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Securities Code: 7733

July 8, 2020

To Shareholders

2951 Ishikawa-machi, Hachioji-shi, Tokyo
OLYMPUS CORPORATION
Director, Representative Executive Officer,
President and CEO: Yasuo Takeuchi

Notice Regarding the Convocation of the General Meeting of Shareholders For the 152nd Term (from April 1, 2019 to March 31, 2020)

OLYMPUS CORPORATION will be holding the General Meeting of Shareholders for the 152nd term. The meeting will be held as described below.
From the perspective of preventing the spread of the novel coronavirus disease (COVID-19), please exercise your voting rights in advance at this General Meeting of Shareholders either in writing or via the internet, etc., and refrain from attending the meeting in person regardless of your health condition.
Please review the "Reference Documents for the General Meeting of Shareholders" described later and exercise your voting rights by 5:30 p.m., July 29, 2020 (Wednesday).
The meeting can be viewed via a live stream on the internet.

1. Date/Time: July 30, 2020 (Thursday) 10:00 a.m.
(Reception desk is scheduled to open at 9:00 a.m.)
* Given the impact of the COVID-19 pandemic, the date of the meeting does not correspond with the date of the previous General Meeting of Shareholders, which is June 25, 2019. This is because we believe that our shareholders may be in a better position to deliberate each agenda with the audited financial statements prepared by performing accounting and auditing procedures while securing the safety and healthy environment for its employees and outside professionals involved.

2. Location: 6-6-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Kiku Ballroom, 4th Floor, Hilton Tokyo
* To reduce the risk of contagious infection, the room has a limited number of seats to allow for more space between seats. For this reason, entry to the meeting room may be restricted.

3. Meeting Agenda:

Reports:
1. The Business Report, Consolidated Financial Statements, and the Results of Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit Committee for the 152nd term (from April 1, 2019 to March 31, 2020)
2. The Non-Consolidated Financial Statements for the 152nd term (from April 1, 2019 to March 31, 2020)

Matters to be resolved:

1st Agenda: Dividends from Surplus
2nd Agenda: Partial Amendments to the Articles of Incorporation
3rd Agenda: Election of Twelve Directors

4. Instructions for Exercising Voting Rights, etc.: Please refer to "Instructions for Exercising Voting Rights" on page 3.

5. Internet Disclosure: Pursuant to the relevant laws and regulations and Article 14 of the Company's Articles of Incorporation, among documents to be attached to this notice, "Matters Concerning Subscription Rights to Shares, etc.," "Framework to Ensure Fairness of Operations," "Overview of Status of Management of Framework to Ensure Fairness of Operations," "Basic Policy on Control of Company," "Consolidated Statement of Changes in Equity," "Notes to Consolidated Financial Statements," "Non-Consolidated Statement of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements" are posted on the Company's website and are not attached to this notice. The Attached Documents to this notice are part of the documents that were audited by the Accounting Auditor and the Audit Committee in preparing the Audit Reports.

* Any modifications to the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders shall be posted on the Company's website.

The Company's Website: (https://www.olympus.co.jp/ir/stock/meeting.html)

Instructions for Exercising Voting Rights

You may exercise your voting rights at the General Meeting of Shareholders by using any of the following methods:

[Exercising Voting Rights in Writing (by Mail)]

Complete the enclosed voting rights exercising form by indicating your vote for or against each of the agenda items and return it without affixing a stamp.

Votes to be received by: July 29, 2020 (Wednesday) 5:30 p.m.

[Exercising Voting Rights via the Internet]

[Exercising Voting Rights via "Smart Vote"]

Scan the QR Code for "Smart Vote" printed on the lower right-hand side of the enclosed voting rights exercise form using your smartphone or tablet device to vote on the agenda items.

Votes to be given by: July 29, 2020 (Wednesday) 5:30 p.m.

[Exercising Voting Rights by Entering Proxy Code and Password]

Access the Company's designated website for voting (https://www.web54.net), enter the "proxy code" and "password," which are provided on the enclosed voting rights exercise form, and follow the instructions on the screen to vote on the agenda items.

Votes to be given by: July 29, 2020 (Wednesday) 5:30 p.m.

For details, please refer to the following page.

Exercising voting rights

- The deadline for exercising voting rights via the Internet is 5:30 p.m., July 29, 2020 (Wednesday), however, in consideration of the vote tallying process, we kindly ask that you exercise your voting rights as soon as possible.
- If having cast your vote in duplicate both in writing (by mail) and via the Internet, the vote cast via the Internet shall be deemed valid.
- If having cast your vote multiple times via the Internet, the final vote cast shall be deemed valid.

How to use the proxy code and password

- The proxy code provided on the enclosed voting rights exercise form is valid only for this General Meeting of Shareholders.
- The password is important information to identify the individual casting a vote as the actual shareholder. Please keep the password secure as you would your personal seal and PIN number.
- A certain number of erroneous password entries will lock the password and access will be denied. To issue a new password, please follow the instructions provided on the screen.

Instructions for Exercising Voting Rights via the Internet

[Scanning QR Code: "Smart Vote"]
You can simply log in to the website for exercising voting rights without entering your proxy code and password.
Please scan the QR Code printed on the lower right-hand side of the voting rights exercise form.

* "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.
* The agendas for the General Meeting of Shareholders are now available for reference on the Smart Vote page.

Please note that exercising voting rights by using "Smart Vote" method is available only once.
If you need to change your votes after exercising your voting rights, please log in to the voting website for PC by using your voting code and password printed on the voting form, and exercise your voting rights again.
* If you rescan the QR Code, you can access the voting website for PC.

[Entering proxy code and password]
Website for exercising voting rights: https://www.web54.net

1. Access the voting website.
2. Enter the proxy code printed on the voting rights exercise form.
3. Enter the password printed on the voting rights exercise form.
4. Follow the instructions on the screen to vote on the agenda items.

Inquiries regarding exercising voting rights via the Internet
Please contact the following for assistance on exercising voting rights via the Internet.

Sumitomo Mitsui Trust Bank, Limited
Securities Agent Web Support Hotline

Dedicated line: 0120-652-031 (toll free, available only in Japan)
(Business hours: 9:00 a.m. to 9:00 p.m.)

Inquiries on matters other than the exercise of voting rights:
0120-782-031 (toll free, available only in Japan)
(Business hours: 9:00 a.m. to 5:00 p.m. on weekdays)

Institutional investors may use the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.

Instructions for Live Streaming

The General Meeting of Shareholders will be available for viewing through a live stream on the Company's website as follows:

Date/Time:	July 30, 2020 (Thursday) 10:00 a.m.
How to view:	Please view the live stream by accessing "Live Stream of the General Meeting of Shareholders" on the "General Meeting of Shareholders" page on the Company's website below. https://www.olympus.co.jp/ir/stock/meeting.html

Viewing the meeting after the conclusion of the live stream

Around one week after the conclusion of the General Meeting of Shareholders, the business report and President's presentation at the meeting will be available on video through the Company's website above.

Notes on viewing the live stream

- Shareholders who intend to view the live stream are not allowed to participate in any resolutions on the day of the meeting. Please exercise your voting rights in advance in writing or via the internet, etc. (Please see pages 3 to 4)
- We cannot answer questions or respond to opinions during the live stream.
- The audio of the live stream will be available in Japanese only.
- Depending on your device or network environment, you may not be able to view the live stream.
- Communication charges to access the Company's website or view the live stream are to be borne by the shareholders.
- A Wi-Fi environment is recommended for comfortable viewing on smartphones or tablets.
- Presenting the ID and password to a third party is strictly prohibited.
- Disclosing or providing shareholders' personal information or other matters related to their privacy obtained through the audio and video of the live stream to a third party is strictly prohibited.
- Audio and video recording of the live stream for the purpose of releasing audio and video data is not allowed.
- In consideration of the privacy of shareholders, the video streaming will be limited to showing the area where the chairman and officers are seated.
- If for any reason the live streaming is canceled, a notice will be posted on the Company's website.

Reference Documents for General Meeting of Shareholders

Propositions and information:

1st Agenda: Dividends from Surplus

Aiming to achieve a sustained growth of the Group, we maintain the proactive shareholder return policy considering shareholder value while putting a priority on investing for business growth. With this policy in place, we provide stable dividends as a basic part of the profit distribution.
In accordance with said basic policy, we propose to pay a year-end dividend of ¥10 per share.
The year-end dividend will be paid to shareholders who are listed or recorded in the Company's final shareholder register as of May 31, 2020.

Year-end dividend

(1) Class of distributable assets

Cash

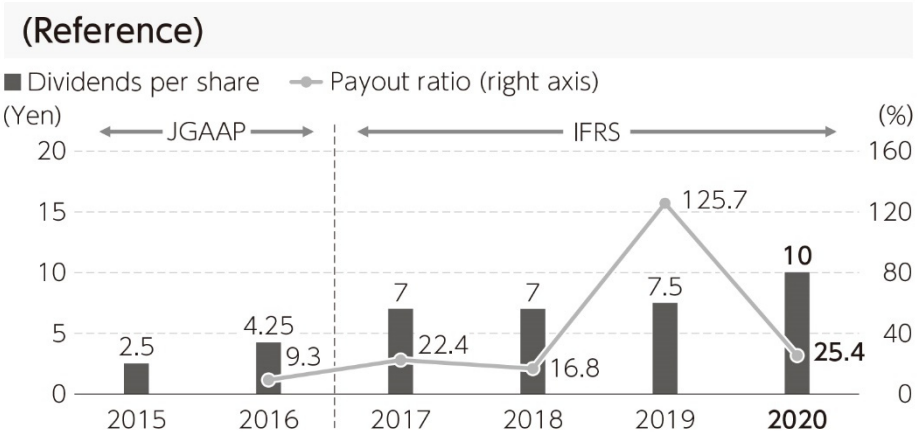
(2) Matters related to the disbursement of dividend and the total amount

Dividends: ¥10 per share of common stock of the Company

Total amount: ¥12,855,839,960

(3) Effective date of the disbursement of dividends from surplus:

July 31, 2020



Dividend per share is ¥10, increased by ¥2.5 from the previous year.

The payout ratio is 25.4%. (The total return ratio is 205.7%.)

Note: The Company conducted a four-for-one stock split of common shares on April 1, 2019.

The amount of dividend per share above reflects the four-for-one stock split.

2nd Agenda: Partial Amendments to the Articles of Incorporation

1. Reason for the Proposal

In order to make the payment of flexible dividends from surplus possible, Article 32 (Decision-Making Body of Dividends From Surplus) and Article 33 (Record Dates for Dividends From Surplus) will be newly established based on the provisions of Article 459, Paragraph 1 of the Companies Act, so that the payment of dividends from surplus shall be made possible by a resolution of the Board of Directors as stated in the Proposed Amendments, and Article 7 (Acquisition of Own Shares), Article 33 (Record Date of Dividends of Surplus) and Article 34 (Interim Dividends) of the current Articles of Incorporation will be deleted due to the overlapping contents.

In addition, the Company will make necessary amendments and renumber certain Articles to accommodate the insertion of new Articles and the deletion of some Articles.

2. Details of the Amendments

The following are the details of the amendments.

The amendments to the Articles of Incorporation pertaining to this agenda shall take effect at the conclusion of this General Meeting of Shareholders.

(Underlined portions represent amendments)

Current Articles of Incorporation	Proposed Amendments
Article 1. to Article 6. (Omitted)	Article 1. to Article 6. (Unchanged)
(Acquisition of Own Shares) Article 7. The Company may acquire its own shares by a resolution of the Board of Directors pursuant to Article 165, Paragraph 2 of the Companies Act.	(Deleted)
Article 8. to Article 32. (Omitted)	Article 7. to Article 31. (Unchanged)
(Newly Established)	*(Decision-Making Body of Dividends From Surplus)* Article 32. The decision on the distribution of surplus and other matters as specified in each item of Article 459, Paragraph 1 of the Companies Act can be made by a resolution of the Board of Directors, unless otherwise specified by law.
(Newly Established)	*(Record Dates for Dividends From Surplus)* Article 33. 1. The record date for year-end dividends of the Company shall be March 31 of each year. 2. The record date for interim dividends of the Company shall be September 30 of each year. 3. In addition to what are prescribed in the preceding two paragraphs, the Company may pay dividends from surplus by specifying the record date.

Current Articles of Incorporation	Proposed Amendments
(Record Date of Dividends of Surplus) Article 33. The record date of year-end dividends of the Company shall be March 31 of each year.	(Deleted)
(Interim Dividends) Article 34. The Company may, by a resolution of the Board of Directors, pay interim dividends. The record date of interim dividends shall be September 30 of each year.	(Deleted)
Article 35. (Omitted)	Article 34. (Unchanged)

3rd Agenda: Election of Twelve Directors

Upon the conclusion of this General Meeting of Shareholders, the terms of office of all Directors (fifteen) will expire. The Company, therefore, proposes to reduce the number of Directors by three and elect twelve Directors in order to enhance the efficiency and effectiveness of the Board of Directors as a monitoring board based on the decision made by the Nominating Committee.

The candidates for Director are as follows:

No.	Name		Present position and responsibility in the Company		Attendance at meetings of the Board of Directors	Attendance at meetings of the Committees
1	Yasuo Takeuchi	Reelection	Director, Representative Executive Officer, President and Chief Executive Officer (CEO)	Nominating Committee	18 of 18 (100%)	Nominating Committee: 10 of 10 (100%)
2	Sumitaka Fujita	Reelection Independent Outside	Outside Director	Nominating Committee	18 of 18 (100%)	Nominating Committee: 10 of 10 (100%)
3	Susumu Kaminaga	Reelection Independent Outside	Outside Director	Compensation Committee	18 of 18 (100%)	Compensation Committee: 11 of 11 (100%)
4	Michijiro Kikawa	Reelection Independent Outside	Outside Director	Audit Committee	18 of 18 (100%)	Audit Committee: 17 of 17 (100%)
5	Tetsuo Iwamura	Reelection Independent Outside	Outside Director	Nominating Committee	18 of 18 (100%)	Nominating Committee: 10 of 10 (100%)
6	Yasumasa Masuda	Reelection Independent Outside	Outside Director	Nominating Committee Compensation Committee	18 of 18 (100%)	Nominating Committee: 10 of 10 (100%) Compensation Committee: 11 of 11 (100%)
7	Katsuya Natori	Reelection Independent Outside	Outside Director	Audit Committee	17 of 18 (94.4%)	Audit Committee: 17 of 17 (100%)
8	Atsushi Iwasaki	Reelection Independent Outside	Outside Director	Audit Committee	16 of 18 (88.9%)	Audit Committee: 15 of 17 (88.2%)
9	David Robert Hale	Reelection Outside	Outside Director	Nominating Committee	13 of 13 (100%)	Nominating Committee: 10 of 10 (100%)
10	Jimmy C. Beasley	Reelection Independent Outside	Outside Director	Compensation Committee	13 of 13 (100%)	Compensation Committee: 11 of 11 (100%)
11	Stefan Kaufmann	Reelection	Director, Executive Officer and Chief Administrative Officer (CAO)		13 of 13 (100%)	–
12	Nobuyuki Koga	Reelection	Director	Audit Committee	18 of 18 (100%)	Audit Committee: 17 of 17 (100%)

Notes: 1. Since the Company made a transition from a company with Audit & Supervisory Board to a company with Nominating Committee, etc. by the resolution of the 151st Ordinary General Meeting of Shareholders held on June 25, 2019, "Attendance at meetings of the committees" (Nominating Committee, Compensation Committee and Audit Committee) shows the status of attendance at the meetings held on June 25, 2019 onward. In addition, since Messrs. Katsuya Natori, Atsushi Iwasaki and Nobuyuki Koga were Audit & Supervisory Board Members until the conclusion of the said General Meeting of Shareholders, their attendance at meetings of the Board of Directors includes attendance as Audit & Supervisory Board Members.

