of an identified asset for a period of time in

exchange for a consideration, at the start of the contract, the contract is deemed to be a lease or to contain a lease.

For short-term leases and leases for which the underlying asset is of low value, the Olympus Group does not recognize the right-of-use assets and lease liabilities but recognizes lease payments as expenses.

Right-of-use assets and lease liabilities are included in and presented as “Property, plant and equipment” and “Other financial liabilities” respectively on the consolidated statement of financial position.

(ii) Leases as lessor

Lease transactions involving the transfer of substantially all the risks and rewards associated with the ownership of the leased assets are classified as finance leases, while other types of lease transactions are classified as operating leases.

In finance lease transactions, the present value of gross investments in the lease is recognized as revenue at the commencement of the lease term, and the corresponding amount is recognized as lease receivables. Unearned finance income is apportioned at a constant rate on the net investment over the lease term and recognized as revenue in the period to which it is attributable.

In operating lease transactions, the relevant leased properties are recognized in the consolidated statement of financial position, and lease payments receivable are recognized as revenue over the lease terms on a straight-line method.

(11) Impairment of non-financial assets

For the carrying amount of non-financial assets (excluding inventories, deferred tax assets, retirement benefit assets and non-current assets held for sale), the Olympus Group assesses at the end of each reporting period whether there is an indication of impairment. If any such indication exists, an impairment test is performed. However, goodwill, intangible assets with indefinite useful lives and those yet to be usable are tested for impairment in each period or whenever there is an indication of impairment.

Assets that are not individually tested in impairment testing are integrated into the smallest cash-generating unit that generates cash inflows largely independent of cash inflows from other assets or asset groups. Corporate assets do not generate independent cash inflows. Therefore, if there is an indication that corporate assets may be impaired, the impairment test is performed based on the recoverable amount of the cash-generating unit to which the corporate assets belong.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and fair value less cost of disposal. In calculating value in use, estimated future cash flows are discounted to the present value using the pretax discount rate reflecting the time value of money and risks specific to the asset.

Impairment losses are recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses recognized in association with a cash-generating unit are recognized by first reducing the carrying amount of any allocated goodwill and then are allocated to other assets of the cash-generating unit on a pro-rata basis based on the carrying amount of each asset.

When there is an indication of reversal in respect of impairment losses recognized in prior periods and the recoverable amount of the asset or cash-generating unit exceeds its carrying amount, impairment losses are reversed. The carrying amount after reversal of impairment losses does not exceed the carrying amount that would have been determined when depreciation or amortization had been continued until the reversal occurred if any impairment loss had never been recognized for the asset. Impairment losses associated with goodwill are not reversed.

(12) Non-current assets and discontinued operations held for sale

Non-current assets or disposal groups that will be recovered principally through a sale transaction rather than through continuous use are classified as non-current assets or disposal groups held for sale if it is highly probable that they will be sold within one year, they are immediately available for sale in their current state, and the Olympus Group’s management is committed to implementing a plan for their sale.

The Olympus Group shall not depreciate or amortize a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale, and shall measure a non-current asset

or disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

When businesses that are considered as units on which management decision is made have already been sold or fulfill the requirements to be classified as being held for sale, the Olympus Group classifies those businesses as discontinued operations.

(13) Provisions

Provisions are recognized when the Olympus Group has present obligations as a result of past events, it is highly probable that outflows of economic resources will be occurred to settle the obligations, and reliable estimates of the obligations can be made.

Where time value of money is material, provisions are measured by discounting estimated future cash flows into present value by using the interest rate reflecting the time value of money as well as the risks inherent to the associated liabilities.

(14) Contingent liabilities

With regard to liabilities held by the Olympus Group as of the end of the reporting period that may be incurred, when it cannot be confirmed whether or not those are liabilities as of the end of the reporting period, or when the liabilities do not meet criteria for recognition of provisions, information on such liabilities is provided in the corresponding note on contingent liabilities, unless it is believed that the possibility of an outflow of economic resources by performance of the liabilities is remote at the end of the reporting period.

(15) Government grants

Government grants are recognized at fair value, if there is reasonable assurance that the Olympus Group will comply with the conditions attached to them and that will receive the grants. Government grants associated with expenses are recognized in revenue over the period when the expenses, which the grant is intended to compensate, are incurred. Government grants related to the acquisition of assets are recognized as deferred income and then recognized in profit or loss over the expected useful life of the relevant asset on a systematic basis.

(16) Employee benefits

(i) Post-employment benefits

The Olympus Group adopts defined benefit pension plans and defined contribution pension plans.

The Olympus Group calculates the present value of defined benefit obligations and associated current service cost as well as past service cost by using the projected unit credit method.

The discount rate used for discounting to the present value of defined benefit obligations is determined by reference to market yields on high quality corporate bonds of which currency and due date are consistent with those of the post-employment benefit obligations.

Asset or liability associated with a defined benefit plan is calculated by subtracting the fair value of plan assets from the present value of defined benefit obligations of each plan.

Any difference due to remeasurement arising from defined benefit pension plans is recognized as other comprehensive income in the period when the difference arose, and immediately transferred to retained earnings. Past service costs are expensed as incurred.

Contributions to defined contribution pension plans are recognized as expenses according to the period during which employees rendered the relevant services.

(ii) Short-term employee benefits

Short-term employee benefits are recognized as expenses in the period in which the employee renders the related service without discounting. When the Olympus Group has present legal or constructive obligations to make payments resulting from past services rendered by the employees

and the amount can be estimated reliably, the amount estimated to be paid is recognized as a liability.

(iii) Other long-term employee benefits

The Olympus Group has a special leave system and incentive payment plans according to a specific number of service years as long-term employee benefits other than pension plans. The amount of obligations to other long-term employee benefits is recognized as a liability at the amount calculated by discounting the estimated amount of future benefits earned in exchange for service that employees provided in prior fiscal years and the current fiscal year to the present value.

(17) Equity

Common shares are recognized in share capital at their issue price. Expenses incidental to issuance of common shares are deducted at the amount net of tax effect from equity.

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized associated with the purchase, sale or retirement of treasury shares of Olympus Corporation. Any difference between the book value and the consideration received from the sale is recognized in equity.

(18) Stock-based compensation

The Olympus Group has adopted equity-settled stock option plans for directors, executive officers, corporate officers, and senior management of Olympus Corporation and its subsidiaries with the aim of enhancing awareness toward contributing to sustainable improvement of corporate value as well as further enhancing value sharing with shareholders of Olympus Corporation.

Stock option plans

Stock options are measured at fair value at the grant date and recognized as expenses over the vesting periods with corresponding increases to equity and taking into account the estimated number of options to be vested. The fair value of stock options is calculated using the Black-Scholes model.

Stock compensation system

Olympus Corporation has introduced a subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit) system and performance-based stock compensation (PSU: Performance Share Unit) system as a stock compensation system. The compensation calculated by the reference the fair value of shares of Olympus Corporation is recognized in profit or loss as an expense and the corresponding amount is recognized as an increase in equity.

(19) Revenue

With regard to contracts with customers, the Olympus Group recognizes revenue by applying the following steps (except for interest and dividend income, etc., under IFRS 9 “Financial Instruments” and lease payments receivable under IFRS 16 “Leases”).

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Olympus Group is principally engaged in the manufacturing and sales of endoscopic, therapeutic and other products. With regard to the sales of these products, the Olympus Group mainly recognizes revenue at the time of delivery of a product since in many cases it considers that the customer obtains control over the product and performance obligations are satisfied at the time of delivery of the product.

Revenue is measured at the amount of promised consideration in contracts with customers less discounts and rebates, and reduced by the amount of sales returns.

(20) Finance income and finance costs

Finance income mainly comprises interest income, dividend income, exchange gains and changes in fair value of financial assets and liabilities measured at fair value through profit or loss. Interest income is recognized as incurred using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Finance costs mainly comprise interest expenses, interest on bonds, exchange losses and changes in fair value of financial assets and liabilities measured at fair value through profit or loss. Interest expenses and interest on bonds are recognized as incurred using the effective interest method.

(21) Income taxes

Income taxes comprise current taxes and deferred taxes. These taxes are recognized in profit or loss, except in cases where they arise from items that are recognized directly in other comprehensive income or equity, and where they arise from business combinations.

(i) Current taxes

Current taxes are measured at an expected amount of taxes to be paid to or refunded from the tax authorities. The tax rates and tax laws used to determine the amount of taxes are tax rates and tax laws that have been enacted, or substantially enacted by the end of the reporting period.

With regard to uncertain tax positions of income taxes, the Olympus Group recognizes the reasonably estimated amount as assets or liabilities, when it is more likely than not, based on interpretations for the purpose of tax laws, that the tax positions will be sustained.

(ii) Deferred taxes

Deferred taxes are recognized for temporary differences, which are differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes at the end of the reporting period, tax losses carried forward and tax credits carried forward.

Deferred tax assets or liabilities are not recognized for the following cases:

- Taxable temporary differences arising from the initial recognition of goodwill
- Temporary differences on the initial recognition of assets or liabilities arising from a transaction, except a business combination that affects neither accounting profit nor taxable profit and that arises neither equivalent amount of taxable temporary differences nor deductible temporary differences.
- Taxable temporary differences associated with investments in subsidiaries and associates when the Olympus Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will not reverse in the foreseeable future, or when it is not probable that there will be sufficient taxable profits against which the deductible temporary differences can be utilized.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax credits carried forward and tax losses carried forward can be utilized. In principle, deferred tax liabilities are recognized for all taxable temporary differences.

In recognizing deferred tax assets, the Olympus Group assesses the probability that deductible temporary differences or tax losses carried forward can be utilized against future taxable profits. In assessing the recoverability of deferred tax assets, the scheduled reversal of deferred tax liabilities, projected taxable profits and tax planning are taken into account.

Deferred tax assets and liabilities are measured based on tax rates and tax laws that have been enacted, or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if the Olympus Group has a legally enforceable right to offset current tax assets against current tax liabilities, and they are related to income taxes levied by the same taxation authority on the same taxable entity, or different taxable entities that intend either to settle on a net basis or to realize the tax asset or settle the liability simultaneously.

Olympus Corporation and some of its domestic subsidiaries have adopted the Group Tax Sharing System.

(22) Earnings per share

Basic earnings per share are calculated by dividing profit attributable to owners of parent by the weighted-average number of common shares outstanding, subject to the adjustment to the number of treasury shares for the corresponding period.

Diluted earnings per share are calculated reflecting adjustments for the effect of all potential dilutive common shares.

4. Significant Accounting Estimates and Associated Judgments

In preparing IFRS-based consolidated financial statements, the management is required to make judgments, estimates and assumptions that affect the adoption of accounting policies and the amounts of assets, liabilities, revenues and expenses. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and the effect is recognized in the period in which the estimates are revised and in future periods.

Information regarding the judgments made by the Olympus Group that may have material impacts on the consolidated financial statements is as follows:

- Scope of subsidiaries and associates (Note “3. Material Accounting Policies, (1) Basis of consolidation”)
- Accounting for arrangements containing leases (Notes “3. Material Accounting Policies, (10) Leases,” and “36. Leases”)
- Revenue (Notes “3. Material Accounting Policies, (19) Revenue,” and “28. Revenue”)

Information regarding accounting estimates and assumptions that may have material impacts on the consolidated financial statements is as follows.

- Valuation of inventories (Notes “3. Material Accounting Policies, (6) Inventories,” and “9. Inventories”)

Inventories are measured at cost. However, if net realizable value falls below the cost as of the end of the reporting period, inventories are measured at the net realizable value and any difference is recognized in cost of sales in principle. For unsold inventories that remain outside the operating cycle, the net realizable value, etc. is calculated by reflecting future demand and market trends. If the net realizable value decreased significantly due to a worse market environment than expected, losses may be incurred.

- Impairment of non-financial assets (Notes “3. Material Accounting Policies, (11) Impairment of non-financial assets,” and “16. Impairment of non-financial assets”)

The Olympus Group tests for impairment of property, plant and equipment, goodwill, and intangible assets in accordance with Note “3. Material Accounting Policies.” In the calculation of the recoverable amount in the impairment test, assumptions are made regarding future cash flows, discount rates, etc. These assumptions are determined based on management’s best estimates and judgment. However, they may be affected by the results of changes in uncertain future economic conditions, and if they require revision, they may have a significant impact on the consolidated financial statements.

- Measurement of provisions (Notes “3. Material Accounting Policies, (13) Provisions,” and “20. Provisions”)

Provisions are measured based on the best estimates for expenditures as of the fiscal year closing date expected to be required to settle future obligations. Estimates of expenditures expected to be required to settle future obligations are calculated based on a comprehensive consideration of possible future outcomes. Changes in uncertain future economic conditions may affect assumptions used to calculate the provisions. Accordingly, there are risks that such changes could result in significant adjustments to measurements of provisions in the future accounting periods.

- Contingent liabilities (Notes “3. Material Accounting Policies, (14) Contingent liabilities,” and “42. Contingent liabilities”)

Contingencies are disclosed when an item could have a significant impact on future operations, taking into account all available evidence at the reporting date and considering the likelihood and monetary impact of the event.

- Measurement of defined benefit obligation (Notes “3. Material Accounting Policies, (16) Employee benefits,” and “23. Employee benefits”)

For defined benefit pension plans, the net value of the defined benefit obligations and the fair value of plan assets is recognized as either liabilities or assets. Defined benefit obligations are calculated based on the same types of assumptions used in the actuarial calculation, which include estimates of the discount rate, the retirement rate, the mortality rate, and the rate of compensation increase. These assumptions are established by comprehensively judging a variety of available information, including market trends, such as interest rate changes. Uncertain future economic conditions or changes in social conditions may affect the assumptions used in the actuarial calculation. Accordingly, there are risks that such changes could result in significant adjustments to the measurements of defined benefit obligations in future accounting periods.

- Recoverability of deferred tax assets (Notes “3. Material Accounting Policies, (21) Income taxes,” and “37. Income taxes”)

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, etc. can be utilized. Judgements on the likelihood that taxable income will be available are made based on the timing and amount of taxable income estimated based on the business plans including assumptions of the growth rate and operating profit ratio. These estimates are determined based on management’s best estimates. However, they may be affected by the results of changes in uncertain future economic conditions and the actual results may differ from these forecasts.

5. New or Amended Standards or Interpretations Not Yet Adopted

The new or amended standards and interpretations that were issued by the date of approval of the consolidated financial statements and that have not been early adopted by the Olympus Group are primarily as follows. The timing of adopting the new IFRS standards by the Olympus Group and the impact of adoption on the Olympus Group’s consolidated financial statements is under evaluation.

IFRS Standards		Mandatory adoption (from the fiscal year beginning)	Timing of adoption by the Olympus Group	Description of new standards and amendments
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	Not determined	Introduces new requirements to improve companies’ reporting of financial performance and provide investors with a better basis for analyzing and comparing companies

6. Business Segments

(1) Overview of reportable segments

The reportable segments of the Olympus Group are the units for which separate financial information is available and according to which reporting is periodically conducted to decide how to allocate management resources and assess business performance.

In the past, the Olympus Group had four reportable segments: “Endoscopic Solutions,” “Therapeutic Solutions,” “Scientific Solutions,” and “Others.” However, from the second quarter ended September 30, 2022, we have changed to three reportable segments: “Endoscopic Solutions,” “Therapeutic Solutions,” and “Others.” The change is due to Olympus Corporation classifying the Scientific Solutions Business as a discontinued operation with the conclusion of a share transfer agreement related to the transfer of Scientific Solutions Business of the Olympus Group with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital.

An outline of discontinued operations is described in Note “41. Discontinued Operation.” The transfer of the shares of Evident Corporation, which operates the Scientific Solutions Business, was completed on April 3, 2023.

The principal products and services of each reportable segment are as follows:

Reportable Segment	Principal products and services
Endoscopic Solutions Business	Gastrointestinal endoscopes, surgical endoscopes, medical service
Therapeutic Solutions Business	GI-Endotherapy, urology products, respiratory products, energy devices, ENT products, gynecology products
Others	Biomedical materials, orthopedic equipment

(2) Revenue, business results and other items for reportable segments

Revenue, business results and other items for reportable segments are as follows. The accounting treatment used for reportable segments is the same as described in Note “3. Material Accounting Policies.”

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable Segment				Adjust- ment (Note 2, 3, 4, 5, 6)	Amount on consolidated financial statements
	Endoscopic Solutions	Therapeutic Solutions	Others	Total		
Revenue						
Revenue from outside customers	551,823	318,207	11,893	881,923	–	881,923
Intersegment revenue (Note 1)	–	–	252	252	(252)	–
Total	551,823	318,207	12,145	882,175	(252)	881,923
Operating profit (loss)	152,769	63,692	(914)	215,547	(28,938)	186,609
Finance income						3,860
Finance costs						8,175
Profit before tax						182,294
Other items						
Share of profit (loss) of investments accounted for using equity method	505	(14)	–	491	–	491
Depreciation and amortization	37,495	19,159	1,059	57,713	5,879	63,592
Impairment losses	1,342	883	3	2,228	265	2,493
Segment assets (Note 7)	555,939	452,969	20,638	1,029,546	479,155	1,508,701
Investments accounted for using equity method	664	346	–	1,010	–	1,010
Capital expenditures	43,001	15,854	1,428	60,283	11,740	72,023

- Notes: 1. Intersegment revenue is based on actual market prices.
2. Adjustment for operating profit (loss) is corporate expenses that mainly consist of elimination of transactions among segments, as well as general and administrative expenses and fundamental research expenses that are not attributable to reportable segments.
3. Adjustment for operating profit (loss) includes gain on sale of fixed assets at Olympus Corporation of ¥16,395 million that is not attributable to reportable segments.
4. Adjustment for segment assets is the amount related to corporate assets that are not attributable to reportable segments and assets of discontinued operations.
5. Adjustment for depreciation and amortization is the amount of depreciation and amortization related to corporate assets that are not attributable to reportable segments.
6. Adjustment for capital expenditures is the amount of increase in fixed assets related to corporate assets that are not attributable to reportable segments.
7. Provisional amounts for segment assets have been revised in the fiscal year ended March 31, 2024 with respect to the acquisition of Odin Medical Ltd. in the fiscal year ended March 31, 2023 and figures at the end of the fiscal year ended March 31, 2023 have been retrospectively revised. For details, please see Note “40. Business Combinations.”

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable Segment				Adjustment (Note 2, 4, 5, 6)	Amount on consolidated financial statements
	Endoscopic Solutions	Therapeutic Solutions	Others	Total		
Revenue						
Revenue from outside customers	586,617	337,331	12,262	936,210	–	936,210
Intersegment revenue (Note 1)	–	–	121	121	(121)	–
Total	586,617	337,331	12,383	936,331	(121)	936,210
Operating profit (loss)	104,684	(8,466)	(7,809)	88,409	(44,811)	43,598
Finance income						2,562
Finance costs						10,306
Profit before tax						35,854
Other items						
Share of profit (loss) of investments accounted for using equity method	(332)	(26)	–	(358)	–	(358)
Depreciation and amortization	41,501	18,184	961	60,646	5,294	65,940
Impairment losses (Note 3)	10,890	44,315	8,588	63,793	775	64,568
Segment assets	637,036	469,186	12,660	1,118,882	415,334	1,534,216
Investments accounted for using equity method	–	479	–	479	–	479
Capital expenditures	50,674	19,295	1,452	71,421	9,306	80,727

- Notes: 1. Intersegment revenue is based on actual market prices.
2. Adjustment for operating profit (loss) is corporate expenses that mainly consist of elimination of transactions among segments, as well as general and administrative expenses and fundamental research expenses that are not attributable to reportable segments.
3. The operating loss of the Therapeutic solutions segment includes a loss of ¥51,886 million incurred from the discontinuation of manufacturing and sales of Veran Medical Technologies, Inc. products. Details are as described in Note “30. Other Income and Other Expenses.” Such losses include impairment losses of ¥41,704 million. Details are as described in Note “16. Impairment of non-financial assets.”
4. Adjustment for segment assets is the amount related to corporate assets that are not attributable to reportable segments.
5. Adjustment for depreciation and amortization is the amount of depreciation and amortization related to corporate assets that are not attributable to reportable segments.
6. Adjustment for capital expenditures is the amount of increase in fixed assets related to corporate assets that are not attributable to reportable segments.

(3) Information about products and services

This information is omitted as similar information has been disclosed in the above tables.

(4) Geographical information

Revenue and non-current assets of the Olympus Group by country or region were as follows.

Revenue

(Millions of yen)

	2023	2024
Japan	122,516	121,515
North America	322,167	351,337
Europe	222,164	242,825
China	117,094	106,341
Asia and Oceania	77,807	88,081
Others	20,175	26,111
Total	881,923	936,210

Notes: 1. Revenue is based on the location of customers, classified by country or region.

2. Major countries or regions other than Japan were as follows:

- | | |
|----------------------|---|
| (1) North America | United States, Canada |
| (2) Europe | Germany, United Kingdom, France, etc. |
| (3) Asia and Oceania | Singapore, South Korea, Australia, etc. |
| (4) Other | Central and South America, Africa, etc. |

For the fiscal years ended March 31, 2023 and 2024, revenue from external customers in the United States was ¥300,080 million and ¥326,299 million, respectively. In no single country or region other than Japan, the United States and China was revenue from external customers significant in the fiscal years ended March 31, 2023 and 2024.

Non-current assets (excluding financial instruments, deferred tax assets, and retirement benefit assets)

(Millions of yen)

	2023	2024
Japan	138,682	138,637
Americas	220,391	202,587
Europe and Middle East	153,760	163,002
Asia and Oceania	26,474	30,122
Total	539,307	534,348

Notes: 1. Each geographic location is determined on the basis of geographic proximity.

2. Major countries and regions other than Japan were as follows:

- | | |
|----------------------------|--|
| (1) Americas | United States, Canada, Mexico, and Brazil |
| (2) Europe and Middle East | Germany, United Kingdom, France, etc. |
| (3) Asia and Oceania | Singapore, China, South Korea, Australia, etc. |

Within Americas, the balances of non-current assets (except financial instruments, deferred tax assets, and retirement benefit assets) in the United States were ¥217,723 million and ¥199,220 million as of March 31, 2023 and 2024, respectively. Within Europe and Middle East, the balances of non-current assets (except financial instruments, deferred tax assets, and retirement benefit assets) in Germany were ¥58,358 million and ¥62,533 million as of March 31, 2023 and 2024, respectively. The balances of non-current assets (except financial instruments, deferred tax assets, and retirement benefit assets) in any individual country and region other than Japan, the United States, and Germany were not material as of March 31, 2023 and 2024.

3. Provisional amounts for non-current assets have been revised in the fiscal year ended March 31, 2024 with respect to the acquisition of Odin Medical Ltd. in the fiscal year ended March 31, 2023 and figures at the end of the fiscal year ended March 31, 2023 have been retrospectively revised. For details, please see Note “40. Business Combinations.”

(5) Major customers

Information on revenue attributable to major customers for the fiscal years ended March 31, 2023 and 2024 was omitted because revenue attributable to each customer accounted for less than 10% of consolidated revenue.

7. Cash and Cash Equivalents

The breakdown of cash and cash equivalents in the Consolidated Statement of Financial Position is as follows. Cash and cash equivalents in the Consolidated Statement of Cash Flows are as follows:

	(Millions of yen)	
	2023	2024
Cash and deposits	164,551	148,251
Short-term investments	4,778	192,682
Cash and cash equivalents in the consolidated statement of financial position	169,329	340,933
Cash and cash equivalents included in assets held for sale	36,183	-
Cash and cash equivalents in the consolidated statement of cash flows	205,512	340,933

8. Trade and Other Receivables

The breakdown of trade and other receivables as of March 31, 2023 and 2024 was as follows:

	(Millions of yen)	
	2023	2024
Trade notes receivable and trade accounts receivable	141,877	152,042
Other receivables	14,074	24,005
Contract assets	1,239	220
Lease receivables	65,003	86,238
Allowance for doubtful accounts	(10,541)	(9,142)
Total	211,652	253,363
Current	174,672	197,599
Non-current	36,980	55,764
Total	211,652	253,363

Note: Trade and other receivables are presented net of allowance for doubtful accounts in the consolidated statement of financial position. Current assets of ¥6,056 million and non-current assets of ¥6,697 million are included in "Other receivables" in the fiscal year ended March 31, 2024 as other receivables arising from the termination of the stock acquisition agreement with Taewoong Medical Co., Ltd.

