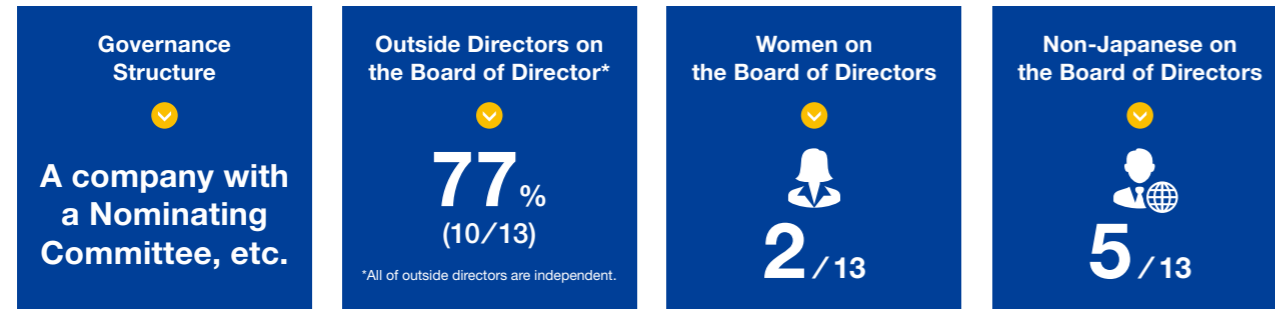


Corporate Governance

Characteristics of Corporate Governance at Olympus



Efforts to Realize Highly Transparent and Effective Management

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

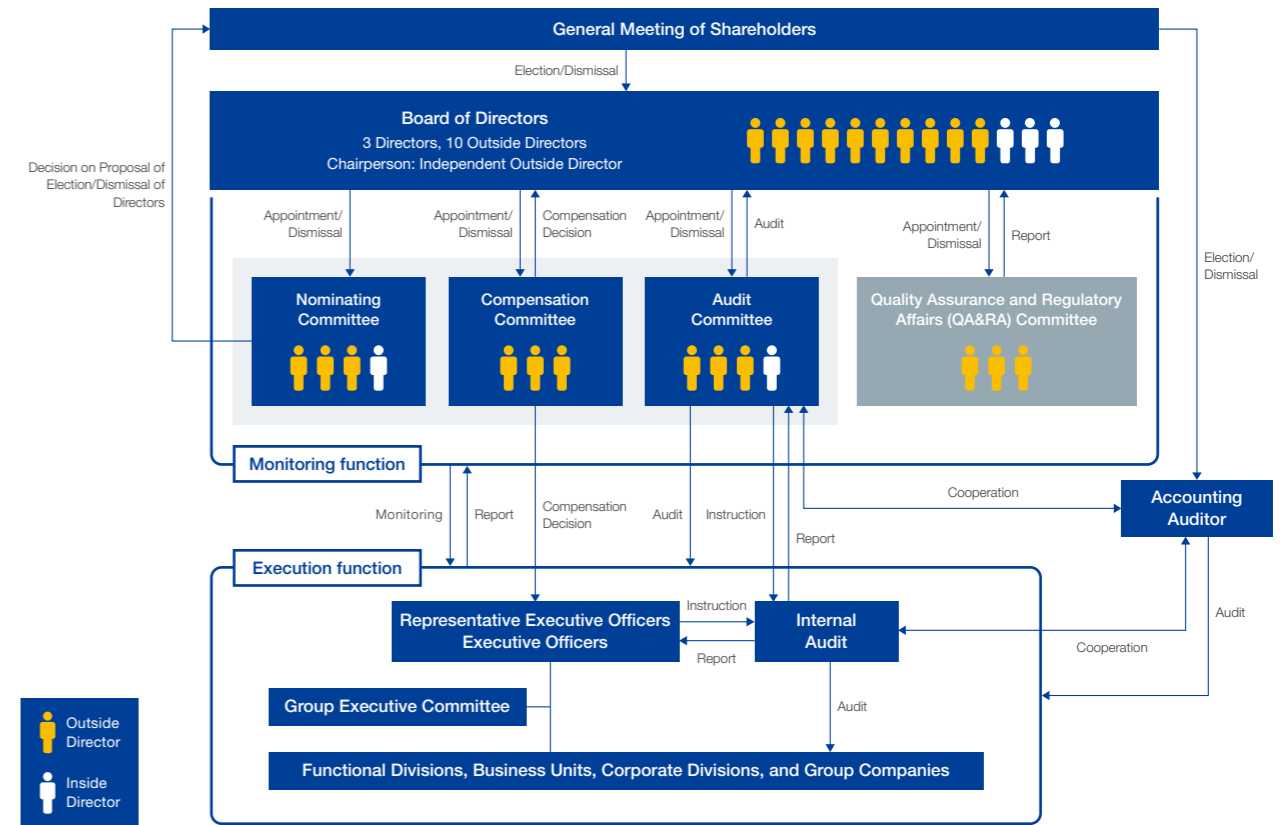
TOPICS

Established the Quality Assurance and Regulatory Affairs (QA&RA) Committee as an Optional Committee in April 2023

- The Committee will provide ongoing oversight to support regulatory compliance, cross-functional planning, resourcing and monitoring of company's transition towards a robust company quality management system as a global MedTech company.