2. Since Messrs. David Robert Hale, Jimmy C. Beasley and Stefan Kaufmann assumed the office of Director at the 151st Ordinary General Meeting of Shareholders held on June 25, 2019, their attendance at meetings of the Board of Directors reflects the status of attendance after they assumed their post.

1. Yasuo Takeuchi (February 25, 1957) Reelection



Number of shares of the Company held:
68,078 shares
Years served as Director:
8 years
Attendance at meetings of the Board of Directors during current fiscal year:
18 of 18 (100%)
Attendance at meetings of the Nominating Committee during current fiscal year:
10 of 10 (100%)

Profile, and position and responsibility in the Company

April 1980:	Joined the Company
April 2005:	General Division Manager, Olympus Medical Systems Corp.
April 2009:	Director, Olympus Europa Holding GmbH
June 2009:	Corporate Officer, the Company
October 2011:	Executive Managing Director and Chairman of the Board, Olympus Europa Holding GmbH
April 2012:	Director, the Company (present)
	Senior Corporate Managing Officer, the Company
	Group President of Group Management Office, the Company
	Chairman of the Board, Olympus Corporation of the Americas (present)
	Director, Olympus Corporation of Asia Pacific Limited
March 2013:	Administrative Board and Managing Director, Olympus Europa Holding SE
April 2015:	Head of Corporate Management Office, the Company
April 2016:	Director, Vice President, the Company
	Chief Financial Officer (CFO), the Company
	Chief Regional Representative Officer, the Company
April 2019:	Representative Director, the Company
	President, the Company
	Chief Executive Officer (CEO), the Company (present)
June 2019:	Representative Executive Officer, President, the Company (present)

Important concurrent positions

Mr. Takeuchi does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Yasuo Takeuchi be elected Director of the Company. He has experiences at Accounting and Planning Divisions of the Company. He also has extensive experience overseas, and held several executive positions at subsidiaries in Europe and the U.K.

Since Mr. Takeuchi took the post of Director of the Company in April 2012, he led initiatives for sound finance as the head of the Group Corporate Management Office heading up Corporate Management Division and Finance/Accounting Division. In addition, he assumed President and Representative Director, CEO in April 2019 and President/Representative Executive Officer, CEO in June 2019. He has been leading the business management of the Group as CEO.

Taking these points into consideration, Mr. Takeuchi is nominated so that he will continue to steadily drive forward the implementation of the new management plan announced in November 2019 as CEO, fulfill accountability as the Representative Executive Officer in the Board of Directors and continue to contribute to the Company's sustainable growth.

Special interest between the candidate and the Company

There is no special interest.

2. Sumitaka Fujita (December 24, 1942)

Reelection
Independent Outside Director



Number of shares of the Company held:
9,191 shares
Years served as Outside Director:
8 years
Attendance at meetings of the Board of Directors during current fiscal year:
18 of 18 (100%)
Attendance at meetings of the Nominating Committee during current fiscal year:
10 of 10 (100%)

Profile, and position and responsibility in the Company

April 1965:	Joined ITOCHU Corporation
June 1995:	Director, ITOCHU Corporation
April 1997:	Managing Director, ITOCHU Corporation
April 1998:	Representative Managing Director, ITOCHU Corporation
April 1999:	Representative Senior Managing Director, ITOCHU Corporation
April 2001:	Representative Executive Vice President, ITOCHU Corporation
April 2006:	Representative Vice Chairman, ITOCHU Corporation
June 2006:	Vice Chairman, ITOCHU Corporation
June 2007:	Director, Orient Corporation
June 2008:	Senior Corporate Adviser, ITOCHU Corporation
	Director, Furukawa Electric Co., Ltd. (present)
	Audit & Supervisory Board Member, NIPPONKOA Insurance Company, Limited (currently Sompo Japan Insurance Inc.)
June 2009:	Director, Nippon Sheet Glass Co., Ltd.
April 2010:	Director, NKSJ Holdings, Inc. (currently Sompo Holdings, Inc.)
June 2011:	Chairman, Japan Association for CFOs (present)
April 2012:	Director, the Company (present)

Important concurrent positions

Director, Furukawa Electric Co., Ltd.
Chairman, Japan Association for CFOs

Reason for election

It is proposed that Mr. Sumitaka Fujita be elected Outside Director of the Company. He has an extensive experience and diverse knowledge as a business manager at ITOCHU Corporation and served as Outside Director and Outside Auditor at other companies.

Since Mr. Fujita took the post of Outside Director of the Company in April 2012, he has been giving guidance/advice to the business management of the Company at the Board of Directors. In addition, he contributed to the development of a transparent director compensation system as the Chairman of the Compensation Committee which was established voluntarily.

Since June 2018, he has been leading the Board of Directors as the Chairman of the Board of Directors of the Company. Furthermore, after the transition to a company with Nominating Committees, etc., in June 2019, he facilitated decisions of contents of an agenda item to elect directors as the Chairman of the Nominating Committee in addition to the supervision of the business execution of the Company at the Board of Directors.

Taking these points into consideration, Mr. Fujita is nominated so that he will continue to contribute to the Company's sustainable growth through the Board of Directors.

Special interest between the candidate and the Company

There is no special interest.

3. Susumu Kaminaga (December 3, 1946)

Reelection
Independent Outside Director



Number of shares of the Company held:
2,099 shares
Years served as Outside Director:
4 years
Attendance at meetings of the Board of Directors during current fiscal year:
18 of 18 (100%)
Attendance at meetings of the Compensation Committee during current fiscal year:
11 of 11 (100%)

Profile, and position and responsibility in the Company

May 1969:	Joined Sumitomo Precision Products Co., Ltd.
March 1995:	Representative Director, Surface Technology Systems Ltd.
June 2000:	Director, Sumitomo Precision Products Co., Ltd.
June 2002:	Managing Director, Sumitomo Precision Products Co., Ltd.
June 2004:	President, Sumitomo Precision Products Co., Ltd.
June 2012:	Adviser to the Board, Sumitomo Precision Products Co., Ltd.
October 2012:	Representative Director & Chief Executive, SK Global Advisers Co., Ltd. (present)
December 2012:	Director, DEFTA Capital Inc. (present)
June 2016:	Director, the Company (present)
May 2019:	Chairman, The Japan Institute of Electronics Packaging (present)
June 2020:	Member of the Board, Toray Industries, Inc. (present)

Important concurrent positions

Representative Director & Chief Executive, SK Global Advisers Co., Ltd.
Director, DEFTA Capital Inc.
Chairman, The Japan Institute of Electronics Packaging
Member of the Board, Toray Industries, Inc.

Reason for election

It is proposed that Mr. Susumu Kaminaga be elected Outside Director of the Company. He has an extensive experience and diverse knowledge as a business manager at Sumitomo Precision Products, Co., Ltd. and served as Representative Director, etc. at other companies.

Since Mr. Kaminaga took the post of Outside Director of the Company in June 2016, he has been giving guidance/advice to the business management of the Company at the Board of Directors and the Compliance Committee voluntarily established. In addition, he has been serving as a member of the Compensation Committee since June 2017.

Since the transition to a Company with Nominating Committee, etc., in June 2019, he has been taking charge of the operation of the Compensation Committee as the Chairman since February 2020 in addition to the supervision of the business execution of the Company at the Board of Directors.

Taking these points into consideration, Mr. Kaminaga is nominated so that he will continue to contribute to the Company's sustainable growth through the Board of Directors.

Special interest between the candidate and the Company

There is no special interest.

4. Michijiro Kikawa (August 2, 1947)

Reelection
Independent Outside Director



Number of shares of the Company held:
0 shares
Years served as Outside Director:
4 years
Attendance at meetings of the Board of Directors during current fiscal year:
18 of 18 (100%)
Attendance at meetings of the Audit Committee during current fiscal year:
17 of 17 (100%)

Profile, and position and responsibility in the Company

April 1970:	Joined Hitachi Construction Machinery Co., Ltd.
May 1995:	President, Hitachi Construction Machinery (China) Co., Ltd.
June 1999:	Senior Officer and President, Hitachi Construction Machinery (China) Co., Ltd.
June 2001:	Executive Officer and General Manager, Hitachi Construction Machinery Co., Ltd.
June 2002:	Vice President and Executive Officer, Hitachi Construction Machinery Co., Ltd.
April 2003:	Senior Vice President and Executive Officer, Hitachi Construction Machinery Co., Ltd.
June 2003:	Senior Vice President and Executive Officer, Hitachi Construction Machinery Co., Ltd.
April 2005:	Representative Executive Officer and Executive Vice President, Hitachi Construction Machinery Co., Ltd.
June 2005:	Representative Executive Officer, Executive Vice President and Director, Hitachi Construction Machinery Co., Ltd.
April 2006:	Representative Executive Officer, President, Chief Executive Officer and Director, Hitachi Construction Machinery Co., Ltd.
April 2012:	Director, Hitachi Construction Machinery Co., Ltd.
June 2012:	Chairman of the Board, Hitachi Construction Machinery Co., Ltd.
	Director, Hitachi, Ltd.
June 2014:	Consultant to the Board of Directors, Hitachi Construction Machinery Co., Ltd.
June 2016:	Director, the Company (present)

Important concurrent positions

Mr. Kikawa does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Michijiro Kikawa be elected Outside Director of the Company. He has an extensive experience and diverse knowledge as a business manager at Hitachi Construction Machinery Co., Ltd. and served as Director at Hitachi, Ltd.

Since Mr. Kikawa took the post of Outside Director of the Company in June 2016, he has been giving guidance/advice to the business management of the Company at the Board of Directors and the Nominating Committee voluntarily established. In addition, he served as the Chairman of the Nominating Committee from June 2018 through June 2019. Since the transition to a company with Nominating Committees, etc., in June 2019, he has been supervising the business execution of Executive Officers of the Company as a member of the Audit Committee in addition to the supervision of the business execution of the Company at the Board of Directors.

Taking these points into consideration, Mr. Kikawa is nominated so that he will continue to contribute to the Company's sustainable growth through the Board of Directors.

Special interest between the candidate and the Company

There is no special interest.

5. Tetsuo Iwamura (May 30, 1951)

Reelection
Independent Outside Director



Number of shares of the Company held:
2,979 shares
Years served as Outside Director:
3 years
Attendance at meetings of the Board of Directors during current fiscal year:
18 of 18 (100%)
Attendance at meetings of the Nominating Committee during current fiscal year:
10 of 10 (100%)

Profile, and position and responsibility in the Company

April 1978:	Joined Honda Motor Co., Ltd.
June 2000:	Director, Honda Motor Co., Ltd.
April 2003:	President and Director, Honda South America Ltda.
	President and Director, Moto Honda da Amazonia Ltda.
	President and Director, Honda Automoveis do Brasil Ltda.
June 2006:	Managing Director, Honda Motor Co., Ltd.
April 2007:	President and Director, Honda North America, Inc.
	President and Director, American Honda Motor Co., Inc.
June 2008:	Senior Managing Director, Honda Motor Co., Ltd.
April 2011:	Senior Managing Officer and Director, Honda Motor Co., Ltd.
June 2011:	Senior Managing Officer, Honda Motor Co., Ltd.
April 2012:	Executive Vice President, Executive Officer, Honda Motor Co., Ltd.
June 2012:	Representative Director, Honda Motor Co., Ltd.
April 2013:	Risk Management Officer, Honda Motor Co., Ltd.
April 2014:	Corporate Brand Officer, Honda Motor Co., Ltd.
	Chairman and Director, American Honda Motor Co., Inc.
June 2017:	Director, the Company (present)

Important concurrent positions

Mr. Iwamura does not hold any important concurrent positions.

Reason for election

It is proposed that Mr. Tetsuo Iwamura be elected Outside Director of the Company. He has an extensive experience and diverse knowledge as a business manager at Honda Motor Co., Ltd.

Since Mr. Iwamura took the post of Outside Director of the Company in June 2017, he has been giving guidance/advice to the business management of the Company at the Board of Directors and the Nominating Committee and Compliance Committee voluntarily established. After the transition to a company with Nominating Committees, etc., in June 2019, he facilitated decisions of contents of an agenda item to elect directors as a member of the Nominating Committee in addition to the supervision of the business execution of the Company at the Board of Directors.

Taking these points into consideration, Mr. Iwamura is nominated so that he will continue to contribute to the Company's sustainable growth through the Board of Directors.

Special interest between the candidate and the Company

There is no special interest.

6. Yasumasa Masuda (February 27, 1957)

Reelection
Independent Outside Director



Number of shares of the Company held:
1,722 shares
Years served as Outside Director:
2 years
Attendance at meetings of the Board of Directors during current fiscal year:
18 of 18 (100%)
Attendance at meetings of the Nominating Committee during current fiscal year:
10 of 10 (100%)
Attendance at meetings of the Compensation Committee during current fiscal year:
11 of 11 (100%)

Profile, and position and responsibility in the Company

April 1980:	Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
June 2008:	Corporate Executive, Vice President, Corporate Finance & Control, Astellas Pharma Inc.
June 2011:	Corporate Executive, Vice President, Corporate Finance & Control, and Chief Financial Officer, Astellas Pharma Inc.
April 2012:	Corporate Executive, Vice President and Chief Financial Officer, Astellas Pharma Inc.
June 2012:	Senior Corporate Executive, Senior Vice President and Chief Financial Officer, Astellas Pharma Inc.
April 2017:	Senior Corporate Executive, Senior Vice president and Assistant to President, Astellas Pharma Inc.
June 2017:	Independent Non-Executive, Deloitte Touche Tohmatsu LLC (present)
June 2018:	Independent Non-Executive, Deloitte Tohmatsu LLC (present) Director, the Company (present)

Important concurrent positions

Independent Non-Executive, Deloitte Touche Tohmatsu LLC
Independent Non-Executive, Deloitte Tohmatsu LLC

Reason for election

It is proposed that Mr. Yasumasa Masuda be elected Outside Director of the Company. He has an extensive experience and diverse knowledge as a business manager at Astellas Pharma Inc. and served as independent non-executive officer at the Deloitte Tohmatsu Group.

Since Mr. Masuda took the post of Outside Director of the Company in June 2018, he has been giving guidance/advice to the business management of the Company at the Board of Directors and the Nominating Committee established voluntarily. After the transition to a company with Nominating Committees, etc., in June 2019, he facilitated decisions of contents of an agenda item to elect directors, and decided directors' compensations as a member of the Nominating Committee and the Compensation Committee in addition to the supervision of the business execution of the Company at the Board of Directors.

Taking these points into consideration, Mr. Masuda is nominated so that he will continue to contribute to the Company's sustainable growth through the Board of Directors.

Special interest between the candidate and the Company

There is no special interest.

7. Katsuya Natori (May 15, 1959)

Reelection
Independent Outside Director



Number of shares of the Company held:
9,191 shares
Years served as Outside Director:
1 year
Attendance at meetings of the Board of Directors during current fiscal year:
17 of 18 (94.4%)*
Attendance at meetings of the Audit Committee during current fiscal year:
17 of 17 (100%)
* This number includes the number of meetings of the Board of Directors attended as an Audit & Supervisory Board Member.

