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Securities Code: 7733

June 2, 2021

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 Fiscal Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

OLYMPUS CORPORATION will be holding the General Meeting of Shareholders for FY2021. The meeting will be held as described below.
You may attend this General Meeting of Shareholders on the internet (hereinafter called "Virtual Attendance") without coming to the venue, and ask questions and exercise your voting rights in this way. (For further information, please refer to the "Guidance for Virtual Attendance" on pages 5 to 7).
From the perspective of preventing the spread of the novel coronavirus disease (COVID-19), please exercise your voting rights in advance either in writing or via the internet, or consider attending the meeting via Virtual Attendance, and refrain from attending the meeting in person regardless of your health condition.
In addition, if you choose not to attend the meeting in person, please refer to the "Instructions for Exercising Voting Rights in Advance" on pages 3 to 4 and review the "Reference Documents for the General Meeting of Shareholders" described later and exercise your voting rights by 5:30 p.m., June 23, 2021 (Wednesday).

1. Date/Time: June 24, 2021 (Thursday) 10:00 a.m.
(Reception desk is scheduled to open at 9:00 a.m.)
* The previous General Meeting of Shareholders was held in July due to impact of the COVID-19 pandemic. However, as it is possible to hold this General Meeting of Shareholders in June, the date of the meeting does not correspond with the date of the previous General Meeting of Shareholders, which is July 30, 2020.

2. Location: 6-6-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Kiku Ballroom, 4th Floor, Hilton Tokyo
* To reduce the risk of 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 FY2021 (from April 1, 2020 to March 31, 2021)
2. The Non-Consolidated Financial Statements for FY2021 (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

Agenda: Election of Eleven Directors

4. Internet Disclosure: Pursuant to the relevant laws and regulations and Article 13 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 in Advance

You may exercise your voting rights in advance of 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: June 23, 2021 (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: June 23, 2021 (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: June 23, 2021 (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., June 23, 2021 (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.

Guidance for Virtual Attendance

For this General Meeting of Shareholders, you may attend via "Virtual Attendance" without coming to the venue by viewing the live stream on the website designated by the Company, as well as ask questions and exercise your voting rights in this way. Virtual Attendance is recognized as attending the General Meeting of Shareholders by the Companies Act in the same way as attending the meeting by coming to the venue. However, due to complexities of the system, etc., please understand there are certain matters, such as making and voting for a motion, that you will not be able to perform in the same way as shareholders who attend the meeting.

For shareholders who plan to attend by Virtual Attendance, please make sure to read and understand the following instructions before attending.

Date/time for live stream: June 24, 2021 (Thursday) 10:00 a.m.

Website: https://www.7733.ksoukai.jp
*Please access the website beforehand and make sure that the testing webpage, designed for such purpose, can be viewed and heard without any trouble.

System requirements for Virtual Attendance

In order for our shareholders to use Virtual Attendance, you must prepare a communication environment, etc. Please understand it is possible that you will not be able to attend through Virtual Attendance or exercise your voting rights through Virtual Attendance due to problems in the internet environment or reasons concerning the telecommunications environment on the PC/smartphone you use.

Please also understand any telecommunications devices and fees for telecommunication required for Virtual Attendance shall be prepared by the shareholder.

OS	Windows 8.1/10, latest macOS	
Browser	Windows	Microsoft Edge, Internet Explorer 11, Mozilla Firefox, Google Chrome
	macOS	Safari
Smartphone	iOS10 or higher (Safari), Android 6 or higher (Chrome)	
Connection speed	5Mbps recommended	
Operating environment	PC	https://jp.vcube.com/support/seminar/requirements/#streaming03
	Smartphone	https://jp.vcube.com/support/seminar/requirements/#streaming04

1. How to attend the meeting

At the day of the General Meeting of Shareholders, please have the "Notice on How to Attend the Virtual General Meeting of Shareholders" enclosed with this notice at hand and log in to the Virtual General Meeting of Shareholders system by the following steps.

(1) Access the website designated by the Company, as printed in the previous page, and input the ID and password printed in "Notice on How to Attend the Virtual General Meeting of Shareholders" to log in.
(2) Press "Apply for attendance"
(3) Press the "Attend" button.