Details on the QA&RA Committee are on pages 16, 17

Corporate Governance Structure (As of June 27, 2023)



Changes in Corporate Governance

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Chronology	<ul style="list-style-type: none"> <li>• Deferred recording of past losses discovered</li> <li>• New management system launched</li> </ul>						<ul style="list-style-type: none"> <li>• Announcement of <i>Transform Olympus</i> corporate transformation plan</li> </ul>						
Management Plans	2010 Medium-Term Strategic Plan (10CSP) Advancing to the Next Stage of Globalization	Medium-Term Vision Stage of reconstructing management (recover trust and strengthen internal systems)				2016 Medium-Term Management Plan (16CSP) Sustainable growth stage (Strengthening the foundations of our business and developing a strong business portfolio)			Corporate Strategy Transforming into a truly global MedTech company			Company Strategy Leading as a global MedTech company	
Management System	A company with an Audit & Supervisory Board						A company with a Nominating Committee, etc.						
Chairperson of the Board	Inside Directors					Independent outside directors							
Directors	More than half are outside directors												
Members	Outside 3/ Inside 12	Outside 6/ Inside 5	Outside 8/ Inside 5	Outside 5/ Inside 5	Outside 6/ Inside 5	Outside 10/ Inside 5	Outside 9/ Inside 3	Outside 8/ Inside 3	Outside 9/ Inside 3	Outside 10/ Inside 3			
Women	-		1			-		1			2		
Nationalities other than Japanese	1	-				-		3			4	5	
Committees	Voluntarily established a Nominating Committee, Compensation Committee, and Compliance Committee Members: Majority are outside directors Committee chairpersons: Outside directors						Established a Nominating Committee, Compensation Committee, and Audit Committee* Members: Majority are independent outside directors Committee chairpersons: Independent outside directors						

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

Established Quality Assurance and Regulatory Affairs (QA&RA) Committee as an optional committee

\*2 The Compliance Committee was established until July 2020.

Corporate Governance

### Basic Concept of Corporate Governance

All our activities are based on our corporate philosophy, "Making people's lives healthier, safer and more fulfilling." Following this philosophy, we aim for the sustainable development of Olympus and medium- to long-term corporate value for all stakeholders, including shareholders. This philosophy also drives us to establish, implement, and continuously improve systems for ensuring the effectiveness and efficiency of operations and the appropriateness and reliability of financial reports. We are continuously strengthening our corporate governance system, positioning this task as a

top management priority. In addition, we are complying with Japan's Corporate Governance Code, which was formulated by the TSE in June 2015 (revised in June 2021), and have implemented measures based on the principles of the code. Through such efforts, we seek to ensure an effective corporate governance structure based on our fiduciary duty to shareholders; our responsibilities to customers, employees, communities, and other stakeholders; and the aforementioned corporate philosophy.

**Details** Basic Policy for Corporate Governance: [https://www.olympus-global.com/company/governance/pdf/basic\\_policy\\_for\\_corporate\\_governance\\_en.pdf](https://www.olympus-global.com/company/governance/pdf/basic_policy_for_corporate_governance_en.pdf)  
 Corporate Governance Report (As of September 19, 2023): [https://www.olympus-global.com/company/governance/pdf/governance\\_report\\_september\\_19\\_2023\\_en.pdf](https://www.olympus-global.com/company/governance/pdf/governance_report_september_19_2023_en.pdf)

### Overview of Board and Each Committee

Name	Outline	Members
Board of Directors	The Board of Directors shall determine basic management policy, matters related to the internal control system, and other important matters, and monitor directors and executive officers, in the execution of their duties. (Meets at least once every three months and when needed.)	<ul style="list-style-type: none"> <li>Sumitaka Fujita (Chairperson)</li> <li>Yasumasa Masuda</li> <li>David Robert Hale</li> <li>Jimmy C. Beasley</li> <li>Sachiko Ichikawa</li> <li>Yasushi Shingai</li> <li>Kohei Kan</li> <li>Gary John Pruden</li> <li>Tatsuro Kosaka</li> <li>Luann Marie Pendy</li> <li>Yasuo Takeuchi</li> <li>Stefan Kaufmann</li> <li>Toshihiko Okubo</li> </ul>
Nominating Committee	The Nominating Committee shall deliberate matters related to human resources at the director and executive officer levels, and shall determine the content of proposals submitted to the General Meeting of Shareholders in relation to the election and dismissal of directors.	<ul style="list-style-type: none"> <li>Sumitaka Fujita (Chairperson)</li> <li>Gary John Pruden</li> <li>Tatsuro Kosaka</li> <li>Stefan Kaufmann</li> </ul>
Compensation Committee	The Compensation Committee shall deliberate matters related to compensation of directors and executive officers, and prescribe policy in relation to determining the details of compensation, etc., and in accordance with the policy, determine the contents of compensation, etc., for individuals.	<ul style="list-style-type: none"> <li>Yasushi Shingai (Chairperson)</li> <li>Jimmy C. Beasley</li> <li>Luann Marie Pendy</li> </ul>
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 election, 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	<ul style="list-style-type: none"> <li>Yasumasa Masuda (Chairperson)</li> <li>Sachiko Ichikawa</li> <li>Kohei Kan</li> <li>Toshihiko Okubo</li> </ul>
Quality Assurance and Regulatory Affairs (QA&RA) Committee	The QA&RA Committee shall resolve or deliberate on the following matters and report such matters to the Board of Directors as appropriate: 1) Oversight and advice on the company plans of the quality management system as required of a global MedTech company, including the Management Review process 2) Oversight and advice on regulatory communication strategy and engagement 3) Provide recommendations to management for resourcing and areas of planning and execution 4) In addition to the above, monitor any significant resourcing requirements outside of management plans and/or address any matters that have been requested by the Board of Directors with regard to QARA	<ul style="list-style-type: none"> <li>Gary John Pruden (Chairperson)</li> <li>Jimmy C. Beasley</li> <li>Luann Marie Pendy</li> </ul>
Group Executive Committee	In the Group Executive Committee, the Representative Executive Officers and executive officers shall deliberate on critical matters concerning business execution for the entire Olympus Group as entrusted by the Board of Directors, and provide support on the decision-making of executive officers so as to prevent decisions being made based solely on the discretion of an executive officer. Each executive officer reports on and shares the status of execution of business and functions under their jurisdiction to ensure the effectiveness of the committee as a body for monitoring the execution of business and functions of the entire Olympus Group. (Meets at least once a month and when needed.)	<ul style="list-style-type: none"> <li>Stefan Kaufmann (Chairperson)</li> <li>Yasuo Takeuchi</li> <li>Frank Drewalowski</li> <li>Gabriela Kaynor</li> <li>Chikashi Takeda</li> <li>Nacho Abia</li> <li>Tetsuo Kobayashi</li> <li>Andre Roggan</li> <li>Shigeto Ohtsuki</li> <li>Pierre Boisier</li> </ul>