Profile, and position and responsibility in the Company

April 1986:	Joined Masuda & Ejiri (currently Nishimura & Asahi)
June 1990:	Joined Davis Wright Tremaine LLP
July 1992:	Joined Wilmer, Cutler & Pickering
July 1993:	Joined Esso Petroleum Corporation (currently JXTG Nippon Oil & Energy Corporation)
January 1995:	Joined Apple Computer Co., Ltd. (currently Apple Japan, Inc.)
January 1997:	Director, Sun Microsystems, Inc. (currently Oracle Information Systems (Japan) G.K.)
March 2002:	Executive Officer, Fast Retailing Co., Ltd.
January 2004:	Director and Executive Officer, IBM Japan, Ltd.
April 2010:	Executive Officer, IBM Japan, Ltd.
February 2012:	Chief, Natori Law Office (present)
April 2012:	Outside Audit & Supervisory Board Member, the Company
March 2015:	Director, MODEC, INC. (present)
April 2016:	Supervisory Director, Global One Real Estate Investment Corp. (present)
June 2019:	Director, the Company (present)
June 2020:	Audit & Supervisory Board Member, Recruit Holdings Co., Ltd. (present)

Important concurrent positions

Chief, Natori Law Office
Director, MODEC, INC.
Supervisory Director, Global One Real Estate Investment Corp.
Audit & Supervisory Board Member, Recruit Holdings Co., Ltd.

Reason for election

It is proposed that Mr. Katsuya Natori be elected Outside Director of the Company. He has an extensive experience and diverse knowledge as a lawyer and served as Director and Supervisory Director at other companies.
Since Mr. Natori took the post of Audit & Supervisory Board Member of the Company in April 2012, he has been auditing/supervising the business execution of the Company at the Audit & Supervisory Board and the Board of Directors. In addition, after the transition to a company with Nominating Committees, etc., in June 2019, he conducted an audit on the execution of duties of the Directors and the Executive Officers of the Company as the Chairman of the Audit Committee in addition to the supervision of the business execution of the Company at the Board of Directors.
Taking these points into consideration, Mr. Natori is nominated so that he will continue to contribute to the Company's sustainable growth through the Board of Directors.

Special interest between the candidate and the Company

There is no special interest.

8. Atsushi Iwasaki (January 9, 1959)

Reelection
Independent Outside Director



Number of shares of the Company held:
8,396 shares
Years served as Outside Director:
1 year
Attendance at meetings of the Board of Directors during current fiscal year:
16 of 18 (88.9%)*
Attendance at meetings of the Audit Committee during current fiscal year:
15 of 17 (88.2%)
* This number includes the number of meetings of the Board of Directors attended as an Audit & Supervisory Board Member.

Profile, and position and responsibility in the Company

November 1990:	Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
March 1991:	Registered as certified public accountant
March 1997:	Registered as real estate appraiser
December 1997:	Partner, Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
September 2005:	Chief, Iwasaki CPA Office (present)
June 2013:	Director, ISEKI & CO., Ltd. (present)
June 2015:	Audit & Supervisory Board Member, NH Foods Ltd.
June 2016:	Outside Audit & Supervisory Board Member, the Company
June 2019:	Director, NH Foods Ltd. (present)
	Director, the Company (present)

Important concurrent positions

Chief, Iwasaki CPA Office
Director, ISEKI & CO., Ltd.
Director, NH Foods Ltd.

Reason for election

It is proposed that Mr. Atsushi Iwasaki be elected Outside Director of the Company. He has an extensive experience and diverse knowledge as a certified public accountant and served as Outside Director and Outside Auditor at other companies.

Since Mr. Iwasaki took the post of Audit & Supervisory Board Member of the Company in June 2016, he has been auditing/supervising the business execution of the Company at the Audit & Supervisory Board and the Board of Directors. In addition, after the transition to a company with Nominating Committees, etc., in June 2019, he conducted an audit on the execution of duties of the Directors and the Executive Officers of the Company as a member of the Audit Committee in addition to the supervision of the business execution of the Company at the Board of Directors.

Taking these points into consideration, Mr. Iwasaki is nominated so that he will continue to contribute to the Company's sustainable growth through the Board of Directors.

Although he has not been involved in corporate management in the past except for being outside director and an audit & supervisory board member, the Company has judged that he can perform his duties as Outside Director appropriately for the above-mentioned reasons.

Special interest between the candidate and the Company

There is no special interest.

9. David Robert Hale (December 21, 1984)

Reelection
Outside Director



Number of shares of the Company held:
0 shares
Years served as Outside Director:
1 year
Attendance at meetings of the Board of Directors during current fiscal year:
13 of 13 (100%)
Attendance at meetings of the Nominating Committee during current fiscal year:
10 of 10 (100%)

Profile, and position and responsibility in the Company

September 2007:	Joined The Parthenon Group (currently EY-Parthenon)
January 2009:	Assigned as Analyst to Strategic Value Capital, an investment subsidiary of The Parthenon Group
June 2009:	Senior Associate, The Parthenon Group
May 2010:	Principal, The Parthenon Group
January 2011:	Joined ValueAct Capital Management L.P.
December 2012:	Vice President, ValueAct Capital Management L.P.
May 2014:	Partner, ValueAct Capital Management L.P. (present)
March 2015:	Director, MSCI Inc.
August 2015:	Director, Bausch Health Companies Inc. (present)
June 2019:	Director, the Company (present)

Important concurrent positions

Partner, ValueAct Capital Management L.P.
Director, Bausch Health Companies Inc.

Reason for election

Mr. David Robert Hale is a partner of ValueAct Capital Management L.P. (hereinafter called VAC), one of the Company'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 experiences in diverse industries.
Since Mr. Hale took the post of Outside Director of the Company in June 2019, he has been giving guidance/advice to the business management of the Company at the Board of Directors. In addition, he has participated in decisions on the evolution of the board as a member of the Nominating Committee.
Taking these points into consideration, Mr. Hale is nominated so that he will continue to contribute to the Company's sustainable growth through the Board of Directors. Since he serves as a partner at VAC, which is one of the Company's shareholders, the Company believes that he will contribute to the enhancement of the Company's corporate value by reflecting shareholders' voices into the business management of the Company.

Special interest between the candidate and the Company

There is no special interest.

10. Jimmy C. Beasley (April 6, 1963)

Reelection
Independent Outside Director



Number of shares of the Company held:
0 shares
Years served as Outside Director:
1 year
Attendance at meetings of the Board of Directors during current fiscal year:
13 of 13 (100%)
Attendance at meetings of the Compensation Committee during current fiscal year:
11 of 11 (100%)

Profile, and position and responsibility in the Company

March 1986:	Territory Manager, Roche Laboratories (Division of Hoffman La Roche)
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. *The executive advisor role is a consulting role to ValueAct Capital; it is not an employee position. This consulting agreement finished at the end of March 2019.
June 2019:	Director, the Company (present)

Important concurrent positions

Mr. Beasley does not hold any important concurrent positions.

Reason for election

Mr. Jimmy C. Beasley has a global business experience for over 30 years at the C. R. Bard Group, one of the leading global companies in the medical equipment industry and has an abundant experience and a deep insight as a member of the management.

Since Mr. Beasley took the post of Outside Director of the Company in June 2019, he has been giving guidance/advice to the business management of the Company at the Board of Directors. In addition, he facilitated decisions of directors' compensations as a member of the Compensation Committee.

Taking these points into consideration, Mr. Beasley is nominated so that he will continue to contribute to the Company's sustainable growth through the Board of Directors.

Special interest between the candidate and the Company

There is no special interest.

11. Stefan Kaufmann (January 24, 1968) Reelection



Number of shares of the Company held:
534 shares
Years served as Director:
1 year
Attendance at meetings of the Board of Directors during current fiscal year:
13 of 13 (100%)

Profile, and position and responsibility in the Company

September 1990:	Various roles in operational and strategic HR functions, Karstadt AG
October 2000:	Head of HR Development, Thomas Cook
May 2003:	General Manager Human Resources, Olympus Europa GmbH (currently Olympus Europa SE & Co. KG)
April 2008:	Managing Director Corporate Division, Olympus Europa GmbH
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, the Company
April 2019:	Chief Administrative Officer (CAO), the Company (present)
	Supervisory Board (Chairman), Olympus Europa Holding SE (present)
June 2019:	Director, the Company (present)
	Executive Officer, the Company (present)

Important concurrent positions

Mr. Kaufmann does not hold any important concurrent positions.

Reason for election

Mr. Stefan Kaufmann has a global and multilateral business experience leading the administration/human resources divisions and an efficiency enhancement project at other companies in Europe and overseas subsidiaries of the Company and has experience and knowledge at corporate division.

Mr. Kaufmann took the post of Chief Administrative Officer (CAO) in April 2019 and offices of Director and Executive Officer in June 2019 and facilitated more sophisticated and efficient personnel management of the Company and the Group management foundation.

Taking these points into consideration, Mr. Kaufmann is nominated so that he will continue to contribute to reinforce the management structure for the Company to become a truly global med-tech company while making use of his experiences and knowledge accumulated so far.

Special interest between the candidate and the Company

There is no special interest.

12. Nobuyuki Koga (September 14, 1955) Reelection



Number of shares of the Company held:
53,034 shares
Years served as Director:
1 year
Attendance at meetings of the Board of Directors during current fiscal year:
18 of 18 (100%)*
Attendance at meetings of the Audit Committee during current fiscal year:
17 of 17 (100%)
* This number includes the number of meetings of the Board of Directors attended as an Audit & Supervisory Board Member.

Profile, and position and responsibility in the Company

April 1978:	Joined the Company
April 2002:	President and Representative Director, Shirakawa Olympus Co., Ltd.
April 2006:	General Manager, Human Resources Dept., the Company
June 2009:	Corporate Officer, the Company Director, Olympus Medical Systems Corp.
July 2009:	Division Manager, Manufacturing Service Division, Olympus Medical Systems Corp.
April 2010:	President and Representative Director, Aizu Olympus Co., Ltd.
April 2014:	Division Manager, Corporate Service Division, the Company
June 2017:	Standing Audit & Supervisory Board Member, the Company
June 2019:	Director, the Company (present)

Important concurrent positions

Mr. Koga does not hold any important concurrent positions.

Reason for election

Mr. Nobuyuki Koga has long experience in the manufacturing and human resources divisions at the Company, and held the post of Representative Directors of the Company's subsidiaries.
Since Mr. Koga took the post of Audit & Supervisory Board Member of the Company in June 2017, he has been auditing/supervising the business execution of the Company at the Audit & Supervisory Board and the Board of Directors. In addition, after the transition to a company with Nominating Committees, etc., in June 2019, he conducted an audit on the execution of duties of the Directors and the Executive Officers of the Company as a full-time member of the Audit Committee in addition to the supervision of the business execution of the Company at the Board of Directors.
Taking these points into consideration, Mr. Koga is nominated so that he will continue to contribute to the Company's sustainable growth through the Board of Directors while making use of his experiences and knowledge accumulated so far.

Special interest between the candidate and the Company

There is no special interest.

Notes: 1. "Number of shares of the Company held" indicates the number of shares held as of May 31, 2020. It also includes the number of shares each candidate holds through the Officers' Shareholding Association of the Company.

2. Mr. David Robert Hale, a candidate for Director, is a partner of ValueAct Capital Management L.P. The number of shares of the Company held by ValueAct Capital Master Fund, L.P. controlled by ValueAct Capital Management L.P. is 64,740,284 shares as of March 31, 2020.

3. Mr. Susumu Kaminaga, a candidate for Director, is Executive Senior Adviser of SPP Technologies Co., Ltd. His post at SPP Technologies Co., Ltd. no longer falls into an important concurrent position because his working conditions have changed.

4. Process for nominating candidates for Director
The Nominating Committee has decided the candidates for Director after deliberation in accordance with the selection criteria.

5. Messrs. Sumitaka Fujita, Susumu Kaminaga, Michijiro Kikawa, Tetsuo Iwamura, Yasumasa Masuda, Katsuya Natori, Atsushi Iwasaki, David Robert Hale and Jimmy C. Beasley are candidates for Outside Director.

6. The Company has notified Tokyo Stock Exchange, Inc. of Messrs. Sumitaka Fujita, Susumu

Kaminaga, Michijiro Kikawa, Tetsuo Iwamura, Yasumasa Masuda, Katsuya Natori, Atsushi Iwasaki and Jimmy C. Beasley as independent directors as stipulated by the regulations of Tokyo Stock Exchange Inc. If they are elected, the Company plans to maintain their positions as independent directors.

7. Special notes concerning the candidates for Outside Director
   ISEKI & CO., Ltd., where Mr. Atsushi Iwasaki has served as Outside Director since June 2013, received a cease and desist order and an order for payment of a surcharge from the Japan Fair Trade Commission for its violations of the Antimonopoly Act related to bidding for construction work in February 2016 and February 2017. Although he was not aware of the facts until they came to light, he had made recommendations and promoted awareness at Board of Directors' meetings of ISEKI from the viewpoint of legal compliance and internal controls. Since these facts were revealed, he has performed the duty of preventing their recurrence by calling for thorough implementation of regulations for operations in general and further reinforcement of corporate ethics.
8. Limitation of Liability Agreement with Directors
   The Company has prescribed in the Articles of Incorporation that the Company may enter into an agreement with Directors (excluding those who are operating directors, etc.) to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, setting the minimum amount stipulated by law as the maximum liability. If the candidates for Director, Messrs. Sumitaka Fujita, Susumu Kaminaga, Michijiro Kikawa, Tetsuo Iwamura, Yasumasa Masuda, Katsuya Natori, Atsushi Iwasaki, David Robert Hale, Jimmy C. Beasley and Nobuyuki Koga are elected, the Company plans to continue the limitation of liability agreement with each of them.

Policy on independence of Outside Officers

The Company has established its "Criteria for Independence of Outside Officers" as described below in order to clarify its policy on the independence of Outside Officers:

(Criteria for Independence of Outside Officers)

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 the Company to Officers) or other assets from the Company and the Company's affiliates (hereinafter, collectively the "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 Group.
2. During the past ten-year period, the Outside Officer has not been an Operating Director, Executive Officer, Corporate Officer or employee of the rank of General Manager or above at a company that falls under the following categories.
   (i) In any of the past 10 fiscal years, the monetary amount of the relevant company's transactions with the Group has been more than 2% of the consolidated revenue of either the company or the Group
   (ii) The relevant company is a principal shareholder of the Company (holding more than 5% of the total number of voting rights of the Company directly or indirectly; the same shall apply hereinafter)
   (iii) The Group is a principal shareholder of the relevant company
   (iv) The relevant company has substantive interests in the Group (as a main bank, consultant, etc.)
   (v) The Group and the relevant company have a relationship in which they mutually dispatch and appoint directors
3. 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, Operating Director, Corporate Officer or employee of the rank of General Manager or above at the Group.
5. The Outside Officer does not belong to an auditing firm that conducts statutory audits of the 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.

<Reference> Planned Committee Member Appointments for Each Committee After Election of Director Candidates

The twelve candidates for Director will accept office as below after they are elected at this General Meeting of Shareholders.

Each committee will be chaired by an Independent Outside Director.