9. Inventories

The breakdown of inventories as of March 31, 2023 and 2024 was as follows:

	(Millions of yen)	
	2023	2024
Merchandise and finished goods	66,578	67,293
Work in progress	33,528	47,764
Raw materials and supplies	62,888	74,973
Total	162,994	190,030

The amounts of inventories recorded as cost of sales for the fiscal years ended March 31, 2023 and 2024 were ¥224,363 million and ¥229,786 million, respectively.

Write-downs of inventories recognized as expenses for the fiscal years ended March 31, 2023 and 2024 were ¥19,741 million and ¥23,301 million, respectively.

Inventories include materials not expected to be used for manufacturing within 12 months from the end of each fiscal year, but all of them are held within the Olympus Group's normal operating cycle. The corresponding carrying amounts at March 31, 2023 and 2024 were ¥3,842 million and ¥3,471 million, respectively.

10. Other Financial Assets

The breakdown of other financial assets as of March 31, 2023 and 2024 was as follows:

		(Millions of yen)	
		2023	2024
Financial assets measured at fair value through profit or loss			
Derivative assets		6,860	14,358
Equity securities and others		937	704
Financial assets measured at amortized cost			
Deposits with withdrawal restrictions		6,128	6,677
Lease and guarantee deposits		3,614	4,457
Other		8,396	10,260
Financial assets measured at fair value through other comprehensive income			
Equity securities and others		6,901	7,552
Total		32,836	44,008
Current		11,360	9,862
Non-current		21,476	34,146
Total		32,836	44,008

11. Other Current Assets and Other Non-current Assets

The breakdown of other current assets and other non-current assets as of March 31, 2023 and 2024 was as follows:

		(Millions of yen)	
		2023	2024
Prepaid expenses		10,643	12,040
Consumption tax receivables		6,462	7,892
Other		7,811	7,331
Total		24,916	27,263
Current		22,421	25,175
Non-current		2,495	2,088
Total		24,916	27,263

12. Assets Held for Sale

The breakdown of assets held for sale and liabilities directly associated with assets held for sale is as follows:

(Millions of yen)

	2023	2024
Assets		
Cash and cash equivalents	36,183	—
Trade and other receivables	34,712	—
Inventories	35,931	—
Land	1,371	41
Buildings and structures	5,798	14
Machinery and vehicles	2,577	—
Tools, furniture and fixtures	3,246	—
Construction in progress	220	—
Right-of-use assets	8,168	—
Other property, plant and equipment	4,910	—
Intangible assets	15,808	—
Goodwill	2,790	—
Deferred tax assets	1,872	—
Other financial assets	3,792	—
Other current assets	9,804	—
Other non-current assets	2,439	—
Total	169,621	55
Liabilities		
Trade and other payables	9,109	—
Accrued expenses	10,685	—
Provisions	627	—
Deferred tax liabilities	4,225	—
Other financial liabilities	9,187	—
Other current liabilities	7,309	—
Other non-current liabilities	2,111	—
Total	43,253	—

The fiscal year ended March 31, 2024 saw the completion of procedures for the sale of assets and liabilities related to the Scientific Solutions Business and of assets and liabilities related to the collagen business and dental product sales businesses, which had been classified as held for sale in the previous fiscal year.

(Transfer of Scientific Solutions Business)

The transfer of all shares of Evident Corporation, which had been a consolidated subsidiary of Olympus Corporation, was conducted on April 3, 2023. In conjunction with this transfer, the transfer of the assets and liabilities of the Scientific Solutions Business, which were classified as held for sale in the previous fiscal year, was completed on the same date. Details are described in Note “34. Cash Flow Information.”

(Transfer of collagen business and dental product sales businesses)

The transfer of assets and liabilities related to the collagen business and dental product sales businesses, which were classified as assets held for sale in the previous fiscal year, was completed on July 3, 2023. Details are described in Note “34. Cash Flow Information.”

Assets categorized as assets held for sale in the fiscal year under review are assets, belonging to the Endoscopic Solutions Business segment and Therapeutic Solutions Business segment, that are to be sold from the standpoint of management resource optimization and are scheduled for sale within a year from the fiscal year closing date.

13. Property, Plant and Equipment

(1) Changes in property, plant and equipment

The changes in carrying amount, acquisition cost, and accumulated depreciation and accumulated impairment losses of property, plant and equipment were as follows:

Carrying amount

	(Millions of yen)					
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance at April 1, 2022	121,761	23,453	70,902	18,527	12,469	247,112
Additions	13,009	5,289	24,453	1,056	15,078	58,885
Additions through business combinations	–	–	3	–	–	3
Depreciation	(15,738)	(7,216)	(25,492)	(328)	–	(48,774)
Impairment losses	(297)	(85)	–	–	–	(382)
Sales and disposals	(4,150)	(820)	(4,301)	(149)	–	(9,420)
Transfer to assets held for sale	(11,651)	(2,720)	(6,159)	(1,382)	(183)	(22,096)
Reclassification	9,358	2,036	3,877	10	(14,298)	983
Exchange differences on translation of foreign operations	5,865	889	4,344	422	755	12,275
Other	132	21	(10)	1	(0)	145
Balance at March 31, 2023	118,289	20,847	67,617	18,157	13,821	238,731
Additions	11,808	6,122	29,395	170	15,033	62,528
Depreciation	(16,342)	(7,352)	(26,781)	(188)	–	(50,663)
Impairment losses	(1,082)	(370)	(1,585)	(887)	(189)	(4,113)
Sales and disposals	(3,746)	(358)	(4,906)	(15)	–	(9,025)
Transfer to assets held for sale	(14)	–	–	(41)	–	(55)
Reclassification	17,004	1,156	5,232	(40)	(22,182)	1,170
Exchange differences on translation of foreign operations	10,668	1,364	8,034	473	657	21,196
Other	77	19	(26)	–	129	199
Balance at March 31, 2024	136,662	21,428	76,980	17,629	7,269	259,968

Notes: 1. No borrowing costs were capitalized for the fiscal years ended March 31, 2023 and 2024.

2. Depreciation of property, plant and equipment is included in “Cost of sales,” “Selling, general and administrative expenses” and “Profit from discontinued operation” on the consolidated statement of profit or loss.

3. Changes of carrying amount ¥2,706 million and ¥2,300 million by company housing Olympus Corporation contracted and loaned to employees is recorded “Additions” and “Sales and disposals” of “Buildings and structures” for the fiscal years ended March 31, 2023 and 2024, respectively. And that has no impact on balance.

Acquisition cost

(Millions of yen)

	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance at April 1, 2022	257,067	70,030	305,888	19,622	12,469	665,076
Balance at March 31, 2023	252,867	63,132	293,700	19,444	13,821	642,964
Balance at March 31, 2024	287,726	61,943	325,562	19,364	7,329	701,924

Accumulated depreciation and accumulated impairment losses

(Millions of yen)

	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance at April 1, 2022	135,306	46,577	234,986	1,095	–	417,964
Balance at March 31, 2023	134,578	42,285	226,083	1,287	–	404,233
Balance at March 31, 2024	151,064	40,515	248,582	1,735	60	441,956

(2) Right-of-use assets

The carrying amount of right-of-use assets included in property, plant and equipment by underlying asset type was as follows:

(Millions of yen)

	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Total
Balance at April 1, 2022	50,341	5,112	1,881	260	57,594
Balance at March 31, 2023	43,930	4,325	1,747	160	50,162
Balance at March 31, 2024	46,384	4,660	2,210	132	53,385

Note: Right-of-use assets increased during the fiscal years ended March 31, 2023 and 2024 by ¥15,109 million and ¥14,838 million, respectively.

14. Goodwill and Intangible Assets

(1) Changes in goodwill and intangible assets

The changes in carrying amount, acquisition cost, and accumulated amortization and accumulated impairment losses of goodwill and intangible assets were as follows:

Carrying amount

(Millions of yen)

	Goodwill	Intangible assets			
		Capitalized development costs	Software	Other	Total
Balance at April 1, 2022	164,498	61,960	11,341	47,060	120,361
Additions	–	–	5,584	541	6,125
Additions through internal development	–	13,984	–	–	13,984
Additions through business combinations (Note 2, 3)	5,159	3,212	–	801	4,013
Amortization	–	(9,484)	(3,432)	(5,051)	(17,967)
Impairment losses	–	(1,255)	(477)	(379)	(2,111)
Sales and disposals	–	(7)	(28)	(445)	(480)
Transfer to assets held for sale	(3,011)	(11,595)	(1,040)	(334)	(12,969)
Reclassification	–	(1,174)	179	1,278	283
Exchange differences on translation of foreign operations	14,678	1,183	214	3,980	5,377
Other	–	(4)	14	131	141
Balance at March 31, 2023 (Note 3)	181,324	56,820	12,355	47,582	116,757
Additions	–	–	2,395	231	2,626
Additions through internal development	–	15,573	–	–	15,573
Amortization	–	(8,332)	(3,106)	(3,839)	(15,277)
Impairment losses	(24,029)	(9,266)	(31)	(27,129)	(36,426)
Sales and disposals	(1,749)	(15)	(37)	(463)	(515)
Reclassification	–	1,436	422	(1,767)	91
Exchange differences on translation of foreign operations	24,785	3,424	705	4,754	8,883
Other	–	1	(5)	253	249
Balance at March 31, 2024	180,331	59,641	12,698	19,622	91,961

- Notes: 1. Amortization of capitalized development costs is recorded as “Cost of sales” and “Profit from discontinued operation” on the consolidated statement of profit or loss. Amortization cost excluding capitalized development costs is recorded in “Cost of sales,” “Selling, general and administrative expenses” and “Profit from discontinued operation” on the consolidated statement of profit or loss.
2. Of additions through business combinations, major components included in “Capitalized development costs” are ¥3,212 million in research and development assets held by Odin Medical Ltd. Ltd. For details on business combinations, please see Note “40. Business Combinations.”
3. Provisional amounts for additions through business combinations and balance at March 31, 2023 have been revised in the fiscal year ended March 31, 2024 with respect to the acquisition of Odin Medical Ltd. in the fiscal year ended March 31, 2023 and figures have been retrospectively revised. For details, please see Note “40. Business Combinations.”

Acquisition cost

(Millions of yen)

	Goodwill	Intangible assets			
		Capitalized development costs	Software	Other	Total
Balance at April 1, 2022	164,498	99,283	58,389	172,542	330,214
Balance at March 31, 2023	181,324	91,050	62,793	175,249	329,092
Balance at March 31, 2024	180,331	95,191	69,069	179,357	343,617

Accumulated amortization and accumulated impairment losses

(Millions of yen)

	Goodwill	Intangible assets			Total
		Capitalized development costs	Software	Other	
Balance at April 1, 2022	–	37,323	47,048	125,482	209,853
Balance at March 31, 2023	–	34,230	50,438	127,667	212,335
Balance at March 31, 2024	–	35,550	56,371	159,735	251,656

(2) Significant intangible assets

Significant intangible assets recognized at March 31, 2023 are technology-related assets arising from the acquisition of Veran Medical Technologies, Inc. by the Olympus Group on December 29, 2020 and technology-related assets arising from the acquisition of Medi-Tate Ltd. by the Olympus Group on May 27, 2021. The carrying amounts were ¥15,345 million and ¥9,321 million, respectively, and the remaining amortization period was 13 years each, as of March 31, 2023.

Significant intangible assets recognized at March 31, 2024 are technology-related assets arising from the acquisition of Medi-Tate Ltd. by the Olympus Group on May 27, 2021. The carrying amount was ¥9,663 million, and the remaining amortization period was 12 years, as of March 31, 2024.

(3) Research and development expenditures recognized as expenses

Research expenses and development costs that do not meet asset recognition criteria are recognized as expenses when incurred. Research and development expenditures recognized as expenses in continuing operations, excluding discontinued operation, in the fiscal years ended March 31, 2023 and 2024 were ¥64,287 million and ¥70,795 million, respectively.

15. Commitments

Commitments to acquire property, plant and equipment and intangible assets subsequent to March 31, 2023 and 2024 were as follows:

(Millions of yen)

	2023	2024
Property, plant and equipment	10,452	10,177
Intangible assets	289	2,527
Total	10,741	12,704

16. Impairment of Non-financial Assets

(1) Impairment losses

The Olympus Group recognizes impairment losses when the recoverable amount of an asset falls below its carrying amount. Impairment losses related to non-financial assets are recorded as “Other expenses” in the consolidated statement of profit or loss.

Business assets are mainly grouped according to business segment, while assets scheduled for disposal are grouped according to the assets to be disposed or sold, and idle assets are grouped individually.

The breakdown of impairment losses by asset type was as follows:

(Millions of yen)

	2023	2024
Property, plant and equipment		
Buildings and structures	297	1,082
Machinery and vehicles	85	370
Tools, furniture and fixtures	–	1,585
Land	–	887
Construction in progress	–	189
Goodwill	–	24,029
Intangible assets		
Capitalized development costs	1,255	9,266
Software	477	31
Other	379	27,129
Total	2,493	64,568

Major impairment losses recognized in the fiscal year ended March 31, 2023 were as follows.

The Company recognized impairment losses of ¥1,009 million on development assets in the Endoscopic Solutions Business, which were written down to their recoverable amount since the Company no longer expects them to generate the expected earnings at the time of acquisition due to such factors as changes in the market environment. The recoverable amount was the fair value less costs of disposal and, as the assets are difficult to sell, this amount was zero. It was classified as level 3 in the fair value hierarchy.

The main impairment losses recognized in the fiscal year ended March 31, 2024 were as follows.

(Losses associated with the discontinuation of manufacture and sale of products from Veran Medical Technologies, Inc.)

Following the discontinuation of the manufacture and sale of Veran Medical Technologies, Inc. (“VMT”) electromagnetic navigation systems, related non-current assets were written down to their recoverable amount, and an impairment loss of ¥41,704 million was recorded (¥20,227 million for goodwill; ¥16,077 million for technology-related assets; ¥250 million for trademarks; ¥3,601 million for research and development in progress; and ¥1,157 million for license usage rights). Since the completion of the acquisition, the non-current assets related to the manufacture and sale of VMT’s products included in Therapeutic solutions segment had been tested for impairment using this business segment as the cash-generating unit, taking into account synergies with other assets in the Therapeutic Solutions Business segment. However, during the fiscal year ended March 31, 2024, it was found that it was difficult to achieve the original goal of early diagnosis and minimally invasive treatment of respiratory diseases in combination with existing respiratory products, which was assumed at the time of acquisition, and it was also found that the products did not meet the quality standards required internally. Due to the decision to terminate the development and sale of VMT’s products, the impairment test was performed separately for non-current assets incurred in connection with the acquisition of VMT, rather than on a business segment basis. The recoverable amount was the fair value less costs of disposal and, as the assets are difficult to sell, this amount was zero. It was classified as level 3 in the fair value hierarchy.

VMT was acquired by the Olympus Group in December 2020, with the objective of combining VMT’s electromagnetic navigation systems and related devices with Olympus Corporation’s bronchoscope systems to enable early diagnosis and minimally invasive therapies for bronchial disease, and drive the growth of the Respiratory business. However, as a result of an independent investigation it became apparent that VMT’s technology and products did not conform to the quality standards of the Olympus Group, and accordingly Olympus Corporation discontinued shipments of said products in February 2023, since which time it has been engaged in further analysis and considering how to address the situation

going forward. After putting the highest priority on the safety of patients during these deliberations, we concluded that improving the quality for these products to meet Olympus standards would incur enormous costs, and that a resumption of shipments would be significantly delayed at a time when the clinical needs of our customers are undergoing rapid change. Accordingly, on September 6, 2023 we took the decision to discontinue the manufacture and sale of these products. Loss amounts associated with the discontinuation of manufacture and sale of these products are as described in Note “30. Other Income and Other Expenses.”

(Impairment losses on development assets and research and development in progress)

Olympus Corporation recognized impairment losses of ¥6,002 million and ¥4,565 million on development assets and research and development in progress, respectively, in the Endoscopic Solutions Business, which were written down to their recoverable amount since Olympus Corporation no longer expects them to generate the expected earnings at the time of acquisition due to such factors as changes in the market environment. Olympus Corporation recognized impairment losses of ¥2,346 million on development assets in Therapeutic Solutions Business, which were written down to their recoverable amount since Olympus Corporation no longer expects them to generate the expected earnings at the time of acquisition due to such factors as changes in the market environment. The recoverable amount was the fair value less costs of disposal and, as the assets are difficult to sell, this amount was zero. It was classified as Level 3 in the fair value hierarchy.

(Loss related to the orthopedic surgery business)

Olympus Corporation recorded impairment losses of ¥8,588 million (¥3,802 million for goodwill; ¥1,407 million for patent rights; ¥918 million for research and development assets; ¥271 million for land; ¥512 million for buildings and structures; ¥1,219 million for tools, furniture and fixtures; ¥180 million for machinery and vehicles; and ¥189 million for right-of-use assets) on the assets in the orthopedic surgery business that is part of the “Others” segment, which were written down to their recoverable amount since Olympus Corporation no longer expects them to generate the expected earnings due to such factors as changes in the market environment. The recoverable amount was the fair value less costs of disposal. It was classified as level 3 in the fair value hierarchy.

(2) Impairment test for goodwill

The breakdown of the carrying amount of goodwill corresponding to cash generating units was as follows:

	(Millions of yen)	
	2023	2024
Endoscopic solutions segment	28,511	32,421
Therapeutic solutions segment	149,458	147,910
Other		
Orthopedic surgery business	3,355	-
Total	181,324	180,331

The Olympus Group tested goodwill for impairment on March 31, 2023 and 2024.

Individually significant goodwill carried on the consolidated statement of financial position is the goodwill allocated to the Endoscopic solutions segment and Therapeutic solutions segment.

For impairment testing of goodwill, the recoverable amount is measured based on value in use.

Value in use is measured by discounting estimated future cash flows to present value. Estimated future cash flows is primarily based on a business plan approved by the management and considering a growth rate for the period after the term of the business plan.

Business plans have a maximum term of five years as a general rule. Business plans reflect management's assessment of future industry trends as well as historical data, and are prepared based on external and internal information. The estimated future cash flows are determined based on the business plans.

The growth rate for the period after the term of the business plans is determined based on market research reports for the industry in which the cash-generating unit (CGU) operates. The growth rate of "Endoscopic Solutions Business" and "Therapeutic Solutions Business" is 1.7% - 4.1% and 1.6% - 5.2%, respectively, as of March 31, 2023, and 1.7% - 4.7% and 1.5% - 4.8%, respectively, as of March 31, 2024.

The discount rate is based on the pre-tax weighted average cost of capital of the cash-generating unit. The discount rates for the fiscal years ended March 31, 2023 and 2024, were 10.7% and 11.8%, respectively.

The main assumptions in estimating value in use are the growth rate and the operating profit ratio in estimating future cash flows in the five-year business plan, the growth rate for the period after the business plan and the discount rate.

Value in use measured using the above rates amply exceeds the carrying amount of the Endoscopic solutions segment and the carrying amount of the Therapeutic solutions segment, respectively. Olympus Corporation believes that there is a low probability of significant impairment even if the key assumptions used in the impairment testing were to change within a range of reasonable foreseeability.

17. Trade and Other Payables

The breakdown of trade and other payables as of March 31, 2023 and 2024 was as follows:

	(Millions of yen)	
	2023	2024
Notes and account payable	45,826	41,854
Other payable	17,093	20,001
Total	62,919	61,855

18. Bonds and Borrowings

The breakdown of bonds and borrowings as of March 31, 2023 and 2024 was as follows:

	(Millions of yen)			
	2023	2024	Average interest rate (%)	Maturity
Short-term borrowings	3	-	0.00	-
Current portion of bonds payable	9,989	19,986	0.20	December 2024
Current portion of long-term borrowings	39,978	50,002	0.08	May 2024
Bonds (excluding current portion)	136,129	125,264	1.44	July 2025 to July 2030
Long-term borrowings (excluding current portion)	153,958	104,364	0.65	April 2025 to September 2029
Total	340,057	299,616		
Current	49,970	69,988		
Non-current	290,087	229,628		
Total	340,057	299,616		

Note: The average interest rate is the weighted average interest rate on the ending balance of borrowings.

Bonds and borrowings are classified as financial liabilities measured at amortized cost.

The breakdown of bonds as of March 31, 2023 and 2024 was as follows:

(Millions of yen)

Company	Bond name	Issue date	2023	2024	Interest rate (%)	Maturity date
Olympus Corporation	23rd unsecured bonds	March 7, 2019	9,989	–	0.27	March 2024
Olympus Corporation	25th unsecured bonds	December 5, 2019	19,968	19,986	0.20	December 2024
Olympus Corporation	26th unsecured bonds	July 18, 2020	24,947	24,970	0.25	July 2025
Olympus Corporation	27th unsecured bonds	July 19, 2020	24,904	24,917	0.47	July 2030
Olympus Corporation	Dollar-denominated unsecured bonds due 2026	December 8, 2021	66,310	75,377	2.14	December 2026
Total			146,118	145,250		

The breakdown of long-term borrowings, including current portion, as of March 31, 2023 and 2024 was as follows:

(Millions of yen)

Financial institution	2023	2024	Interest rate (%)	Maturity date
Japanese Bank	13,119	13,179	0.86	September 2029
Japanese Bank	1,471	1,477	0.73	September 2027
Japanese Bank	10,000	10,000	1.38	September 2025
Japanese Bank	9,679	9,750	0.53	August 2027
Japanese Bank	10,000	10,000	1.39	September 2025
Japanese Bank	9,696	9,755	0.55	June 2028
Japanese Bank	39,969	–	0.10	November 2023
Japanese Bank	49,810	49,910	0.32	April 2025
Japanese Bank	39,911	39,992	0.25	May 2024
Japanese Bank	10,000	10,000	0.40	May 2024
Other	281	303		
Total	193,936	154,366		

19. Other Financial Liabilities

The breakdown of other financial liabilities as of March 31, 2023 and 2024 was as follows:

		(Millions of yen)	
		2023	2024
Financial liabilities measured at fair value through profit or loss			
Derivative liabilities		1,216	2,483
Contingent consideration		8,226	7,119
Financial liabilities measured at amortized cost			
Lease liabilities		57,162	60,943
Other		18,299	19,366
Total		84,903	89,911
Current		23,235	27,673
Non-current		61,668	62,238
Total		84,903	89,911

20. Provisions

The changes in provisions during the fiscal year ended March 31, 2024 were as follows:

(Millions of yen)					
	Provision for product warranties	Provision for loss on litigation	Provision for duodenoscope market response	Other	Total
Balance at April 1, 2023	2,840	4,908	6,747	7,528	22,023
Increase during the year	11,531	216	757	5,414	17,918
Decrease (Provisions used)	(2,402)	(6)	(444)	(2,327)	(5,179)
Decrease (Provisions reversed)	(1,203)	(190)	(1,158)	(572)	(3,123)
Exchange differences on translation of foreign operations	314	742	–	985	2,041
Balance at March 31, 2024	11,080	5,670	5,902	11,028	33,680
Current	10,791	5,568	5,902	9,057	31,318
Non-current	289	102	–	1,971	2,362
Total	11,080	5,670	5,902	11,028	33,680

Note: Provision for product warranties included the ¥2,292 million expected to be needed for a voluntary recall of small intestine endoscope systems and provision of ¥5,238 million for market corrective measures for high-flow insufflation units.

(1) Provision for product warranties

For products sold subject to a quality assurance warranty, Olympus Corporation accrues after service cost and recall cost expected to be incurred within the guarantee period. After service cost is calculated using the prescribed standards, based on after service cost actually incurred in the past, and is expected to be expended during the guarantee period (mostly within three years). For recall cost, the amount deemed necessary for recalls was reasonably estimated and recorded as a provision.

(2) Provision for loss on litigation

To provide for losses related to lawsuits or other litigation, in light of progress of the lawsuits, the expected amount of these losses is accounted for based on a reasonable estimate of the amount deemed necessary. These loss provisions are expected to be expended mostly within one year.

(3) Provision for duodenoscope market response

Olympus Corporation has decided to voluntarily replace the old type of duodenoscopes with a fixed tip cap with the new type with a removable tip cap, which is easier to clean and disinfect, against the background of obtaining regulatory approval for the new type of duodenoscopes with a removable tip cap in the United States. The amount deemed necessary to carry out this market response was reasonably estimated and recorded as a provision.