(You will access to the live stream from here.)

2. How to ask questions on the day of the meeting

Shareholders who attend through Virtual Attendance may ask questions from the start of this General Meeting of Shareholders until five minutes after the start of Q&A session by the following steps.

(1) Click the "Ask questions" tab on the live stream page.
(2) Input your question and press the "Next" button.
(3) After confirming the contents, press the "Submit" button.

- You may ask questions on matters related to the Meeting Agenda of this General Meeting of Shareholders.
- **Each shareholder may ask a question (up to 300 characters).**
- Due to time limit of the Q&A session, please understand it is possible not all questions will be answered.
- Inappropriate submissions such as consecutive submissions of the same question and personal attacks may be judged as a hindrance to the secure operation of the Virtual General Meeting of Shareholders system. Please understand that in such cases, under instruction or command of the Chairman and by judgement of the operation office which manages the Virtual General Meeting of Shareholders system, the Company may force a disconnection with the shareholder who made such submission(s).

3. Motions

Due to difficulties to take motions from shareholders attending through Virtual Attendance because of complexities of the system, etc., no motions shall be taken via Virtual Attendance, including those concerning procedures of the meeting and those concerning the proposals. Please understand when taking votes for motions, shareholders who attend through Virtual Attendance will be recognized as abstaining the votes or absent from voting.

4. Exercising voting rights at the meeting

Shareholders who attend through Virtual Attendance may exercise their voting rights from the start of this General Meeting of Shareholders until the time of voting for Matters to be resolved by the following steps.

(1) Click the "exercise voting rights" tab on the live stream page.
(2) Choose "support," "oppose," or "abstain" on each of the Matters to be resolved. After pressing buttons for all the Matters to be resolved, press the "exercise" button below.
*The "exercise" button can only be pressed once.

5. Validity of exercise of voting rights in advance

- If you exercise your voting rights in advance in writing or via the internet and attend the meeting through Virtual Attendance, at the time where exercise of voting rights at the meeting is confirmed, the exercise of voting rights in advance will be deemed invalid.
- If you exercise your voting rights in advance and attend the meeting through Virtual Attendance and no exercising of voting rights is confirmed at the meeting, the exercise of voting rights in advance will be deemed valid.

6. Notes

- Virtual Attendance is available in **Japanese only**.
- **Attendance via Virtual Attendance is limited to shareholders.** (For shareholders who wish to attend by proxy, please delegate your voting rights to a shareholder who will attend the meeting by coming to the venue as stipulated by laws and regulations and Articles of Incorporation, etc.)
- Although the Company has taken reasonable measures against telecommunication failures for the Virtual General Meeting of Shareholders, it is possible that due to impact of the telecommunications environment there may be errors in the image or in sounds of the live stream, or temporary disruptions, etc. Please understand in such cases of telecommunications failures, shareholders may not be able to attend through Virtual Attendance or exercise their voting rights through Virtual Attendance. The Company bears no responsibility for any detriments caused by such telecommunications failures, etc.
- Sharing of the ID and password for Virtual Attendance to third parties, recording and video-recording this General Meeting of Shareholders and publishing thereof, etc. are prohibited.
- Shareholders attending through Virtual Attendance are firmly prohibited from disclosing/providing private information or other matters concerning privacy of other shareholders, gathered through sounds and video, etc., to third parties.
- It is possible a partial change or cancellation of the contents of the Virtual General Meeting of Shareholders may be announced when the Company judges it necessary.
- If there are any changes to the operation of the Virtual General Meeting of Shareholders, such as emergency announcements on system failures, etc. and measures to cope with changes in circumstances, such notices will be provided on the Company's website (https://www.olympus.co.jp/ir/stock/meeting.html).

7. Inquiries for the Virtual General Meeting of Shareholders

You can make inquiries concerning the Virtual General Meeting of Shareholders by making phone calls to the support lines below. Please have the "Notice on How to Attend the Virtual General Meeting of Shareholders" at hand when you make the phone call.
However, please understand questions concerning the following matters shall not be answered: ID and password for Virtual Attendance, how to connect to internet, functions of the PC and smartphone you use, or troubles deemed to be caused by the shareholder's operating environments on the day of the meeting.