Name	Position and responsibility	Nominating Committee	Compensation Committee	Audit Committee
Yasuo Takeuchi	Director, Representative Executive Officer, President and Chief Executive Officer (CEO)	○		
Sumitaka Fujita	Outside Director	○		
Susumu Kaminaga	Outside Director		○	
Michijiro Kikawa	Outside Director			○
Tetsuo Iwamura	Outside Director	○	○	
Yasumasa Masuda	Outside Director	○	○	
Katsuya Natori	Outside Director			○
Atsushi Iwasaki	Outside Director			○
David Robert Hale	Outside Director	○		
Jimmy C. Beasley	Outside Director		○	
Stefan Kaufmann	Director, Executive Officer and Chief Administrative Officer (CAO)			
Nobuyuki Koga	Director			○

Attached Documents

Business Report

(April 1, 2019 to March 31, 2020)

I Review of Group Operations

1. Review of Operations

The global economy suddenly slowed down in the fiscal year under review due to the trade friction between the U.S. and China and the U.K.'s withdrawal from the EU, followed by the serious impact of the sudden global spread of COVID-19 from the beginning of this year. The Japanese economy had been recovering gradually, supported by corporate earnings and improvement in the employment and income environments, but the sudden spread of COVID-19 led to substantial downward pressure through until the end of the fiscal year, as was the case for the global economy.

Amid this business environment, the Olympus Group announced its business transformation plan "Transform Olympus" in January 2019 to develop itself as a truly global medtech company, and we made the transition from a company with an Audit & Supervisory Board to a company with a three committees board structure for the purposes of faster decision-making in business execution, reinforced governance and further increased transparency in June 2019. We also announced a medium- and long-term management strategy based on "Transform Olympus" in November 2019. This management strategy replaces the medium-term management plan, 2016 Corporate Strategic Plan ("16CSP"), announced in April 2016 and indicates the long-term direction of the Company. Going forward, we will work to achieve sustainable growth based on this management strategy.

The Olympus Group's overall consolidated revenue increased to ¥797,411 million (up 0.4% year on year), due to increased sales in the Endoscopic Solutions Business, Therapeutic Solutions Business and Scientific Solutions Business. Operating profit was ¥83,469 million (up 195.1% year on year) due to profit growth in the Endoscopic Solutions Business, Therapeutic Solutions Business and Scientific Solutions Business, and the large improvement resulting from increased cost-effectiveness and a decrease of "Other expenses." In the previous fiscal year, ¥44,103 million was recorded in "Other expenses" as one-time costs relating to a monetary settlement following damages claim securities litigation settlements, costs associated with the restructuring of the Imaging Business's manufacturing locations, and costs associated with entering into a plea agreement with the U.S. Department of Justice, etc. In addition, finance costs declined mainly due to a decrease in exchange losses. As a result, profit attributable to owners of parent amounted to ¥51,670 million (up 534.2% year on year).

Although the impact of COVID-19 was evident in all businesses, Endoscopic Solutions Business performed very well with continued growth in China for mainstay gastrointestinal endoscopes. In the Therapeutic Solutions Business, sales grew for energy devices and endo-therapy devices for use in diagnosis and treatment of biliary and pancreatic ducts and others posting record high sales in the medical field. The Scientific Solutions Business posted a record high operating profit as a result of improved efficiencies in selling, general and administrative expenses, in addition to the solid sales of biological microscopes in all regions. Although a harsh operating environment led to a decline in revenue, the loss in the Imaging Business declined due to

advancement of improved cost-effectiveness in addition to the absence of the one-time costs associated with the restructuring of manufacturing locations in the previous fiscal year.

During the fiscal year under review, the Olympus Group invested ¥91,589 million on research and development, and spent ¥77,184 million on capital investments with the aim of achieving sustainable future growth.

Regarding foreign exchange, the yen appreciated against the U.S. dollar, the euro and the renminbi compared to the previous fiscal year. The average exchange rate during the period was ¥108.74 against the U.S. dollar (¥110.91 in the previous fiscal year), ¥120.82 against the euro (¥128.41 in the previous fiscal year) and ¥15.60 against the renminbi (¥16.54 in the previous fiscal year) which caused revenue and operating profit to down by ¥26,659 million and ¥10,450 million, respectively, year on year.

Consolidated revenue and consolidated operating profit increased 4% and 232% year on year, respectively, excluding the impact of the foreign exchange rate.

Notes:
1. For monetary amounts indicated in units of ¥1 million, fractions of ¥1 million are rounded off.
2. The Medical Business was reorganized and divided into the Endoscopic Solutions Business and the Therapeutic Solutions Business from the fiscal year under review.
3. On April 1, 2020, the Company transferred some of its functions including R&D and manufacturing and repair planning to Olympus Medical Systems Corp., one of its wholly owned subsidiaries, through the divestiture of a business in order to develop quality and regulatory assurance capabilities as stated in its management strategy.

2. Results of the Business Activities

Endoscopic Solutions Business

Revenue ¥425,742 million (up 1.6% year on year)

Principal products and business
Manufacture and sale of gastrointestinal endoscopes, surgical endoscopes and surgical microscopes

Consolidated revenue in the Endoscopic Solutions Business amounted to ¥425,742 million (up 1.6% year on year), while operating profit amounted to ¥109,424 million (up 21.9% year on year).

Although the mainstay endoscopy systems are reaching the second half of their product life cycles in developed countries, strong sales were maintained in China, which is continuing to grow. Additionally, “VISERA ELITE II” surgical endoscopy systems also performed strongly, leading to higher revenue year on year in the Endoscopic Solutions Business.

Despite posting ¥10,368 million as costs to respond to the market for the autonomous replacement of old products with fixed tip caps to new products with detachable tip caps, which are simple to wash and disinfect, for duodenoscopes in the current fiscal year, operating profit in the Endoscopic Solutions Business increased due to improved cost-effectiveness and the absence of expenses, such as the costs associated with entering into a plea agreement with the U.S. Department of Justice, recorded as “Other expenses” in the previous fiscal year.

Revenue and operating profit increased 5% and 30% year on year, respectively, excluding the impact of the foreign exchange rate.

Therapeutic Solutions Business

Revenue ¥216,075 million (up 0.3% year on year)

Principal products and business
Manufacture and sale of endo-therapy devices and energy devices

Consolidated revenue in the Therapeutic Solutions Business amounted to ¥216,075 million (up 0.3% year on year), while operating profit amounted to ¥26,191 million (up 18.2% year on year).

Sales of new flexible endoscopy products for urology and rhinology/otology and single-use products of endo-therapy devices for use in diagnosis and treatment of biliary and pancreatic ducts and others were solid. Additionally, sales of single-use products of the "THUNDERBEAT" integrated energy device with both advanced bipolar and ultrasonic energy, and therapeutic devices for EBUS procedures in the Respiratory Business continued to grow, leading to higher revenue year on year in the Therapeutic Solutions Business.

Operating profit in the Therapeutic Solutions Business increased mainly due to the increase in revenue and improved cost-effectiveness.

Revenue and operating profit increased 4% and 26% year on year, respectively, excluding the impact of the foreign exchange rate.

Scientific Solutions Business

Revenue ¥105,189 million (up 0.9% year on year)

Principal products and business
Manufacture and sale of biological microscopes, industrial microscopes, industrial endoscopes and non-destructive testing equipment

Consolidated revenue in the Scientific Solutions Business amounted to ¥105,189 million (up 0.9% year on year), while operating profit amounted to ¥9,997 million (up 22.9% year on year).

Sales of products for hospitals and life science research were strong in all regions. Sales of industrial endoscopes were strong for the main markets such as aviation and infrastructure, and sales of non-destructive testing equipment also increased in the aviation market in North America and in the infrastructure market in China and other countries in Asia, leading to higher revenue year on year in the Scientific Solutions Business.

Operating profit in the Scientific Solutions Business increased due to the increase in revenue and improved cost-effectiveness.

Revenue and operating profit increased 4% and 37% year on year, respectively, excluding the impact of the foreign exchange rate.

Imaging Business

Revenue ¥43,615 million (down 10.4% year on year)

Principal products and business
Manufacture and sale of digital cameras and IC recorders

Consolidated revenue in the Imaging Business amounted to ¥43,615 million (down 10.4% year on year), while operating loss amounted to ¥10,393 million (compared with an operating loss of ¥18,268 million in the previous fiscal year).

A harsh operating environment due to the rise of smartphones, etc. led to a decline in revenue in the Imaging Business.

Operating loss for the Imaging Business declined due to the recording of one-time costs associated with the restructuring of manufacturing locations in the previous fiscal year as “Other expenses,” in addition to the advancement of improved cost-effectiveness.

Others

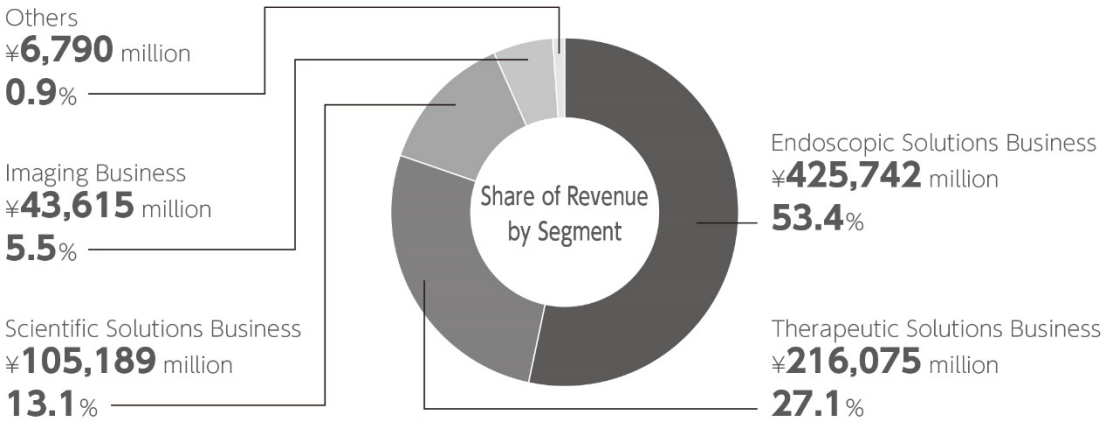
Revenue ¥6,790 million (up 2.0% year on year)

Principal products and business
Manufacture and sale of biomedical materials, R&D for new businesses, etc.

Consolidated revenue for other businesses amounted to ¥6,790 million (up 2.0% year on year) and operating loss was ¥2,744 million (compared with an operating loss of ¥3,521 million in the previous fiscal year).

Mainly, the biomedical materials business was solid, and revenue in other businesses increased.

Operating loss in other businesses declined due to improvements in the cost-effectiveness of activities of seeking out new business.



3. Changes in Assets and Results of Operation

		IFRS			
		149th term	150th term	151st term	152nd term
Revenue	(Millions of yen)	740,557	786,497	793,862	**797,411**
Operating profit	(Millions of yen)	71,192	81,029	28,281	**83,469**
Profit before tax	(Millions of yen)	62,481	76,665	20,117	**77,798**
Profit attributable to owners of parent	(Millions of yen)	42,783	57,064	8,147	**51,670**
Total assets	(Millions of yen)	960,032	978,663	932,030	**1,015,663**
Total equity	(Millions of yen)	396,228	444,259	442,387	**371,958**
Basic earnings per share	(Yen)	31.25	41.71	5.97	**39.37**
Equity attributable to owners of parent per share	(Yen)	288.36	324.25	323.06	**288.39**

Notes: 1. See “I Review of Group Operations 1. Review of Operations” on pages 26 and 27 for details on results for the current fiscal year.

2. Effective from the 150th term, the Company adopted the International Financial Reporting Standards (the “IFRS”), replacing the Japanese Generally Accepted Accounting Principles (the “JGAAP”) previously applied. In addition, figures for the 149th term conforming to IFRS are shown alongside.

3. The Company conducted a four-for-one stock split of common shares on April 1, 2019. On the assumption that the stock split took place at the start of the 149th term, “basic earnings per share” and “equity attributable to owners of parent per share” reflect the stock split.

4. Financing and Capital Investment

(1) Financing

During the fiscal year under review, the Company issued the 24th unsecured straight corporate bonds of ¥30,000 million and the 25th unsecured straight corporate bonds of ¥20,000 million, in addition to carrying out financing of ¥40,000 million by means of long-term borrowings in December 2019.

(2) Capital investment

A total of ¥77,184 million was spent this fiscal year in capital investment. Main expenditures included R&D assets, manufacturing equipment, equipment for demonstration, and rental and expansion of factories in the medical field.

5. Future Challenges

The Group developed a transformation plan “Transform Olympus” in January 2019, and has striven to establish a foundation that ensures sustainable growth of the Group as a truly global medtech company by carrying out activities such as (i) establishing centralized global group management, (ii) globally integrating human resources management, (iii) optimizing and simplifying medical device business “Transform Medical,” (iv) diversifying the Board of Directors, and (v) migrating to a company with Nominating Committee, etc.

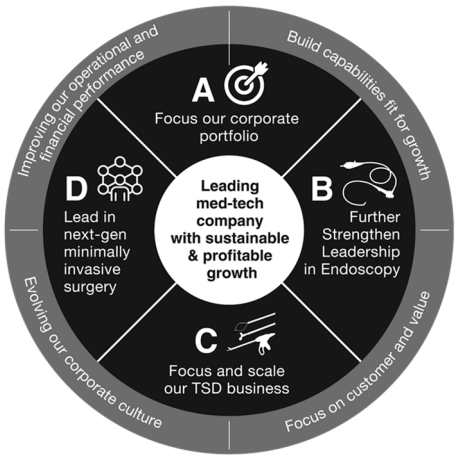
The Group also developed a new management strategy in November 2019 as the first step of developing itself as a truly global medtech company and for the purposes of fostering a more competitive corporate culture that encourages high performance and creating value for customers under the Company’s corporate philosophy “Making people’s lives healthier, safer and more fulfilling.” Based on the management strategy, the Group has been carrying out activities toward sustainable growth.

As a result of the spread of COVID-19, there has been a rapid slowdown of the economic environment in Japan and overseas, and there have been partial restrictions and delays in the business activities of the Olympus Group. The Olympus Group will set up a global task force to ensure business continuity and conduct business operations in accordance with policies to prevent the spread of COVID-19 issued by each government, giving priority to the preservation of health and safety of our employees, healthcare providers, patients, and the community. Furthermore, we will put in the maximum amount of effort to be able to continue the provision of products, services, etc. to stakeholders such as healthcare professionals.

To our shareholders, we appreciate your continuing support and understanding.

<Overview of the management strategy>

(1) Core components for business growth and enhanced profitability



A: Focus the corporate portfolio

We will regularly review our business portfolio, with active investment of management resources in our medical fields, such as Endoscopic Solutions Business and Therapeutic Solutions Business, where further room for growth is anticipated.

B: Strengthening our overwhelming position in Endoscopic Solutions Business

We expect annual average growth of 6% over the next three years in the Endoscopic Solutions Business by maintaining leadership in reusable endoscope, complementing our portfolio with single use endoscopes, and strengthening endoscope sales and services models.

C: Focus and scale the Therapeutic Solutions Business

We expect annual average growth of 8% over the next three years in the Therapeutic Solutions Business by expanding products and spreading procedures backed with augmented sales practices, concentrating on the three fields where the Company has competitive strength: gastroenterological devices, urological devices, and respiratory devices.

D: Leading the next-generation minimally invasive surgery market

We view MIS as a strategic field for growth in the medium to long term. Through innovations in procedures, enhanced instruments, and development of minimally invasive robotics, we will contribute to the development of MIS, taking a leading role in pioneering this market.

(2) Approaches to further organizational functions

The entire corporation is engaging in hundreds of initiatives in the specified areas under “Transform Olympus” in the next three to four years to achieve large-scale efficiency reforms, improving both our performance and our financial standing.



(3) Performance metrics

The management strategy aims to lift the operating margin to 20% by the fiscal year ending March 31, 2023.