21. Other Current Liabilities and Other Non-current Liabilities

The breakdown of other current liabilities and other non-current liabilities as of March 31, 2023 and 2024 was as follows:

			(Millions of yen)	
			2023	2024
Accrued expenses			106,458	130,095
Contract liabilities			55,533	65,616
Other			20,040	25,024
	Total		182,031	220,735
Current			163,837	202,203
Non-current			18,194	18,532
	Total		182,031	220,735

22. Government Grants

Government grants included in other current liabilities and other non-current liabilities as of March 31, 2023 and 2024 were as follows:

			(Millions of yen)	
			2023	2024
Other current liabilities			285	279
Other non-current liabilities			1,753	1,473

Government grants were conditioned on acquiring equipment in a specific medical field in Japan and they are amortized over the useful life of their related assets on a straight-line basis.

There are no unfulfilled conditions or contingencies related to these grants.

23. Employee Benefits

Olympus Corporation and some of its consolidated subsidiaries have established defined benefit corporate pension plans, defined contribution pension plans and lump sum payment plans to fund employees' retirement benefits.

The defined benefit corporate pension plans are cash balance plans that use a point system. In these plans, points are awarded to the plan participants based on their job performance and interest points calculated using

an interest crediting rate based on trends in market interest rates accumulate in the participants' hypothetical individual accounts.

The Olympus Group, its pension funds and institutions that manage its plan assets are legally required to faithfully administer and manage plan assets in the aim of providing reliable pension benefits to plan participants into the indefinite future. They fulfill their management responsibilities in accord with basic policies prepared by the funds.

The Olympus Group's retirement benefit plans are exposed to multiple risks, including investment risks associated with plan assets and interest rate risk associated with defined benefit obligations.

(1) Defined benefit plans

(i) Reconciliation of defined benefit obligations

The changes in defined benefit obligations were as follows:

	(Millions of yen)	
	2023	2024
Balance at April 1	175,633	152,636
Current service cost	6,410	5,690
Past service cost	(80)	(9)
Interest cost	3,235	4,260
Remeasurements of defined benefit plans		
Actuarial gains and losses arising from changes in demographic assumptions	(366)	104
Actuarial gains and losses arising from changes in financial assumptions	(20,351)	(5,527)
Other	2,954	2,539
Contributions by employees	151	203
Benefits paid	(7,283)	(8,682)
Transfer to liabilities associated with assets held for sale	(12,751)	-
Exchange differences on translation of foreign operations	5,101	8,723
Other	(17)	(47)
Balance at March 31	152,636	159,890

(ii) Reconciliation of fair value of plan assets

The change in the fair value of plan assets during the fiscal years ended March 31, 2023 and March 31, 2024 is presented below.

The Olympus Group conducts a financial verification based on Olympus Corporation's corporate pension rules at the end of every fiscal year to ascertain the extent of any funding deficit and determine whether contributions need to be recalculated.

In the fiscal year ending March 31, 2025, the Olympus Group plans to contribute ¥3,505 million to the plan.

(Millions of yen)

	2023	2024
Balance at April 1	161,607	159,248
Interest income	2,669	4,539
Remeasurements		
Return on plan assets	(8,546)	3,424
Contributions by employer	19,572	7,079
Contributions by employees	160	204
Benefits paid	(6,449)	(7,622)
Transfer to liabilities associated with assets held for sale	(12,924)	–
Exchange differences on translation of foreign operations	3,301	9,309
Other	(142)	(62)
Balance at March 31	159,248	176,119

(iii) Reconciliation of defined benefit obligations and plan assets

The reconciliation between the defined benefit obligations and plan assets and the retirement benefit liability and asset recognized in the consolidated statement of financial position was as follows:

(Millions of yen)

	2023	2024
Present value of the funded defined benefit obligations	136,957	143,972
Fair value of plan assets	(159,248)	(176,119)
Subtotal	(22,291)	(32,147)
Present value of the unfunded defined benefit obligations	15,679	15,918
Net defined benefit liabilities (assets)	(6,612)	(16,229)
Amounts recognized in the consolidated statement of financial position		
Retirement benefit liability	20,416	20,586
Retirement benefit asset	(27,028)	(36,815)
Net defined benefit liabilities (assets)	(6,612)	(16,229)

(iv) Components of plan assets

The breakdown of plan assets by category was as follows:

	(Millions of yen)	
	2023	2024
Assets with quoted market prices in an active market		
Japanese equity securities	1,368	1,515
Overseas debt securities	556	613
Cash and cash equivalents	11,170	12,821
Total	13,094	14,949
Assets without quoted market prices in an active market		
Overseas equity securities	13,188	6,832
Overseas debt securities	28,150	45,739
General account for life insurance companies	46,626	45,698
Jointly managed money trust	45,943	49,070
Other (Note)	12,247	13,831
Total	146,154	161,170
Total of plan assets	159,248	176,119

Note: Insurance contracts concluded through annuity buy-in transactions included in "Other" amounted to ¥9,707 million and ¥10,927 million as of the end of the fiscal years ended March 31, 2023 and 2024, respectively.

To reliably pay defined benefit obligations into the indefinite future, plan assets in the Olympus Group's corporate pension funds are managed safely and efficiently in the aim of generating medium- to long-term investment returns in excess of the minimum rate of return required to maintain the plans. To do so, the pension funds carefully ascertain their risk tolerance, determine an optimal asset allocation within those risk constraints and invest in a diversified portfolio of assets.

(v) Matters related to actuarial assumptions

The main significant actuarial assumptions used to measure present value of defined benefit obligations were as follows:

	2023	2024
Discount rate	2.60%	3.12%

(vi) Sensitivity analysis

In the event of a 0.5% change in the discount rate used in the actuarial calculation, the present value of the defined benefit obligations would be affected as shown below. This analysis assumes that all other variables remain constant. In actuality, however, the sensitivity analysis may be affected by changes in other assumptions.

	(Millions of yen)	
	2023	2024
Discount rate		
0.5% increase (decrease in obligations)	(8,717)	(7,758)
0.5% decrease (increase in obligations)	10,120	11,948

(vii) Weighted average duration

The weighted average durations of the defined benefit obligations were 13.2 years and 13.0 years as of March 31, 2023 and 2024, respectively.

(2) Defined contribution plans

The amounts recognized as expenses related to the defined contribution plan were ¥18,783 million and ¥20,966 million for the fiscal years ended March 31, 2023 and 2024, respectively, and included expenses recognized in relation to the public pension system.

24. Share Capital and Other Components of Equity

(1) Number of authorized shares, issued shares and treasury shares

The changes in the number of authorized shares, issued shares and treasury shares were as follows:

	Number of shares	
	2023	2024
Authorized shares	4,000,000,000	4,000,000,000
Issued shares (Note 1)		
As of April 1	1,299,294,333	1,266,178,700
Increase or decrease (Note 2) (Note 3)	(33,115,633)	(51,032,000)
As of March 31	1,266,178,700	1,215,146,700
Treasury shares (Note 4)		
As of April 1	26,261,612	12,641,218
Increase or decrease (Note 5) (Note 6)	(13,620,394)	36,873,689
As of March 31	12,641,218	49,514,907

- Notes: 1. All of the shares of Olympus Corporation are ordinary shares that have no par value and no limitations on the rights. Issued shares are fully paid.
2. The decrease in the fiscal year ended March 31, 2023, was due to the cancellation of 13,402,333 shares of treasury shares and 19,713,300 shares of treasury shares conducted effectively on June 8, 2022 and March 28, 2023, respectively.
3. The decrease in the fiscal year ended March 31, 2024, was due to the cancellation of 51,032,000 shares of treasury shares conducted effectively on February 29, 2024.
4. Olympus Corporation has adopted stock option plans and utilizes treasury shares for delivery of shares due to exercise. Contract conditions and amounts are described in Note “27. Stock-based Compensation.”
5. The main changes in the fiscal year ended March 31, 2023, were a decrease of 13,402,333 shares due to the cancellation of treasury shares conducted effectively on June 8, 2022, an increase of 19,713,300 shares due to the share repurchase conducted between November 14, 2022, and January 18, 2023 on a delivery date basis and a decrease of 19,713,300 shares due to the cancellation of treasury shares conducted effectively on March 28, 2023.
6. The main changes in the fiscal year ended March 31, 2024, were an increase of 51,032,000 shares due to the share repurchase conducted between May 15, 2023, and November 8, 2023 on a delivery date basis, an increase of 37,446,500 shares due to the share repurchase conducted between November 10, 2023, and March 26, 2024 on a delivery date basis and a decrease of 51,032,000 shares due to the cancellation of treasury shares conducted effectively on February 29, 2024.

(2) Capital surplus

Japan’s Companies Act provides that at least one-half of capital paid in or contributed in exchange for newly issued shares is to be classified as share capital and any amount not classified as share capital is to be classified as legal capital surplus included in capital surplus.

Additionally, legal capital surplus may be reclassified as share capital pursuant to a shareholder resolution at a General Meeting of Shareholders.

(3) Retained earnings

Japan's Companies Act provides that one-tenth of the amount of reductions in surplus due to dividend distributions funded by the surplus is to be accumulated as legal capital surplus or legal retained earnings until the total of legal capital surplus and legal retained earnings equals one-quarter of share capital.

Accumulated legal retained earnings may be appropriated to reduce a capital deficit. They may also be utilized pursuant to a shareholder resolution at a General Meeting of Shareholders.

The amount of Olympus Corporation's retained earnings distributable as dividends is measured based on the amount of retained earnings carried on Olympus Corporation's accounting books prepared in accordance with accounting principles generally accepted in Japan.

Additionally, the Companies Act imposes certain restrictions on how the amount of retained earnings distributable as dividends is measured. Olympus Corporation distributes retained earnings within the constraints stipulated by those restrictions.

(4) Other components of equity

The changes in other components of equity were as follows:

	(Millions of yen)				
	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total
Balance at March 31, 2022	36,582	(2,501)	737	–	34,818
Other comprehensive income	47,093	(1,280)	(84)	7,320	53,049
Reclassification to retained earnings	–	–	(233)	(7,320)	(7,553)
Transfer to other components of equity related to disposal group held for sale	(3,019)	–	(15)	–	(3,034)
Balance at March 31, 2023	80,656	(3,781)	405	–	77,280
Other comprehensive income	69,011	(177)	(20)	4,682	73,496
Reclassification to retained earnings	–	–	(1)	(4,682)	(4,683)
Transfer to other components of equity related to disposal group held for sale	3,019	–	15	–	3,034
Balance at March 31, 2024	152,686	(3,958)	399	–	149,127

(i) Exchange differences on translation of foreign operations

Exchange differences that arise when foreign operations' financial statements prepared in a foreign currency are consolidated.

(ii) Cash flow hedges

Olympus Corporation hedges to avert the risk of changes in future cash flows. Changes in the fair value of derivatives designated as cash flow hedges are recognized in other comprehensive income to the extent the hedges are deemed effective.

(iii) Financial assets measured at fair value through other comprehensive income

Valuation gains/losses on financial assets measured at fair value through other comprehensive income.

(iv) Remeasurements of defined benefit plans

Changes in defined benefit obligations due to actuarial gains/losses and the effects of changes in actuarial assumptions; they are recognized in other comprehensive income when they occur and immediately transferred from other components of equity to retained earnings.

25. Capital Policy

To enhance its corporate value, the Olympus Group has adopted a basic policy, premised on maintaining a stable financial foundation, of continually returning value to shareholders while placing priority on investing in growth businesses.

The Olympus Group manages all of its equity and interest-bearing debt as components of its capital cost. Cognizant of financial stability and capital efficiency, the Olympus Group aims to improve its credit ratings issued by rating agencies to more readily procure funding globally. The Olympus Group is not subject to any significant capital restrictions (except for general provisions stipulated in Japan's Companies Act).

The Olympus Group has designated adjusted earnings per share (adjusted EPS) as an equity-related key performance indicator. In the company strategy announced on May 12, 2023, the Olympus Group has defined a target of achieving an adjusted EPS CAGR of more than 8% from the fiscal year ended March 31, 2024 through the fiscal year ending March 31, 2026 starting from the fiscal year ended March 31, 2023.

(Yen)

	2023	2024
Adjusted EPS (Note 1)	96.09	83.91

Note: This is EPS after adjusting special factors, and the amount differs from the amount shown in Note "32. Earnings per share."
In calculating adjusted EPS, other income and other expenses, etc., are excluded from profit, which is the basis for the calculation.

26. Dividends

Dividends paid during the fiscal year ended March 31, 2023 were as follows:

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 11, 2022 Board of Directors	Common stock	17,822	14	March 31, 2022	June 3, 2022

Dividends paid during the fiscal year ended March 31, 2024 were as follows:

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 12, 2023 Board of Directors	Common stock	20,057	16	March 31, 2023	June 6, 2023

Dividends for which the record date falls in the current fiscal year and the effective date is in the following fiscal year are as follows:

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 10, 2024 Board of Directors	Common stock	20,981	18	March 31, 2024	June 5, 2024

27. Stock-based Compensation

The Olympus Group has adopted equity-settled stock option plans for directors, executive officers, corporate officers, and senior management of Olympus Corporation and its subsidiaries (hereinafter the “Employees of the Olympus Group”) with the aim of enhancing awareness toward contributing to sustainable improvement of corporate value as well as further enhancing value sharing with shareholders of Olympus Corporation.

(1) Stock Options

(i) Overview of stock option plans

Under the stock option plans, grantees are granted 400 shares of common stock of Olympus Corporation per subscription right to shares.

The grants are not subject to vesting conditions, but holders of subscription rights to shares may exercise their subscription rights to shares only during a 10-year period beginning one year from the day after the date on which they vacate their position as a director, executive officer or corporate officers of Olympus Corporation (or the date on which they vacate their position as an Audit & Supervisory Board Member if they were appointed to the Audit & Supervisory Board Members after vacating their position as a director or corporate officer). If not exercised within the exercise period, the options become null and void. Olympus Corporation introduced a restricted stock compensation system and performance-based stock compensation system from the fiscal year ended March 31, 2018, and new application of the stock option plan was suspended. No stock options have been granted since such time. The exercise period for stock options already granted ends on July 13, 2046.

(ii) Outline of stock options

	Grant date	Number of shares granted (shares)	Exercise price (Yen)	Exercise period
First series of stock subscription rights	August 26, 2013	160,400	1	From August 27, 2013 to August 26, 2043
The second subscription rights to shares	July 11, 2014	164,000	1	From July 12, 2014 to July 11, 2044
The third subscription rights to shares	July 13, 2015	154,800	1	From July 14, 2015 to July 13, 2045
The fourth subscription rights to shares	July 13, 2016	158,000	1	From July 14, 2016 to July 13, 2046

Note: The number of stock options is presented as the number of underlying shares.

(iii) Movement in number of stock options and weighted average exercise price

	2023		2024	
	Number of equity securities (shares)	Weighted average exercise price (Yen)	Number of equity securities (shares)	Weighted average exercise price (Yen)
Outstanding at beginning of year	429,600	1	302,800	1
Granted	–	–	–	–
Exercised	(126,800)	1	(20,400)	1
Expired	–	–	–	–
Outstanding at end of year	302,800	1	282,400	1
Exercisable at end of year	148,400	1	161,600	1

- Notes: 1. The number of stock options is presented as the number of underlying shares.
2. The weighted average share prices of stock options at the time of exercise were ¥2,474 and ¥2,425 for the fiscal years ended March 31, 2023 and 2024, respectively.
3. The weighted average remaining lives of unexercised stock options year were 22.0 years and 21.0 years as of March 31, 2023 and 2024, respectively.

(2) Performance-based stock compensation (PSU: Performance Share Unit) system

(i) Overview of Performance Share Unit (PSU) system (hereinafter the “PSU system”)

The PSU system is for executive officers and corporate officers of Olympus Corporation, and the Employees of the Olympus Group (hereinafter the “Eligible Persons”).

Under the PSU system, at the beginning of the performance evaluation period, the standard number of common stock units to be delivered after the end of the performance evaluation period is determined based on the amount of basic salary. The number of share units to be allotted is the number of the standard number of common stock units multiplied by the payment rate determined according to the degree of attainment at the end of the performance period. The Eligible Persons wholly transfer their rights to monetary compensation receivable equivalent to the number of such allotted share units as in kind property contributions and receive newly issued shares of Olympus Corporation’s common stock. The performance evaluation period is three fiscal years, and the Compensation Committee determines the payment rate within the predetermined range according to the degree of attainment, at the end of the performance evaluation period, of predetermined performance evaluation indicators and targets set by the Compensation Committee. The performance evaluation indicators and targets at the start of the performance evaluation period and the payment rate at the end of the performance evaluation period for corporate officers and the Employees of the Olympus Group are determined by the Representative Executive Officer.

(ii) Number of shares granted during the year and fair value at grant date

The weighted average fair value at the grant date under this plan for the fiscal years ended March 31, 2023 and 2024 were ¥2,307 and ¥2,257, respectively. The number of shares delivered correspond to the directors’ standard variable compensation calculated based on their position and adjusted within the predetermined range based on the degree of attainment, as of the end of the three fiscal years, of predetermined performance evaluation targets set by the Compensation Committee or Representative Executive Officer as described above in (2) (i).

(3) Restricted Stock Unit system

(i) Overview of Restricted Stock Unit system (hereinafter the “RSU system”)

The RSU system is for directors, executive officers and corporate officers of Olympus Corporation, and the Employees of the Olympus Group (hereinafter the “Eligible Persons”).

Under the RSU system, on the condition that the eligible persons remain employed by Olympus Corporation during the vesting period, the eligible persons are granted the right to acquire the predetermined number of shares of Olympus Corporation's common stock at a predetermined time based on the amount of basic salary, etc. at the beginning of the transfer restriction period. The Eligible Persons wholly transfer all their rights to monetary compensation receivable according to that number of granted units after the end of the vesting period as in kind property contributions and receive newly issued shares of Olympus Corporation's common stock.

RSUs are paid as newly issued shares of the Company's common stock for Directors who live in Japan at the time of retirement in principle, and for Directors who do not live in Japan after the standard vesting period in their region. The vesting period of RSUs for executive officers, corporate officers and the Employees of the Olympus Group was three fiscal years until the fiscal year ended March 31, 2022, and the number of shares equivalent to all the granted units was delivered after the vesting period. From the fiscal year ended March 31, 2023, shares are delivered by one-third of the number of granted units each fiscal year.

(ii) Number of shares granted during the year and fair value at grant date

The weighted average fair value at the grant date under this plan for the fiscal years ended March 31, 2023 and 2024 were ¥2,236 and ¥2,269, respectively. As for the number of shares, Olympus Corporation's common stock determined by Olympus Corporation in advance are delivered after the end of the vesting period as stated in (3) (i) above.

(4) Stock compensation expenses

(Millions of yen)

	2023	2024
Selling, general and administrative expenses	1,690	2,579

28. Revenue

(1) Disaggregation of Revenue

The organization of the Olympus Group has basically consisted of the Endoscopic Solutions Business, Therapeutic Solutions Business, Scientific Solutions Business, and Others, but, from the second quarter ended September 30, 2022, the organization has been changed to basically consist of the Endoscopic Solutions Business, Therapeutic Solutions Business, and Others. The change is due to Olympus Corporation classifying the Scientific Solutions Business as a discontinued operation with the conclusion of a share transfer agreement related to the transfer of Scientific Solutions Business of the Olympus Group with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital.

Revenue recorded in Endoscopic Solutions Business, Therapeutic Solutions Business and Others is stated as revenue, as these segments are the units for which separate financial information is available and according to which reporting is periodically conducted to decide how to allocate management resources and assess business performance. Revenue is geographically disaggregated by customer location. Relationship between the disaggregated revenue and revenue of each reportable segment is as follows:

For the fiscal year ended March 31, 2023

(Millions of yen)

	Endoscopic Solutions	Therapeutic Solutions	Others	Total
Japan	70,472	46,170	5,874	122,516
North America	198,134	123,874	159	322,167
Europe	134,307	82,411	5,446	222,164
China	82,906	34,147	41	117,094
Asia and Oceania	51,891	25,543	373	77,807
Others	14,113	6,062	0	20,175
Total	551,823	318,207	11,893	881,923
Revenue from contracts with customers	483,667	307,679	11,893	803,239
Revenue from other sources	68,156	10,528	—	78,684

Note: Revenue from other sources includes revenue from lease contracts as defined under IFRS 16.

For the fiscal year ended March 31, 2024

(Millions of yen)

	Endoscopic Solutions	Therapeutic Solutions	Others	Total
Japan	71,892	44,495	5,128	121,515
North America	216,565	134,666	106	351,337
Europe	145,931	90,714	6,180	242,825
China	74,950	30,748	643	106,341
Asia and Oceania	58,979	28,897	205	88,081
Others	18,300	7,811	0	26,111
Total	586,617	337,331	12,262	936,210
Revenue from contracts with customers	508,888	326,167	12,262	847,317
Revenue from other sources	77,729	11,164	—	88,893

Note: Revenue from other sources includes revenue from lease contracts as defined under IFRS 16.

(i) Endoscopic Solutions Business

The Endoscopic Solutions Business sells medical devices, including gastrointestinal endoscopes and surgical endoscopes, as well as provides medical services such as lease and repair for these products, to customers who are primarily medical institutions in Japan and overseas.

Regarding the sale of products by the Endoscopic Solutions Business, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. The revenue from the sale of products is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component. In respect of transactions that consist of multiple components, such as products and maintenance service, Olympus Corporation treats each component as a separate performance obligation when products to sell and services to render have an independent value on their own, and the total transaction amount is proportionally allocated based on the individual sales prices of the components.

In regard to maintenance contracts concerning medical devices, because performance obligations are satisfied over the passage of time, the transaction amount related to the contract with a customer is

recognized as revenue spread evenly over the contract period. Generally, Olympus Corporation receives a consideration for a transaction in a lump sum as advance payment at the time the contract is concluded.

Lease transactions for medical devices as the lessor are recorded in accordance with Note “3. Material Accounting Policies, (10) Leases.” Olympus Corporation receives lease fees concerning leasing contracts based on payment conditions specified in individual contracts.

(ii) Therapeutic Solutions Business

The Therapeutic Solution Business sells medical devices, including GI-Endotherapy, urology products, respiratory products, energy devices, ENT products, and gynecology products, to customers who are primarily medical institutions in Japan and overseas.

Regarding the sale of products by the Therapeutic Solutions Business, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. The revenue from the sale of products is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component.

(iii) Other Businesses

Other businesses include R&D and exploratory activities for new businesses, in addition to sales of biomedical materials and orthopedic equipment.

(2) Contract balances

The balances of receivables from contracts with customers, and contract assets and contract liabilities were as follows:

For the fiscal year ended March 31, 2023

	(Millions of yen)	
	April 1, 2022	March 31, 2023
Receivables from contracts with customers	145,912	137,177
Contract assets	728	1,239
Contract liabilities	53,650	55,533

For the fiscal year ended March 31, 2024

	(Millions of yen)	
	April 1, 2023	March 31, 2024
Receivables from contracts with customers	137,177	146,956
Contract assets	1,239	220
Contract liabilities	55,533	65,616

In the consolidated statement of financial position, receivables from contracts with customers and contract assets are included in trade and other receivables and contract liabilities are included in other current liabilities and other non-current liabilities.

Contract assets are related to consideration for performance that has been completed but not been charged on the reporting date. Contract assets are reclassified to receivables when the right to payment becomes

unconditional. Contract liabilities are advances from customers who first made some or all of the payment even though service had not yet been provided to the customer, primarily for maintenance contracts.

The amounts of revenues from continuing operations recognized during the fiscal years ended March 31, 2023 and 2024 which were included in contract liabilities at the beginning of the period were ¥50,919 million and ¥55,521 million, respectively. In addition, for the fiscal years ended March 31, 2023 and 2024, the amounts of revenue recognized from performance obligation satisfied (or partly satisfied) in the previous period are immaterial.

(3) Transaction price allocated to the remaining performance obligations

The amounts of revenue by timing of satisfaction of remaining performance obligations are as follows: Olympus Corporation has applied the practical expedient and does not disclose transactions of which the expected contract period is within one year or less.

(Millions of yen)

	2023	2024
Within 1 year	18,068	22,936
Over 1 year	12,074	11,838
Total	30,142	34,773

29. Selling, General and Administrative Expenses

Major items of selling, general and administrative expenses for the fiscal years ended March 31, 2023 and 2024 were as follows:

(Millions of yen)

	2023	2024
Personnel expenses (Note)	231,862	264,627
Depreciation	34,151	35,293
Advertising and promotion expenses	15,448	16,193

Note: Personnel expenses mainly include wages, bonuses, legal welfare expenses, expenses related to post-employment benefits, and personnel expenses incurred by the development division.