General inquiries for the Virtual General Meeting of Shareholders
Sumitomo Mitsui Trust Bank, Virtual General Meeting of Shareholders Support Dedicated Line
Phone number: 0120-782-041
Business hours: 9:00 a.m. to 5:00 p.m. (except Saturdays, Sundays and national holidays)

Inquiries for technical issues regarding the system
V-cube, Inc.
Phone number: +81-3-4564-4453
Business hours: June 23, 2021 (Wednesday), 9:00 a.m. to 9:00 p.m.
June 24, 2021 (Thursday), 9:00 a.m. to the conclusion of this General Meeting of Shareholders

Reference Documents for General Meeting of Shareholders

Propositions and information:

Agenda: Election of Eleven Directors

Upon the conclusion of this General Meeting of Shareholders, the terms of office of all Directors (twelve) will expire. The Company, therefore, proposes to reduce the number of Directors by one and elect eleven 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:

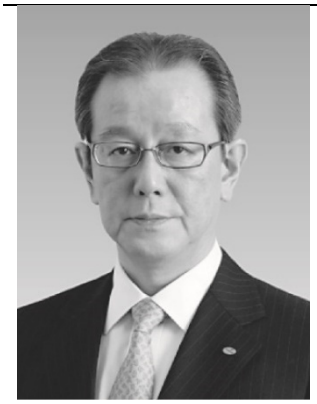
No.	Name		Present position and responsibility in the Company		Attendance at meetings of the Board of Directors
1	Yasuo Takeuchi	Reelection	Director, Representative Executive Officer, President and Chief Executive Officer (CEO)	Nominating Committee	18 of 18 (100%)
2	Sumitaka Fujita	Reelection Independent Outside	Outside Director	Nominating Committee	18 of 18 (100%)
3	Susumu Kaminaga	Reelection Independent Outside	Outside Director	Compensation Committee	18 of 18 (100%)
4	Tetsuo Iwamura	Reelection Independent Outside	Outside Director	Nominating Committee Compensation Committee	18 of 18 (100%)
5	Yasumasa Masuda	Reelection Independent Outside	Outside Director	Nominating Committee Compensation Committee	18 of 18 (100%)
6	Atsushi Iwasaki	Reelection Independent Outside	Outside Director	Audit Committee	18 of 18 (100%)
7	David Robert Hale	Reelection Independent Outside	Outside Director	Nominating Committee	18 of 18 (100%)
8	Jimmy C. Beasley	Reelection Independent Outside	Outside Director	Compensation Committee	18 of 18 (100%)
9	Sachiko Ichikawa	New election Independent Outside	-		-
10	Stefan Kaufmann	Reelection	Director, Executive Officer and Chief Administrative Officer (CAO)		18 of 18 (100%)
11	Nobuyuki Koga	Reelection	Director	Audit Committee	18 of 18 (100%)

Attendance at meetings of the Committees	To be a member on			Area the Company expects the candidates for director to display their capabilities in*						
	Nominating	Compensation	Audit	Corporate Management	Overseas Business/ Diversity	Healthcare Industry	Manufacturing/ Development/ Research	Legal/Risk Management	Finance /Accounting	ESG
Nominating Committee: 12 of 12 (100%)	●			●	●	●			●	
Nominating Committee: 12 of 12 (100%)	★			●	●				●	●
Compensation Committee: 11 of 11 (100%)		★		●	●		●			
Nominating Committee: 12 of 12 (100%) Compensation Committee: 11 of 11 (100%)	●	●		●	●		●			
Nominating Committee: 12 of 12 (100%) Compensation Committee: 11 of 11 (100%)			★	●	●	●			●	
Audit Committee: 24 of 26 (92%)			●						●	
Nominating Committee: 12 of 12 (100%)	●			●	●	●			●	
Compensation Committee: 11 of 11 (100%)		●		●	●	●				
-			●		●			●	●	●
-					●	●				
Audit Committee: 26 of 26 (100%)			●			●	●			

★: Committee Chairman

* The above table does not indicate all the expertise/experiences the candidates have.