	2020/3		Target 2023/3
Operating Margin※	Approx. 11%	›	>20%
Free cash flow growth※	Approx. ¥50Billion	›	>20% CAGR from FY2020/3
ROIC※	Approx. 10%	›	>20%
EPS Growth※	¥47	›	>25% CAGR from FY2020/3

*Adjusted for extraordinary items

6. Major Subsidiaries, etc.

There are 90 consolidated subsidiaries, including the following 4 major subsidiaries, and 2 equity-method companies.

Name of company	Capital stock or investment	Ratio of capital contribution by the Company (%)	Principal business
Olympus Corporation of the Americas	US$15,000	100	Holding company to conduct comprehensive management planning for subsidiaries and affiliates in Americas
Olympus Europa Holding SE	€1,000,000	100	Holding company to conduct comprehensive management planning for European subsidiaries and affiliates
Olympus Corporation of Asia Pacific Limited	HK$1,729,704,000	100	Holding company to conduct comprehensive management planning for subsidiaries and affiliates in Asia and Oceania
Olympus (China) Co., Ltd.	US$31,000,000	100	Holding company to conduct comprehensive management planning for subsidiaries and affiliates in China

7. Principal Places of Business and Plants (As of March 31, 2020)

(1) Principal places of business of the Company

Head Office	Hachioji-shi, Tokyo
Main Office	Shinjuku-ku, Tokyo
R&D Center	Hachioji-shi, Tokyo
Nagano Facility	Ina-shi and Kamiina-gun, Nagano
Shirakawa Facility	Nishi-Shirakawa-gun, Fukushima
Branches	Sapporo, Nagoya, Osaka, Hiroshima and Fukuoka
Sales Offices	Niigata, Matsumoto, Shizuoka, Kanazawa, Kyoto, Okayama, Matsuyama and Kagoshima

(2) Places of business of the Company's major subsidiaries

Aizu Olympus Co., Ltd.	Aizuwakamatsu-shi, Fukushima
Aomori Olympus Co., Ltd.	Kuroishi-shi, Aomori
Shirakawa Olympus Co., Ltd.	Nishishirakawa-gun, Fukushima
Olympus Corporation of the Americas	Pennsylvania, U.S.
Olympus Europa Holding SE	Hamburg, Germany
Olympus Corporation of Asia Pacific Limited	Hong Kong Special Administrative Region, China
Olympus (China) Co., Ltd.	Beijing, China

8. Employee Situation of the Group (As of March 31, 2020)

Segment	Numbers of employees		Increase/decrease from the previous fiscal year	
Endoscopic Solutions Business	15,832	(558)	594	(-335)
Therapeutic Solutions Business	7,757	(491)	-322	(232)
Scientific Solutions Business	4,066	(192)	-127	(104)
Imaging Business	4,531	(56)	-39	(41)
Others	731	(41)	-128	(-16)
Management division	2,257	(99)	72	(15)
Total	35,174	(1,437)	50	(41)

Notes: 1. The number of employees represents individuals working within the Group and includes employees on loan to the Group but does not include employees on loan outside the Group. The average number of temporary employees for the year is shown in parentheses in the column of "Numbers of employees."

2. The classification for aggregating the number of employees has been changed from the current fiscal year.

3. Since the Group's reportable segment structure has been changed from the current fiscal year, the figures in "Increase/decrease from the previous fiscal year" have been reclassified to reflect the change.

9. Principal Lenders (As of March 31, 2020)

(Millions of yen)

Lender	Balance of borrowing
Sumitomo Mitsui Banking Corporation	53,325
MUFG Bank, Ltd.	52,986

10. Other Important Matters Concerning Group Operations

(1) In order to clarify the responsibility for the series of problems related to the postponement of the recognition of past losses, we established the Director Liability Investigation Committee and the Non-director Management Liability Investigation Committee and conducted a strict and thorough investigation. Based on the results of the investigation, in January 2012, we filed a lawsuit seeking damages of ¥3,610 million against 19 former directors and a lawsuit seeking damages of ¥1,000 million against five former Audit & Supervisory Board Members, and other three lawsuits, in June 2012 and October 2014, seeking damages of ¥1,200 million in total (Subsequently, the claims expanded to reach a total of ¥2,200 million.) against five outsiders who facilitated the same incident. With regard to the lawsuit seeking damages against 19 former directors, judicial settlements have been made with 13 former directors on March 24, 2016, with both parties agreeing that a total of ¥72 million shall be paid to the Company as settlement monies for this case, and payment of the settlement monies was made to the Company. As to the lawsuit for damages we filed against the remaining six former directors (concerning one of the six defendants, however, three heirs acted in substitution), the Tokyo District Court rendered a judgment on April 27, 2017 to order them to jointly pay maximum ¥58,786 million to the Company (the abovementioned amount is that in respect of the claims of the lawsuit intervened by the Company's shareholders as co-parties (the two lawsuits were consolidated)).

However, the Company appealed to the Tokyo High Court on May 11, 2017 because it was dissatisfied with the dismissal of a part of its claims against five former directors, while former directors also filed appeals against the judgement (of these former directors, one former director had withdrawn from the appeal and accepted the decision of the first trial, and the Company received payment of ¥37 million from said director based on said decision). In the hearing of the appeals, the Tokyo High Court found breaches of duties of due care of prudent manager and duties of loyalty as directors for all five former directors on May 16, 2019, finding that three of the five former directors were obligated to provide compensatory liability to the Company and rendering a judgment to order those liable to pay jointly and severally an upper limit of ¥59,405 million (the said amount being the amount claimed for the incident by a shareholder joint suit (class action) by shareholders of the Company). However, claims against the remaining two former directors were dismissed. As a result of carefully considering details of the appeal trial judgment, the Company filed a final appeal and a petition for the acceptance of the final appeal to the Supreme Court of Japan on May 28, 2019 because it was dissatisfied with the dismissal of its claims against the remaining two former directors. (The Company later withdrew the final appeal.) In addition, two of the three former directors, who were found obligated to provide compensatory liability to the Company, filed a final appeal and a petition for the acceptance of the final appeal to the Supreme Court of Japan, and the remaining one former director accepted the appeal trial judgment. Moreover, concerning a lawsuit seeking damages against five former Audit & Supervisory Board Members, judicial settlements have been reached with four former Audit & Supervisory Board Members (concerning one of the four defendants, however, two heirs acted in substitution) on May 12, 2016 and with one former Audit & Supervisory Board Member on November 28, 2016, with both parties agreeing that a total of ¥34 million shall be paid to the Company as settlement monies for this case, and during the period until present, payment of the settlement monies was made to the Company.

Regarding lawsuits seeking compensation for damages against two of five external collaborators, the Tokyo District Court issued an appeal trial judgement on June 15, 2017, ordering the two to pay ¥1,000 million to the Company jointly and severally. Subsequently, the Supreme Court of Japan rejected the appeal and decided not to accept it on February 26, 2019. The case was determined. The Company is currently filing another lawsuit in the Tokyo District Court to seek additional compensation for damages against the said two external collaborators. Regarding a lawsuit against another external collaborator, the Tokyo District Court ordered the defendant to pay the Company ¥200 million on September 25, 2018. The defendant appealed, and the lawsuit was pending in the Tokyo District Court. On October 18, 2019, a judicial settlement was reached with the defendant agreeing that a total of ¥250 million shall be paid to the Company as settlement money for this case, and during the period until present, payment of ¥100 million was made to the Company. Regarding a lawsuit against the remaining two external collaborators, the Tokyo District Court rendered a judgment on August 22, 2019 to order them to jointly pay ¥500 million to the Company. One of them withdrew an appeal and accepted the decision of the trial. The other one appealed, and the Company filed an incidental appeal with the claim expanding to reach ¥1,000 million. The lawsuit is pending in the Tokyo High Court.

(2) Shenzhen Anping Tai Investment and Development Co., Ltd. (Anpingtai), on December 23, 2016, filed a lawsuit against Olympus (Shenzhen) Industrial Ltd. (OSZ), an Olympus subsidiary in China, with the

Shenzhen Intermediate People's Court, seeking compensation for damage of about ¥4,643 million in connection with a consideration for consultancy services with which OSZ entrusted Anpingtai. On July 30, 2018, the Shenzhen Intermediate People's Court handed down a judgment on the lawsuit ordering OSZ to pay about ¥3,357 million of compensation for damage and delinquent charges to Anpingtai. OSZ objected to the judgement and on August 17, 2018, it filed an appeal to the Guangdong Higher People's Court.

(3) Olympus (China) Co., Ltd. (OCH), an Olympus subsidiary in China, and OSZ entered into an agreement dated December 25, 2018 (the "Agreement") with Shenzhen YL Technology Co., Ltd. ("YL") concerning transfer of all the equity interest of OSZ, owned by OCH, to YL (the "Transfer"). Subsequently, YL proceeded with the registration of the Transfer, but Shenzhen Administration for Market Regulation ("SAMR") restricted the registration of the Transfer. Since the registration of the Transfer was not executed by YL, OSZ canceled and ended the Agreement on January 20, 2020.
In this regard, YL filed an administrative lawsuit (the "Lawsuit") against SAMR on April 15, 2020 claiming that the said restriction is illegal, and OSZ is intervening in the Lawsuit in accordance with a court decision about the Lawsuit.
In the meantime, YL also filed a civil lawsuit against OSZ, and OSZ received the statement of complaint on May 28, 2020 from Shenzhen Intermediate People's Court. In the civil lawsuit, YL seeks for a declaratory judgement to confirm its equity interest for the position in OSZ.

(4) The Company received a notice of lawsuit dated March 25, 2020 stating that on February 4, 2020, an individual shareholder of the Company (the "Plaintiff") filed a derivative lawsuit for damages with the Tokyo District Court against 11 current or former Directors and former Audit & Supervisory Board members of the Company (the "Defendants"). The Defendants are Directors of the Company Yasuo Takeuchi and Hiroyuki Sasa; former Directors of the Company Yasuyuki Kimoto, Hideaki Fujizuka, Shiro Hiruta, Motoyoshi Nishikawa and Kiichi Hirata; former Audit & Supervisory Board members of the Company (current Directors of the Company) Masashi Shimizu and Katsuya Natori; and former Audit & Supervisory Board members of the Company Takashi Saito and Nobuo Nagoya. The lawsuit was filed to demand the 11 Defendants to pay to the Company ¥1,600 million plus delinquent charges thereon jointly based on the view that, among other things, the Defendants failed to perform their duties in relation to the explicit or implicit approval of the execution of a consultant agreement and an agreement relating thereto by OSZ, an Olympus subsidiary in China, in order to resolve an issue that the theoretical inventory amount of certain products and items was negative in its customs clearance books, and such failure caused damages to the Company.
In response to the above notice of lawsuit, the Company decided on May 1, 2020 that it would intervene in the lawsuit to assist the Defendants because it believes that it is necessary for the Company to intervene in the lawsuit to appropriately rebut the plaintiff's allegations, so that the court can adjudicate the litigation in the fair and just manner.

(5) The Company has decided to postpone the convocation of the 152nd General Meeting of Shareholders (the "Meeting"), which was scheduled to be held in late June 2020, after considering, among others, the following: (i) it remains unpredictable when and how the current situation severely affected by the COVID-

19 outbreak will become normalized; (ii) accounting and auditing procedures should be conducted steadily, while securing safe and healthy environment for employees and outside professionals engaged in auditing; (iii) it gives the top priority on ensuring the safety of shareholders and other stakeholders; and (iv) the shareholders may be in a better position to deliberately consider and discuss each agenda if the definitive financial results are reported to the shareholders in the Meeting. As such, the Company has decided to establish May 31, 2020 as the record dates for voting rights in the Meeting and rights to receive the year-end dividend payment.

II Matters Concerning Shares (As of May 31, 2020 (record date for exercise of voting rights))

1. Total Number of Shares Authorized to be Issued: 4,000,000,000 shares

2. Total Number of Issued Shares: 1,285,583,996 shares

(Excluding treasury stock 85,330,967 shares)

Note: Based on the decision by Representative Executive Officer made on June 25, 2019, new shares were issued as restricted share remuneration on July 25, 2019. As a result, the total number of issued shares increased by 61,567 shares.

3. Number of Shareholders as of the record date for exercise of voting rights: 38,361

4. Principal Shareholders (Top 10)

Name of Shareholders	Numbers of shares held	Holding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	156,516,300 shares	12.17
Japan Trustee Services Bank, Ltd. (trust account)	73,254,300	5.70
STATE STREET BANK AND TRUST COMPANY 505010	64,740,284	5.04
JP MORGAN CHASE BANK 385632	64,077,200	4.98
Nippon Life Insurance Company	53,146,472	4.13
SMBC Trust Bank Ltd. (Olympus shares in Sumitomo Mitsui Banking Corporation's retirement benefit trust account)	45,616,000	3.55
MUFG Bank, Ltd.	43,522,344	3.39
SSBTC CLIENT OMNIBUS ACCOUNT	26,511,299	2.06
MSCO CUSTOMER SECURITIES	23,347,386	1.82
Japan Trustee Services Bank, Ltd. (trust account 5)	22,627,600	1.76

Note: The holding ratio is computed by excluding treasury stock (85,330,967 shares).

5. Other Important Matters Concerning Shares

Stock split

The Company resolved at a Board of Directors meeting held on February 8, 2019 that it would split its common shares four-for-one, effective April 1, 2019. On that day, the Company changed the total number of shares authorized to be issued provided in the Articles of Incorporation.

With this, the total number of shares authorized to be issued increased by 3,000,000,000, and the total number of issued shares increased by 1,028,140,047 (including treasury stock).

III Matters Concerning Company Officers

1. Name of Directors and Executive Officers (As of March 31, 2020)

(1) Name of Directors

Appointment	Name	Position and responsibility in the Company	Important concurrent positions at other organizations
Director	Yasuo Takeuchi	Member of the Nominating Committee President and Chief Executive Officer (CEO)	
Outside Director	Sumitaka Fujita	Chairman of the Board of Directors Chairman of the Nominating Committee	Director, Furukawa Electric Co., Ltd. Chairman, Japan Association for CFOs
Outside Director	Takayuki Katayama	Member of the Compensation Committee	
Outside Director	Susumu Kaminaga	Chairman of the Compensation Committee	Representative Director & Chief Executive, SK Global Advisers Co., Ltd. Executive Senior Adviser, SPP Technologies Co., Ltd. Director, DEFTA Capital Inc. Chairman, The Japan Institute of Electronics Packaging
Outside Director	Michijiro Kikawa	Member of the Audit Committee	
Outside Director	Tetsuo Iwamura	Member of the Nominating Committee	
Outside Director	Yasumasa Masuda	Member of the Nominating Committee Member of the Compensation Committee	Independent Non-Executive, Deloitte Touche Tohmatsu LLC Independent Non-Executive, Deloitte Tohmatsu LLC
Outside Director	Katsuya Natori	Chairman of the Audit Committee	Chief, Natori Law Office Director, MODEC, INC. Supervisory Director, Global One Real Estate Investment Corp.
Outside Director	Atsushi Iwasaki	Member of the Audit Committee	Chief, Iwasaki CPA Office Director, ISEKI & CO., Ltd. Director, NH Foods Ltd.
Outside Director	David Robert Hale	Member of the Nominating Committee	Partner, ValueAct Capital Management L.P. Director, Bausch Health Companies Inc.
Outside Director	Jimmy C. Beasley	Member of the Compensation Committee	
Director	Hiroyuki Sasa		

Appointment	Name	Position and responsibility in the Company	Important concurrent positions at other organizations
Director	Stefan Kaufmann	Chief Administrative Officer (CAO)	
Director	Nobuyuki Koga	Member of the Audit Committee	
Director	Masashi Shimizu	Member of the Audit Committee	

Notes: 1. The above all Directors assumed their post on June 25, 2019.
Since the Company made a transition to a company with Nominating Committee, etc. by the resolution of the 151st Ordinary General Meeting of Shareholders held on June 25, 2019, Audit & Supervisory Board Members Katsuya Natori, Atsushi Iwasaki, Nobuyuki Koga and Masashi Shimizu retired on the date as the terms of office of these members expired, and they assumed the office of Director on the same date.