30. Other Income and Other Expenses

(1) Other income

Major items of other income are as follows.

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Gain on sale of fixed assets)

Olympus Corporation recorded gain on sale of land in Hatagaya of ¥16,395 million in “Other income.”

(Change in fair value of contingent consideration, which is a portion of acquisition consideration)

Olympus Corporation recognized ¥1,381 million in “Other income” due to adjustments to the original acquisition consideration at the time of acquisition resulting from changes in the fair value of the contingent consideration, which makes up part of the acquisition consideration of Medi-Tate Ltd. For details on the change in fair value, please see Note “40. Business Combinations.”

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Transfer of collagen business and dental product sales businesses)

Olympus Corporation recorded a gain of ¥1,127 million associated with the loss of control of the collagen business and dental product sales businesses in “Other income.” Details are described in Note “34. Cash Flow Information.”

(2) Other expenses

Major items of other expenses are as follows.

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Business restructuring expenses)

Olympus Corporation recorded ¥2,361 million for the cost related to promotion of the business transformation plan “Transform Olympus” in “Other expenses.”

(Quality-related expenses)

In order to comply with quality laws and regulation for medical device of global regulatory authorities, we must strengthen our quality management systems. An expense of ¥1,937 million was incurred in “Other expenses” to ensure we strengthen our global quality management system and to improve targeted areas including complaint handling and response, medical device reporting (MDR), and process design validation.

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Quality-related expenses)

In order to comply with quality laws and regulation for medical device of global regulatory authorities, we must strengthen our quality management systems. An expense of ¥23,041 million was incurred in “Other expenses” to ensure we strengthen our global quality management system and to improve targeted areas including complaint handling and response, medical device reporting (MDR), and process design validation.

(Losses associated with the discontinuation of manufacture and sale of products from Veran Medical Technologies, Inc.)

A loss of ¥51,886 million (¥2,337 million for loss on valuation of inventories; ¥41,704 million for impairment loss on non-current assets (Note); ¥7,846 million for expenses related to the voluntary recall of products) associated with the discontinuation of manufacture and sale of products from Veran Medical Technologies, Inc.’s electromagnetic navigation systems was recorded in “Other expenses.”

Note: Details of impairment losses on non-current assets are as described in Note “16. Impairment of Non-financial Assets.”

(Impairment losses on development assets and research and development in progress)

Olympus Corporation recognized impairment losses of ¥6,002 million and ¥4,565 million on development assets and research and development in progress, respectively, in the Endoscopic Solutions Business, which were written down to their recoverable amount since Olympus Corporation no longer expects them to generate the expected earnings at the time of acquisition due to such factors as changes in the market environment, and recorded the losses in “Other expenses.” Olympus Corporation recognized impairment losses of ¥2,346 million on development assets in Therapeutic Solutions Business, which were written down to their recoverable amount since Olympus Corporation no longer expects them to generate the expected earnings at the time of acquisition due to such factors as changes in the market environment, and recorded the losses in “Other expenses.”

Details are as described in Note “16. Impairment of Non-financial Assets.”

(Implementation of career support system for external opportunity)

Olympus Corporation recorded ¥5,851 million in “Other expenses” as expenses incurred in the provision of special additional payment and re-employment support services under the career support system for external opportunity implemented by Olympus Corporation and its group companies.

(Conclusion and cancellation of share purchase agreement)

Effective March 7, 2024, Olympus Corporation reached an agreement with the former shareholders of South Korean medical device manufacturer Taewoong Medical Co., Ltd. to rescind the definitive agreement to acquire shares concluded on February 24, 2023. Olympus Corporation recorded ¥1,966 million in “Other expenses” as expenses related to the conclusion and cancellation of the share purchase agreement.

(Loss related to orthopedic surgery business)

The loss of ¥8,588 million related to the orthopedic surgery business is recorded in other expenses (¥3,802 million for impairment loss on goodwill; ¥2,356 million for impairment loss on intangible assets excluding goodwill; and ¥2,430 million for impairment loss on property, plant and equipment (Note)).

Note: Details of impairment losses on non-current assets are as described in Note “16. Impairment of Non-financial Assets.”

31. Finance Income and Finance Costs

The breakdown of finance income and finance costs for the fiscal years ended March 31, 2023 and 2024 was as follows:

		(Millions of yen)	
		2023	2024
<hr/>			
Finance income			
Interest income			
Financial assets measured at amortized cost		3,702	2,365
Dividends income			
Financial assets measured through other comprehensive income		38	11
Other		120	186
	Total	3,860	2,562
<hr/>			
Finance costs			
Interest expenses			
Financial liabilities measured at amortized cost		4,974	4,575
Interest on bonds			
Financial liabilities measured at amortized cost		891	834
Foreign exchange loss (Note 1)		2,141	4,487
Other		169	410
	Total	8,175	10,306

Notes: 1. Valuation gains or losses on currency derivatives that are not designated as hedges are included in foreign exchange gain or loss.

2. Fee income and expenses arising financial assets measured at amortized cost are immaterial.

32. Earnings per Share

(1) Basic earnings per share and diluted earnings per share

	2023	2024
Basic earnings per share (yen)		
Continuing operations	108.78	21.93
Discontinued operation	4.44	177.98
Basic earnings per share	113.22	199.91
Diluted earnings per share (yen)		
Continuing operations	108.65	21.88
Discontinued operation	4.43	177.56
Diluted earnings per share	113.08	199.44

(2) The basis for calculating basic earnings per share and diluted earnings per share

	2023	2024
Profit used to calculate basic earnings per share and diluted earnings per share		
Profit attributable to owners of parent (Millions of yen)	143,432	242,566
Profit not attributable to owners of parent (Millions of yen)	-	-
Profit used to calculate basic earnings per share (Millions of yen)	143,432	242,566
Continuing operations	137,809	26,610
Discontinued operation	5,623	215,956
Adjustment to profit (Millions of yen)	-	-
Profit used to calculate diluted earnings per share (Millions of yen)	143,432	242,566
Continuing operations	137,809	26,610
Discontinued operation	5,623	215,956
The weighted average number of shares of common stock used to calculate basic earnings per share and diluted earnings per share		
The weighted average number of shares of common stock (thousand shares)	1,266,848	1,213,402
Increase in number of shares of common stock		
Subscription rights to shares relating to stock options (thousand shares)	373	291
Common stock relating to PSU (thousand shares)	744	1,927
Common stock relating to RSU (thousand shares)	406	621
The weighted average number of shares of diluted common stock during the period (thousand shares)	1,268,371	1,216,241

33. Other Comprehensive Income

The breakdown of each component of other comprehensive income (including non-controlling interests) for the fiscal years ended March 31, 2023 and 2024 was as follows:

	(Millions of yen)	
	2023	2024
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income		
Amount arising during the year	(103)	(60)
Tax effect	19	40
Financial assets measured at fair value through other comprehensive income	(84)	(20)
Remeasurements of defined benefit plans		
Amount arising during the year	9,217	6,308
Tax effect	(1,897)	(1,626)
Remeasurements of defined benefit plans	7,320	4,682
Total of items that will not be reclassified to profit or loss	7,236	4,662
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations		
Amount arising during the year	47,093	69,011
Reclassification adjustments	-	-
Before tax effect	47,093	69,011
Tax effect	-	-
Exchange differences on translation of foreign operations	47,093	69,011
Cash flow hedges		
Amount arising during the year	3,683	8,669
Reclassification adjustments	(5,527)	(8,924)
Before tax effect	(1,844)	(255)
Tax effect	564	78
Cash flow hedges	(1,280)	(177)
Total of items that may be reclassified to profit or loss	45,813	68,834
Total other comprehensive income	53,049	73,496

34. Cash Flow Information

(1) Non-cash transactions

The major non-cash transactions are follows:

	(Millions of yen)	
	2023	2024
Right-of-use assets acquired through lease transactions	15,109	14,838

(2) Liabilities arising from financing activities

The changes in liabilities arising from financing activities were as follows:

Fiscal year ended March 31, 2023

(Millions of yen)

	Balance at April 1	Movement due to cash inflows/ outflows from financing activities	Non-cash items			Balance at March 31
			Increase due to new lease	Exchange differences on translation of foreign operations	Other	
Short-term borrowings	67	(67)	–	2	1	3
Bonds (Note)	180,322	(40,000)	–	–	5,796	146,118
Long-term borrowings (Note)	205,738	(13,547)	–	1,326	419	193,936
Lease liabilities (Note)	65,015	(20,914)	15,109	3,690	(5,738)	57,162

Note: Balances redeemable within one year are included.

Fiscal year ended March 31, 2024

(Millions of yen)

	Balance at April 1	Movement due to cash inflows/ outflows from financing activities	Non-cash items			Balance at March 31
			Increase due to new lease	Exchange differences on translation of foreign operations	Other	
Short-term borrowings	3	(3)	–	–	–	–
Bonds (Note)	146,118	(10,000)	–	–	9,132	145,250
Long-term borrowings (Note)	193,936	(40,000)	–	33	397	154,366
Lease liabilities (Note)	57,162	(19,518)	14,838	5,801	2,660	60,943

Note: Balances redeemable within one year are included.

(3) Payments for acquisition of business

There is no income or expenses from significant business acquisitions during the fiscal years ended March 31, 2023 and 2024.

(4) Payments for acquisition of subsidiaries

A reconciliation of the consideration paid for the acquisition of subsidiaries and payments for acquisition was as follows:

(Millions of yen)

	2023	2024
Consideration for acquisitions paid in cash	4,008	–
Cash and cash equivalents of assets acquired, at the time the Olympus Group obtained control of the subsidiaries	(149)	–
Payments for acquisition of subsidiaries	3,859	–

(5) Loss of control

Fiscal year ended March 31, 2023

No items to report

Fiscal year ended March 31, 2024

(Transfer of Scientific Solutions Business)

(i) Overview of transaction

On August 29, 2022, Olympus Corporation concluded an agreement to transfer all shares of its consolidated subsidiary, Evident Corporation (hereinafter, “Evident”), which operates the Scientific Solutions Business, to K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital, and completed the transfer procedures on April 3, 2023. As a result of this, Olympus Corporation lost its control of Evident on the same day.

(ii) Assets and liabilities associated with the loss of control

	(Millions of yen)
	Amount
Current assets	118,936
Non-current assets	50,119
Total assets	169,055
Current liabilities	30,657
Non-current liabilities	12,497
Total liabilities	43,154

(iii) Cash flows associated with the loss of control

	(Millions of yen)
	Amount
Cash and cash equivalents received as consideration of the loss of control	418,166
Expenses related to transfer of businesses	(2,892)
Cash and cash equivalents of subsidiaries with the loss of control	(36,183)
Proceeds from the transfer of Scientific Solutions Business (Note)	379,091

Note: Proceeds from the transfer of Scientific Solutions Business are included in “Cash flows from investing activities” in the Consolidated Statement of Cash Flows.

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥349,037 million associated with the loss of control of Evident in “Profit from discontinued operation” in the Consolidated Statement of Profit or Loss.

(Transfer of Gyrus Medical Limited)

(i) Overview of transaction

On April 21, 2023, Olympus Corporation concluded an agreement to transfer all shares of Gyrus Medical Limited (“GML”), a consolidated subsidiary of Olympus Corporation, to ATL TECHNOLOGY UK HOLDINGS LIMITED.

Olympus Corporation lost its control of GML on the same day that the transfer of shares in accordance with this share transfer agreement was completed.

(ii) Assets and liabilities associated with the loss of control

	(Millions of yen)
	Amount
Current assets	2,226
Non-current assets	1,285
Total assets	3,511
Current liabilities	688
Non-current liabilities	17
Total liabilities	705

(iii) Cash flows associated with the loss of control

	(Millions of yen)
	Amount
Cash and cash equivalents received as consideration of the loss of control	4,472
Cash and cash equivalents of subsidiaries with the loss of control	(0)
Proceeds from sale of subsidiaries (Note)	4,472

Note: Proceeds from sale of subsidiaries are included in “Cash flows from investing activities” in the Consolidated Statement of Cash Flows.

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥115 million associated with the loss of control of GML in “Other income” in the Consolidated Statement of Profit or Loss.

(Transfer of collagen business and dental product sales businesses)

(i) Overview of transaction

On March 28, 2023, Olympus Terumo Biomaterials Corporation, a consolidated subsidiary of Olympus Corporation, concluded a company split agreement with GC Corporation for the transfer of the collagen products development, manufacture and sales business and dental products sales business, which are included in the other businesses of the Olympus Group. The transfer of the businesses in accordance with this agreement was completed on July 3, 2023. As a

result, Olympus Corporation lost its control of the collagen business and the dental product sales businesses on that date.

(ii) Assets and liabilities associated with the loss of control

	(Millions of yen)
	Amount
Current assets	158
Non-current assets	399
Total assets	557
Current liabilities	28
Non-current liabilities	-
Total liabilities	28

(iii) Cash flows associated with the loss of control

	(Millions of yen)
	Amount
Cash and cash equivalents received as consideration of the loss of control	1,769
Expenses related to transfer of businesses	(113)
Proceeds from the transfer of the collagen business and dental product sales businesses (Note)	1,656

Note: Proceeds from the transfer of the collagen business and dental product sales businesses are included in “Cash flows from investing activities” in the Consolidated Statement of Cash Flows.

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥1,127 million associated with the loss of control of the collagen business and dental product sales businesses in “Other income” in the Consolidated Statement of Profit or Loss.

35. Financial Instruments

(1) Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss for the Olympus Group.

The Olympus Group is mainly exposed to the credit risk of customers and business counterparts on financial assets measured at amortized cost and of financial institutions that are counterparties to derivatives held for hedging foreign currency fluctuations and other financial risks.

The Olympus Group manages credit risk pertaining to financial assets measured at amortized cost by conducting credit investigations on major external customers and controls of due dates and outstanding balances by customers in accordance with internal regulations, while promptly identifying doubtful accounts caused by deteriorated financial conditions, etc., to reduce risks. Credit risk associated with derivatives is reduced by limiting transactions to highly creditworthy financial institutions.

Financial assets measured at amortized cost are mainly classified into “trade receivables” that consist of notes receivable, accounts receivable and lease receivables and “receivables other than trade receivables.” The Olympus Group provides allowance for doubtful accounts for each receivable as follows.

“Trade receivables” are classified into three categories: receivables to “debtors that are not facing serious problems in their management conditions,” receivables to “debtors that are facing serious problems in repaying their debts,” and receivables to “debtors that are bankrupt,” according to the debtors’ management and financial conditions at the end of the reporting period. Allowance for doubtful accounts is always recognized at an amount equal to expected credit losses for the remaining life of the assets for each category.

“Debtors that are not facing serious problems in their management conditions” refer to those that have no indication of problems in repaying their debts and no problems in ability to repay their debts. Allowance for doubtful accounts on receivables from the debtors in this category is recorded collectively using a provision ratio based on a historical loan loss ratio and future estimates.

“Debtors that are facing serious problems in repaying their debts” refer to those that are not in a state of bankrupt but are facing, or will likely face, serious problems in repaying their debts. Allowance for doubtful accounts on receivables from the debtors in this category is recorded based on the estimated collectable amount of the respective assets on an individual basis.

“Debtors that are bankrupt” refer to those that are legally or substantially bankrupt or in a state of serious financial difficulty with no prospect of revitalization. Allowance for doubtful accounts on receivables from the debtors in this category is recorded for all receivables excluding assets received as collateral or for credit enhancement.

The Olympus Group evaluates at the end of each reporting period whether there is a significant increase in credit risk of “receivables other than trade receivables” since initial recognition. When there is no significant increase in credit risk since initial recognition, the amount equal to expected credit losses for 12 months is recognized as allowance for doubtful accounts. When there is a significant increase in credit risk since initial recognition, the amount equal to expected credit losses for the remaining life of the financial assets is recognized as allowance for doubtful accounts.

“A significant increase in credit risk” refers to a situation in which there are serious problems in collectibility of receivables at the end of the reporting period compared to that at the initial recognition. When evaluating whether or not there is a significant increase in credit risk, the Olympus Group takes into consideration reasonably available and supportable information, such as a debtor’s results of operations for past periods and management improvement plan, as well as past due information.

Allowance for doubtful accounts on “receivables other than trade receivables” is recognized using a method to estimate credit losses collectively or individually according to the extent of the debtor’s credit risk. However, when the debtors are in serious financial difficulty or legally or substantially bankrupt, allowance for doubtful accounts is recognized using a method to estimate credit losses individually by considering the receivables as credit-impaired financial assets.

Irrespective of the above classification, when it is clear that a financial asset in its entirety or a portion thereof cannot be recovered, such as a legal extinguishment of receivables, the carrying amount of the financial asset is directly amortized.

Information on allowance for doubtful accounts

The carrying amounts of financial assets subject to allowance for doubtful accounts were as follows:

These carrying amounts represent the maximum amount of exposure to credit risk.

(Millions of yen)

Trade receivables	Debtors that are not facing serious problems in their management conditions	Debtors that are facing serious problems in repaying their debts	Debtors that are bankrupt	Total
Balance at March 31, 2023	204,624	4,584	306	209,514
Balance at March 31, 2024	234,544	4,833	264	239,641

There was no significant change that had a material impact on allowance for doubtful accounts for “Trade receivables” as of March 31, 2023 and 2024.

(Millions of yen)

Receivables other than trade receivables	No significant increase in credit risk	Significant increase in credit risk		Total
		Non-credit-impaired financial assets	Credit-impaired financial assets	
Balance at March 31, 2023	25,137	6,881	613	32,631
Balance at March 31, 2024	40,409	4,559	668	45,636

There was no significant change that had material impacts on allowance for doubtful accounts for “Receivables other than trade receivables” as of March 31, 2023 and 2024.

The changes in allowance for doubtful accounts related to above financial assets were as follows:

(Millions of yen)

	Trade receivables	Receivables other than trade receivables		
		No significant increase in credit risk	Significant increase in credit risk	
			Non-credit-impaired financial assets	Credit-impaired financial assets
Balance at April 1, 2022	5,246	52	6,853	604
Increase	427	–	103	–
Decrease	(1,161)	(48)	(79)	(1)
Other	391	(0)	–	10
Balance at March 31, 2023	4,903	4	6,877	613
Increase	667	0	–	2
Decrease	(821)	(4)	(2,320)	(2)
Other	592	1	–	55
Balance at March 31, 2024	5,341	1	4,557	668

(2) Liquidity risk

Liquidity risk is the risk that the Olympus Group may not be able to repay borrowings or settle other financial liabilities on their due dates.

Borrowings, bonds and other financial liabilities held by the Olympus Group are exposed to liquidity risk. Based on the report from each division, the finance division of the Olympus Group prepares and updates its cash flow plans on a timely basis and keeps its liquidity in hand over a certain ratio of consolidated revenue in order to manage liquidity risk.

Major financial liabilities by maturity date are as follows. Trade and other payables are not included in the tables below as they are settled within one year and their contractual cash flows are nearly equal to the carrying amount.

As of March 31, 2023

(Millions of yen)

	Carrying amount	Contractual cash flows		
		Total	Within 1 year	Over 1 year
Non-derivative financial liabilities				
Bonds and borrowings	340,057	351,441	52,508	298,933
Lease liabilities	57,162	65,424	14,398	51,026
Derivative financial liabilities				
Currency derivatives	1,067	1,067	1,027	40
Interest rate derivatives	149	149	72	77

As of March 31, 2024

(Millions of yen)

	Carrying amount	Contractual cash flows		
		Total	Within 1 year	Over 1 year
Non-derivative financial liabilities				
Bonds and borrowings	299,616	308,505	72,560	235,945
Lease liabilities	60,943	69,950	14,160	55,790
Derivative financial liabilities				
Currency derivatives	2,401	2,401	2,266	135
Interest rate derivatives	82	81	61	20

The Olympus Group does not expect the cash flows included in the maturity analysis to occur much earlier than anticipated or to differ significantly from the anticipated monetary amounts.

(3) Market risk

Market risk is the risk of fluctuations in fair value or future cash flows of financial instruments because of changes in market prices. Market risk includes foreign exchange risk which arises from changes in foreign exchange rates, interest rate risk which arises from changes in market interest rates and market price fluctuation risk which arises from changes in market prices of listed shares.

(i) Foreign exchange risk

The Olympus Group operates business activities worldwide. Accordingly, financial assets and liabilities arising from transactions denominated in currencies other than the functional currency are exposed to foreign exchange rate fluctuation risk. The Olympus Group mainly uses foreign exchange forward contracts, currency options and currency swaps to reduce the foreign exchange fluctuation risk.

(i) Foreign exchange forward contracts, currency options and currency swaps

The details of foreign exchange forward contracts, currency options and currency swaps were as follows:

(Millions of yen)

	2023		2024	
	Contract amount	Fair value	Contract amount	Fair value
Foreign exchange forward contracts:	165,085	1,559	112,492	(1,480)
U.S. dollar	59,912	591	55,144	(899)
Other currency	105,173	968	57,348	(581)
Currency options	8,257	(90)	9,901	(299)
U.S. dollar	8,257	(90)	5,402	(194)
Other currency	–	–	4,499	(105)
Currency swaps	97,240	4,325	97,761	13,736
Receive other currencies / pay Euro	30,475	16	21,505	11
Receive Euro / pay other currencies	–	–	551	(1)
Receive U.S. dollar / pay Japanese yen	66,765	4,309	75,705	13,726
Total	270,582	5,794	220,154	11,957

(ii) Sensitivity analysis of currency fluctuation risk

The following table illustrates the impact on profit before tax in the consolidated statement of profit or loss from financial instruments held by the Olympus Group at the end of each fiscal year if the Japanese yen appreciated by 1 Japanese yen against the U.S. dollar and the Euro. This analysis assumes that all other variables are held constant.

(Millions of yen)

	2023	2024
U.S. dollar	(22)	(42)
Euro	(57)	(59)

(ii) Interest rate risk

The Olympus Group's exposure to interest rate risk mainly relates to debt such as borrowings and bonds. Because the amount of interest is affected by fluctuations in market interest rates, the Olympus Group is exposed to interest rate risk of fluctuations in future cash flows of interest.

Mainly to limit an increase in the amount of interest paid in the future due to a rise in interest rates, the Olympus Group raises funds by procuring fixed rate long-term borrowings and issuing bonds at fixed interest rates. If funds are procured through long-term borrowings at a variable interest rate, the Olympus Group endeavors to stabilize cash flows by entering into an interest rate swap contract to receive a variable interest rate and pay a fixed interest rate with financial institutions and virtually fixing the borrowing rate.

Interest rate sensitivity analysis

As for borrowings with variable interest rates held by the Olympus Group at the end of the fiscal year, the amount of effects on profit before tax in the consolidated statement of profit or loss in the event of a 1% increase in interest rates at the end of the fiscal year is as follows. This analysis calculated the amount of effects by multiplying the balance of borrowings with variable interest rates at the end of the fiscal year by 1%. The analysis excludes borrowings with variable interest rates of which interest rates have been fixed by interest rate swap agreements.

(Millions of yen)

	2023	2024
Consolidated statement of profit or loss (profit before tax)	(499)	(500)

(iii) Market price risk

The Olympus Group holds listed shares for strategic investment purposes, including facilitating business alliances. Market prices of listed shares may fluctuate depending on market economy trends as the prices are determined based on market principles. For listed shares, the Olympus Group regularly checks market prices and the financial status of issuers (business counterparts), while reviewing holding positions continuously in consideration of relationships with business counterparts.

Sensitivity analysis of market price risk

With regard to listed shares held by the Olympus Group at the end of each fiscal year, the following table shows the impact on other comprehensive income (before tax effect) in the consolidated statement of comprehensive income that would result from 1% decline in market prices at the end of each fiscal year. The impact was calculated by multiplying listed shares at the end of each fiscal year by 1% for this analysis.

(Millions of yen)

	2023	2024
Other comprehensive income (before tax effect)	(5)	(5)

(4) Fair value

(i) Fair value hierarchy

Fair value hierarchy is categorized into the following three levels depending on the observability of inputs used in the valuation technique for the measurement.

Level 1: Fair value measured at market prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value measured using observable prices other than those categorized within level 1, either directly or indirectly

Level 3: Fair value measured using a valuation technique which includes inputs that are not based on observable market data

The Olympus Group recognizes transfers of financial instruments between the levels of the fair value hierarchy as if they occurred at the end of each fiscal year. There were no significant financial instruments transferred between the levels for the fiscal years ended March 31, 2023 and 2024.