1. Yasuo Takeuchi (February 25, 1957) Reelection



Number of shares of the Company held:
67,066 shares
Years served as Director:
9 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:
12 of 12 (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

Mr. Yasuo Takeuchi has experience in the Accounting and Planning Divisions of the Company. He also has extensive experience overseas, and held several executive positions at subsidiaries in Europe, including the U.K. and the U.S. Since Mr. Takeuchi assumed the post of Director of the Company in April 2012, he led initiatives for stable finance as the head of the Group Corporate Management Office supervising the Corporate Management Division and Finance/Accounting Division. In addition, he assumed the post of President and Representative Director, CEO in April 2019 and President and Representative Executive Officer, CEO in June of the same year. As Chief Executive Officer, he is leading “Transform Olympus,” which is the company transformation plan and new management strategies based on this plan. During the fiscal year under review, we reviewed our business portfolio and pushed ahead with cost structure reforms. At the same time, he steadily built a foundation for increasing corporate value by developing products that will drive future growth and engaging in M&A. In addition, as a member of the Nominating Committee, he facilitated decisions regarding the contents of the agenda for election of Directors. Taking these points into account, he will continue to lead the steady implementation of the new management plan as our Chief Executive Officer while fulfilling his responsibility as the Representative Executive Officer and continuing 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:
9,662 shares
Years served as Outside Director:
9 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:
12 of 12 (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. (retiring on June 24, 2021)
	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. (retiring on June 24, 2021)
Chairman, Japan Association for CFOs

Reason for election and outline of expected roles

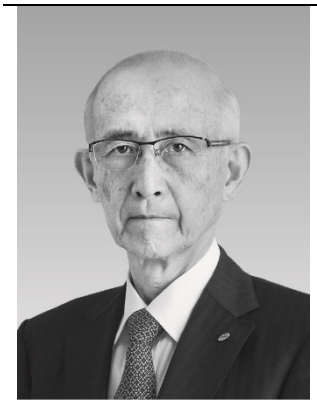
Mr. Sumitaka Fujita has extensive experience and diverse knowledge as a business manager at ITOCHU Corporation. He also possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of the Company through his experience as an Outside Director and Outside Auditor at other companies and his experience as the Chairman of the Japan Association for Chief Finance Officers. Since Mr. Fujita assumed the post of Outside Director of the Company in April 2012, he has been giving guidance/advice regarding the business management of the Company. In addition, he contributed to the development of a transparent director compensation system as Chairman of the Compensation Committee, which was established voluntarily. Since June 2018, he has been leading the Board of Directors as Chairman of the Board. Furthermore, after the transition to a Company with a Nominating Committee, a Compensation Committee and an Audit Committee in June 2019, he supervised business execution of the Company at the Board of Directors, and as Chairman of the Nominating Committee, he facilitated decisions regarding the contents of the agenda for election of Directors. The Company expects that Outside Directors will supervise management from the perspective of achieving sustainable growth of the Company and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, the Company has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to the Board of Directors, he is expected to lead the management oversight function as Chairman of the Board of Directors and, as Chairman of the Nominating Committee, the selection of our executive candidates.

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: 2,335 shares
Years served as Outside Director: 5 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 (retiring on June 4, 2021)
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 (retiring on June 4, 2021)
Member of the Board, Toray Industries, Inc.

Reason for election and outline of expected roles

Mr. Susumu Kaminaga has extensive experience and diverse knowledge as a business manager at Sumitomo Precision Products, Co., Ltd. in addition to his long experience in global business development in advanced technology fields. In addition, through his experience as an Outside Director at other companies, he possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of the Company. Since Mr. Kaminaga assumed the post of Outside Director in June 2016, he has been giving guidance/advice regarding the business management of the Company at meetings of the Board of Directors, and to the advisory Compliance Committee. In addition, he has been serving as a member of the Compensation Committee since June 2017. After the transition to a Company with a Nominating Committee, a Compensation Committee and an Audit Committee in June 2019, he supervised business execution of the Company at the Board of Directors, and as Chairman of the Compensation Committee since February 2020, he has been taking charge of its operation. The Company expects that Outside Directors will supervise management from the perspective of achieving sustainable growth of the Company and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, the Company has been determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to the Board of Directors, as Chairman of the Compensation Committee, he is expected to lead the Compensation Committee in providing appropriate incentives to management for sustainable growth of the Company.