### The Member Composition of the Board of Directors

With regard to the composition of the Board of Directors, we consider the diversity of experience, knowledge, and skills of the Board of Directors, regardless of the nationalities, ethnicities, and genders of its members. The directors shall secure sufficient time as members of the Board of Directors to ensure that all directors are able to fulfill their duties and responsibilities. To ensure its effectiveness, the Board of Directors is currently composed of 13 members, of whom ten

are independent outside directors. In addition, of those 13 directors, five are non-Japanese, and two are women. This composition is based on a consideration for human resource requirements to becoming the global MedTech company that Olympus aims to be, which includes having abundant experience and insight in corporate management, finance, and international business deployment, as well as diversity in internationality and gender.

Name	Date of appointment	Independence	Area Olympus expects the directors to display their capabilities in							
			Corporate Management	Overseas Business	Healthcare Industry	Quality Assurance	Legal/Risk Management	Finance/Accounting	HR Development	ESG
Sumitaka Fujita	Apr. 2012	○	●	●					●	●
Yasumasa Masuda	June 2018	○	●	●	●				●	
David Robert Hale	June 2019	○	●	●	●				●	
Jimmy C. Beasley	June 2019	○	●	●	●	●				
Sachiko Ichikawa	June 2021	○		●				●	●	●
Yasushi Shingai	June 2022	○	●	●					●	●
Kohei Kan	June 2022	○		●				●	●	●
Gary John Pruden	June 2022	○	●	●	●	●				
Tatsuro Kosaka	June 2023	○	●	●	●					
Luann Marie Pendy	June 2023	○		●	●	●				
Yasuo Takeuchi	Apr. 2012		●	●	●				●	●
Stefan Kaufmann	June 2019		●	●	●					●
Toshihiko Okubo	June 2023			●	●					

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

### Message from a Newly Appointed Outside Director



**Tatsuro Kosaka**  
 Outside Director  
 (Member of the Nominating Committee)

In aiming to become a global MedTech company, Olympus has been focusing on its corporate portfolio over the past four years. Now, Olympus has become an unprecedented company in Japan, especially in terms of the globalization of its management. I believe that the following are important for Olympus to grow sustainably as a global MedTech company in the years to come: R&D investment and productivity, capabilities of global management, and business development. Regarding organic growth, the key to innovation will be combining Olympus' traditional manufacturing and DX to provide both things (products) and services (solutions). From the business domain perspective, I think one of the points for discussion is whether to penetrate more deeply into the three focus areas of GI,

Urology, and Respiratory or tap into new business areas. Inorganic growth through synergistic M&A will also be essential. I would like to discuss the issues that we are facing, such as these growth opportunities, patient safety initiatives, and ESG initiatives, at the Board of Directors' meetings.

Having worked for a pharmaceutical company for many years, I am pleased to have been appointed as an outside director at Olympus, which shares the common mission of putting patient safety first. In order for Olympus to grow sustainably and increase corporate value over the medium to long term, I would like to contribute to Olympus by monitoring management and supporting sound risk-taking from the perspectives of all stakeholders, including shareholders, investors, and business partners.

**Message from a Newly Appointed Outside Director**



**Luann Marie Pendy**  
 Outside Director  
 (Member of Compensation Committee/Member of QA&RA Committee)

I have been passionate about providing solutions for healthcare issues for over 30 years. Based on my decades of experience, Our Purpose of “making people’s lives healthier, safer and more fulfilling” resonates with me. Olympus is currently implementing a variety of initiatives with patient safety as the top priority. Employees must always think how their roles contribute to patient safety, which is the most important way to strengthen quality assurance, regulatory affairs, and compliance. In other words, employees in every function must fully commit to quality and compliance in their everyday duties for the safety of patients. We also need to learn new ways of doing business if we are to respond quickly to regulatory changes. I will fulfill my responsibilities as an outside director by offering my expertise and

experience, and monitoring Olympus to ensure that it is addressing quality assurance and regulatory affairs issues. For Olympus to achieve sustainable growth for the next century, we need to not only focus on technology but pivot toward working closely with healthcare professionals to identify unmet patient needs and deliver solutions that improve patient outcomes. My philosophy is our Board, our leadership team, our management team should reflect the diverse range of patients and healthcare professionals we serve. The greater contribution that I would like is to make us a more diverse company because that is how we can continue to provide value-added solutions to patients and healthcare professionals.