(ii) Financial instruments measured at fair value

The methods for measuring major financial instruments measured at fair value are as follows.

(Other financial assets and other financial liabilities)

Listed shares are classified as level 1 and stated at market prices valued at the end of each fiscal year.

Unlisted shares are classified as level 3 and stated at the value obtained by using valuation techniques such as the comparable company analysis method.

Derivative assets and liabilities are classified as level 2. Currency derivatives are stated at the value based on forward exchange rates, and interest-rate derivatives are stated at the value obtained based on observable data such as market interest rates, credit risks, and the period up to maturity.

The contingent consideration for business combinations, etc. is classified as level 3 and stated at the estimates of future payability.

The fair value hierarchy of financial instruments measured at fair value is as follows:

As of March 31, 2023

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	–	6,860	–	6,860
Equity securities and others	–	–	937	937
Financial assets measured at fair value through other comprehensive income				
Equity securities and others	470	–	6,431	6,901
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	1,216	–	1,216
Contingent consideration	–	–	8,226	8,226

As of March 31, 2024

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	–	14,358	–	14,358
Equity securities and others	–	–	704	704
Financial assets measured at fair value through other comprehensive income				
Equity securities and others	538	–	7,014	7,552
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	2,483	–	2,483
Contingent consideration	–	–	7,119	7,119

The changes in financial assets categorized within level 3 were as follows:

(Millions of yen)

	2023	2024
Balance at April 1	3,895	7,368
Gains and losses (Note)		
Profit or loss	(66)	(18)
Other comprehensive income	27	(106)
Purchases	3,705	325
Sales	–	(405)
Transfer to investments accounted for using the equity method	(203)	–
Other	10	554
Balance at March 31	7,368	7,718

Note: Gains or losses recognized in profit or loss are included in “Finance income” or “Finance costs” in the consolidated statement of profit or loss. Gains or losses recognized in other comprehensive income are included in “Financial assets measured at fair value through other comprehensive income” in the consolidated statement of comprehensive income.

Total gains or losses recognized in profit or loss for the fiscal years ended March 31, 2023 and 2024 included a loss of ¥65 million and a loss of ¥71 million on financial instruments held as of March 31, 2023 and 2024, respectively.

The changes in financial liabilities categorized within level 3 were as follows:

(Millions of yen)

	2023	2024
Balance at April 1	6,100	8,226
Business combinations, etc.	4,095	–
Settlement	(715)	(3,421)
Change in fair value	(1,758)	1,400
Other	504	914
Balance at March 31	8,226	7,119

(iii) Financial instruments measured at amortized cost

The methods for measuring the fair value of major financial instruments measured at amortized cost are as follows. These financial instruments are mainly classified into level 2.

(Cash and cash equivalents, trade and other receivables, and trade and other payables)

Account items to be settled in the short term are stated at their book value because their fair value is nearly equal to their book value.

Lease receivables are stated at the value obtained by calculating the present value of each lease receivable categorized by a specific period, at discounted rates that take into account credit risks and the period up to maturity.

(Other financial assets and other financial liabilities)

Account items to be settled in the short term are stated at their book value because their fair value is nearly equal to their book value.

(Bonds and borrowings)

Bonds and borrowings with fixed interest rates are stated at the value calculated at discounted rates which would be applied to a similar issuance of bonds or similar new loans to generate future cash flows.

Borrowings with variable interest rates are stated at their book value because their fair value is deemed to be nearly equal to their book value, given that they are short-term borrowings reflecting market interest rates, and their credit conditions have not significantly changed since the drawdown.

Short-term borrowings and commercial papers are stated at their book value since they are settled in the short term and their fair value is nearly equal to their book value.

The carrying amount and fair value of major financial instruments measured at amortized cost were as follows. Financial instruments whose carrying amounts approximate fair value are not included in the following table.

	(Millions of yen)			
	2023		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Lease receivables	65,003	64,982	86,238	86,085
Financial liabilities				
Bonds	146,118	141,280	145,250	139,324
Borrowings	134,021	134,287	94,372	94,225

(iv) Equity instruments

Equity instruments such as shares held mainly for the purpose of maintaining or strengthening business relationships with the investees are designated as financial assets measured at fair value through other comprehensive income. The fair values of equity instruments by major issuer were as follows:

	(Millions of yen)	
Bond name	2023	
Delfi Diagnostics, Inc.	3,338	
Noah Medical Corporation	2,003	
OHARA INC.	470	
	(Millions of yen)	
Bond name	2024	
Delfi Diagnostics, Inc.	3,785	
Noah Medical Corporation	2,271	
OHARA INC.	538	

The fair value at the date of sale and cumulative gains or losses on sales of equity instruments sold during the fiscal year based on Olympus Corporation's policy for equity securities and others held for strategic investment purposes were as follows:

(Millions of yen)

	2023	2024
Fair value at the date of sale	933	200
Cumulative gains or losses on sale	335	0

The breakdown of dividends received recognized from equity instruments was as follows:

(Millions of yen)

	2023	2024
Equity instruments derecognized during the year	28	0
Equity instruments held at the end of year	10	11
Total	38	11

(5) Hedge accounting

The Olympus Group raises a portion of funds through borrowings with variable interest rates and bonds in foreign currencies with fixed interest rates, and is exposed to interest rate risks and foreign exchange risks for foreign currency transactions within that scope. The Olympus Group uses interest rate swaps that virtually converts borrowings with variable interest rates into borrowings with fixed interest rates and interest rate and currency swaps that virtually converts bonds in foreign currencies with fixed interest rates into fixed rate bonds denominated in Japanese yen in order to hedge interest rate risk. The Group applies hedge accounting by designating the interest rate swaps as cash flow hedges.

For interest rate swaps, the notional amount, term (maturity) and underlying data for interest rate of the hedging instrument and the hedged item are to be matched, in principle. No ineffective portion was recognized as of March 31, 2023 and 2024.

For interest rate and currency swaps, the amount recognized in net gain or loss on the ineffective portion of the hedge for the fiscal year ended March 31, 2024, is not material.

A summary of interest rate swaps and interest rate and currency swaps designated as cash flow hedge was as follows:

As of March 31, 2023

(Millions of yen)

	Notional amount	Over 1 year	Carrying amount (Note)		Interest rate
			Assets	Liabilities	
Interest rate swaps	10,000	10,000	–	149	Variable rate receipt: 6-month Japanese yen TIBOR Fixed rate payment: 1.3815%
Interest rate and currency swaps	66,765	66,765	4,309	–	Fixed rate receipt: U.S. dollar 2.143% Fixed rate payment: Japanese yen 0.6975%

As of March 31, 2024

(Millions of yen)

	Notional amount	Over 1 year	Carrying amount (Note)		Interest rate
			Assets	Liabilities	
Interest rate swaps	10,000	10,000	–	82	Variable rate receipt: 6-month Japanese yen TIBOR Fixed rate payment: 1.3815%
Interest rate and currency swaps	75,705	75,705	13,727	–	Fixed rate receipt: U.S. dollar 2.143% Fixed rate payment: Japanese yen 0.6975%

Note: The amount in the consolidated statement of financial position are recorded in “Other financial assets” or “Other financial liabilities” of each current and non-current based on their maturity date.

The cash flow hedge reserve (before tax effect) regarding the above table was as follows:

(Millions of yen)

	2023	2024
Interest rate swaps		(149)
Interest rate and currency swaps		(5,300)
		(82)
		(5,622)

Cash flow hedges recognized in the consolidated statement of comprehensive income and other comprehensive income (before tax effect) were as follows:

Fiscal year ended March 31, 2023

(Millions of yen)

	Changes in the fair value recognized in other comprehensive income	Amount of reclassification adjustment from cash flow hedge to profit or loss Note:
Interest rate swaps	56	80
Interest rate and currency swaps	3,627	(5,607)

Fiscal year ended March 31, 2024

(Millions of yen)

	Changes in the fair value recognized in other comprehensive income	Amount of reclassification adjustment from cash flow hedge to profit or loss Note:
Interest rate swaps	(11)	78
Interest rate and currency swaps	8,680	(9,002)

Note: The amounts included in the consolidated statement of profit or loss are recorded in “Finance income” or “Finance costs.”

(6) Transfer of financial instruments

Transferred financial assets that are not derecognized in their entirety

The Olympus Group transfers a part of trade receivables to a third party in order to diversify fundraising channels and conduct stable fund procurement. The third party has recourse only to the transferred assets upon the debtors’ default and cannot claim other assets of the Olympus Group. While the Olympus Group does not bear bad debt risk on a certain portion of the transferred receivables due to a contract with the third party, the full amount has been recognized in the consolidated statement of financial position because the financial assets in their entirety do not qualify for derecognition. The proceeds which arising on the transfer of the assets have been recorded as the associated liabilities and are settled when a payment is made for the transferred assets. The Olympus Group cannot use the transferred assets until the payment is made.

The carrying amounts of transferred assets and the associated liabilities when the Olympus Group continues to recognize all of the transferred assets as of March 31, 2023 and 2024 are as follows. They are recognized in “Trade and other receivables” and “Other financial liabilities,” respectively, in the consolidated statement of financial position.

(Millions of yen)

	2023	2024
Transferred financial assets	4,206	1,248
Related liabilities	4,206	1,248
Net position of transferred financial assets	–	–

Note: The fair values are equivalent to the carrying amounts in the above table.

36. Leases

(1) Lessor

The Olympus Group leases endoscopes and other equipment under finance leases. It also leases endoscopes and other equipment, and property owned by Olympus Corporation as operating leases.

The business conditions of the customers, equipment usage, etc. are monitored regularly in order to manage the risks for the assets.

The breakdown of revenue under finance leases from continuing operations was as follows:

(Millions of yen)

	2023	2024
Lease income (loss)	14,717	19,152
Interest income	2,931	4,372

The breakdown of future lease payments receivable under finance leases was as follows:

(Millions of yen)

	2023	2024
Undiscounted lease payments to be received		
Within 1 year	29,952	39,375
More than 1 year, but within 2 years	17,433	23,657
More than 2 years, but within 3 years	11,091	14,104
More than 3 years, but within 4 years	4,540	6,133
More than 4 years, but within 5 years	1,651	2,569
More than 5 years	524	420
Total	65,191	86,258
Unguaranteed residual value	5,148	8,273
Unearned finance income	(5,336)	(8,293)
Net investment in the lease	65,003	86,238

The breakdown of revenue under operating leases from continuing operations was as follows:

	(Millions of yen)	
	2023	2024
Lease income	31,210	30,844
Variable lease payments (Note)	13,484	15,402

Note: Income that is not determined by an index or a rate.

The breakdown of future lease payments receivable under operating leases from continuing operations was as follows:

	(Millions of yen)	
	2023	2024
Within 1 year	17,883	17,348
More than 1 year, but within 2 years	11,553	10,306
More than 2 years, but within 3 years	5,556	4,732
More than 3 years, but within 4 years	2,086	2,228
More than 4 years, but within 5 years	866	1,223
More than 5 years	460	526
Total	38,404	36,363

(2) Lessee

The Olympus Group rents properties and other equipment as lessee.

Certain of the lease transactions have renew/purchase options or escalation clauses, but there are no significant restrictions on dividends, additional borrowings and additional leases provided by the lease contracts.

In addition, some lease contracts contain extension options and termination options.

There were no leases that have not yet commenced among lease contracts concluded by the Olympus Group as of March 31, 2023 and 2024.

The book value of right-of-use assets by type of underlying asset and the increase in right-of-use assets are described in Note “13. Property, Plant and Equipment.”

The total amount of cash outflows related to leases were ¥24,114 million and ¥22,863 million for the fiscal years ended March 31, 2023 and 2024, respectively.

The breakdown of lease-related income and expenses for lessee of continuing operations were as follows:

(Millions of yen)

	2023	2024
Revenue from sublease of right-of-use assets	12	7
Depreciation of right-of-use assets by underlying asset class		
Land	326	188
Buildings and structures	8,856	9,012
Machinery and vehicles	2,857	3,054
Tools, furniture and fixtures	868	887
Interest expense under lease obligations	1,569	1,850
Expenses under short-term leases	628	732
Expenses under leases of low-value asset	955	1,078

Note: The balance of lease liabilities by date is described in Note “35. Financial Instruments.”

37. Income Taxes

(1) Deferred tax assets and liabilities

The breakdown of major deferred tax assets and liabilities by cause was as follows:

(Millions of yen)

	2023	2024
Deferred tax assets		
Inventories	6,974	7,387
Prepaid expenses	9,822	11,315
Accrued bonuses	7,096	7,219
Accrued expenses	4,941	5,776
Unrealized intercompany profits	15,440	19,385
Property, plant and equipment	9,931	12,413
Intangible assets	2,665	3,077
Interest rate swaps	46	25
Deferred gains or losses on hedges	1,623	1,721
Retirement benefit liability	2,084	1,221
Loss carryforwards	5,379	5,783
Lease liabilities	15,089	15,705
Provision for product warranties	8,670	12,284
Investments in subsidiaries	109,268	–
Other	2,009	7,348
Total	201,037	111,159
Deferred tax liabilities		
Property, plant and equipment	(6,957)	(8,874)
Financial assets measured at fair value through other comprehensive income	(176)	(146)
Retirement benefit asset	(6,186)	(7,860)
Fair value differences on acquisition	(9,961)	(3,372)
Capitalized development costs	(13,578)	(9,452)
Retained profit of overseas subsidiaries	(2,741)	(2,036)
Right-of-use assets	(13,901)	(14,283)
Other	(3,292)	(4,801)
Total	(56,792)	(50,824)
Net deferred tax assets and liabilities	144,245	60,335

(Amendments to IAS 12 “Income Taxes”)

The Olympus Group has applied “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (Amendments to IAS 12 “Income Taxes”) effective for the fiscal year ended March 31, 2024. The impact of the application of this standard on the Olympus Group’s consolidated financial statements is immaterial.

The Olympus Group has also applied “International Tax Reform — Pillar Two Model Rules” (Amendments to IAS 12 “Income Taxes”) effective for the fiscal year ended March 31, 2024. The amendment clarifies that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the BEPS’s Pillar Two GloBE Rules (global minimum tax) by OECD. However, this standard makes a temporary exception that requires an entity not to recognize or disclose information about deferred tax assets and liabilities related to the income taxes arising from the global minimum tax

rules. The Olympus Group has applied the exception defined in IAS 12 and does not recognize or disclose information about deferred tax assets and liabilities related to the income taxes arising from the global minimum tax rules.

(The global minimum tax system)

The Pillar Two rule has been implemented in some of jurisdictions where the Olympus Group is operating, and it shall be applied to the Olympus Group for the fiscal year beginning on or after April 1, 2024. The Olympus Corporation has assessed potential exposures of Pillar Two to its income taxes based on the recent tax returns, country-by-country reports and financial statements of constituent entities subject to the system. The result shows that the tax burden in no or only nominal tax jurisdictions where some subsidiaries are located will be taxed up to the minimum rate of 15%. However, the Olympus Corporation determines that its impact on the Olympus Group's consolidated financial statements is immaterial.

Loss carryforwards, deductible temporary differences and tax credits carried forward for which deferred tax assets have not been recognized were as follows. The tax base is presented.

(Millions of yen)		
	2023	2024
Loss carryforwards	3,410	4,671
Deductible temporary differences	23,166	16,903
Tax credits carried forward	800	1,112
Total	27,376	22,686

Loss carryforwards for which deferred tax assets have not been recognized and expires as follows:

(Millions of yen)		
	2023	2024
Within 4th year	-	
5th year and thereafter	3,410	4,671
Total	3,410	4,671

Olympus Corporation does not recognize deferred tax liabilities for the temporary differences associated with undistributed profits of subsidiaries when Olympus Corporation is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Total temporary differences associated with the undistributed profits of subsidiaries which have not been recognized as deferred tax liabilities (income base) were ¥397,604 million and ¥310,790 million as of March 31, 2023 and 2024, respectively.

(2) Income tax expenses

The breakdown of income tax expenses was as follows:

(Millions of yen)		
	2023	2024
Current tax expenses (Note 1)	35,662	35,373
Deferred tax expenses (Notes 2, 3, 4)	8,642	(26,492)
Total of income tax expenses	44,304	8,881

Notes: 1. The current tax expense includes tax losses which were previously not recorded, tax credits or benefits resulting from temporary differences for prior periods. Consequently, the current tax expense for the fiscal years ended March 31, 2023 and 2024 decreased by ¥1,344 million and ¥2,423 million, respectively.

In addition, the current tax expense for the fiscal year ended March 31, 2024 includes the corporation tax for the previous fiscal year of ¥(69) million.

2. The deferred tax expense includes tax losses which were previously not recorded, tax credits or benefits resulting from temporary differences for prior periods. Consequently, the deferred tax expense increased by ¥69 million for the fiscal year ended March 31, 2023 and decreased by ¥552 million for the fiscal year ended March 31, 2024, respectively.
3. The deferred tax expense includes devaluation of deferred tax assets and the reversal of devaluation of deferred tax assets which was previously recorded (assessment of recoverability of deferred tax assets). Consequently, the deferred tax expense increased by ¥2,485 million for the fiscal year ended March 31, 2023 and decreased by ¥508 million for the fiscal year ended March 31, 2024, respectively.
4. The deferred tax expense decreased by ¥386 million for the fiscal year ended March 31, 2023 and increased by ¥867 million for the fiscal year ended March 31, 2024 due to the effect of changes in tax rates in Japan and overseas.

(3) Income taxes recognized in other comprehensive income

Income taxes recognized in other comprehensive income are presented in Note “33. Other Comprehensive Income.”

(4) Reconciliation of effective tax rate

Reconciliation of the effective statutory tax rate and the average actual tax rate for the fiscal years ended March 31, 2023 and 2024 is as follows.

Olympus Corporation’s income taxes mainly include corporation tax, inhabitant tax and enterprise tax. The effective statutory tax rates calculated based on these taxes were 30.6% and 30.6% for the fiscal years ended March 31, 2023 and 2024, respectively. Overseas subsidiaries are subject to income taxes of the countries in which they operate.

	2023	2024
Effective statutory tax rate	30.6%	30.6%
Non-deductible expense, such as entertainment expenses	2.3	8.7
Non-taxable income, such as dividend income	(0.4)	(4.0)
Tax credit for experimental research cost and others	(1.1)	(8.9)
Different tax rates applied to subsidiaries	(6.7)	(1.0)
Subsidiaries reserve	1.2	(4.4)
Change in unrecognized deferred tax assets and liabilities	(2.7)	(10.7)
Change in deferred tax assets at the end of fiscal year due to changes in tax rates	(0.2)	2.4
Effects of organizational restructuring	(1.4)	11.8
Other	2.7	0.3
Average actual tax rate	24.3%	24.8%

38. Major Subsidiaries

(1) Structured entities

Major subsidiaries as of March 31, 2024 were as described in “I. Company Overview, 4. Subsidiaries and Affiliates.”

(2) Significant subsidiaries having non-controlling interests

During the fiscal years ended March 31, 2023 and 2024, there was no individually significant subsidiary having non-controlling interests.

39. Related-party Transactions

(1) Related-party transactions

Fiscal year ended March 31, 2023

	Name	Ownership (owned) ratio of voting rights, etc. (%)	Relationship with the relevant party	Description of transaction	Amount of transaction (Millions of yen)	Account	Balance at end of year (Millions of yen)
Officer	Yasuo Takeuchi	Ownership Direct 0.0	Director, Representative Executive Officer, President and CEO	Contribution in kind of monetary compensation claims (Note)	27	–	–

Note: Contribution in kind of monetary compensation claims is associated with the PSU system.

Fiscal year ended March 31, 2024

	Name	Ownership (owned) ratio of voting rights, etc. (%)	Relationship with the relevant party	Description of transaction	Amount of transaction (Millions of yen)	Account	Balance at end of year (Millions of yen)
Officer	Yasuo Takeuchi	Ownership Direct 0.0	Director, Representative Executive Officer, Executive Chairperson and ESG Officer	Contribution in kind of monetary compensation claims (Note 3)	303	–	–
Officer	Jose Ignacio Abia Buenache	Ownership Direct 0.0	Executive Officer and CSO (Note 1)	Contribution in kind of monetary compensation claims (Note 3)	241	–	–
Officer	Stefan Kaufmann	Ownership Direct 0.0	Director, Representative Executive Officer, President and CEO	Contribution in kind of monetary compensation claims (Note 3)	230	–	–
Officer	Chikashi Takeda	Ownership Direct 0.0	Executive Officer and CFO (Note 1)	Contribution in kind of monetary compensation claims (Note 3)	91	–	–
Officer	Tetsuo Kobayashi	Ownership Direct 0.0	Executive Officer and CMSO	Contribution in kind of monetary compensation claims (Note 3)	23	–	–
Officer	Andre Heribert Roggan	Ownership Direct 0.0	Executive Officer and CTO	Contribution in kind of monetary compensation claims (Note 3)	16	–	–
Officer	Toshihiko Okubo	Ownership Direct 0.0	Director	Contribution in kind of monetary compensation claims (Note 3)	14	–	–
Officer	Shigeto Ohtsuki	Ownership Direct 0.0	Executive Officer and CHRO	Contribution in kind of monetary compensation claims (Note 3)	13	–	–
Officer	Nobuyuki Koga	Ownership Direct 0.0	Director (Note 2)	Contribution in kind of monetary compensation claims (Note 4)	11	–	–
Officer	Tetsuo Iwamura	Ownership Direct 0.0	Outside Director (Note 2)	Contribution in kind of monetary compensation claims (Note 4)	11	–	–

Notes: 1. They resigned from the board of directors on March 31, 2024, and the above table shows transactions during the fiscal year under review related to their terms of office.

2. They resigned from the board of directors on June 27, 2023, and the above table shows transactions during the fiscal year under review related to their terms of office.
3. It is due to contribution in kind of monetary compensation claims accompanying PSU system and RSU system.
4. It is due to contribution in kind of monetary compensation claims accompanying RSU system.

(2) Remuneration for management executives

(Millions of yen)

	2023	2024
Remuneration and bonuses	1,665	2,953
Stock compensation	743	1,469
Total	2,408	4,422

40. Business Combinations

Fiscal year ended March 31, 2023

(Acquisition of Odin Medical Ltd.)

(1) Outline of business combination

(i) Name and description of acquired business

Name of the acquired business: Odin Medical Ltd. (hereinafter “Odin”)

Description of business: Development of cloud AI-enabled applications for endoscopy

(ii) Primary reason for business combination

Odin, which is affiliated with the Wellcome / EPSRC Centre for Interventional and Surgical Sciences (WEISS) at University College London (UCL), was founded by renowned clinicians and artificial intelligence experts to develop next-generation cloud AI-enabled applications for endoscopy.

By incorporating Odin’s solutions, which utilize surgical and clinical data collected and analyzed in real time, Olympus Corporation aims not only to reduce the administrative burden on health care workers and support decision-making in clinical settings, but also to support health care workers to provide better medical care to patients.

(iii) Acquired ratio of holding capital with voting rights

100%

(iv) Acquisition date

December 19, 2022

(v) Acquisition method to govern the acquired company

Cash consideration for the acquisition of shares

(2) Acquisition-related expense

The acquisition-related expense of ¥199 million has been booked in “Selling, general and administrative expenses.”

(3) Fair value of consideration paid, assets acquired, and liabilities assumed as of the acquisition date

	(Millions of yen)
	Amount
Fair value of consideration paid	
Cash	3,982
Contingent consideration	4,095
Total	8,077
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	148
Other current assets	1
Property, plant and equipment	3
Intangible assets	3,955
Trade and other payables	(28)
Other current liabilities	(99)
Deferred tax liabilities	(986)
Other non-current liabilities	(74)
Fair value of assets acquired and liabilities assumed, net	2,920
Goodwill	5,157
Total	8,077

Based on the fair value of consideration paid on the acquisition date, we have allocated the assets acquired and liabilities assumed. Furthermore, the allocation of consideration paid has been completed in the fiscal year ended March 31, 2024, and the values of the assets and liabilities on the acquisition date have been revised from the initial provisional amounts.

The adjustments made comprise an increase in intangible assets of ¥3,943 million and an increase in deferred tax liabilities of ¥986 million. As a result, goodwill decreased by ¥2,894 million. The balance of intangible assets of ¥3,955 million is mostly comprised of ¥3,170 million in research and development assets related to products of Odin, and ¥774 million in intangible assets based on the contract, which are measured based on future sales growth rate, diminishing value rate, discount rate and other assumptions. The estimated useful lives of research and development assets are 15 years.