Special interest between the candidate and the Company

There is no special interest.

4. Tetsuo Iwamura (May 30, 1951)

Reelection
Independent Outside Director



Number of shares of the Company held:
3,446 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 Nominating Committee during current fiscal year:
12 of 12 (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 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 and outline of expected roles

Mr. Tetsuo Iwamura has extensive experience and diverse knowledge as a business manager at Honda Motor Co., Ltd. In addition, through his long experience in global expansion in the sales marketing, manufacturing and development field at Honda Motor Co., Ltd., he has a high level of insight, expertise, and capabilities that are expected of an Outside Director of the Company. Since Mr. Iwamura assumed the post of Outside Director of the Company in June 2017, he has been giving guidance/advice regarding the business management at meetings of the Board of Directors as well as the Nominating Committee and advisory Compliance Committee. After the transition to a Company with a Nominating Committee, a Compensation Committee and an Audit Committee in June 2019, he supervised business execution of the Company at the Board of Directors, and as a member of the Nominating Committee, he facilitated decisions regarding the contents of the agenda for election of Directors. In addition, since July 2020, he has facilitated decisions regarding executive compensation as a member of the Compensation Committee. The Company expects that Outside Directors will supervise management from the perspective of achieving sustainable growth of the Company and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, the Company has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again.

In addition, if he is elected to the Board of Directors, he is expected to be involved from an objective and neutral position as a member of the Nominating and Compensation Committees.

Special interest between the candidate and the Company

There is no special interest.

5. Yasumasa Masuda (February 27, 1957)

Reelection
Independent Outside Director



Number of shares of the Company held:
2,193 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:
12 of 12 (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 and outline of expected roles

Mr. Yasumasa Masuda has extensive experience and diverse knowledge as a business manager in the healthcare industry at Astellas Pharma Inc. In addition, through his experience as an independent non-executive officer at the Deloitte Tohmatsu Group, he possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of the Company. Since Mr. Masuda assumed the post of Outside Director of the Company in June 2018, he has been giving guidance/advice regarding the business management of the Company at meetings of the Board of Directors and the Nominating Committee. After the transition to a Company with a Nominating Committee, a Compensation Committee and an Audit Committee in June 2019, he supervised business execution of the Company at the Board of Directors, and as a member of the Nominating and Compensation Committees, he facilitated decisions regarding the contents of the agenda for election of Directors and regarding executive compensation. The Company expects that Outside Directors will supervise management from the perspective of achieving sustainable growth of the Company and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, the Company has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to serve on the Board of Directors, he is expected to lead the audit of the execution of duties by our Executive Officers and Directors as Chairman of the Audit Committee.

Special interest between the candidate and the Company

There is no special interest.

6. Atsushi Iwasaki (January 9, 1959)

Reelection
Independent Outside Director



Number of shares of the Company held: 9,338 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 Audit Committee during current fiscal year: 24 of 26 (92%)

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 and outline of expected roles

Mr. Atsushi Iwasaki has extensive experience and diverse knowledge as a certified public accountant. In addition, through his experience as an Outside Director and Outside Audit & Supervisory Board Member at other companies, he possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of the Company. Since Mr. Iwasaki assumed 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 a Nominating Committee, a Compensation Committee and an Audit Committee in June 2019, he supervised business execution of the Company at the Board of Directors, and as a member of the Audit Committee, he has participated in the audit of the execution of duties by our Executive Officers and Directors. The Company expects that Outside Directors will supervise management from the perspective of achieving sustainable growth of the Company and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, the Company has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to serve on our Board of Directors, he is expected to be involved from an objective and neutral position as a member of the Audit Committee. Although he has not been involved in corporate management in the past (except for being an Outside Director and an Audit & Supervisory Board Member), it is judged that he can perform his duties as an Outside Director appropriately for the above-mentioned reasons.