**Message from a Newly Appointed Director**



**Toshihiko Okubo**  
 Director  
 (Member of Audit Committee)

After executing M&A, structural reforms, etc. at Olympus’ former Scientific Solutions Business (currently Evident Corporation), I was responsible for transforming the business portfolio, including the company split and transfer of the Imaging Business and the Scientific Solutions Business from 2019. For 10 of my 32-year career at Olympus, I had been based in the United States, and in many respects that experience has proven to be of pivotal importance for me. Olympus has had to overcome a variety of challenges throughout the course of its more than 100-year history. That said, what customers expect and request from us, and what society expects and requests from companies, are bound to become

increasingly dynamic in the years to come. For Olympus to continue to increase its corporate value in such an environment, both agile and bold management execution and appropriate governance and monitoring are essential. This is because appropriate governance and monitoring by the Board of Directors enable our management team to execute agilely and boldly. Of the 13 directors on our Board of Directors, 10 are outside directors with a wealth of experience and diverse, advanced expertise. As a member of such a Board with a deeper understanding of Olympus’ business, organization, and culture, I would like to contribute to the Board and the Audit Committee in furthering the effective and efficient fulfillment of their responsibilities.

**Activities of the Board of Directors and Committees in Fiscal Year 2023**

Name	Attendance at meetings of the Board of Directors	Attendance at meetings of the Nominating Committee	Attendance at meetings of the Compensation Committee	Attendance at meetings of the Audit Committee
Sumitaka Fujita	16/16	17/17	—	—
Tetsuo Iwamura	16/16	2/2	11/11	—
Yasumasa Masuda	16/16	—	—	25/25
David Robert Hale	16/16	17/17	—	—
Jimmy C. Beasley	16/16	—	11/11	—
Sachiko Ichikawa	16/16	—	—	25/25
Yasushi Shingai	13/13	15/15	6/7	—
Kohei Kan	13/13	—	—	19/19
Gary John Pruden	11/13	—	7/7	—
Yasuo Takeuchi	16/16	17/17	—	—
Stefan Kaufmann	16/16	—	—	—
Nobuyuki Koga	16/16	—	—	25/25

Notes: 1. Attendance of Mr. Tetsuo Iwamura at the meetings of the Nominating Committee is based on those held during his term of office as a member until June 24, 2022.  
 2. Attendance of Mr. Yasushi Shingai, Mr. Kohei Kan, and Mr. Gary John Pruden at the meetings of the Board of Directors is based on those held after their appointment as a director on June 24, 2022.  
 3. Attendance of Mr. Yasushi Shingai, Mr. Kohei Kan, and Mr. Gary John Pruden at the meetings of the Committees is based on those held after their appointment as a director on June 24, 2022.  
 4. As Mr. Tetsuro Kosaka, Dr. Luann Marie Pendy, and Mr. Toshihiko Okubo were appointed directors in June 2023, they did not attend the meetings of the Board of Directors or those of the other Committees in fiscal year 2023.

Name	Activities
Board of Directors	<ul style="list-style-type: none"> <li>The Chairperson of the Board of Directors conducted a review of the proceedings of the Board of Directors up to the previous meeting and those of each committee meeting and reported on matters deliberated at the Group Executive Committee</li> <li>As a regular agenda item, conducted execution status reports from executive officers</li> <li>Separately from regular meetings of the Board of Directors, a corporate strategy discussion meeting was held on the state of progress and issues in the corporate strategy and on topics in the business plan</li> <li>In an ongoing effort to improve the monitoring function while aiming for outside directors to mutually exchange information and share awareness, an Opinion Exchange Meeting for outside directors was held once per quarter as a regular meeting at which only outside directors participated, and an Executive Session was held after the conclusion of every Board of Directors’ meeting</li> </ul>
Nominating Committee	<ul style="list-style-type: none"> <li>In considering the plan for the composition of the Board of Directors, the Nominating Committee updated a matrix for the experience and knowledge required of directors of Olympus</li> <li>Regarding the selection of candidates for Directors, outside consultants were used, and deliberations and interviews were conducted according to the selection criteria after considering the composition of Olympus’s Board of Directors</li> <li>Regarding the selection plan for executive officers, the Nominating Committee discussed their suitability and made decisions after a year-long selection process</li> <li>Regarding the succession plan for executive officers, the Nominating Committee discussed whether the candidates possessed the desired experience and knowledge in accordance with expected roles in the execution of duties at Olympus</li> </ul>
Compensation Committee*	<ul style="list-style-type: none"> <li>Reviewed results of performance-linked compensation in fiscal year 2022 and determined amount to be paid</li> <li>Reviewed compensation content to further improve compensation system</li> <li>Determined compensation for fiscal year 2023 as well as reviewed results of performance-linked compensation and determined amount to be paid after the end of the fiscal year</li> <li>Determined compensation policy for fiscal year 2024</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>In addition to maintaining an independent position and fair and unbiased attitude and auditing and overseeing the accounting auditor and internal audit function, the Audit Committee conducted effective, efficient audits by directly verifying the suitability and validity of the execution of duties by the directors and executive officers</li> <li>In addition to monitoring and evaluating whether the accounting auditor maintained an independent position and performed suitable audits, the Audit Committee received reports from the accounting auditor on the state of execution of its duties and requested explanations where necessary</li> </ul>

Held systematically and regularly by utilizing an online environment to ensure effectiveness

\*Activities from April 2022 to May 2023

Corporate Governance

### Support Systems for Directors

To support the effective execution of the roles and duties of directors, Olympus works proactively to provide directors with information and provides documents prior to Board of Directors' meetings while setting an opportunity for the explanation of agendas in advance as necessary and working to stimulate discussions in Board of Directors' meetings. Olympus established a dedicated organization of "Secretary to the Board" to support the execution of duties of outside directors as well as the effective and vigorous activities of the Board of Directors, Nominating Committee, and Compensation Committee.