Goodwill mainly represents a rational estimate of the expected future excess earning power. Furthermore, the amount of goodwill recognized does not include the amount that is expected to be deductible for tax purposes.

(4) Contingent consideration

The contingent consideration is a milestone payment subject to the obtaining of approval for development made by Odin, and the payment is calculated by taking into consideration the possibility of obtaining the approval for the development and time value of money. The payment limit is GBP33,000 thousand.

In terms of hierarchical level, the fair value of the contingent consideration is level 3. The amount of change in fair value of the contingent consideration includes the recording of the part based on changes in

the time value of money as “Finance costs” and the part based on changes other than the time value of money as “Other income” or “Other expenses.”

(5) Impacts on the Olympus Group

Olympus Corporation omits making a description concerning profit or loss information of the said business combination on and after the acquisition date as well as profit or loss information under the assumption that the said business combination was conducted at the beginning of the fiscal year under review. This is because the amount of impact on the consolidated statement of profit or loss due to such information is not material.

Furthermore, the independent auditor has not audited profit or loss information under the assumption that the said business combination was conducted at the beginning of the fiscal year.

(Contingent consideration of Medi-Tate Ltd.)

With regard to the contingent consideration recognized from the acquisition of Medi-Tate Ltd. carried out in the fiscal year ended March 31, 2022, due to the delay from the initial plan in obtaining approval as part of development activities, we have lowered the fair value from the balance of ¥2,699 million at the beginning of the fiscal year to ¥2,037 million in the fiscal year ended March 31, 2023. Of the ¥662 million difference, the amount of impact of changes in the time value of money of ¥460 million (Note 1) was recorded as “Finance costs” in the consolidated statement of profit or loss, the amount of impact of ¥1,381 million due to the review of the fair value itself (Note 2) was recorded as “Other income” in the consolidated statement of profit or loss, and the amount of impact of exchange rate fluctuations of ¥259 million was recorded as “Exchange differences on translation of foreign operations” in the consolidated statement of comprehensive income, respectively.

- Notes: 1. The amount of contingent consideration is presented at the current value calculated from discounting in the period from the day of payment to the relevant fiscal year-end. Therefore, in principle, the amount increases and “Finance costs” occur as the day of payment approaches.
2. The impact originates from the fact that the amount itself has been reviewed due to the fact that achieving the conditions for the milestone has become difficult as a result of the delay from the initial plan.

Fiscal year ended March 31, 2024

(Revised provisional amounts)

For the following business combination that occurred in the fiscal year ended March 31, 2023, provisional amounts have been revised during the fiscal year ended March 31, 2024. As a result, we have retrospectively revised the figures at the end of the fiscal year ended March 31, 2023 in the consolidated statement of financial position.

(Acquisition of Odin Medical Ltd.)

Odin Medical Ltd. became a consolidated subsidiary of Olympus Corporation on December 19, 2022, due to the acquisition of shares for cash consideration.

In the fiscal year ended March 31, 2024, the fair value of some assets acquired and liabilities assumed has been revised with respect to the measurement of the fair value of assets acquired and liabilities assumed as of the acquisition date in said business combination. Regarding said business combination, in the fiscal year ended March 31, 2024, initial measurement of assets acquired, liabilities assumed and goodwill has been finalized.

	(Millions of yen)		
	Provisional fair value as of March 31, 2023	Subsequent revision	Revised fair value
Fair value of consideration paid			
Cash	3,982	–	3,982
Contingent consideration	4,095	–	4,095
Total	8,077	–	8,077
Fair value of assets acquired and liabilities assumed			
Cash and cash equivalents	148	–	148
Other current assets	1	–	1
Property, plant and equipment	3	–	3
Intangible assets	2,434	1,521	3,955
Trade and other payables	(28)	–	(28)
Other current liabilities	(99)	–	(99)
Deferred tax liabilities	(606)	(380)	(986)
Other non-current liabilities	(74)	–	(74)
Fair value of assets acquired and liabilities assumed, net	1,779	1,141	2,920
Goodwill	6,298	(1,141)	5,157
Total	8,077	–	8,077

Due to these revisions, there were increases in intangible assets and deferred tax liabilities of ¥1,574 million and ¥393 million, respectively, and a decrease in goodwill of ¥1,181 million in the consolidated statement of financial position as of March 31, 2023.

41. Discontinued Operation

(1) Outline of discontinued operation

On August 29, 2022, Olympus Corporation concluded a share transfer agreement related to the transfer of Scientific Solutions Business of the Olympus Group with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital. Due to this, profit (loss) from the Scientific Solutions Business has been classified as profit (loss) from discontinued operation from the second quarter ended September 30, 2022. The transfer of the shares of Evident, which operates the Scientific Solutions Business, was completed on April 3, 2023. Details are described in Note “34. Cash Flow Information.”

(2) Profit (loss) of discontinued operation

Profit (loss) of discontinued operations is as follows:

(Millions of yen)

	2023	2024
Revenue	135,421	–
Cost of sales	60,045	–
Gross profit	75,376	–
Selling, general and administrative expenses	57,361	244
Other income (Note 1)	215	349,151
Other expenses (Note 2)	11,195	631
Operating profit	7,035	348,276
Finance income	551	–
Finance costs	173	–
Profit before tax	7,413	348,276
Income taxes (Note 3)	1,790	132,320
Profit from discontinued operation	5,623	215,956

Notes: 1. Other income includes ¥349,037 million in the fiscal year ended March 31, 2024 for the gain on the transfer of Scientific Solutions Business.

2. Other expenses include ¥11,073 million and ¥161 million in the fiscal year ended March 31, 2023 and the fiscal year ended March 31, 2024, respectively, related to the spin-off of the Scientific Solutions Business and the strengthening of its management systems.

3. Income taxes in the fiscal year ended March 31, 2024 include ¥120,313 million of tax expenses related to the transfer of Scientific Solutions Business.

(3) Cash flows of discontinued operation

Cash flows of discontinued operation are as follows:

(Millions of yen)

Cash flows of discontinued operation	2023	2024
Net cash used in operating activities	(13,151)	(57,569)
Net cash provided by (used in) investing activities	(11,725)	431,091
Net cash used in financing activities	(2,891)	–

Note: Net cash provided by (used in) investing activities in the fiscal year ended March 31, 2024 includes proceeds from the transfer of the Scientific Solutions Business of ¥379,091 million and collection of loans receivable from Evident Corporation of ¥52,000 million.

42. Contingent Liabilities

The Olympus Group has the following guarantees:

(Millions of yen)

	2023	2024
Employees (mortgages)	0	—
Total	0	—

(Guarantee obligations of employees' mortgages)

The maximum term of the guarantee obligations extends to 2023. As a guarantor, the Olympus Group is liable for any defaults of the mortgages in scope of the obligations and has an obligation to settle the mortgages on behalf of the employees. Those obligations are collateralized by the homes of the employees.

43. Subsequent Events

(Share repurchase and cancellation of treasury shares)

At the meeting of the Board of Directors held on November 9, 2023, Olympus Corporation resolved to cancel treasury shares as provided for in Article 178 of the Companies Act, and cancelled the treasury shares on April 30, 2024.

(1) Details of cancellation

1. Class of shares: Common stock of Olympus Corporation
2. Number of shares to be cancelled: 37,446,500 shares
(3.08% of total number of issued shares before the cancellation)
3. Date of cancellation: April 30, 2024
4. Total number of issued shares after cancellation: 1,177,700,200 shares

At the meeting of the Board of Directors held on May 10, 2024, Olympus Corporation resolved items related to the repurchase of its own shares as provided for in Article 459 Section 1 of the Companies Act and Article 32 of Olympus Corporation's Articles of Incorporation, as well as the cancellation of treasury shares as provided for in Article 178 of the Companies Act.

(1) Reasons for the share repurchase and cancellation of treasury shares

To strengthen shareholder returns and to improve capital efficiency

(2) Details of items related to the repurchase

1. Class of shares: Common stock of Olympus Corporation
2. Total number of shares to be repurchased: 60,000,000 shares (maximum)
(5.15% of total number of issued shares (excluding treasury shares))
3. Total amount of shares to be repurchased: ¥100,000 million (maximum)
4. Repurchase period: May 13, 2024 to December 31, 2024
5. Repurchase method: Market purchase on the Tokyo Stock Exchange based on a discretionary trading contract

(3) Details of cancellation

1. Class of shares: Common stock of Olympus Corporation

- | | | |
|----|-----------------------------------|--|
| 2. | Number of shares to be cancelled: | All of the shares to be repurchased as stated in (2) above |
| 3. | Date of cancellation: | January 31, 2025 |

(Transfer of orthopedic business)

On May 25, 2024, Olympus Corporation entered into a put option agreement with PTCJ-6O Holdings Inc. and PTCJ-6F Holdings Inc. (special purpose companies established by Polaris Capital Group Co., Ltd., hereinafter collectively, the “Polaris Capital Group”), to transfer (hereinafter, the “Transfer”) Olympus Terumo Biomaterials Corporation and FH Ortho SAS (hereinafter, the “FHO Group”), Olympus’s Orthopedic Business Unit. Following the completion of the consultation of the relevant works council of the FHO Group on this proposed transaction, which is compulsory under French law, Olympus Corporation may exercise such put option and Olympus Corporation and the Polaris Capital Group will execute the Transfer pursuant to a share purchase agreement. Completion is further subject to obtaining relevant regulatory approvals and other customary conditions.

(1) Reasons for transfer

Olympus Corporation is committed to strengthening its position as a global medtech company and realizing Our Purpose of “Making people’s lives healthier, safer and more fulfilling.” On May 12, 2023, Olympus Corporation announced its company strategy which is based on the three priorities of patient safety and sustainability, innovation for growth, and productivity (hereinafter, the “Company Strategy”). Based on this Company Strategy, Olympus Corporation is focusing on disease areas where it can make the greatest contribution and increase its presence in important and long-term growth markets as a leading company. These include the fields of GI, urology, and respiratory. To improve its focus on these key areas, Olympus Corporation determined that the transfer of Olympus Terumo Biomaterials Corporation and the FHO Group to Polaris Capital Group is the best way to improve the corporate value of the Olympus Group and to achieve organic and sustainable growth of the orthopedic business.

(2) Name of counterparty to the share transfer transaction

Polaris Capital Group

(3) Date of the share transfer

July 2024 (to be scheduled)

(4) Name and description of the business to be transferred

Name:	Orthopedic business (Olympus Terumo Biomaterials Corporation and FHO Group)
Description of business:	Developing, manufacturing, and selling of biomedical materials, such as synthetic bone filler, and orthopedic equipment

(5) Number of shareholding ratio to be transferred and transfer price

All shares of Olympus Terumo Biomaterials Corporation and FHO Group will be transferred.

The Transfer price is to be determined at the time of the share transfer and is not yet finalized at this time.

(2) Other Information

Quarterly information for the fiscal year ended March 31, 2024

(Cumulative period)	Three months	Six months	Nine months	Year-end
Revenue	207,723	436,644	675,714	936,210
Profit (Loss) before tax	19,710	(958)	33,018	35,854
Profit attributable to owners of parent	240,560	216,296	235,212	242,566
Basic earnings per share (yen)	191.90	173.81	191.59	199.91

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Basic earnings (loss) per share (yen)	191.90	(19.64)	15.84	6.28

Note: The Scientific Solutions Business has been classified as a discontinued operation from the fiscal year ended March 31, 2023. Due to this, amount presented for revenue and profit before tax are the amounts from continuing operations, excluding the discontinued operation.

2. Non-Consolidated Financial Statements and Other Notes

(1) Non-Consolidated Financial Statements

(i) Non-Consolidated Balance Sheet Olympus Corporation As of March 31, 2024

(Millions of yen)

	2023	2024
ASSETS		
Current assets		
Cash and deposits	4	190,105
Notes receivable	2	3
Accounts receivable	*2 59,690	*2 67,070
Finished goods	39,527	38,795
Work in progress	1,080	1,465
Raw materials and supplies	46,882	56,075
Short-term loans receivable	*2 72,521	*2 50,056
Other receivables	*2 56,143	*2 36,357
Income taxes receivable	–	23,344
Other current assets	*2 10,805	*2 6,698
Allowance for doubtful accounts	(1,923)	(897)
Total current assets	284,731	469,071
Fixed assets		
Property, plant and equipment		
Buildings	23,871	36,000
Structures	507	1,428
Machinery and equipment	2,474	2,506
Vehicles	4	5
Tools, furniture and fixtures	6,114	7,914
Land	9,309	8,574
Lease assets	371	1,102
Construction in progress	8,185	1,231
Total property, plant and equipment	50,835	58,760
Intangible assets		
Patent right	134	–
Software	3,628	3,008
Software in progress	1,982	2,617
Right of using facilities, etc.	8	41
Total intangible assets	5,752	5,666

(Millions of yen)

	2023	2024
Investments and other assets		
Investment securities	*1 1,470	*1 1,284
Investment securities in subsidiaries and affiliates	537,835	370,083
Investments in capital of subsidiaries and affiliates	612	612
Prepaid pension expenses	14,976	15,461
Long-term accounts receivable-other	*4 5,634	*4 9,846
Deferred tax assets	69,929	11,198
Other assets	8,725	17,521
Allowance for doubtful accounts	*4 (6,897)	*4 (4,577)
Total investments and other assets	632,284	421,428
Total fixed assets	688,871	485,854
Total assets	973,602	954,925
LIABILITIES		
Current liabilities		
Accounts payable	*2 42,810	*2 35,448
Short-term borrowings	*2 10,878	–
Current portion of bonds payable	10,000	20,000
Current portion of long-term borrowings	40,000	50,000
Lease liabilities	133	223
Other payable	*2 , *3 7,525	*2 , *3 9,127
Accrued expenses	*2 27,333	*2 34,406
Income taxes payable	67,380	12,007
Deposits received	*2 53,325	*2 48,910
Provision for product warranties	8	7
Provision for business restructuring	183	55
Other current liabilities	*2 224	*2 123
Total current liabilities	259,799	210,306
Non-current liabilities		
Bonds	136,765	125,705
Long-term borrowings, less current maturities	155,000	105,000
Lease liabilities	246	859
Long-term deposits received, less current maturities	25	29
Provision for loss on business of subsidiaries and affiliates	3,350	–
Other non-current liabilities	108	114
Total non-current liabilities	295,494	231,707
Total liabilities	555,293	442,013

(Millions of yen)

	2023	2024
NET ASSETS		
Shareholders' equity		
Share capital	124,643	124,643
Capital surplus		
Legal capital surplus	91,063	91,063
Total capital surplus	91,063	91,063
Retained earnings		
Other retained earnings		
Reserve for advanced depreciation	963	927
Retained earnings carried forward	232,887	401,625
Total retained earnings	233,850	402,552
Treasury shares	(28,086)	(102,017)
Total shareholders' equity	421,470	516,241
Valuation and translation adjustments		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	236	311
Deferred gains or losses on hedges	(3,676)	(3,900)
Total valuation and translation adjustments	(3,440)	(3,589)
Subscription rights to shares	279	260
Total net assets	418,309	512,912
Total liabilities and net assets	973,602	954,925

(ii) Non-Consolidated Statement of Income
Olympus Corporation
For the fiscal year ended March 31, 2024

(Millions of yen)

	2023	2024
Revenue	*1 380,014	*1 379,373
Cost of sales	*1 229,138	*1 261,053
Gross profit	150,876	118,320
Selling, general and administrative expenses	*1 , *2 68,891	*1 , *2 76,413
Operating profit	81,985	41,907
Non-operating income		
Interest income	*1 171	*1 89
Dividends income	*1 79,080	*1 100,044
Others	*1 5,876	*1 4,850
Total non-operating income	85,127	104,983
Non-operating expenses		
Interest expenses	*1 907	*1 891
Interest on bonds	665	643
Foreign exchange losses	4,241	1,317
Commission for syndicate loan	6	5
Business structure improvement expenses	5,312	161
Quality-related expenses	598	2,605
Expenses related to the conclusion and cancellation of the share purchase agreement	–	2,528
Others	*1 3,084	*1 3,601
Total non-operating expenses	14,813	11,751
Ordinary profit	152,299	135,139
Extraordinary income		
Gain on sale of fixed assets	16,618	238
Gain on sales of investment securities	335	55
Gain on sale of shares of subsidiaries and associates	–	248,667
Gain on liquidation of subsidiaries and affiliates	81	–
Gain on extinguishment of tie-in shares	742	32
Income related to litigation	1	800
Total extraordinary income	17,777	249,792
Extraordinary losses		
Impairment losses	477	994
Loss on sales of investment securities	–	54
Loss on valuation of investments in subsidiaries and affiliates	426	–
Provision for loss on business of subsidiaries and affiliates	*3 3,350	–
Extra payments for early retirements, etc.	*4 446	*4 1,800
Loss associated with cancellation of development	–	13
Total extraordinary losses	4,699	2,861
Profit before provision for income taxes	165,377	382,070
Income taxes, current	78,006	*1 17,584

	2023	2024
Income taxes for prior periods	–	*5 12,007
Income taxes, deferred	(42,967)	58,866
Total income taxes	35,039	88,457
Profit	130,338	293,613

(iii) Non-Consolidated Statement of Changes in Net Assets
Olympus Corporation

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for advanced depreciation	Retained earnings carried forward	
Balance at April 1, 2022	124,643	91,063	–	91,063	1,047	187,443	188,490
Changes during the year							
Dividends from surplus						(17,822)	(17,822)
Profit						130,338	130,338
Share repurchase							
Disposal of treasury shares			(69)	(69)			
Cancellation of treasury shares			(67,087)	(67,087)			
Transfer from retained earnings to capital surplus			67,156	67,156		(67,156)	(67,156)
Reversal of reserve for advanced depreciation					(84)	84	–
Net changes in items other than shareholders' equity							
Net changes during the year	–	–	–	–	(84)	45,444	45,360
Balance at March 31, 2023	124,643	91,063	–	91,063	963	232,887	233,850

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at April 1, 2022	(45,589)	358,607	529	(2,303)	(1,774)	396	357,229
Changes during the year							
Dividends from surplus		(17,822)					(17,822)
Profit		130,338					130,338
Share repurchase	(50,003)	(50,003)					(50,003)
Disposal of treasury shares	419	350				(117)	233
Cancellation of treasury shares	67,087	—					—
Transfer from retained earnings to capital surplus		—					—
Reversal of reserve for advanced depreciation		—					—
Net changes in items other than shareholders' equity			(293)	(1,373)	(1,666)		(1,666)
Net changes during the year	17,503	62,863	(293)	(1,373)	(1,666)	(117)	61,080
Balance at March 31, 2023	(28,086)	421,470	236	(3,676)	(3,440)	279	418,309

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for advanced depreciation	Retained earnings carried forward	
Balance at April 1, 2023	124,643	91,063	–	91,063	963	232,887	233,850
Changes during the year							
Dividends from surplus						(20,057)	(20,057)
Profit						293,613	293,613
Share repurchase							
Disposal of treasury shares			(59)	(59)			
Cancellation of treasury shares			(104,795)	(104,795)			
Transfer from retained earnings to capital surplus			104,854	104,854		(104,854)	(104,854)
Reversal of reserve for advanced depreciation					(36)	36	–
Net changes in items other than shareholders' equity							
Net changes during the year	–	–	–	–	(36)	168,738	168,702
Balance at March 31, 2024	124,643	91,063	–	91,063	927	401,625	402,552

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at April 1, 2023	(28,086)	421,470	236	(3,676)	(3,440)	279	418,309
Changes during the year							
Dividends from surplus		(20,057)					(20,057)
Profit		293,613					293,613
Share repurchase	(180,002)	(180,002)					(180,002)
Disposal of treasury shares	1,276	1,217				(19)	1,198
Cancellation of treasury shares	104,795	—					—
Transfer from retained earnings to capital surplus		—					—
Reversal of reserve for advanced depreciation		—					—
Net changes in items other than shareholders' equity			75	(224)	(149)		(149)
Net changes during the year	(73,931)	94,771	75	(224)	(149)	(19)	94,603
Balance at March 31, 2024	(102,017)	516,241	311	(3,900)	(3,589)	260	512,912

Notes to the Non-Consolidated Financial Statements
Olympus Corporation

(Significant accounting policies)

1. Asset Valuation Principles and Method

(1) Securities

- (i) Held-to-maturity securities Amortized cost method
- (ii) Investment securities in subsidiaries and affiliates Cost method based on the moving-average method
- (iii) Available-for-sale securities

Items other than shares, etc. that do not have a market price Market value method

(the net unrealized gains and losses on these securities are reported as a separate component of net assets, and the cost of sales is calculated by the moving average method)

Shares, etc. that do not have a market price Cost method based on the moving-average method

Contributions to limited liability partnerships engaged in investment business and similar partnerships (contributions deemed as securities as per Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported using a method that treats the amount (net) equivalent to the equity ownership portion based on the latest available financial statements depending on the reporting date stipulated in the partnership agreement.

- (2) Claims and liabilities from derivatives transactions Market value method
- (3) Inventories Reported using the moving-average method (for the value stated in the balance sheet, the book value is written down based on the decreased profitability)

2. Depreciation and Amortization Method for Fixed Assets

(1) Property, plant and equipment (excluding lease assets) Straight-line method

- (i) Vehicles, tools and fixtures Based on useful lives as per the Corporation Tax Act
- (ii) Other property, plant and equipment Based on useful lives prescribed by Olympus Corporation determined in accordance with estimated functional useful years

(2) Intangible assets (excluding lease assets) Straight-line method

Based on useful lives as per the Corporation Tax Act Software for internal use is reported using the usable period within Olympus Corporation (3 to 5 years).

(3) Lease assets

Finance lease assets not involving the transfer of ownership

Calculated on the straight-line method over the lease period as the useful lives and assuming no residual value.

3. Accounting Principles for Allowances and Provisions

(1) Allowance for doubtful accounts

To provide for losses due to unrecoverable claims such as accounts receivable and loans receivable, ordinary claims are accounted using the historical loan loss ratio and doubtful and other specified claims are reported in amounts expected to be unrecoverable considering the recoverability of each claim separately.

(2) Provision for product warranties

Due to the accounting of after-sales service cost expected within Olympus Corporation's guarantee period with respect to products sold, the provision for product warranties is accounted using the prescribed Company's standards based on actually incurred past after-sales service cost.

(3) Provision for retirement benefits

To provide for retirement benefit payments to employees, the cost recognized as occurring at the end of the current fiscal year is accounted based on the projected retirement benefit obligation and plan assets as of the end of the current fiscal year.

Pertaining to past service cost, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such past service liabilities is accounted as an expense.

Pertaining to the actuarial gain or loss, the pro-rata amount calculated using a fixed number of years (5 years) within the average remaining service period of employees at the time of occurrence of such actuarial gain or loss is accounted as an expense starting from the following fiscal year.

(4) Provision for loss on business of subsidiaries and affiliates

To provide for losses arising from business of subsidiaries and affiliates, an estimated amount to be borne by Olympus Corporation related to excessive liabilities is accounted, taking into account the financial conditions of the subsidiaries and affiliates.

(5) Provision for business restructuring

To provide for expenses arising from business restructuring, the expected amount of these expenses is accounted.

4. Accounting Principles for Revenue and Expenses

The Olympus Group is principally engaged in the sales of products of Endoscopic Solutions Business and Therapeutic Solutions Business.

Endoscopic Solutions Business

The Endoscopic Solutions Business sells medical devices, including gastrointestinal endoscopes and surgical endoscopes, as well as provides medical services such as repair for these products, to customers who are primarily the Group companies.

Regarding the sale of products by the Endoscopic Solutions Business, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. For repair of products, revenue is recognized at the point when service provision satisfying a performance obligation is completed. The revenue from these transactions is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component.

Therapeutic Solutions Business

The Therapeutic Solution Business sells medical devices, including GI-Endotherapy, urology products, respiratory products, energy devices, ENT products, and gynecology products, to customers who are primarily the group companies.

Regarding the sale of products by the Therapeutic Solutions Business, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments

from the customer. At that point, Olympus Corporation recognizes the revenue. The revenue from the sale of products is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component.

5. Other Important Items that Form the Basis for Preparing Non-consolidated Financial Statements

(1) Treatment method for important deferred assets

Stock issuance expense and bond issuance expense: Total expense recorded at the time of occurrence

(2) Hedge accounting methods

(i) Hedge accounting methods

The deferred hedge treatment method is used. Foreign currency-denominated accounts receivable and foreign currency-denominated accounts receivable-other under foreign exchange forward contracts are accounted for upon translation at the foreign exchange rate stipulated in the contracts. Pertaining to interest rate swaps, requirements for special treatment are satisfied, therefore a special treatment is used.