Special interest between the candidate and the Company

There is no special interest.

7. David Robert Hale (December 21, 1984)

Reelection
Independent Outside Director



Number of shares of the Company held:
0 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:
12 of 12 (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)
June 2021	Director, JSR Corporation (assuming the office on June 17, 2021)

Important concurrent positions

Partner, ValueAct Capital Management L.P.
Director, Bausch Health Companies Inc.
Director, JSR Corporation (assuming the office on June 17, 2021)

Reason for election and outline of expected roles

Mr. David Robert Hale is a Partner of Value Act 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 experience in diverse industries, and he possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of the Company. Since Mr. Hale assumed the post of Outside Director of the Company in June 2019, he has been giving guidance/advice regarding the business management of the Company at meetings of the Board of Directors. In addition, as a member of the Nominating Committee, he facilitated decisions regarding the contents of the agenda for election of Directors. The Company expects that Outside Directors will supervise management from the perspective of achieving sustainable growth of the Company and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, the Company has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to serve on the Board of Directors, he is expected to be involved from an objective and neutral position as a member of the Nominating Committee. Since he is a Partner of VAC, one of the Company's shareholders, it is expected that he can contribute to enhancing corporate value by reflecting shareholder opinions in management.

Special interest between the candidate and the Company

There is no special interest.

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

Reelection
Independent Outside Director



Number of shares of the Company held:
0 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 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. (hereinafter called "VAC") *The executive advisor role is a consulting role to VAC; it is not an employee position. This consulting agreement finished at the end of March 2019.
June 2019:	Director, the Company (present)

Important concurrent positions

Mr. Beasley does not hold any important concurrent positions.

Reason for election and outline of expected roles

Through his 30 years of global business experience and extensive management experience in the C. R. Bard Group, one of the world's leading companies in the healthcare industry, Mr. Jimmy C. Beasley possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of the Company. Since Mr. Beasley assumed the post of Outside Director of the Company in June 2019, he has been giving guidance/advice regarding the business management at meetings of the Board of Directors. In addition, he has participated in decisions on executive compensation as a member of the Compensation Committee. The Company expects that Outside Directors will supervise management from the perspective of achieving sustainable growth of the Company and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, the Company has determined that he is an indispensable person for the composition of the Board of Directors and nominated him as a candidate for Outside Director again. In addition, if he is elected to serve on the Board of Directors, he is expected to be involved from an objective and neutral position as a member of the Compensation Committee.

Special interest between the candidate and the Company

There is no special interest.

9. Sachiko Ichikawa (January 17, 1967)

New election
Independent Outside Director



Number of shares of the Company held:
0 shares
Years served as Outside Director:
- year
Attendance at meetings of the Board of Directors during current fiscal year:
- (-%)

Profile, and position and responsibility in the Company

April 1997:	Registered as attorney Joined Tanabe & Partners
January 2005	Registered as attorney of the State of New York
November 2009:	Statutory Auditor, The Board Director Training Institute of Japan
January 2011:	Partner, Tanabe & Partners (present)
June 2015:	Director, ANRITSU CORPORATION Director, The Board Director Training Institute of Japan
April 2018:	Registered as certified public accountant of the U.S.A.
May 2018:	Corporate Auditor, Ryohin Keikaku Co., Ltd. (present)
June 2020:	Statutory Auditor, The Board Director Training Institute of Japan (present)

Important concurrent positions

Partner, Tanabe & Partners
Corporate Auditor, Ryohin Keikaku Co., Ltd.
Statutory Auditor, The Board Director Training Institute of Japan

Reason for election and outline of expected roles

Ms. Sachiko Ichikawa has extensive experience, broad knowledge and a global perspective as an attorney (in Japan and New York, U.S.A.) and a certified public accountant in the U.S. In addition, through her experience as an Outside Director and Outside Audit & Supervisory Board Member at other companies and as a Director of The Board Director Training Institute of Japan, she possesses a high level of insight, expertise, and capabilities that are expected of an Outside Director of the Company. The Company expects that Outside Directors will supervise management from the perspective of achieving sustainable growth of the Company and enhancing corporate value over the medium to long term as entrusted by shareholders, and will provide advice based on their own knowledge. Based on this, the Company has determined that she is an indispensable person for the composition of the Board of Directors and newly nominated her as a candidate for Outside Director. In addition, if she is elected to serve on the Board of Directors, she is expected to be involved from an objective and neutral position as a member of the Audit Committee. She has not been involved in company management in any way other than as an Outside Director and Audit & Supervisory Board Member in the past, but for the reasons stated above, it is determined that she will properly perform her duties as an Outside Director.