2. Directors Sumitaka Fujita, Takayuki Katayama, Susumu Kaminaga, Michijiro Kikawa, Tetsuo Iwamura, Yasumasa Masuda, Katsuya Natori, Atsushi Iwasaki, David Robert Hale and Jimmy C. Beasley are Outside Directors.

3. The Company has notified Tokyo Stock Exchange, Inc. of Directors Sumitaka Fujita, Takayuki Katayama, Susumu Kaminaga, Michijiro Kikawa, Tetsuo Iwamura, Yasumasa Masuda, Katsuya Natori, Atsushi Iwasaki and Jimmy C. Beasley as independent directors.

4. Director Atsushi Iwasaki is a certified public accountant and has considerable knowledge of finance and accounting.

5. The Company appointed Messrs. Nobuyuki Koga and Masashi Shimizu as Standing Audit Committee Members in order to execute the following duties continuously and effectively: interviewing Executive Officers and other officers; receiving reports from the Internal Audit Department and other relevant departments; understanding information by, for example, auditing its subsidiaries; and attending various meetings.

6. The following are the main changes to the positions, responsibilities in the Company, and important concurrent positions at other organizations of Directors during and at the end of the current fiscal year.

Name	Date of the changes	Position and responsibility in the Company and important concurrent positions at other organizations	
		(After the changes)	(Before the changes)
Susumu Kaminaga	May 23, 2019	Outside Director Representative Director & Chief Executive, SK Global Advisers Co., Ltd. Executive Senior Adviser, SPP Technologies Co., Ltd. Director, DEFTA Capital Inc. Chairman, The Japan Institute of Electronics Packaging	Outside Director Representative Director & Chief Executive, SK Global Advisers Co., Ltd. Executive Senior Adviser, SPP Technologies Co., Ltd. Director, DEFTA Capital Inc.

Name	Date of the changes	Position and responsibility in the Company and important concurrent positions at other organizations	
		(After the changes)	(Before the changes)
Susumu Kaminaga	April 1, 2020	Outside Director Representative Director & Chief Executive, SK Global Advisers Co., Ltd. Director, DEFTA Capital Inc. Chairman, The Japan Institute of Electronics Packaging	Outside Director Representative Director & Chief Executive, SK Global Advisers Co., Ltd. Executive Senior Adviser, SPP Technologies Co., Ltd. Director, DEFTA Capital Inc. Chairman, The Japan Institute of Electronics Packaging
	June 23, 2020	Outside Director Representative Director & Chief Executive, SK Global Advisers Co., Ltd. Director, DEFTA Capital Inc. Chairman, The Japan Institute of Electronics Packaging Member of the Board, Toray Industries, Inc.	Outside Director Representative Director & Chief Executive, SK Global Advisers Co., Ltd. Director, DEFTA Capital Inc. Chairman, The Japan Institute of Electronics Packaging
Katsuya Natori	June 30, 2020	Outside Director Chief, Natori Law Office Director, MODEC, INC. Supervisory Director, Global One Real Estate Investment Corp. Audit & Supervisory Board Member, Recruit Holdings Co., Ltd.	Outside Director Chief, Natori Law Office Director, MODEC, INC. Supervisory Director, Global One Real Estate Investment Corp.
Atsushi Iwasaki	June 25, 2019	Outside Director Chief, Iwasaki CPA Office Director, ISEKI & CO., Ltd. Director, NH Foods Ltd.	Outside Director Chief, Iwasaki CPA Office Director, ISEKI & CO., Ltd. Audit & Supervisory Board Member, NH Foods Ltd.

Note: The post of Director Susumu Kaminaga at SPP Technologies Co., Ltd. no longer falls into an important concurrent position because his working conditions have changed.

(2) Name of Executive Officers

Appointment	Name	Position and responsibility in the Company and important concurrent positions at other organizations
Representative Executive Officer	Yasuo Takeuchi	President and Chief Executive Officer (CEO)
Executive Officer	Akihiro Taguchi	Chief Operating Officer (COO)
Executive Officer	Haruo Ogawa	Chief Technology Officer (CTO)
Executive Officer	Yasushi Sakai	Chief Financial Officer (CFO)
Executive Officer	Stefan Kaufmann	Chief Administrative Officer (CAO)

Notes: 1. Executive Officers Yasuo Takeuchi and Stefan Kaufmann also serve as Directors.

2. The following executive officers retired on March 31, 2020.

Executive Officer	Haruo Ogawa
Executive Officer	Yasushi Sakai

3. The following executive officers were newly elected on April 1, 2020.

Executive Officer, Chief Operating Officer (COO)	Nacho Abia
Executive Officer, Chief Financial Officer (CFO)	Chikashi Takeda

4. The following executive officer had a change to his appointment on April 1, 2020.

Executive Officer, Chief Technology Officer (CTO)	Akihiro Taguchi

5. Under the Company's corporate officer system, the following are corporate officers as of March 31, 2020.

Appointment	Name
Corporate Managing Officer	Nobuhiro Abe
Corporate Managing Officer	Kiichi Hirata
Corporate Managing Officer	Masamichi Handa
Corporate Managing Officer	Ken Yoshimasu
Corporate Officer	Masahito Kitamura
Corporate Officer	Tetsuo Kobayashi
Corporate Officer	Toshihiko Okubo
Corporate Officer	Katsuhiko Inadomi
Corporate Officer	Hidenao Tsuchiya
Corporate Officer	Yoshitake Saito
Corporate Officer	Katsuyuki Saito
Corporate Officer	Koji Ando
Corporate Officer	Yoshio Tashiro
Corporate Officer	Kazutaka Eguchi
Corporate Officer	Nacho Abia
Corporate Officer	Akira Hasegawa
Corporate Officer	Hideki Kusuda
Corporate Officer	Tomohisa Sakurai
Corporate Officer	Shigemi Sugimoto

Notes: 1. The following corporate officers retired on March 31, 2020.
Mr. Nacho Abia assumed his post as Executive Officer on April 1, 2020.

Corporate Managing Officer	Kiichi Hirata
Corporate Managing Officer	Masamichi Handa
Corporate Officer	Katsuhiko Inadomi
Corporate Officer	Nacho Abia

2. The following corporate officers were newly appointed on April 1, 2020.

Corporate Officer	Shigeto Ohtsuki
Corporate Officer	Masahito Goto
Corporate Officer	Wenlei Yang
Corporate Officer	Frank Drewalowski

2. Overview of content of limited liability agreement

The Company has entered into an agreement with its Directors (excluding those who are operating directors, etc.) to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, setting the minimum amount stipulated by law as the maximum liability.

3. Compensation for Directors, Audit & Supervisory Board Members and Executive Officers

(1) Total compensation paid to Directors, Audit & Supervisory Board Members and Executive Officers

Officer Classification		Total amount of compensation, etc. (in millions of yen)	Total compensation by type (in millions of yen)			No. of subject officers (Persons)
			Basic compensation	Bonus	Stock compensation	
Director	Inside	454	370	78	6	8
	Outside	124	124	–	–	10
	Total	578	494	78	6	18
Audit & Supervisory Board Members	Inside	14	14	–	–	2
	Outside	7	7	–	–	2
	Total	21	21	–	–	4
Executive Officer		140	85	42	13	3

Notes:
1. By the resolution of the 151st Ordinary General Meeting of Shareholders on June 25, 2019, the Company made a transition from a company with Audit & Supervisory Board to a company with Nominating Committee, etc.
2. Basic compensation shows the amount paid for the current fiscal year (the 152nd-term). Bonuses show bonus amounts for the applicable period, the current fiscal year (the 152nd-term) (to be paid in July 2020), and stock compensation shows the amount to be recorded as expenses for the current fiscal year (the 152nd-term).
3. There are two other Executive Officers (who double as Director) in addition to the three Executive Officers mentioned above, compensation, etc. of the two are included in compensation for Directors.
4. The Company does not pay bonuses to Directors who do not double as an Executive Officer.
5. The aforementioned Inside Directors include the three Inside Directors who retired at the close of the 151st-term Ordinary General Meeting of Shareholders on June 25, 2019.
6. In connection with COVID-19, as a negative impact is expected on the business results for the 153rd term, while conserving cash of the company, we considered the impact on the compensation measures of employees which are under study to implement on a global scale. As a result, the Compensation Committee decided on March 31, 2020 to reduce Executive Officers' short-term incentive compensation by 25%.

(2) Details of policy to determine the amount of compensation, etc. for officers or the calculation method thereof and how the policy is determined (revised on April 1, 2020)

At the Company as a company with nominating committee, etc., the Compensation Committee the majority members of which are occupied by independent Outside Directors discusses/determines policy to determine compensations, etc., of the Company's Directors and Executive Officers on an individual basis, details of compensation, etc. and compensation rules. The Compensation Committee retained "Pay Governance," an international independent compensation consultant, to provide objective and professional advice and information, and support investigations. They attended the Committee meeting six times out of 15 times.

(i) Basic policy for officer compensation

Our basic policy regarding officer compensation is to make officers have a strong sense of awareness that maximize the corporate value and meet shareholders' expectation, and reward their responsibilities with suitable and appropriate treatments.

(ii) Compensation level

An appropriate compensation level is established commensurate with roles/responsibility considering objective outside data, evaluation data, economic environment, the industry trend, and management status to establish a competitive compensation level that enables securement/retention of brilliant talents. Specifically, compensation levels of global med-tech companies and compensation levels of med-tech companies in a country the officer is from are set as a benchmark, and the compensation level will be determined annually by making a relative comparison.

(iii) Compensation structure

<Director>

■ Compensation ratio by type of Directors

Given a position to supervise the business management, compensations for Directors are paid by fixed compensation as Basic Salary (BS). In addition, as Directors contribute to creation of corporate value at various points of contact with the Board of Directors, each Committee, and the execution side, non-performance linked stock compensation is paid to Directors for creating corporate value. 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 live in Japan. The right will be defined on an individual basis in accordance with a general method of stock compensation in each region for those directors who do not live in Japan.

<table>
<tr><td rowspan="3">Director</td><td rowspan="2">Basic Compensation
(BS)</td><td>Long-Term Incentive Compensation (LTI)</td></tr>
<tr><td>RSU</td></tr>
<tr><td>81～91%</td><td>9～19%</td></tr>
</table>

Notes: 1. The above table shows a compensation ratio by type as to directors who are from Japan. As for directors who are not from 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 double as Executive Officer, cash compensation paid for management and supervisory functions performed as Director is separate from compensation of Executive Officer for those who are natives of Japan. For those who are not natives of Japan, cash compensation paid for management and supervisory functions performed as Director is included in compensation of Executive Officer. In addition, for those who double as Executive Officer, RSU is set for compensation of Executive Officer. Therefore, RSU as Director's compensation shall not be paid.

<Executive Officer>

In order to achieve our management 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. To this end, we have decided on a new compensation system 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 management strategy
3. Establish a program with focuses on value creation and performance evaluation utilizing Long-Term Incentive compensation (LTI).
4. Pay a competitive basic compensation compared to leading Japanese global companies
5. Ensure a sound management of incentives by putting claw-back 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 who are responsible for global management, differences in compensation levels by region make it difficult to attract and retain talented executives by pay levels of Japan. As such the compensation structure of all Executive officers will be the same. However, actual compensation levels are determined by taking into account differences in pay levels in the country of origin of the Executive Officer.

■ Compensation ratio by type of Executive Officers (in case where a target achievement rate is 100%)

Compensation for Executive Officers is to be a combination of Basic Compensation, a fixed compensation (BS: Base Salary), Short-Term Incentive Compensation which is linked to business results by every fiscal year (STI: Short Term Incentive), and Long-Term Incentive Compensation (LTI: Long Term Incentive). LTI consists of subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit) and Performance-linked Stock Compensation (PSU: Performance Share Unit). The composition ratio is shown as below:

Representative Executive Officer	Basic Compensation (BS)	Short-Term Incentive Compensation (STI) [Bonus]	Long-Term Incentive Compensation (LTI)	
			RSU	PSU
	25%	25%	13%	37%

Note: The above 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 supervision of a person who doubles as a Director.

Executive Officer	Basic Compensation (BS)	Short-Term Incentive Compensation (STI) [Bonus]	Long-Term Incentive Compensation (LTI)	
			RSU	PSU
	28.5%	28.5%	11%	32%

Note: For those who are not natives of Japan, one-time payments, severance pay, housing allowances,

pensions, etc. are established for making adjustments to the previous compensation agreements on an individual basis.

■ Evaluation index and evaluation weight of Short-Term Incentive Compensation (STI)

Item	Index	Weight
Company-wide results	Revenue	30%
	Operating Profit	50%
Strategic targets	Indices common to all Executive Officers	20%

■ Evaluation index and evaluation weight of Performance-linked Stock Compensation (PSU)

Item	Index	Weight
Management Strategy	Operating margin	40%
	ROIC	15%
	EPS growth rate	15%
Shareholder value	Relative TSR	20%
Social value	ESG	10%

In an unexpected event that significantly affects compensation calculation, the Compensation Committee has the discretion to revise or review the compensation details that contribute to the creation of corporate value. COVID-19 is expected to have a significant impact on the company's medical and other fields and management strategies for the 153rd-term. Therefore, the Compensation Committee judges that it is necessary to adjust the compensation level described in the preceding paragraph. When the impact of COVID-19 on the business strategy and business of the 153rd term becomes more clear, the compensation details for the 153rd-term is to be considered, and promptly disclose it in an appropriate manner.

4. Matters Concerning Outside Officers

(1) Relations between other organizations where important concurrent positions are assumed and the Company

(As of March 31, 2020)

Position	Name	Important concurrent positions at other organizations
Outside Director	Sumitaka Fujita	Director, Furukawa Electric Co., Ltd. Chairman, Japan Association for CFOs
Outside Director	Susumu Kaminaga	Representative Director & Chief Executive, SK Global Advisers Co., Ltd. Executive Senior Adviser, SPP Technologies Co., Ltd. Director, DEFTA Capital Inc. Chairman, The Japan Institute of Electronics Packaging
Outside Director	Yasumasa Masuda	Independent Non-Executive, Deloitte Touche Tohmatsu LLC Independent Non-Executive, Deloitte Tohmatsu LLC
Outside Director	Katsuya Natori	Chief, Natori Law Office Director, MODEC, INC. Supervisory Director, Global One Real Estate Investment Corp.
Outside Director	Atsushi Iwasaki	Chief, Iwasaki CPA Office Director, ISEKI & CO., Ltd. Director, NH Foods Ltd.
Outside Director	David Robert Hale	Partner, ValueAct Capital Management L.P. Director, Bausch Health Companies Inc.

Notes: 1. There is no special relationship between the Company and the organizations where Messrs. Sumitaka Fujita, Susumu Kaminaga, Yasumasa Masuda, Katsuya Natori and Atsushi Iwasaki assume important concurrent positions.

2. ValueAct Capital Master Fund, L.P., controlled by ValueAct Capital Management L.P., in which Mr. David Robert Hale assumes an important concurrent position, holds the shares of the Company. There is no special relationship between Bausch Health Companies Inc. and the Company.