Olympus provides training for directors, comprising visits to

our major business bases such as business offices and factories, etc., and business study sessions such as briefing sessions, product demonstrations, and technical result presentations to promote the acquisition of knowledge concerning Olympus. Furthermore, Olympus holds meetings between newly inaugurated directors and executive officers to promote understanding of executive thinking and awareness of issues, and to deepen understanding of the roles and responsibilities of an Olympus director. Finally, Olympus covers the cost for directors to acquire the requisite knowledge necessary for the performance of their duties.

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

#### Process for Election of Directors and Executive Officers

The Nominating Committee shall deliberate director candidates while making reference to the selection criteria, hold interviews, and determine the content of proposals submitted to the General Meeting of Shareholders in relation to the election and dismissal of directors.

In addition, executive officer elections are determined by the Board of Directors after the Nominating Committee discusses whether the candidate has experience, insight, etc., appropriate for an executive officer and develops proposals for elections.

#### Development and Selection of Successors for the CEO

The Nominating Committee deliberates a succession plan for the CEO and reviews it periodically. As for determining the successor, the Nominating Committee discusses whether the candidates have qualifications that are suitable for the role of CEO, and provides opinions and advice to the Board of Directors. Thereafter, the successor is decided by the Board of Directors.

### Initiatives for Enhancing Effective Corporate Governance

#### Agenda of the Board of Directors

We have delegated authority largely to executive officers to increase the speed of management decision-making and execution of duties. We are addressing issues that should be discussed by the Board of Directors in a timely and appropriate manner. The main agenda of the Board of Directors for fiscal year 2023 was as follows.

#### Agenda of the Board of Directors in Fiscal Year 2023

- Matters related to Olympus' basic management policies; e.g. corporate strategies, business plans, performance forecasts and Basic Policy on the Internal Control System, etc.
- Matters related to Corporate Governance (Status report for each business, risk management, internal audit plan, status of quality control and information security efforts, status report on IR activities, 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, matters discussed at the Compensation Committee, and sharing of other committee proceedings, etc.

In addition to the above, the Chairperson of the Board of Directors reports on matters 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.

#### Overview and Background for Implementation of the Evaluation of the Board of Directors

Since 2015, we have been conducting evaluations of the effectiveness of the Board of Directors and an overview of the results has been made public every year with the aim of realizing effective corporate governance. In the Board of Directors Evaluation conducted from February to June 2023, the following points have been set as main objectives.

- To measure the effectiveness of the activities for the effectiveness improvement initiatives determined in the Board of Directors Evaluation during the term of office of

directors in fiscal year 2022

- To review the period (fiscal year 2021 to fiscal year 2023) covered by the corporate strategy announced in November 2019 pursuant to the corporate transformation plan *Transform Olympus*, to confirm the activities and progresses to strengthen governance and improve transparency in the past, and aim to promote "activities of the Board of Directors to further enhance the effectiveness" as a Board of global MedTech company in facilitating the new company strategy.

#### Evaluation Results for Effectiveness of the Board of Directors

It was generally positively evaluated that steady progress had been made in the initiatives for fiscal year 2023. In addition, Olympus Board of Directors confirmed that the Board of Directors have defined "the responsibilities" and a "culture to be sustained" had been fostered, with affirming the achievement that concrete efforts had been made to strengthen corporate governance. The current members of the Board of Directors agreed with the definitions of "responsibilities" and "culture" established by the Board of Directors in the past and formed a consensus that they should be sustained among the members. In addition, a consensus was formed that the Board of Directors should continue to examine its structure and operations to further contribute to the enhancement of corporate value, while sustaining the practice of corporate governance reform to date.

In May 2023, Olympus announced the new company strategy to pursue its way to enhance a position as a global MedTech company. By following Our Purpose of "Making people's lives healthier, safer and more fulfilling," we will continue to strengthen corporate governance and enhance transparency, which are important management foundations.