(ii) Hedging instruments and hedged items

Hedging instruments: Foreign exchange forward contracts, interest rate swap contracts, interest rate currency swap contracts

Hedged items: Forecasted transactions for foreign currency-denominated accounts receivable, borrowings, foreign-currency denominated bonds, foreign-currency denominated bond interests, foreign-currency deposits, foreign currency-denominated accounts receivable-other

(iii) Hedging policy

Foreign exchange rate fluctuation risk and interest rate fluctuation risk are hedged based on internal regulations that stipulate authorization relating to derivatives and transaction limits.

(iv) Method of assessing hedge effectiveness

The effectiveness is assessed by checking whether there exists a high correlation among the value fluctuations of hedged items, the cash flow and hedging instruments.

(Significant accounting estimates)

In preparing non-consolidated financial statements, the management is required to make judgments, estimates and assumptions that affect the adoption of accounting policies and the amounts of assets, liabilities, revenues and expenses. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and the effect is recognized in the period in which the estimates are revised and in future periods.

Information regarding accounting estimates and assumptions that may have material impacts on the non-consolidated financial statements is as follows.

1. Valuation of inventories

Inventories are measured at cost. However, if net realizable value falls below the cost as of the end of the reporting period, inventories are measured at the net realizable value and any difference is recognized in cost of sales in principle.

For unsold inventories that remain outside the operating cycle, the net realizable value, etc. is calculated by reflecting future demand and market trends. If the net realizable value decreased significantly due to a worse than expected market environment, losses may be incurred.

(Millions of yen)

	2023	2024
Inventories	87,489	96,335

2. Impairment of fixed assets

For property, plant and equipment and intangible assets for which there are indications that the asset or asset group may be impaired at the end of the fiscal year, in the event the total undiscounted future cash flows from the asset or asset group will be less than the carrying amount, Olympus Corporation records an impairment loss by reducing the carrying amount down to the recoverable amount.

In the recognition and measurement of impairment loss, assumptions are made regarding future cash flows, discount rates, etc.

These assumptions are determined based on management's best estimates and judgment. However, they may be affected by the results of changes in uncertain future economic conditions, and if they require revision, they may have a significant impact on the non-consolidated financial statements.

(Millions of yen)

	2023	2024
Property, plant and equipment	50,835	58,760
Intangible assets	5,752	5,666
Impairment losses	477	994

3. Contingent liabilities

Contingencies are disclosed when an item could have a significant impact on future operations, taking into account all available evidence at the reporting date and considering the likelihood and monetary impact of the event.

4. Measurement of retirement benefit obligations

For retirement benefit plans, the net value of the retirement benefit obligations and the fair value of pension assets and unrecognized items such as actuarial gains and losses is recognized as either liabilities or assets.

Retirement benefit obligations are calculated based on the same types of assumptions used in the actuarial calculation, which include estimates of the discount rate, retirement rate, mortality rate, and the rate of compensation increase. These assumptions are established by comprehensively judging a variety of available information, including market trends, such as interest rate changes.

Uncertain future economic conditions or changes in social conditions may affect the assumptions used in the actuarial calculation. Accordingly, there are risks that such changes could result in significant adjustments to the measurements of retirement benefit obligations in future accounting periods.

(Millions of yen)

	2023	2024
Prepaid pension expenses	14,976	15,461

5. Recoverability of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, etc. can be utilized.

Judgements on the likelihood that taxable income will be available are made based on the timing and amount of taxable income estimated based on the business plans including assumptions of the growth rate and operating profit ratio.

These estimates are determined based on management's best estimates. However, they may be affected by the results of changes in uncertain future economic conditions and the actual results may differ from these forecasts.

(Millions of yen)

	2023	2024
Net deferred tax assets	69,929	11,198
Deferred tax assets before offsetting with deferred tax liabilities	75,157	17,261

(Additional information)

(Other receivables and long-term accounts receivable-other)

Effective March 7, 2024, Olympus Corporation reached an agreement with the former shareholders of South Korean medical device manufacturer Taewoong Medical Co., Ltd. (hereinafter, “Taewoong Medical”) to rescind the definitive agreement to acquire shares concluded on February 24, 2023. Following the cancellation of the share purchase agreement, Olympus Corporation recorded ¥6,056 million in “Other receivables” and ¥6,697 million in “Long-term accounts receivable-other.”

(Non-consolidated balance sheet)

*1 Investment securities

The breakdown of investment securities as of March 31, 2023 and 2024 was as follows:

	(Millions of yen)	
	2023	2024
Cross-holdings of securities	1,470	1,284

*2 Monetary claims and monetary liabilities to subsidiaries and affiliates

	(Millions of yen)	
	2023	2024
Short-term monetary claims	186,767	141,381
Short-term monetary liabilities	106,644	88,901

*3 Unpaid amount of trade payables transferred by factoring method

	(Millions of yen)	
	2023	2024
	2,194	2,555

*4 The following amount of allowance for doubtful accounts is the amount expected to be unrecoverable with respect to commission fees related to Receiver Funds, and is included as an excess amount in “Long-term accounts receivable-other” under Investments and other assets. Although these fees were paid to the external partners of multiple Receiver Funds, Olympus Corporation has requested payment from these external partners of Receiver Funds because the fees were not agreed upon, and part of the amount was recovered during the fiscal year under review.

	(Millions of yen)	
	2023	2024
	5,634	3,149

5. Contingent liabilities

	(Millions of yen)	
	2023	2024
Liabilities for guarantees	3,019	3,612
(Contracted guarantees to subsidiaries and affiliates, etc.)	3,019	3,612

6. Discounted trade notes receivable

	(Millions of yen)	
	2023	2024
Discounted trade notes receivable	15	-

(Non-consolidated statement of income)

*1 Amounts related to transactions with subsidiaries and affiliates

(Millions of yen)

	2023	2024
Amounts resulting from business transactions		
Revenue	373,955	372,695
Net purchases	250,443	267,252
Other business transactions	29,579	34,237
Amount resulting from non-business transactions	82,884	107,300

*2 Major expense items and amounts of selling, general and administrative expenses for the fiscal years ended March 31, 2023 and 2024 were as follows:

The approximate ratio of selling expenses of selling, general and administrative expenses is 7% and 7% for the fiscal years ended March 31, 2023 and 2024, respectively.

(Millions of yen)

	2023	2024
Outsourcing expenses	27,129	36,869
Salaries and allowances	15,596	17,969
Bonuses	7,841	7,364
Retirement benefit cost	721	1,326
Experimental research cost	4,118	829
Depreciation	5,007	5,568
Deductions, etc.	(19,506)	(21,856)

Note: Deductions, etc. are deductions for actual expenses reimbursed to subsidiaries and affiliates such as outsourced administrative services (composite expenses), etc., and they are deductible items from personnel expenses and business expenses.

*3 Provision for loss on business of subsidiaries and affiliates

Fiscal year ended March 31, 2023

Nagano Olympus Co., Ltd., a consolidated subsidiary of Olympus Corporation, had excessive liabilities as a result of processes accompanying the transfer of the Scientific Solutions Business. Provision for loss on business of subsidiaries and affiliates of ¥3,350 million is a loss against an estimated amount to be borne by Olympus Corporation related to such excessive liabilities.

*4 Extra payments for early retirements, etc.

“Extra payments for early retirements, etc.” are expenses incurred in the provision of special additional payment and re-employment support through career support system for external opportunity implemented by Olympus Corporation and subsidiaries and affiliates.

(Millions of yen)

	2023	2024
Extra payments for early retirements, etc.	446	1,800

*5 Income taxes for prior periods

Fiscal year ended March 31, 2024

Due to a disagreement with the Tokyo Regional Taxation Bureau regarding a prior year tax return, Olympus Corporation evaluated the possibility of an additional income tax payment and recorded the estimated amount as prior year income taxes.

(Securities)

Investment securities in subsidiaries and affiliates

As of March 31, 2023

Amount of shares, etc. that do not have a market price

(Millions of yen)

Category	2024
Investment securities in subsidiaries	537,835
Investment securities in affiliates	0

As of March 31, 2024

Amount of shares, etc. that do not have a market price

(Millions of yen)

Category	2024
Investment securities in subsidiaries	370,083
Investment securities in affiliates	0

(Tax effect accounting)

1. Breakdown of deferred tax assets and liabilities by main cause as of March 31, 2023 and 2024

	(Millions of yen)	
	2023	2024
Deferred tax assets		
Inventories	3,167	2,910
Prepaid expenses	3,611	2,863
Accrued bonuses	1,635	1,528
Property, plant and equipment	3,478	3,786
Intangible assets	2,546	2,922
Investment securities	1,339	1,315
Investment securities in subsidiaries and affiliates	108,913	32,519
Allowance for doubtful accounts	2,701	1,676
Deferred gains or losses on hedges	1,623	1,721
Other	6,265	3,125
Subtotal of deferred tax assets	135,278	54,365
Valuation allowance related to total deductible temporary differences	(60,121)	(37,104)
Subtotal of valuation allowances	(60,121)	(37,104)
Total deferred tax assets	75,157	17,261
Deferred tax liabilities		
Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	(51)	(54)
Reserve for advanced depreciation	(425)	(409)
Prepaid pension expenses	(4,585)	(4,734)
Other	(167)	(866)
Total deferred tax liabilities	(5,228)	(6,063)
Net deferred tax assets	69,929	11,198

2. Breakdown of major items when there are significant differences between the effective statutory tax rate and the actual tax rate of income taxes after the application of tax effect accounting, which have caused such difference

	2023	2024
Effective statutory tax rate	30.6%	30.6%
(Adjustment)		
Non-deductible expense, such as entertainment expenses	0.6	0.2
Non-taxable income, such as dividend income	(17.5)	(8.2)
Tax credit for experimental research cost and others	(0.9)	(0.1)
Increase (decrease) in valuation allowances	(0.6)	0.5
Effects of organizational restructuring	8.4	(2.8)
Income taxes for prior periods	-	3.1
Other	0.6	(0.1)
Actual tax rate of corporate income taxes after the application of tax effect accounting	21.2%	23.2%

3. Accounting treatment of corporate and local income taxes or tax effect accounting related thereto

Olympus Corporation adopts the group tax sharing system and follows the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42; August 12, 2021) for accounting treatment and disclosure of corporate income taxes, local corporate income taxes, and tax effect accounting related thereto.

(Business combinations)

Fiscal year ended March 31, 2023

(Transfer of Scientific Solutions Business through company split)

Olympus Corporation transferred its Scientific Solutions Business through an absorption-type company split (hereinafter the “Company Split”), to Evident Corporation, which is a newly established wholly owned subsidiary of Olympus (hereinafter the “Evident”) on April 1, 2022.

(1) Overview of transaction

(i) Names and description of businesses subject to transaction

Names of businesses Scientific Solutions Business

Description of business Business related to the development, manufacturing, sales and provision of solutions for biological microscopes, industrial microscopes, industrial endoscopes, non-destructive testing equipment, X-ray analyzers, etc.

Total assets ¥16,761 million

Liabilities ¥2,269 million

Net assets ¥14,492 million

(ii) Effective date of company split

April 1, 2022

(iii) Legal form of business combination

Absorption-type split in which Olympus Corporation becomes the absorption-type split company and Evident becomes the absorption-type split successor company

(iv) Name of the company after the combination

Evident Corporation

(2) Description of transaction including purpose of the transaction

As a truly global medical technology company, Olympus Corporation announced its corporate strategy for achieving sustainable growth (hereinafter “Corporate Strategy”) on November 6, 2019. Based on this Corporate Strategy, we are allocating management resources to the medical field, mainly in Endoscopic Solutions Business and Therapeutic Solutions Business, and we are working to strengthen our management base in order to achieve sustainable growth. Under these circumstances, we have been carefully analyzing and considering the reorganization of the Scientific Solutions Business, taking all options into consideration including a possible subsequent business transfer after Olympus Corporation Split, in order to achieve sustainable growth and profitability improvement of the Scientific Solutions Business. As a result, we decided to spin off the Scientific Solutions Business after it was judged that establishing a management structure that matches the characteristics of each business in the medical field centered on the above two businesses and Scientific Solutions Business will accelerate efforts to achieve sustainable growth and improve profitability of each and contribute to the enhancement of corporate value of the entire Group. As of April 1, 2022, we have completed the reorganization, in which our newly established wholly owned subsidiary, Evident Corporation takes over the Scientific Solutions Business.

(3) Outline of accounting treatment applied

These transactions were treated as transactions under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and Guidance on Accounting Standard for Business Combinations and Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).

(Absorption-type merger for a wholly owned subsidiary)

Olympus Corporation implemented an absorption-type merger (hereinafter “the Merger”) with consolidated subsidiary, Olympus Logitex Co., Ltd. (hereinafter “Olympus Logitex”), effective from April 1, 2022.

(1) Overview of transaction

(i) Description of businesses subject to transaction

Description of business Storing, shipping and logistics planning of Olympus Group products

Total assets ¥849 million

Liabilities ¥86 million

Net assets ¥763 million

(ii) Effective date of merger

April 1, 2022

(iii) Legal form of business combination

As an absorption-type merger (simplified and short-form) with Olympus Corporation acting as the surviving company and Olympus Logitex to be absorbed and merged. As a result, Olympus Logitex has been dissolved.

(iv) Name of the company after the combination

Olympus Corporation

(2) Description of transaction including purpose of the transaction

In order to improve operations and improve business performance and organizational soundness, we are working on the company-wide cross-functional corporate transformation plan “Transform Olympus,” and in one of its priority measures, “End-to-End (E2E) Supply Chain Transformation,” we aim to build an E2E supply chain that integrates everything from parts procurement to delivery to customers, improving customer satisfaction and business agility, improving cost efficiency, and optimizing inventory. As part of this End-to-End supply chain transformation, we integrated Olympus Logitex, which is responsible for storage and warehousing functions for Olympus Group products and distribution functions to dealers and customers in Japan and overseas, into our supply chain management section, which is responsible for the supply chain strategy planning function of the entire Group, and the merger has been conducted with the aim of strengthening the ability to propose logistics solutions and strengthening cooperation with global procurement, manufacturing, and sales functions.

(3) Outline of accounting treatment applied

These transactions were treated as transactions under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and Guidance on Accounting Standard for Business Combinations and Business Divestitures (ASBJ Guidance No. 10, January 16, 2019). As a result of this merger, ¥742 million was recorded in “Gain on extinguishment of tie-in shares.”

Fiscal year ended March 31, 2024

(Transfer of Scientific Solutions Business)

On August 29, 2022, Olympus Corporation concluded a share transfer agreement related to the transfer of Scientific Solutions Business of the Olympus Group with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital, and completed the transfer on April 3, 2023.

(1) Reasons for transfer

As a truly global medical technology company, Olympus Corporation announced its corporate strategy for achieving sustainable growth (hereinafter “Corporate Strategy”) on November 6, 2019. Based on this Corporate Strategy, we are aggressively allocating management resources to the medical field, mainly in Endoscopic Solutions Business and Therapeutic Solutions Business, and we are working to strengthen our management base in order to achieve sustainable growth. Under such circumstances, Olympus Corporation transferred its Science Solutions business, which had different business characteristics to the medical field, to Evident Corporation (hereinafter “Evident”). We focused on enhancing corporate value for the entire Olympus Group by establishing management systems that were complementary to the respective business characteristics, while proceeding with the task of examining all options, including the transfer of the shares of Evident. As a result of such examination, we reached the conclusion that based on the Corporate Strategy, the optimal path for enhancing corporate value of the Olympus Group and realizing autonomous and sustainable growth for the Science Solutions Business was to transfer all shares of Evident to Bain Capital.

(2) Name of counterparty to the share transfer transaction

K.K. BCJ-66

(3) Date of the share transfer

April 3, 2023

(4) Name and business description of the consolidated subsidiary to be transferred and details of transactions with Olympus Corporation

Name:	Evident Corporation
Description of business:	Business related to the development, manufacturing and sale, provision of solutions, and other activities dealing with biological microscopes, industrial microscopes, industrial endoscopes, non-destructive testing equipment, X-ray analyzers, etc.
Details of transactions with Olympus Corporation:	Financing support

(5) Number of shares to be transferred, transfer price, gain or loss on transfer and shareholding ratio after the transfer

(i) Number of shares held before transfer:	100 shares (shareholding ratio: 100%)
(ii) Number of shares to be transferred:	100 shares
(iii) Number of shares held after transfer:	- shares (shareholding ratio: -%)
(iv) Transfer price:	¥427,674 million

In the fiscal year ended March 31, 2024, gain on sale from the transfer of the subsidiary’s shares of ¥247,264 million is recorded as “Gain on sale of shares of subsidiaries and affiliates.”

(Subsidiary share transfer)

At a meeting of the Board of Directors held on February 10, 2023, Olympus Corporation resolved the transfer of all shares of our consolidated subsidiary TmediX Corporation (TmediX) to our consolidated subsidiary Olympus Marketing, Inc. (Olympus Marketing), and completed the transfer on April 3, 2023.

(1) Reasons for transfer

Toward achievement of strategic aspiration, Olympus Corporation needs to strengthen the foundation of sales functions in the Japan region, further improve profitability, and reform the makeup, and as part of these efforts, launched Olympus Marketing as a sales function of the medical business in the Japan region in October 2021. In developing business plans and calculating business results, accounting collaboration (consolidation) with TmediX, which was engaged in a sales function in the Japan region along with Olympus Marketing, was important, and therefore, it is necessary to improve the accuracy of consolidated accounting of the two companies and visualize their figures in a domestic sales function to make appropriate decisions in a speedy manner, looking at both companies with a bird's-eye view. Furthermore, collaboration of both companies is also important from aspects of ensuring consistent governance as a sales function and optimizing the use of resources of both companies, and we set up a review task force in June 2022 and reached a conclusion that making TmediX a subsidiary of Olympus Marketing is the most appropriate for strengthening collaboration between both companies.

(2) Name of counterparty to the share transfer transaction

Olympus Marketing, Inc.

(3) Date of the share transfer

April 3, 2023

(4) Name and business description of the consolidated subsidiary to be transferred and details of transactions with Olympus Corporation

Name:	TmediX Corporation
Description of business:	Lease of products of the Endoscopic Solutions Business
Details of transactions with Olympus Corporation:	Sales of Olympus Corporation's products

(5) Number of shares to be transferred, transfer price, gain or loss on transfer and shareholding ratio after the transfer

- | | |
|---|---|
| (i) Number of shares held before transfer: | 1,000 shares (shareholding ratio: 100%) |
| (ii) Number of shares to be transferred: | 1,000 shares |
| (iii) Number of shares held after transfer: | - shares (shareholding ratio: -%) |
| (iv) Transfer price: | ¥1,529 million |
- In the fiscal year ended March 31, 2024, gain on sale from the transfer of the subsidiary's shares of ¥1,403 million is recorded as "Gain on sale of shares of subsidiaries and affiliates."

(Significant subsequent events)

(Share repurchase and cancellation of treasury shares)

At a meeting of the Board of Directors held on November 9, 2023, Olympus Corporation resolved to cancel treasury shares as provided for in Article 178 of the Companies Act, and cancelled the treasury shares on April 30, 2024.

(1) Details of cancellation

- | | |
|--|---|
| 1. Class of shares: | Common stock of Olympus Corporation |
| 2. Number of shares to be cancelled: | 37,446,500 shares
(3.08% of total number of issued shares before the cancellation) |
| 3. Date of cancellation: | April 30, 2024 |
| 4. Total number of issued shares after cancellation: | 1,177,700,200 shares |

At a meeting of the Board of Directors held on May 10, 2024, Olympus Corporation resolved items related to the repurchase of its own shares as provided for in Article 459 Section 1 of the Companies Act and Article 32 of Olympus Corporation's Articles of Incorporation, as well as the cancellation of treasury shares as provided for in Article 178 of the Companies Act.

(1) Reasons for the share repurchase and cancellation of treasury shares

To strengthen shareholder returns and to improve capital efficiency

(2) Details of items related to the repurchase

- | | |
|--|---|
| 1. Class of shares: | Common stock of Olympus Corporation |
| 2. Total number of shares to be repurchased: | 60,000,000 shares (maximum)
(5.15% of total number of issued shares (excluding treasury shares)) |
| 3. Total amount of shares to be repurchased: | ¥100,000 million (maximum) |
| 4. Repurchase period: | May 13, 2024 to December 31, 2024 |
| 5. Repurchase method: | Market purchase on the Tokyo Stock Exchange based on a discretionary trading contract |

(3) Details of cancellation

- | | |
|--------------------------------------|--|
| 1. Class of shares: | Common stock of Olympus Corporation |
| 2. Number of shares to be cancelled: | All of the shares to be repurchased as stated in (2) above |
| 3. Date of cancellation: | January 31, 2025 |

(Transfer of orthopedic business)

On May 25, 2024, Olympus Corporation entered into a put option agreement with PTCJ-6O Holdings Inc. and PTCJ-6F Holdings Inc. (special purpose companies established by Polaris Capital Group Co., Ltd., hereinafter collectively, the "Polaris Capital Group"), to transfer (hereinafter, the "Transfer") Olympus Terumo Biomaterials Corporation and FH Ortho SAS (hereinafter, the "FHO Group"), Olympus's Orthopedic Business Unit. Following the completion of the consultation of the relevant works council of the FHO Group on this proposed transaction, which is compulsory under French law, Olympus Corporation may exercise such put option and Olympus Corporation and the Polaris Capital Group will execute the Transfer pursuant to a share purchase agreement. Completion is further subject to obtaining relevant regulatory approvals and other customary conditions. In addition, Olympus Corporation will transfer all of its shares of Olympus Terumo Biomaterials Corporation.

(1) Reasons for transfer

Olympus Corporation is committed to strengthening its position as a global medtech company and realizing Our Purpose of "Making people's lives healthier, safer and more fulfilling." On May 12, 2023, Olympus Corporation announced its company strategy which is based on the three priorities of patient safety and sustainability, innovation for growth, and productivity (hereinafter, the "Company Strategy"). Based on this Company Strategy, Olympus Corporation is focusing on disease areas where it can make the greatest

contribution and increase its presence in important and long-term growth markets as a leading company. These include the fields of GI, urology, and respiratory. To improve its focus on these key areas, Olympus Corporation determined that the transfer of Olympus Terumo Biomaterials Corporation and the FHO Group to Polaris Capital Group is the best way to improve the corporate value of the Olympus Group and to achieve organic and sustainable growth of the orthopedic business.

(2) Name of counterparty to the share transfer transaction

Polaris Capital Group

(3) Date of the share transfer

July 2024 (to be scheduled)

(4) Name and business description of the consolidated subsidiary to be transferred and details of transactions with Olympus Corporation

Name:	Olympus Terumo Biomaterials Corporation
Description of business:	Developing, manufacturing, and selling of biomedical materials, such as synthetic bone filler, and orthopedic equipment
Details of transactions with Olympus Corporation:	Financing support

(5) Number of shares to be transferred, transfer price, gain or loss on transfer and shareholding ratio after the transfer

- | | |
|---|---|
| (i) Number of shares held before transfer: | 192,000 shares (shareholding ratio: 95.7%) |
| (ii) Number of shares to be transferred: | 192,000 shares |
| (iii) Number of shares held after transfer: | - shares (shareholding ratio: -%) |
| (iv) Transfer price: | The Transfer price is to be determined at the time of the share transfer and is not yet finalized at this time. |

(iv) Supplementary Schedules
Property, Plant and Equipment Schedule

(Millions of yen)

Category	Class of assets	Balance at April 1, 2023	Increase during the year	Decrease during the year	Amortization during the year	Balance at March 31, 2024	Depreciation Cumulative amount
Property, plant and equipment	Buildings	23,871	17,804	2,297 (396)	3,378	36,000	50,837
	Structures	507	1,047	8 (1)	118	1,428	3,060
	Machinery and equipment	2,474	696	57 (6)	607	2,506	5,520
	Vehicles	4	3	1	1	5	54
	Tools, furniture and fixtures	6,114	3,480	244 (106)	1,436	7,914	20,115
	Land	9,309	16	751 (485)	–	8,574	–
	Lease assets	371	910	2	177	1,102	404
	Construction in progress	8,185	10,563	17,517	–	1,231	–
	Total	50,835	34,519	20,877 (994)	5,717	58,760	79,990
Intangible assets	Software	3,628	919	0	1,539	3,008	–
	Software in progress	1,982	1,514	879	–	2,617	–
	Right of using facilities, etc.	8	34	–	1	41	–
	Patent right	134	–	–	134	–	–
		Total	5,752	2,467	879	1,674	5,666

Notes: 1. The amount in parentheses in “Decrease during the year” column is included in the total amount and indicates the amount of impairment losses recorded for the fiscal year ended March 31, 2024.