3. The above important concurrent positions at other organizations are stated for persons holding concurrent positions who held office from the following day of the conclusion of the 151st General Meeting of Shareholders held on June 25, 2019 until the end of the current fiscal year.

(2) Major activities during current fiscal year

	Attendance at meetings	Attendance at meetings and statements
Sumitaka Fujita, Director	Board of Directors: 18 of 18 Nominating Committee: 10 of 10	Mr. Fujita served as the Chairman of the Board of Directors, and made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at ITOCHU Corporation. In addition, as Chairman of the Nominating Committee, he deliberated 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.
Takayuki Katayama, Director	Board of Directors: 18 of 18 Compensation Committee: 11 of 11	At the Board of Directors' meetings, Mr. Katayama made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Teijin Limited. In addition, as a member of the Compensation Committee, he deliberated matters related to compensation of directors and executive officers, and prescribe policy in relation to the details of compensation, etc. for individuals and determination thereof.
Susumu Kaminaga, Director	Board of Directors: 18 of 18 Compensation Committee: 11 of 11	At the Board of Directors' meetings, Mr. Kaminaga made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Sumitomo Precision Products Co., Ltd. and SK Global Advisers Co., Ltd. In addition, as Chairman of the Compensation Committee, he deliberated matters related to compensation of directors and executive officers, and prescribe policy in relation to the details of compensation, etc. for individuals and determination thereof. Furthermore, as Chairman of the Compliance Committee, which works to oversee and improve the compliance system, he chaired deliberations on enhancement of the internal control system, etc., and proposed the plan to the Board of Directors.
Michijiro Kikawa, Director	Board of Directors: 18 of 18 Audit Committee: 17 of 17	At the Board of Directors' meetings, Mr. Kikawa made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Hitachi Construction Machinery Co., Ltd. In addition, as a member of the Audit Committee, he audited the execution of duties by executive officers and directors, and created audit reports.
Tetsuo Iwamura, Director	Board of Directors: 18 of 18 Nominating Committee: 10 of 10	At the Board of Directors' meetings, Mr. Iwamura made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Honda Motor Co., Ltd. In addition, as a member of the Nominating Committee, he deliberated 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. Furthermore, as a member of the Compliance Committee, which works to oversee and improve the compliance structure, he participated in deliberations on the strengthening of the internal control system, etc.
Yasumasa Masuda, Director	Board of Directors: 18 of 18 Nominating Committee: 10 of 10 Compensation Committee: 11 of 11	At the Board of Directors' meetings, Mr. Masuda made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Astellas Pharma Inc. In addition, as a member of the Nominating Committee, he deliberated 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. Furthermore, as a member of the Compensation Committee, he deliberated matters related to compensation of directors and executive officers, and prescribe policy in relation to the details of compensation, etc. for individuals and determination thereof.

	Attendance at meetings	Attendance at meetings and statements
Katsuya Natori, Director	Board of Directors: 17 of 18 Audit & Supervisory Board: 8 of 9 Audit Committee: 17 of 17	At the Board of Directors' meetings, Mr. Natori made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at Sun Microsystems, Inc., Fast Retailing Co., Ltd., and IBM Japan, Ltd., and as an attorney. In addition, as Chairman of the Audit Committee, he audited the execution of duties by executive officers and directors, and created audit reports.
Atsushi Iwasaki, Director	Board of Directors: 16 of 18 Audit & Supervisory Board: 9 of 9 Audit Committee: 15 of 17	At the Board of Directors' meetings, Mr. Iwasaki made statements and recommendations as he saw fit, based on his profound experience and broad insight as a certified public accountant. In addition, as a member of the Audit Committee, he audited the execution of duties by executive officers and directors, and created audit reports.
David Robert Hale, Director	Board of Directors: 13 of 13 Nominating Committee: 10 of 10	At the Board of Directors' meetings, Mr. Hale made statements and recommendations as he saw fit, based on his profound experience and broad insight as a partner at ValueAct Capital Management L.P. In addition, as a member of the Nominating Committee, he deliberated 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.
Jimmy C. Beasley, Director	Board of Directors: 13 of 13 Compensation Committee: 11 of 11	At the Board of Directors' meetings, Mr. Beasley made statements and recommendations as he saw fit, based on his profound experience and broad insight as a business manager at the C. R. Bard Group. In addition, as a member of the Compensation Committee, he deliberated matters related to compensation of directors and executive officers, and prescribe policy in relation to the details of compensation, etc. for individuals and determination thereof.

Notes: 1. Since the Company made a transition from a company with Audit & Supervisory Board to a company with Nominating Committee, etc. by the resolution of the 151st Ordinary General Meeting of Shareholders held on June 25, 2019, "Attendance at meetings" (of the Nominating Committee, Compensation Committee and Audit Committee) shows the status of attendance at the meetings held on June 25, 2019 onward. In addition, since Messrs. Katsuya Natori and Atsushi Iwasaki were Audit & Supervisory Board Members until the conclusion of the said General Meeting of Shareholders, their attendance at meetings of the Board of Directors includes attendance as Audit & Supervisory Board Members.

2. Since Messrs. David Robert Hale and Jimmy C. Beasley assumed the office of Director at the 151st Ordinary General Meeting of Shareholders held on June 25, 2019, their attendance at meetings of the Board of Directors reflects the status of attendance after they assumed their post.

IV Accounting Auditor

1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

2. Amount of Remuneration

Classification	Amount paid
Remuneration to Accounting Auditor for the current fiscal year	¥273 million
Total amount of money and other financial interests to be paid by the Company and its subsidiaries	¥278 million

Notes: 1. The audit agreement between the Company and its Accounting Auditor does not distinguish compensation paid for audit work performed in conformity with the Companies Act and compensation paid for audit work performed in conformity with the Financial Instruments and Exchange Act and it is effectively impossible to do so. Therefore, the total amount of these compensation types is presented for remuneration to Accounting Auditor for the current fiscal year.

2. The Audit Committee agreed to the amount of remuneration, etc. of the Accounting Auditor as stipulated in Article 399, Paragraph 1 of the Companies Act after having obtained necessary information about and examined the content of the audit plan of the Accounting Auditor, the status of executing duties of the accounting audit, the basis for calculation of estimated remuneration, etc.

3. Among the important subsidiaries of the Company, Olympus Corporation of the Americas, Olympus Europa Holding SE, Olympus Corporation of Asia Pacific Limited and Olympus (China) Co., Ltd. are audited by auditing firms other than the Accounting Auditor of the Company.

3. Description of Non-Auditing Services

As for non-auditing services, the Company requested the Accounting Auditor provide advisory services and paid compensation for the service.

4. Policy for Decisions on Dismissal and Non-Reappointment of Accounting Auditor

The Audit Committee will dismiss the Accounting Auditor as necessary, with the unanimous consent of the Audit Committee Members, in the event said Accounting Auditor is recognized as falling under any of the item listed in Article 340, Paragraph 1 of the Companies Act.

In addition to the foregoing, the Audit Committee will determine the contents of agendas regarding the dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders, in the event it is recognized that the appropriate performance of duties by said Accounting Auditor is rendered not possible due to events affecting the qualifications and credibility of the Accounting Auditor, or when otherwise deeming the action necessary.

Consolidated Statement of Financial Position

(As of March 31, 2020)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		**LIABILITIES:**	
Current assets	**506,707**	**Current liabilities**	**333,770**
Cash and cash equivalents	162,494	Trade and other payables	59,557
Trade and other receivables	143,062	Bonds and borrowings	81,018
Other financial assets	3,424	Other financial liabilities	20,188
Inventories	167,596	Income taxes payable	11,276
Income taxes receivable	3,521	Provisions	20,598
Other current assets	20,336	Other current liabilities	136,912
Subtotal	500,433	Subtotal	329,549
Assets held for sale	6,274	Liabilities directly associated with assets held for sale	4,221
Non-current assets	**508,956**	**Non-current liabilities**	**309,935**
Property, plant and equipment	202,134	Bonds and borrowings	199,897
Goodwill	98,328	Other financial liabilities	30,733
Intangible assets	74,792	Retirement benefit liability	49,607
Retirement benefit asset	31,111	Provisions	7,281
Investments accounted for using equity method	2,267	Deferred tax liabilities	13,147
		Other non-current liabilities	9,270
Trade and other receivables	19,685	**Total liabilities**	**643,705**
Other financial assets	27,266	**EQUITY:**	
Deferred tax assets	51,156	**Total equity attributable to owners of parent**	**370,747**
Other non-current assets	2,217	Share capital	124,643
		Capital surplus	91,157
		Treasury shares	(98,135)
		Other components of equity	(22,751)
		Retained earnings	275,833
		Non-controlling interests	**1,211**
		Total equity	**371,958**
Total assets	**1,015,663**	**Total liabilities and equity**	**1,015,663**

Consolidated Statement of Profit or Loss

(April 1, 2019 to March 31, 2020)

(Millions of yen)

Accounts	Amount
Revenue	797,411
Cost of sales	297,844
Gross profit	**499,567**
Selling, general and administrative expenses	405,023
Share of profit (loss) of investments accounted for using equity method	485
Other income	2,976
Other expenses	14,536
Operating profit	**83,469**
Finance income	1,942
Finance costs	7,613
Profit before tax	**77,798**
Income taxes	26,143
Profit	**51,655**
Profit attributable to:	
Owners of parent	51,670
Non-controlling interests	(15)
Profit	**51,655**

Consolidated Statements of Cash Flows (Reference)

(April 1, 2019 to March 31, 2020)

(Millions of yen)

Accounts	Amount
Cash flows from operating activities	
Profit before tax	77,798
Depreciation and amortization	68,309
Impairment losses (reversal of impairment losses)	5,501
Interest and dividend income	(1,911)
Interest expenses	3,810
Share of loss (profit) of investments accounted for using equity method	(485)
Decrease (increase) in trade and other receivables	1,276
Decrease (increase) in inventories	(16,401)
Increase (decrease) in trade and other payables	731
Increase (decrease) in retirement benefit liability	(2,303)
Decrease (increase) in retirement benefit asset	2,136
Increase (decrease) in provisions	9,637
Other	6,752
Subtotal	154,850
Interest received	1,456
Dividends received	455
Interest paid	(3,689)
Income taxes paid	(19,528)
Net cash provided by operating activities	133,544

(Millions of yen)

Accounts	Amount
Cash flows from investing activities	
Purchase of property, plant and equipment	(37,774)
Proceeds from sales of property, plant and equipment	198
Purchase of intangible assets	(28,155)
Payments for loans receivable	(872)
Collection of loans receivable	1,755
Proceeds from sales of investments	3,031
Payments for acquisition of business	(571)
Other	(42)
Net cash used in investing activities	(62,430)
Cash flows from financing activities	
Increase (decrease) in short-term borrowings and commercial papers	69,534
Repayments of lease liabilities	(15,604)
Proceeds from long-term borrowings	39,780
Repayments of long-term borrowings	(58,874)
Dividends paid	(10,243)
Dividends paid to non-controlling interests	(126)
Proceeds from issuance of bonds	49,793
Payments for purchase of treasury shares	(93,381)
Other	(341)
Net cash used in financing activities	(19,462)
Effect of exchange rate changes on cash and cash equivalents	(3,498)
Net increase (decrease) in cash and cash equivalents	48,154
Cash and cash equivalents at beginning of period	114,563
Cash and cash equivalents at end of period	162,717

Non-Consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		**LIABILITIES:**	
Current assets	**261,228**	**Current liabilities**	**207,779**
Cash and time deposits	72,751	Accounts payable	34,531
Notes receivable	861	Short-term borrowings	6,998
Accounts receivable	70,681	Commercial papers	60,000
Finished goods	29,684	Lease liabilities	2,474
Work in process	7,330	Other payable	10,526
Materials	46,714	Accrued expenses	52,408
Short-term loans receivable	6,960	Income taxes payable	3,747
Other receivables	23,914	Deposits received	36,361
Other current assets	8,284	Provision for product warranties	186
Allowance for doubtful accounts	(5,951)	Provision for points	90
Fixed assets	**509,798**	Other current liabilities	458
Property, plant and equipment	**86,050**	**Non-current liabilities**	**187,028**
Buildings	32,504	Long-term bonds, less current maturities	70,000
Structures	1,754		
Machinery and equipment	10,491	Long-term borrowings, less current maturities	110,000
Vehicles	8		
Tools, furniture and fixtures	19,324	Lease liabilities	4,567
Land	14,372	Long-term deposits received, less current maturities	481
Lease assets	6,741		
Construction in progress	856	Provision for loss on business liquidation	1,886
Intangible assets	**8,543**		
Patent right	644	Other non-current liabilities	94
Software	5,506	**Total liabilities**	**394,807**
Software in progress	2,382	**NET ASSETS:**	
Right of using facilities, etc.	11	**Shareholders' equity**	**370,574**
Investments and other assets	**415,205**	**Share capital**	**124,643**
Investment securities	15,129	**Capital surplus**	**91,064**
Investment securities in subsidiaries and affiliates	351,020	Legal capital surplus	91,063
		Other capital surplus	1
Investments in capital of subsidiaries and affiliates	278	**Retained earnings**	**253,002**
		Other retained earnings	253,002
Long-term loans receivable	338	Reserve for advanced depreciation	1,122
Prepaid pension expenses	18,437	Retained earnings carried forward	251,880
Long-term accounts receivable-other	7,211	**Treasury shares**	**(98,135)**
Deferred Tax Assets	25,553	**Valuation and translation adjustments**	**5,128**
Other assets	5,485		
Allowance for doubtful accounts	(8,246)	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	5,128
		Subscription rights to shares	**517**
		Total net assets	**376,219**
Total assets	**771,026**	**Total liabilities and net assets**	**771,026**

Non-Consolidated Statement of Income

(April 1, 2019 to March 31, 2020)

(Millions of yen)

Accounts	Amount
Revenue	375,258
Cost of sales	195,156
Gross profit	**180,102**
Selling, general and administrative expenses	182,608
Operating profit	**(2,506)**
Non-operating income	28,142
Interest income	113
Dividends income	22,622
Others	5,407
Non-operating expenses	12,370
Interest expenses	1,472
Interest on bonds	73
Foreign currency exchange loss	1,660
Bond issuance cost	211
Commission for syndicate loan	206
Business structure improvement expenses	3,954
Others	4,794
Ordinary profit	**13,266**
Extraordinary income	1,911
Gain on sales of investment securities	1,681
Gain on liquidation of subsidiaries and affiliates	130
Income related to litigation	100
Extraordinary losses	3,440
Impairment loss	1,555
Loss on valuation of investment securities	1,063
Loss on sales of investment securities	102
Loss on valuation of investments in subsidiaries and affiliates	720
Profit before provision for income taxes	**11,737**
Income taxes, current	480
Income taxes, deferred	1,396
Profit	**9,861**

(English Translation of the Accounting Auditor's Report Originally Issued in the Japanese Language)

The Accounting Auditor's Report of Consolidated Financial Statements

Independent Auditor's Report

June 22, 2020

The Board of Directors
OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo Office
Hirofumi Harashina [Seal]
Certified Public Accountant
Designated and Engagement Partner
Tetsuya Yoshida [Seal]
Certified Public Accountant
Designated and Engagement Partner
Masayasu Iida [Seal]
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and notes to the consolidated financial statements of OLYMPUS CORPORATION (the "Company") applicable to the fiscal year from April 1, 2019 to March 31, 2020.

In our opinion, the accompanying consolidated financial statements prepared with the omission of a part of the disclosure items required under the International Financial Reporting Standards in conformity with the latter part of Article 120, paragraph 1 of the Company Accounting Ordinance present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2020.