**Fostering and sustaining a "Culture of Board of Directors" is the foundation for Board of Directors to fulfill its responsibilities.**

<https://www.olympus-global.com/company/governance/board.html>

Initiatives for Fiscal Year 2023	Assessment of Response	Initiatives for Fiscal Year 2024
<ul style="list-style-type: none"> <li>• Deliberate on the agenda of the Board of Directors in a more systemic manner in relation to corporate strategy by working together with the Chairperson of the Board, the CEO, and secretariat.</li> <li>• With regard to executive officers' reports on the status of their business execution, make efforts to put emphasis on the focus points of the Board of Directors, based on the priorities of management issues, as well as monitoring items that the Board of Directors attaches importance to.</li> <li>• The Nominating Committee, Compensation Committee, Audit Committee, and the Board of Directors shall make reasonably necessary efforts based on priority issues while further strengthening cooperation.</li> </ul>	<ul style="list-style-type: none"> <li>• Steady progress had been made with respect to the following initiatives: Proper narrowing down of agenda; optimization centered on the evolution of reporting on the status of execution into a global MedTech company</li> <li>• Expectation for further narrowing down the agenda and more efficient operation of the Board of Directors</li> <li>• Steady progress had been made in strengthening of liaison between the Nominating/Compensation/Audit Committees and the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced monitoring by the Board of Directors on quality assurance and regulatory affairs</li> <li>• Activities of the Board of Directors to effectively supervise management decision-making and execution from a strategic and broad perspective</li> <li>• Initiatives to continuously improve the operations of the Board of Directors (Further improve the quality of presentations from the executives, reconfirm the Board of Directors' pre-briefing method, and the creation of opportunities for "bridging" among Board members and between Board members and executive members)</li> </ul>

## Officer Compensation

### Basic Policy for Officer Compensation

At Olympus, our Compensation Committee, a majority of which is comprised of independent outside directors, discusses and determines the compensation policy used to govern and reward our directors and executive officers (“officers”). Our basic policy regarding officer compensation is to make officers have a strong sense of awareness that maximizes the corporate value and meet stakeholders’ expectations, and reward their responsibilities with suitable and appropriate treatments. Based on the said policy, the Compensation Committee focuses on appropriately setting the compensation portion linked to short-term, medium- to long-term performance, and decides officer compensation.

### Compensation Level

Each officer’s compensation level is set to commensurate with their roles/responsibilities, evaluation of competitive market data, economic environment, and company and individual performance in order to enable Olympus to attract, retain and motivate executives. Specifically, the compensation levels of global MedTech companies and companies in the country the officer is from are set as benchmarks, and the compensation level will be determined annually by making a relative comparison.

### Officer Compensation in Fiscal Year 2023

Position	Total amount of compensation (¥ million)	Total compensation by type (¥ million)			Number of subject officers	
		Base salary	Performance-linked compensation, etc.	Non-monetary compensation, etc.		
Directors	Inside directors	1,094	531	190	373	3
	Outside directors	192	151	—	41	11
Executive officers	1,122	570	223	329	4	

Notes: 1. Basic salary includes the amount paid for fiscal year 2023. Performance-based cash compensation includes the fiscal year 2023 short-term incentive, for which the amount is to be recorded as expense for fiscal year 2023. Non-monetary compensation includes both time-based restricted stock units (RSUs) and performance stock units (PSUs) to be recorded as expense for fiscal year 2023. PSUs of ¥387 million is only stated in non-monetary compensation and is not stated in performance-based cash compensation.  
 2. For inside directors, there are two other executive officers who are classified as both an executive officer and inside director which is in addition to the four executive officers reported in the table. Total compensation by type is reported for these two individuals under the inside directors row.  
 3. Olympus Corporation does not provide performance-based cash compensation to directors who are not classified as both an executive officer and inside director.  
 4. For outside directors, the row includes two directors who retired at the close of the fiscal year 2022 General Meeting of Shareholders held on June 24, 2022.  
 5. One outside director has requested to decline his compensation, therefore information is not reported for this director. However, the outside director count includes the total number of outside directors for fiscal year 2023.

## Compensation Structure for Directors

Taking into consideration roles and responsibilities, compensation for directors is paid by fixed compensation as BS. To address the concept that directors and investors share interests, service-vested stock compensation is also granted. The stock compensation here is to be RSU, the right to which will be defined at retirement for those directors who are residents of Japan.

Stock rights will be defined on an individual basis in accordance with a general method of stock compensation in each region for those directors who are non-residents of Japan. For further sharing interests with investors through promoting the holding of shares, stock-based compensation

### Components of Compensation

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

was set at ¥8 million for both Japanese and non-Japanese residents. The number of shares to be granted was calculated

BS 64–82%	RSU 18–36%
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Notes: 1. The above table shows a compensation ratio by type as to directors who are natives of Japan. As for directors who are not natives of Japan, a payment level of RSU is the same as directors who are from Japan, but a compensation ratio by type is different because of difference in total compensation.  
 2. For those who concurrently holding a position as executive officer, cash compensation paid for management and monitoring functions performed as a director is separate from compensation of an executive officer for those who are natives of Japan. For those who are not natives of Japan, cash compensation paid for management and monitoring functions performed as a director is included in compensation of an executive officer. In addition, for those who concurrently holding a position as executive officer, RSU is set for compensation of executive officer. Therefore, RSU as a director’s compensation shall not be paid.

based on the share price at the time of assumption of office at the General Meeting of Shareholders, and the number of shares will be given after vesting.

## Compensation Structure for Executive Officers

In fiscal year 2020, in accordance with a corporate strategy of aiming to become a global MedTech company, we established a new compensation system which was implemented at the beginning of fiscal year 2021. In order to achieve our corporate strategy and to create corporate value, it is essential that we have a compensation system that ensures that we have capable management personnel and that they can fully demonstrate their abilities. The new compensation was designed and decided based on the following concepts.