2. Major items of increase during the year were as follows:

Renewal of Hachioji Facility	(Buildings)	¥6,580 million
	(Construction in progress)	¥2,947 million
	(Tools, furniture and fixtures)	¥1,104 million
Renewal of Nagano Facility	(Buildings)	¥8,457 million
	(Construction in progress)	¥7,089 million
	(Structures)	¥944 million
	(Machinery and equipment)	¥370 million
	(Tools, furniture and fixtures)	¥247 million

3. Major items of decrease during the year were as follows:

Sale to a subsidiary of the Mishima Plant	(Buildings)	¥1,415 million
	(Land)	¥261 million
Removal of an extra high-voltage substation in the Ishikawa Facility	(Buildings)	¥392 million
Disposal related to the renewal of the Hachioji Facility	(Buildings)	¥187 million
	(Tools, furniture and fixtures)	¥97 million

Provisions Schedule

(Millions of yen)

Account	Balance at April 1, 2023	Increase during the year	Decrease during the year	Balance at March 31, 2024
Allowance for doubtful accounts	8,820	168	3,514	5,474
Provision for product warranties	8	7	8	7
Provision for business restructuring	183	10	138	55
Provision for loss on business of subsidiaries and affiliates	3,350	-	3,350	-

Notes: 1. Major items of decrease in Allowance for doubtful accounts during the year were as follows:

Reversal of provision incurred from part of the fees recovered from the external partners of Receiver Funds, as well as reduction of values of claims resulting from a review of recoverability assessment of claims in line with the termination of a series of lawsuits

¥2,485 million

Reversal of provision in line with recovery of financial condition of Sony Olympus Medical Solutions Inc.

¥1,024 million

2. Major items of decrease in Provision for loss on business of subsidiaries and affiliates during the year were as follows:

Reversal of provision in line with recovery of financial condition of Nagano Olympus Co., Ltd. ¥3,350 million

(2) Details of Major Assets and Liabilities

Olympus Corporation omits a description concerning details of major assets and liabilities due to preparation of consolidated financial statements.

(3) Other Information

No items to report

VI. Outline of Share-Related Administration of Reporting Company

Fiscal year	From April 1 to March 31
General Meeting of Shareholders	June
Record date	March 31
Record date for distribution of surplus	September 30 and March 31
The number of shares constituting one unit	100 shares
Purchase of shares less than one unit	
Handling office	1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department
Transfer Agent for common stock	1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan Sumitomo Mitsui Trust Bank, Limited
Transfer office	–
Purchase fee	Free
Method of public notice	The method of public notice of Olympus Corporation shall be by electronic public notice. However, in the event that electronic public notice becomes impossible due to unavoidable circumstances, announcements will be published in the Nihon Keizai Shimbun. Electronic public notices are posted on Olympus Corporation's website, which may be accessed with the following URL. https://www.olympus-global.com/ir/
Special benefits for Shareholders	Not applicable.

VII. Reference Information of Reporting Company

1. Information about Parent of Reporting Company

Not applicable.

2. Other Reference Information

Olympus Corporation submitted the following documents during the period from the beginning of the current fiscal year to the date of submission of the annual securities report.

(1) Report on Repurchase	Reporting period	From May 1, 2023 to May 31, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on June 7, 2023
(2) Annual Securities Report, the documents attached thereto, and the Confirmation Letter	Fiscal year (155th Term)	From April 1, 2022 to March 31, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on June 20, 2023
(3) Internal Control Report and the documents attached thereto	Fiscal year (155th Term)	From April 1, 2022 to March 31, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on June 20, 2023
(4) Securities Registration Statement (allotment of restricted stock) and the documents attached thereto			Submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2023
(5) Amendment to Securities Registration Statement	This is an amendment to the Securities Registration Statement submitted on June 27, 2023.		Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2023
(6) Extraordinary Report	This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Order on Disclosure of Corporate Affairs.		Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2023
(7) Report on Repurchase	Reporting period	From June 1, 2023 to June 30, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on July 11, 2023
(8) Report on Repurchase	Reporting period	From July 1, 2023 to July 31, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on August 7, 2023
(9) Quarterly Securities Report and the Confirmation Letter	(First quarter of the 156th Term)	From April 1, 2023 to June 30, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on August 9, 2023
(10) Report on Repurchase	Reporting period	From August 1, 2023 to August 31, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on September 11, 2023
(11) Amendment to Annual Securities Report and the Confirmation Letter	This is an amendment to Annual Securities Report submitted on June 20, 2023		Submitted to the Director-General of the Kanto Local Finance Bureau on September 19, 2023
(12) Report on Repurchase	Reporting period	From September 1, 2023 to September 30, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on October 11, 2023
(13) Quarterly Securities Report and the Confirmation Letter	(Second quarter of the 156th Term)	From July 1, 2023 to September 30, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on November 9, 2023
(14) Report on Repurchase	Reporting period	From October 1, 2023 to October 31, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on November 13, 2023

(15) Report on Repurchase	Reporting period	From November 1, 2023 to November 30, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on December 12, 2023
(16) Report on Repurchase	Reporting period	From December 1, 2023 to December 31, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on January 12, 2024
(17) Report on Repurchase	Reporting period	From January 1, 2023 to January 31, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on February 7, 2024
(18) Quarterly Securities Report and the Confirmation Letter	(Third quarter of the 156th Term)	From October 1, 2023 to December 31, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on February 14, 2024
(19) Report on Repurchase	Reporting period	From February 1, 2023 to February 29, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on March 7, 2024
(20) Report on Repurchase	Reporting period	From March 1, 2023 to March 31, 2023	Submitted to the Director-General of the Kanto Local Finance Bureau on April 5, 2024
(21) Shelf Registration Statement (shares and bonds, etc.) and the documents attached thereto			Submitted to the Director-General of the Kanto Local Finance Bureau on April 15, 2024
(22) Securities Registration Statement (allotment of restricted stock) and the documents attached thereto			Submitted to the Director-General of the Kanto Local Finance Bureau on May 13, 2024

Part II. Information about Reporting Company's Guarantor, etc.

Not applicable.

Following is an English translation of the Independent Auditor's Report and Internal Control Audit Report. This report is presented merely as supplemental information.

Independent Auditor's Report and Internal Control Audit Report

June 20, 2024

The Board of Directors
OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC

Tokyo Office

Designated Engagement Partner	Certificated Public Accountant	Takahiro Yamazaki
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Designated Engagement Partner	Certificated Public Accountant	Tetsuya Yoshida
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Designated Engagement Partner	Certificated Public Accountant	Mitsuharu Konno
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<Audit of the Consolidated Financial Statements>

Opinion

We have audited the accompanying consolidated financial statements of Olympus Corporation and its subsidiaries (the Group) for the fiscal year from April 1, 2023 to March 31, 2024, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, comprehensive income, changes in equity, and cash flows, and notes to the consolidated financial statements in accordance with the provision of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

In our opinion, the accompanying consolidated financial statements, which have been prepared in accordance with the International Financial Reporting Standards, as prescribed in provisions of Article 93 of the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements," present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the fiscal year then ended on the same date.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the

audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill of the Therapeutic Solutions segment	
Description of Key Audit Matter and Reasons for Decision	Auditor’s Response
<p>As described in Notes to the Consolidated Financial Statements, “16. Impairment of Non-financial Assets (2) Impairment test for goodwill,” the Company performed an impairment test for goodwill related to the Therapeutic Solutions segment (cash generating unit) in the fiscal year ended March 31, 2024. As of March 31, 2024, the amount of goodwill for the Therapeutic Solutions segment was ¥147,910 million (9.6% of total assets of Consolidated Statement of Financial Position).</p> <p>In performing the impairment test for goodwill related to the Therapeutic Solutions segment, the Company measures the recoverable amount based on value in use. Value in use is determined by discounting to present value the cash flows based on the business plan approved by management having a maximum term of five years as well as the terminal value, which is based on the growth rates after the term of the business plan. The main assumptions in determining value in use are as follows.</p> <ul style="list-style-type: none"> • Growth rate and operating profit ratio in the business plan • Growth rate for the period after the term of the business plan • Discount rate <p>These main assumptions involve uncertainty associated with management estimates and have a significant impact on determining value in use. Among these, the growth rate and the operating profit ratio in the business plan are based on growth through the expansion of the Company’s portfolio of treatment tools and devices, and dissemination of procedures. However, these are affected by the external environment, such as regulations on medical devices in the countries and regions where the Company operates its Therapeutic Solutions Business, and competition with products of other companies. During the fiscal year ended March 31, 2024, the Company continued with its improvement activities for addressing the Warning Letters received from the U.S. Food and Drug Administration (FDA) in the previous fiscal year. It also made the decision to discontinue the manufacture and sale of products by Veran Medical Technologies, Inc. (hereinafter “VMT”), which was acquired during prior periods as part of the Therapeutic Solutions Business. This decision would have an impact on the business plans and assets of the Therapeutic Solutions Business. Based on the above, we determined this to be a key audit matter.</p>	<p>In considering the valuation of goodwill of the Therapeutic Solutions segment, we performed the following audit procedures, among others.</p> <ul style="list-style-type: none"> • We made inquiries of management and discussed the following matters to gain an understanding of strategies in the Therapeutic Solutions Business, which is the basis of the business plan having a maximum term of five years. <ul style="list-style-type: none"> • Consistency between the company strategy announced by Olympus Corporation in May 2023 and the Therapeutic Solutions Business strategies • Impact of discontinuation of the manufacture and sale of VMT products on the Therapeutic Solutions Business strategies • Impact of the progress made on the improvement plans to address the issues pointed out in the Warning Letter and the future outlook on new product development activities and the timing of market launches, and the estimated future costs of the improvement activities • In addition, we reviewed related agenda materials of the Board of Directors and other meetings. • We compared the growth rate and operating profit ratio used in the business plan with past results, market forecasts, and available external data. We also performed our own sensitivity analysis, which included certain stresses on the risk factors included in the assumptions. • We involved valuation specialists from our network firms and performed the following procedures. <ul style="list-style-type: none"> • We compared the growth rate for the period after the term of the business plan with market forecasts and available external data. • Regarding the discount rate, we compared it with the acceptable range set by valuation specialists and evaluated the reasonableness of the method used to determine the discount rate and the reliability of external data used as the basis of determination. • We evaluated the reasonableness of the method used to determine value in use.

Recording of impairment losses for assets associated with Veran Medical Technologies, Inc.	
Description of Key Audit Matter and Reasons for Decision	Auditor's Response
<p>As described in Notes to the Consolidated Financial Statements, "16. Impairment of Non-financial Assets (1) Impairment losses," the Company decided to discontinue the manufacture and sale of the products of VMT, which is a consolidated subsidiary, during the fiscal year ended March 31, 2024.</p> <p>The Company tested for impairment concerning non-current assets related to VMT's manufacture and sales in the past, using the Therapeutic Solutions segment as the cash-generating unit, taking into account synergies, etc. with other assets in the segment. However, due to the above decision, the impairment test was performed separately for non-current assets incurred in connection with the acquisition of VMT, rather than on a business segment basis, leading to a zero-value assessment of fair value less costs of disposal. As a result, ¥41,704 million for impairment losses on non-current assets, including ¥20,227 million in goodwill, was recorded in "Other expenses."</p> <p>Separation from the cash-generating units of corresponding assets when performing impairment tests requires critical decision-making by management, and effects of associated impairment losses have a serious impact on the consolidated financial statements. Based on the above, we determined this to be a key audit matter.</p>	<p>We performed the following audit procedures, among others, regarding the recording of impairment losses for assets associated with VMT.</p> <ul style="list-style-type: none"> • We made inquiries of management and reviewed agenda materials of the Board of Directors and other meetings to gain an understanding of the business strategy background behind discontinuation of the manufacture and sale of VMT products. • We evaluated the appropriateness of the scope and amount of the goodwill to which the losses apply, taking into consideration the impact of the decision on the Therapeutic Solutions segment, which is the related cash-generating unit. • To evaluate appropriateness of measurement of the impairment losses, we conducted the following procedures with the involvement of the auditors of the constituent unit. <ul style="list-style-type: none"> • To verify that the non-current assets of VMT were indeed made comprehensively subject to impairment testing, we studied the trial balance sheet of VMT, and compared the account balances of non-current assets with the amounts recorded for impairment. • We tested the adequacy of evaluating the fair value less costs of disposal as zero with respect to the recoverable amount.

Valuation of Deferred Tax Assets	
Description of Key Audit Matter and Reasons for Decision	Auditor's Response
<p>The Company recorded deferred tax assets of ¥72,324 million in the Consolidated Statement of Financial Position for the fiscal year ended March 31, 2024. As described in Notes to the Consolidated Financial Statements, "37. Income Taxes (1) Deferred tax assets and liabilities," the amount before offsetting deferred tax liabilities is ¥111,159 million.</p> <p>As described in Notes to the Consolidated Financial Statements, "3. Material Accounting Policies (21) Income Taxes," the Company and some of its subsidiaries have adopted the consolidated tax system. Deferred tax assets are recognized to the extent that it is expected that taxable profits will be available against which deductible temporary differences, unused tax credits carried forward and tax losses carried forward can be utilized.</p> <p>Estimates of taxable income used to determine the recoverability of deferred tax assets are based on business plans prepared by management. However, growth rate and the operating profit ratio, which are used as key assumptions, include the element of management judgment. Specifically, during the fiscal year ended March 31, 2024, the Company continued with its improvement activities for addressing the Warning Letters received from the U.S. Food and Drug Administration (FDA) in the previous fiscal year, and management judgment pertaining to such progress and outlook has had an influence on the key assumptions.</p> <p>Based on the above, we determined this to be a key audit matter.</p>	<p>We performed the following audit procedures to evaluate the reasonableness of the determination of the recoverability of deferred tax assets</p> <ul style="list-style-type: none"> • We compared the business plans of prior years with results to evaluate the effectiveness of the estimation process for business planning, which is the basis for estimating future taxable income. • We compared the growth rate and operating profit ratio used in the business plan with past results, market forecasts, and available external data. • We made inquiries of management on the estimated future costs of the improvement activities to address the issues pointed out in the Warning Letters, and reviewed materials prepared by the Company in order to assess the impact of the costs on the calculations for future taxable profits. • We reviewed the scheduling-related materials prepared by the Company and compared the timing of the reversal of the deductible temporary differences and the loss carryforwards for tax purposes with these materials in order to evaluate the reasonableness of the scheduling of the expected years for the elimination of balances of the deductible temporary differences and the loss carryforwards for tax purposes.

Other Information

The other information comprises the information included in the annual securities report except that from the consolidated financial statements, non-consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the performance of duties by Executive Officers and Directors within the maintenance and operation of reporting process of the other information.

Our opinion on the audit of the consolidated financial statements does not include the other information, and we do not provide an opinion on the other information.

Our responsibility in the audit of the consolidated financial statements is to read the other information carefully and, in the course of that reading, consider whether there are material differences between the other information and the consolidated financial statements or knowledge we have gained in the audit. It is also our responsibility to note whether there are any other indications of significant errors in the other information aside from such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by IFRSs, matters related to going concern.

Audit Committee is responsible for overseeing the performance of duties by Executive Officers and Directors within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements, or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on

the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes thereto, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with IFRSs.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the consolidated financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate obstruction factors or reduce them to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Internal Control Audit>

Opinion

We have audited the Internal Control Report as of March 31, 2024 of Olympus Corporation to provide audit certification in accordance with the provision of Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act.

In our opinion, the accompanying Internal Control Report, in which Olympus Corporation indicated that its internal control over financial reporting as of March 31, 2024 was effective, presented fairly, in all material respects, the results of its assessment of internal control over financial reporting, in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under auditing standards for internal control over financial reporting are further described in the Auditor's Responsibilities for the Internal Control Audit section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, the Audit Committee for Internal Control Report

Management is responsible for developing and implementing internal control over financial reporting, and for the preparation and fair presentation of an Internal Control Report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit Committee is responsible for overseeing and verifying the development and implementation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our objectives are to obtain reasonable assurance about whether the Internal Control Report is free from material misstatement based on the internal control audit, and to issue an auditor's report that includes our opinion on the Internal Control Report from an independent standpoint.

As part of an internal control audit over financial reporting in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in the Internal Control Report. Audit procedures for internal control audits are selected and applied at our discretion, based on the materiality of their effects on the reliability of financial reporting.
- Examine the contents of the Internal Control Report as a whole, including statements made by management regarding the scope of assessment of internal control over financial reporting, the assessment procedures performed, and the assessment results.
- Obtain sufficient and appropriate audit evidence regarding the results of the assessment of internal control over financial reporting in the Internal Control Report. We are responsible for the direction, monitoring and performance of the audit of the Internal Control Report. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies in internal control that we identify during our audit that should be disclosed, the results of their correction, and other matters required by the standards for internal control audits.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the consolidated financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate obstruction factors or reduce them to an acceptable level.

<Remuneration-related information>

The amount of remuneration for members of the Independent Auditor and persons within the Independent Auditor's network for auditing services for the Company and its subsidiaries and for non-auditing services is indicated in the Corporate Governance, etc. of (3) "Audits" of the "Information about Reporting Company."

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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- * 1. The original of the above auditor's report is kept separately by the Company as an attachment to the consolidated financial statements and the Internal Control Report.
2. XBRL data is not included in the scope of the audit.

Independent Auditor's Report

June 20, 2024

The Board of Directors
OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC

Tokyo Office

Designated Engagement Partner	Certificated Public Accountant	Takahiro Yamazaki
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Designated Engagement Partner	Certificated Public Accountant	Tetsuya Yoshida
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Designated Engagement Partner	Certificated Public Accountant	Mitsuharu Konno
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<Audit of the Financial Statements>

Opinion

We have audited the accompanying the non-consolidated financial statements of Olympus Corporation for the fiscal year from April 1, 2023 to March 31, 2024, which comprise the non-consolidated balance sheet, non-consolidated statement of income, the non-consolidated statement of changes in net assets, significant accounting policies, and other notes and supplementary schedules to provide audit certification in accordance with the provision of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance for the fiscal year then ended on the same date in accordance with accounting standards generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current fiscal year. These matters were addressed in the context of the audit of the non-consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Deferred Tax Assets

The Company recorded deferred tax assets of ¥11,198 million in its non-consolidated balance sheet for the fiscal year ended March 31, 2024. As described in Notes to the Non-Consolidated Financial Statements (Significant Accounting Estimates) 5. Recoverability of Deferred Tax Assets, the amount before offsetting deferred tax liabilities is ¥17,261 million.

Our reasons for determining the matter to be a key audit matter and our response are the same as those described in the Auditor's Report on the Consolidated Financial Statements (Valuation of deferred tax assets), so they have therefore been omitted.

Other Information

The other information comprises the information included in the annual securities report except that from the consolidated financial statements, non-consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the performance of duties by Executive Officers and Directors within the maintenance and operation of reporting process of the other information.

Our opinion on the audit of the non-consolidated financial statements does not include the other information, and we do not provide an opinion on the other information.

Our responsibility in the audit of the non-consolidated financial statements is to read the other information carefully and, in the course of that reading, consider whether there are material differences between the other information and the non-consolidated financial statements or knowledge we have gained in the audit. It is also our responsibility to note whether there are any other indications of significant errors in the other information aside from such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit Committee for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing matters related to going concern as required in accordance with accounting principles generally accepted in Japan.

Audit Committee is responsible for overseeing the performance of duties by Executive Officers and Directors within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, or, if the notes to the non-consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the notes thereto, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate obstruction factors or reduce them to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current fiscal year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Remuneration-related information>

Remuneration-related information is indicated in the auditor's report on the consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

We or engagement partners have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

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- * 1. The original of the above auditor's report is kept separately by the Company as an attachment to the non-consolidated financial statements.
2. XBRL data is not included in the scope of the audit.

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[Document Submitted]	Confirmation Letter
[Article of the Applicable Law Requiring Submission of This Document]	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act
[Submitted to]	Director-General of the Kanto Local Finance Bureau
[Date of Submission]	June 20, 2024
[Company Name]	Olympus Kabushiki Kaisha
[Company Name in English]	OLYMPUS CORPORATION
[Position and Name of Representative]	Stefan Kaufmann, Director, Representative Executive Officer, President and CEO
[Position and Name of Chief Financial Officer]	Not applicable.
[Location of Head Office]	2951 Ishikawa-machi, Hachioji-shi, Tokyo
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo, Japan)

1. Matters Concerning the Adequacy of the Contents of the Securities Report

Stefan Kaufmann, Director, Representative Executive Officer, President and CEO of Olympus Corporation has confirmed that the information in Olympus Corporation's Annual Securities Report for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024) is properly presented in accordance with the Financial Instruments and Exchange Act.

2. Special Notes

There are no matters to be noted.

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[Document Submitted]	Internal Control Report
[Article of the Applicable Law Requiring Submission of This Document]	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act
[Submitted to]	Director-General of the Kanto Local Finance Bureau
[Date of Submission]	June 20, 2024
[Company Name]	Olympus Kabushiki Kaisha
[Company Name in English]	OLYMPUS CORPORATION
[Position and Name of Representative]	Stefan Kaufmann, Director, Representative Executive Officer, President and CEO
[Position and Name of Chief Financial Officer]	Not applicable.
[Location of Head Office]	2951 Ishikawa-machi, Hachioji-shi, Tokyo
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo, Japan)

1. Matters Related to the Basic Framework for Internal Control over Financial Reporting

Stefan Kaufmann, Director, Representative Executive Officer, President and CEO of Olympus Corporation is responsible for the development and operation of Olympus Corporation's internal control over financial reporting, and maintains and operates internal control over financial reporting in accordance with the basic framework for internal control indicated in the "On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" issued by the Business Accounting Council.

Internal control aims at achieving the objectives to a reasonable extent with the organized and integrated function of individual components as a whole. Accordingly, internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

2. Matters Related to the Scope of Assessment, Base Date and Assessment Procedures

The assessment of internal control over financial reporting was conducted with March 31, 2024, the end of the current fiscal year, as the base date, and the assessment was made in accordance with generally accepted standards for the assessment of internal control over financial reporting.

In this assessment, internal controls that have a significant impact on overall financial reporting on a consolidated basis (companywide internal controls) were assessed, and based on the results of the assessment, business processes to be assessed are selected. In assessing the business process, the selected business process is analyzed, and key control points that have a significant impact on the reliability of financial reporting are identified. The effectiveness of internal control is then assessed by evaluating the status of development and operation of these key control points.

The scope of the assessment of internal control over financial reporting was determined for Olympus Corporation, its consolidated subsidiaries, and its equity-method companies based on the materiality of the effect on the reliability of financial reporting. The materiality of the effects on the reliability of financial reporting was determined by considering the materiality of the monetary and qualitative effects, and the scope of assessment of internal control over business processes was reasonably determined based on the results of the assessment of companywide internal control conducted for Olympus Corporation and its 37 consolidated subsidiaries. 52 other consolidated subsidiaries and 3 equity-method companies are not included in the scope of assessment of company-wide internal control because they are considered to be immaterial in terms of monetary and qualitative materialities.

The scope of assessment of internal control over business processes was determined by adding up the revenues (after elimination of consolidated intercompany transactions) of each business location in the previous fiscal year, beginning with the location with the highest amount, and designating as significant business locations those locations that accounted for approximately two-thirds of consolidated revenues in the previous fiscal year and eight business locations that were deemed significant after considering fluctuations during the period. For the selected significant business locations, the business processes leading to revenues, accounts receivable, and inventories were assessed as accounts that have a significant bearing on Olympus Corporation's business objectives. Furthermore, regarding the scope including other business locations and regardless of the selected significant business locations, the business processes that have a high possibility of material misstatement and that are related to significant accounts that involve estimates and forecasts, and businesses or operations that engage in high-risk transactions were individually added to the scope of assessment as significant business processes, taking into account their impact on financial reporting.

3. Matters Related to Assessment Results

As a result of the above assessment, it was concluded that the Olympus Group's internal control over financial reporting was effective as of the end of the current fiscal year.

4. Supplemental Notes

Not applicable.

5. Special Notes

Not applicable.