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 Company and its consolidated subsidiaries 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.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with the latter part of Article 120, paragraph 1 of the Company Accounting Ordinance that allows companies to prepare consolidated financial statements with the omission of a part of the disclosure items required under the International Financial Reporting Standards. This includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation 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 the latter part of Article 120, paragraph 1 of the Company Accounting Ordinance that allows companies to prepare consolidated financial statements with the omission of a part of the disclosure items required under the International Financial Reporting Standards, 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 decisions of users taken on the basis of the consolidated financial statements.

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.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 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 conformity with the latter part of Article 120, paragraph 1 of the Company Accounting Ordinance that allows companies to prepare consolidated financial statements with the omission of a part of the disclosure items required under the International Financial Reporting Standards.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. 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 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 or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

The Accounting Auditor's Report of Financial Statements

Independent Auditor's Report

June 22, 2020

The Board of Directors
OLYMPUS CORPORATION

Ernst & Young ShinNihon LLC
Tokyo Office
Hirofumi Harashina [Seal]
Certified Public Accountant
Designated and Engagement Partner
Tetsuya Yoshida [Seal]
Certified Public Accountant
Designated and Engagement Partner
Masayasu Iida [Seal]
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, notes to the non-consolidated financial statements, and the related supplementary schedules (hereafter referred to as "non-consolidated financial statements, etc.") of OLYMPUS CORPORATION (the "Company") applicable to the 152nd fiscal year from April 1, 2019 to March 31, 2020.

In our opinion, the accompanying non-consolidated financial statements, etc. present fairly, in all material respects, the non-consolidated financial position and results of operations applicable to the fiscal year ended March 31, 2020, in accordance with accounting principles 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, Etc. 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.

Responsibilities of Management and Audit Committee for the Non-Consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements, etc. 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, etc., management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, 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 Non-Consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. 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, etc. 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 decisions of users taken on the basis of these non-consolidated financial statements, etc.

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, etc., 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.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. 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, etc. 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, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. 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, etc., including the notes thereto, and whether the non-consolidated financial statements, etc. 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 or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(English Translation of the Audit Committee's Report Originally Issued in the Japanese Language)

The Audit Committee's Audit Report

Audit Report

The Audit Committee of OLYMPUS CORPORATION (the "Company") has audited the performance of duties by the Directors for the 152nd term from April 1, 2019 to March 31, 2020. The Audit Committee hereby reports the methods and results of the audit as follows:

1. Methods and details of audit
   Regarding the content of the resolution of the Board of Directors relating to matters stipulated in Article 416, paragraph 1, item 1 (b) and (e) of the Companies Act and the status of the system being developed pursuant to such resolutions (internal control system), the Committee periodically received reports from the Directors, Executive Officers and employees, sought explanations as necessary, and expressed opinions. In addition, the Committee carried out audits according to the following method:

   (i) In conformity with the auditing standards stipulated by the Audit Committee, and in accordance with auditing policies and the assignment of duties, while cooperating with the Internal Audit Department and the Internal Control Department of the Company, all Audit Committee Members attended important meetings, received reports from Directors, Executive Officers and other officers about the matters of the performance of their duties, obtained explanations as necessary, reviewed important approval documents, and conducted investigations on the status of the business operations and assets of the Company at its head office and other principal business offices. Furthermore, the Audit Committee also worked to facilitate communication and information exchange with the Directors, audit & supervisory board members and others of the subsidiaries of the Company, and received reports on the business conditions of subsidiaries as necessary. As for internal controls over financial reporting, reports made by Directors, employees and Ernst & Young ShinNihon LLC about the status of assessment and audit of said internal controls were provided to the Audit Committee, who asked for explanations as necessary.
   (ii) Regarding the basic policy based on Article 118, item 3 (a) of the Ordinance for Enforcement of the Companies Act, which is described in the business report, the Audit Committee confirmed the details.
   (iii) We have also monitored and verified whether the accounting auditor maintained independence and properly implemented its audit, received from the accounting auditor reports on the performance of its duties, and asked it for explanations as necessary. The accounting auditor reported to us that the "Systems for Ensuring Proper Execution of Duties" (listed in each item of Article 131 of Ordinance on Accounting of Companies) have been developed in accordance with the "Quality Control Standards concerning Audit" (Business Accounting Council, October 28, 2005) and other applicable regulations, and we asked the accounting auditor for explanations as necessary.

Based on the methods mentioned above, we have reviewed the business report and the supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements), and their supplementary schedules, and consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, and notes to consolidated financial statements) for the said fiscal year.

2. Audit results

(1) Results of audit of the business report, etc.
   (i) We confirm that the business report and its supplementary schedules present fairly the situation of the Company in accordance with relevant laws and regulations and the Company's Articles of Incorporation.
   (ii) With respect to the Directors' performance of their duties, we confirm that there has been no improper act committed or important violation of applicable laws and regulations or of the Articles of Incorporation.
   (iii) We confirm that the details of the resolution made by the Board of Directors concerning the internal control system are proper. With respect to the description in the business report and the Directors' performance of their duties regarding the said internal control system, we confirm that there is no matter to be pointed out, including internal controls for financial reporting.
   (iv) With respect to the Company's basic policy regarding the persons who control decisions on the Company's financial and business policies, which is described in the business report, we confirm that

there are no matters to be pointed out.

(2) Results of audit of financial statements and their supplementary schedules
We confirm that the auditing methods and results of Ernst & Young ShinNihon LLC, an accounting auditor, are proper.

(3) Results of audit of consolidated financial statements
We confirm that the auditing methods and results of Ernst & Young ShinNihon LLC, an accounting auditor, are proper.

June 22, 2020

The Audit Committee,
OLYMPUS CORPORATION

Audit Committee Member:	Katsuya Natori [Seal]
Audit Committee Member:	Michijiro Kikawa [Seal]
Audit Committee Member:	Atsushi Iwasaki [Seal]
Standing Audit Committee Member:	Nobuyuki Koga [Seal]
Standing Audit Committee Member:	Masashi Shimizu [Seal]

Note: Audit Committee Members Katsuya Natori, Michijiro Kikawa and Atsushi Iwasaki are Outside Directors as provided for in Article 2, item 15 and Article 400, paragraph 3 of the Companies Act.

Reference (Divestiture of Imaging Business)

On June 24, 2020, the Company and Japan Industrial Partners, Inc. ("JIP") signed a memorandum of understanding to carveout the Company's Imaging business to a new company ("NewCo") and subsequently transfer its shares to JIP (the "Transaction").

1. Background and Purpose of the Transaction

The Company's Imaging business began with the manufacture and sale of a camera using the photographic lens Zuiko in 1936. Through innovative technology and unique product development capabilities, the Company has developed and launched various products, aiming to contribute to making people's lives more fulfilling. Those products include: Olympus Pen, the innovative half-sized camera; Zuiko Pearlcorder, the world's first micro-cassette tape recorder; and Olympus OM-D series, the mirrorless interchangeable lens camera.

The Company has implemented measures to cope with the extremely severe digital camera market, due to, amongst others, rapid market shrink caused by the evolution of smartphones and tablet computers; the Company has improved the cost structure by restructuring the manufacturing bases and focusing on highly profitable interchangeable lenses, aiming to rectify the earning structure to those that may continue generating profit even as sales dwindles. Despite all such efforts, the Company's Imaging business recorded operating losses for 3 consecutive fiscal years up to the fiscal year under review.

Under such circumstances, the Company considers that, by carving-out the Imaging business and by operating the business with JIP, the Imaging business's corporate structure may become more compact, efficient and agile and it is the most appropriate way to realize its self-sustainable and continuous growth and to bring values to the users of our products as well as our employees working in the Imaging business. The Company therefore has decided to sign the memorandum of understanding for the Transaction.

JIP makes investments when companies that work on the selection and concentration of businesses cut out business departments and subsidiaries and create new companies (carve-out), and has strong track records in supporting strategic carve-outs that draw out growth potential held by those businesses and encourage their autonomous growth. By adding support from JIP, the NewCo, as the successor of reputable brands such as "OM-D," "Pen," and "Zuiko," will utilize the innovative technology and unique product development capabilities which have been developed within the Company, and will realize continuous growth of the business by bringing better products and services to the users and customers and by making itself a productive and rewarding work place for its officers engaged in the business.

2. Imaging Business after the Transaction

NewCo will succeed and maintain the research and development functions and manufacturing functions globally as reformed under the contemplated structuring reforms to continue to offer high-quality, highly reliable products; and also continue to provide supports to the imaging solution products that have been distributed by the Company.

Going forward, the parties are aiming to sign a legally-binding definitive agreement for the Transaction by September 30, 2020 after careful examination and consultation between the Company and JIP. The specifics of the Transaction shall be decided at the conclusion of the definitive agreement.

For a sustainable society and company development

In line with our Corporate Philosophy, Olympus strives to uphold and expand our responsibility to a wide array of stakeholders, enabled by active engagement in ESG issues

Amid drastic changes in global and social environments, Olympus needs to undertake its business activities from an ESG perspective in order for us to grow sustainably. We are making strides in identifying material issues (materiality) and have formulated six ESG areas of high importance to the Company. Going forward, we will make stronger efforts in particular for four actions within these six ESG areas ((1) Healthcare access and outcomes, (2) Compliance, product quality and safety, (3) Responsible procurement and (4) Employee diversity and inclusion).
Since our founding, Olympus has provided value to society through products and services in medical, scientific, and imaging fields, among others. As we forge ahead, we will look to fulfill our responsibility to society and stakeholders by carrying out these four actions, and at the same time, seek to improve our economic value and realize sustainable growth.

We will actively engage on six ESG areas:



Olympus will focus on improving:

- Healthcare access and outcomes
- Compliance, product quality and safety
- Responsible procurement
- Employee diversity and inclusion

Reference (FAQ)

We shall answer shareholders' questions.

Q1 How does the spread of COVID-19 impact the Group?
A As a result of the spread of COVID-19, there has been a rapid slowdown of the economic environment in Japan and overseas, and there have been partial restrictions and delays in the business activities of the Olympus Group.
The forecast of consolidated financial results for the 153rd term continues to not have been determined at the current point in time due to the difficulties of making a reasonable calculation because of uncertainties regarding when the COVID-19 crisis will be contained, the responses of each country and region, and the impact those factors will have on market trends and economic trends. The forecast of consolidated financial results will be announced promptly once it becomes possible to make a reasonable calculation.
The Olympus Group will set up a global task force to ensure business continuity and conduct business operations in accordance with policies to prevent the spread of COVID-19 issued by each government, giving priority to the preservation of health and safety of our employees, healthcare providers, patients, and the community. Furthermore, we will put in the maximum amount of effort to be able to continue the provision of products, services, etc. to stakeholders such as healthcare professionals.

Q2 Please tell us about the performance for the fiscal year under review.
A Despite the impact of COVID-19 in the fourth quarter, and the slowing of sales growth in March, which is when COVID-19 was spreading globally in particular, revenue and profit increased year on year. Furthermore, consolidated revenue increased 4% year on year in real terms, excluding currency exchange. The medical field, which is a mainstay business of the Company, achieved record high sales for three consecutive fiscal years, and operating profit increased significantly. Initiatives such as reducing selling, general and administrative expenses were successful.

Q3 What are the reasons for changing the record dates for voting rights and dividend payment?
A The Company has decided to postpone the convocation of the 152nd General Meeting of Shareholders (the "Meeting"), which was scheduled to be held in late June 2020, after considering the following: (i) it remains unpredictable when and how the current situation severely affected by the COVID-19 outbreak will become normalized; (ii) safe and healthy environment should be secured for its employees and outside professionals to steadily engage in accounting and auditing procedures; (iii) it gives the top priority on ensuring the safety of shareholders and other stakeholders; and (iv) the shareholders may be in a better position to deliberately consider and discuss each agenda if the financial results are reported to the shareholders in the Meeting.
As such, the Company has decided to establish May 31, 2020 as the record dates for voting rights in the Meeting and year-end dividend payment.

Q4 What are the reasons for making partial amendments to the Articles of Incorporation?
A The Company had resolved year-end dividends at general meetings of shareholders in the past. Due to the unprecedented situation resulting from the worldwide COVID-19 pandemic, we had to change the record dates for voting rights and dividend payment, and caused a great deal of inconvenience to our shareholders, especially those who sold the shares of the Company from the vesting date in March onward. Given this event, the Company decided to make partial amendments to the Articles of Incorporation so that dividends from surplus shall be made possible by a resolution of the Board of Directors in order to make flexible dividends from surplus possible.

Q5 How does the Company determine officer compensation?
A At the Company as a company with Nominating Committee, etc., the Compensation Committee the majority members of which are occupied by independent Outside Directors discusses/determines policy to determine compensations, etc., of the Company's Directors and Executive Officers on an individual basis, details of compensation, etc. and compensation rules.
* Please see pages 45 to 48.

Q6 What are the initiatives for transforming working styles?
A With Work-Life Integration as a keyword, the Company is working to introduce a flexible system related to working styles and expand the number of users so that employees can choose a working style themselves.
(Specific initiatives)
(i) The Company participated in "Smooth Biz," promoted by the Tokyo Metropolitan Government, which includes the initiatives of "Flex-biz," "Telework" and "Transportation Demand Management (TDM)," and

was awarded the “Promotion award.” The Company’s promotion of flexible working styles that utilized flex time work provisions and a system for working from home, and the verification experiment cooperating with the logistics department were evaluated.
(ii) The Company expanded the system for working from home, which, until the previous fiscal year, was limited to those raising children or providing nursing care, to all full-time employees regardless of qualifications or reason. The Company aims to realize a diverse workplace, increase productivity and increase employees’ motivation by supporting both work and home life.
From the end of March 2020, the Company implemented working from home as a general rule, focusing on the Tokyo area, with the aim of preventing COVID-19. Using this knowledge, the Company plans to further promote working styles that utilize the merits of working from home.

Q7 How does the Company engage in ESG?
A Under the corporate philosophy, the Company is strengthening ESG initiatives toward “Making people’s lives healthier, safer and more fulfilling.” ESG is included as one of the key elements in the management strategy announced in November 2019. Among the six ESG areas identified, the Company currently focuses on four actions in particular: (i) healthcare access and outcomes, (ii) compliance, product quality and safety, (iii) responsible procurement, and (iv) employee diversity and inclusion. The Company will actively disclose information on these actions through its integrated report and other materials so that our shareholders, investors and rating agencies can correctly understand its active engagement in ESG issues.

Q8 What are the features of the new product EVIS X1?
A EVIS X1 was launched in a portion of regions in Europe and Asia on April 23, 2020. It is the Company’s largest strategic product, a new model for the first time in 8 years or so since the launch of the two former systems: EVIS LUCERA ELITE and EVIS EXERA III, and the Company anticipates that it will contribute significantly as a driver of performance for the entire company going forward.
As for the product’s characteristics, in addition to including a variety of new technologies aiming to increase the quality of diagnosis and treatment and the efficiency of testing from screening using endoscopes, it is a model that integrates the systems of both EVIS LUCERA ELITE and EVIS EXERA III, which had been separate until now. Because of this, it supports the expansion of diagnostic and treatment possibilities of endoscopes by using this scope with a broad lineup that has the advantages of not only a new system, but the two former systems as well.
The Company is currently developing next generation technologies that incorporate AI as initiatives to respond to further innovation. The Company aims to support endoscopy worldwide and increase the quality of endoscopic diagnosis and treatment by realizing next generation technologies such as EVIS X1.
The Company will proceed to introduce this product in other regions in order starting from markets that receive approval from regulatory agencies.