1. Establish a more powerful incentive program which can compete with global MedTech companies
2. Establish an incentive program which is consistent with the corporate strategy
3. Establish a program that focuses on value creation and performance evaluation utilizing LTI compensation
4. Set a compensation level considering the stage of development to become a global MedTech company—a hybrid mix of “Global labor market” and “Home”
5. Ensure the sound management of incentives by putting clawback clauses and shareholding guidelines in place
6. Enhance the motivation of executive officers by setting challenging and achievable targets

While a standardized, global compensation system is desirable for compensation design for executive officers that are responsible for global management, differences in compensation levels by region make it difficult to attract and retain talented executives with Japan’s pay levels. 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 and tolerance range, and determine compensation after holistic comparisons of basic compensation, TCC (Total Cash Compensation) and TDC (Total Direct Compensation). Compensation for executive officers is to be a combination of BS, a fixed compensation, STI compensation which is linked to business results by every fiscal year, and LTI compensation. Focusing on achieving corporate strategy aimed at enhancing medium- to long-term corporate value and shareholder value, the ratio of performance-linked compensation, particularly LTI compensation, was raised, and the standard amount of STI compensation and LTI compensation was set. LTI compensation consists of RSU and PSU.

A clawback clause has been set up to deter the management (executive officers) from reckless investments and improper accounting. Shareholding guidelines are established to share interests between investors and management.

### Changes in the Compensation Structure for Executive Officers

**FY2020**

Executive Officer

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

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

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**FY2021, FY2022**

Representative Executive Officer

BS 25%	STI 25%	LTI 50%
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Executive Officer

BS 28.5%	STI 28.5%	LTI 43%
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Note: Executive officers who are non-residents of Japan will also be provided with shares for LTI compensation.

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

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**FY2023, 2024**

Representative Executive Officer

BS 19%	STI 24%	LTI 57%
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Executive Officer

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

**1** Increasing the proportion of long-term incentives in line with the corporate strategy

**2** Setting challenging and achievable targets in accordance with the business environment and increasing the motivation of executive officers

Corporate Governance

### Compensation of Executive Officers for Fiscal Year 2023 and Fiscal Year 2024

The Company established a new compensation system in fiscal year 2020, in accordance with the corporate strategy of aiming to become a global MedTech company, based on the direction of greater emphasis on LTI compensation. Regarding the composition of compensation for executive officers, the Company has increased the ratio of STI compensation, which is performance-linked compensation, and LTI compensation, which is stock compensation, taking into consideration the

compensation level of global MedTech companies. The ratio of RSU and PSU are 25% and 75%, respectively, in accordance with the basic concept of putting emphasis on performance-linked compensation. Nevertheless, Given the uncertain and variable business environment, the Compensation Committee has determined 40% for RSU and 60% for PSU for fiscal year 2023 and fiscal year 2024 in order to ensure an ideal ratio of shares to the total amount of compensation.

#### FY2023 (Results), FY2024

##### Representative Executive Officer

BS 19%	STI 24%	RSU 23%	PSU 34%
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##### Executive Officer

BS 24%	STI 28%	RSU 19%	PSU 29%
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Notes:  
 1. The left table shows a compensation ratio by type of compensation paid for the role of executive officer, and it does not include compensation paid for the role of monitoring by a person who is concurrently holding a position as a director.  
 2. For those who are not natives of Japan, housing allowances, pensions, etc. are established for making adjustments to the previous compensation agreements on an individual basis. (This is not included in the ratios shown in the figure on the left.)

#### Short-term Incentive (STI)

A performance-linked compensation in line with a single year's financial targets and important issues facing the entire Company, in which targets are commonly set for all executive officers. The compensation is payable at a ratio of 0% to 200% in proportion to achieving the targets. The financial indicators are revenue and operating margin to assess growth and efficiency. Since it is important to steadily implement long-term and strategic initiatives within each fiscal year, we also deem strategic goals and quality goals to be indicators.

#### FY2023 (Result: Payment rate 60.3%)

Index	Weight	Target value	Actual value	Achievement rate	Payment rate
Revenue*1	30%	¥830.0 billion	¥832.8 billion	101.8%	30.54%
Operating margin*1	40%	21.4%	20.0%	93.5%	0%*4
Strategic goals*2	30%	—	—	99.1%	29.73%

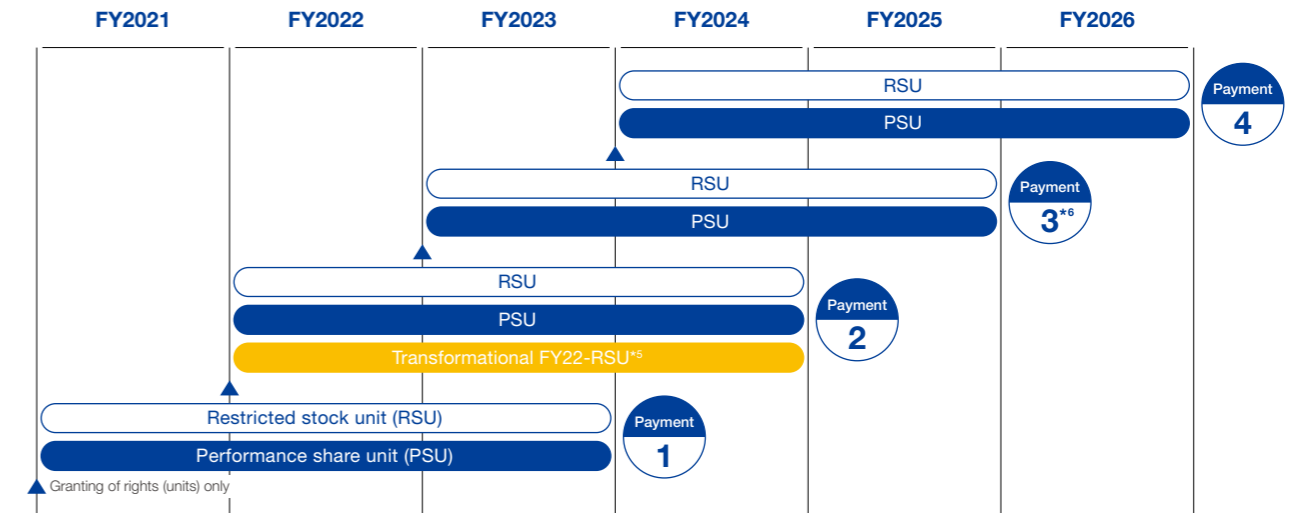
#### FY2024

Index	Weight	Target
Revenue*3	25%	¥914.0 billion
Operating margin*3	25%	20.9%
Quality goals	50%	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.

\*1 Revenue is calculated from the figure after foreign exchange adjustment and operating margin is calculated from operating profit after adjustments that deduct other income from and add other expenses to operating profit.  
 \*2 Target items were set on the following important companywide initiatives for fiscal year 2023, announced on May 11, 2022, and set as common goals for all executive officers. The payment rate for the achievement rate of each target was set from the lower limit of 0% to the upper limit of 200%.  
 • Focus on diseases on which we can have a market-leading impact  
 • Shape the future by investing in new ways to elevate the standard of care  
 • Enable our organization to better execute globally and at pace  
 \*3 At the time of the evaluation, revenue is calculated from the figure after foreign exchange adjustment and operating margin is calculated from operating profit after adjustments that deduct other income from and add other expenses to operating profit.  
 \*4 Since operating profit margin was less than 20.1%, the payment rate was 0%.

#### Long-term Incentive (LTI)

From fiscal year 2021, RSU and PSU are being utilized. Executive officers, including those who are non-residents of Japan, are granted rights (units) that correspond to a pre-defined amount of total compensation, and which are payable as actual shares after completion of pre-defined period.



\*5 The payment rate was 0% for those PSU for which fiscal year 2021 was the final fiscal year of the evaluation period. Although the COVID-19 pandemic was having a major impact on the business environment, executive officers produced effects through fiscal year 2022 and beyond. The Compensation Committee believed it was necessary to have an effective form of compensation aimed at maximizing corporate value, improving shareholder value, and strengthening the sharing of interests with shareholders, and were, therefore, paying out a "Transformational FY22-RSU."  
 \*6 From fiscal year 2023, payment type of RSU was changed to 1/3 payable as actual shares after each year.

#### Performance Share Unit (PSU)

##### FY2021 to FY2023 (Results)

Index	Weight	Target (100% payout)	Result	Payment rate	Payment rate
Operating margin*7, 8	40%	20%	20.0%	100%	129%
ROIC*7, 9	15%	20%	18.4%	80%	
EPS growth rate*7, 10	15%	25% (CAGR)	35.8%	200%	
Relative TSR*11	20%	50%ile (Peer group)	58.8%ile	135.2%	
ESG*12	10%	DJSI-index	World	200%	

##### FY2022 to FY2024

Index	Weight
Operating profit	40%
Relative TSR*13	40%
ESG*14	20%

##### FY2023 to FY2025

Index	Weight
Operating profit	20%
Relative TSR*13	60%
ESG*14	20%

##### FY2024 to FY2026

Index	Weight
EPS growth rate	20%
Relative TSR*13	40%
Quality indicator	30%
ESG*14	10%

#### Reasons for adopting KPIs of FY2024 to FY2026

- EPS growth rate:** The company strategy covering from the fiscal year 2024 to the fiscal year 2026 focuses on both growth and profitability in the new stage called "Shift to Grow." Then EPS growth rate is set as one of the financial guidance and target value is set as 8%. The Compensation Committee judged that setting EPS growth rate (after adjustment) as an evaluation index of PSU is suitable.
- Relative TSR:** The Compensation Committee determined that the relative TSR is appropriate as an indicator for evaluating the corporate value and shareholder value.
- Quality indicator:** The goals for 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. The Compensation Committee determined that the quality indicator is appropriate as an indicator for evaluating the patient safety.
- ESG:** The Compensation Committee determined that ESG is appropriate as an indicator because it is a basis of business management and announced to be reinforced in the company strategy.

\*13 The peer group consists of the following 20 companies in Japan, Europe, and the U.S. that are "manufacturers whose business portfolio includes medical devices" or "manufacturers classified in the healthcare category of the GICS code."  
 Abbott Laboratories; Thermo Fisher Scientific Inc.; Medtronic plc; Koninklijke Philips N.V.; Danaher Corporation; Asahi Kasei Corporation; 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  
 \*14 Evaluation based on the Dow Jones Sustainability Index (DJSI), which is a global representative ESG investment index. In light of the business characteristics of Olympus, the DJSI is set as an evaluation index for the reasons given below. In addition, with the goal of meeting global standards in all areas of ESG, an evaluation table was set with an emphasis on the DJSI that will be achieved in the third year, in consideration of the results of the first and second years.  
 • The DJSI provides comprehensive coverage of overall corporate activities.  
 • The breadth of coverage in the evaluation area contrasts with the expectations of a broad range of stakeholders.  
 • The DJSI is a highly reliable external evaluation organization and ensures transparency and fairness.