Special interest between the candidate and the Company

There is no special interest.

10. Stefan Kaufmann (January 24, 1968) Reelection



Number of shares of the Company held:
1,002 shares
Years served as Director:
2 years
Attendance at meetings of the Board of Directors during current fiscal year:
18 of 18 (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 global and multilateral business experience at overseas subsidiaries of the Company and at companies in Europe leading the Administration and Human Resources Divisions and an efficiency enhancement project, and he has experience and knowledge in the Corporate Division. Mr. Kaufmann assumed the post of CAO in April 2019 and the 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 reinforcing the management structure for the Company to become a truly global med-tech company while making use of his experience and knowledge accumulated so far.

Special interest between the candidate and the Company

There is no special interest.

11. Nobuyuki Koga (September 14, 1955) Reelection



Number of shares of the Company held:
53,176 shares
Years served as Director:
2 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:
26 of 26 (100%)

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 a wealth of knowledge about business and operations through his long experience in the Manufacturing and Human Resources Divisions, and held the post of Representative Director of the Company's subsidiaries. Since Mr. Koga assumed 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 a Nominating Committee, a Compensation Committee and an Audit Committee in June 2019, he supervised business execution of the Company at the Board of Directors, and as a full-time member of the Audit Committee, he has participated in the audit of the execution of duties by our Executive Officers and 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 experience 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 March 31, 2021. It also includes the number of shares each candidate holds through the Officers' Shareholding Association of the Company.

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

3. Messrs. Sumitaka Fujita, Susumu Kaminaga, Tetsuo Iwamura, Yasumasa Masuda, Atsushi Iwasaki, David Robert Hale, Jimmy C. Beasley and Ms. Sachiko Ichikawa are candidates for Outside Director.

4. The Company has notified Tokyo Stock Exchange, Inc. of Messrs. Sumitaka Fujita, Susumu Kaminaga, Tetsuo Iwamura, Yasumasa Masuda, 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. In addition, the Company plans to notify Tokyo Stock Exchange, Inc. of Mr. David Robert Hale and Ms. Sachiko Ichikawa as independent directors as stipulated by the regulations of Tokyo Stock Exchange Inc.

5. Mr. David Robert Hale 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 42,787,084 shares as of March 31, 2021. Previously, ValueAct Capital Management L.P. held more than 5% of the total number of voting rights of the Company and the Company deemed Mr. David Robert Hale not an independent director considering the Company's criteria for independence of Outside Directors. However, as of March 31, 2021, the voting rights of the Company held by ValueAct Capital Management L.P. consist of less than 5% of the total number of voting rights of the Company, and therefore the Company plans to notify the Tokyo Stock Exchange Inc. of his position as independent director.

6. 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 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.
7. 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, Tetsuo Iwamura, Yasumasa Masuda, 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. In addition, if Ms. Sachiko Ichikawa is elected, the Company plans to enter into the limitation of liability agreement with her.
8. Directors and Officers Liability Insurance Agreement to insure the candidates for Director
   The Company has entered into a directors and officers liability insurance agreement with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. For an overview of content of the insurance agreement, please refer to page 39 of the Business Report. If the candidates for Director are elected, they will be insured under the insurance agreement. Additionally, the Company plans to renew the insurance agreement with the same contents in July 2021.

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.

Attached Documents

Business Report

(April 1, 2020 to March 31, 2021)

I Review of Group Operations

1. Review of Operations

(Review of Operations)

Analysis of the overall operations

The global economy faced challenging conditions in the fiscal year under review due to the impact of the global spread of the novel coronavirus disease (COVID-19). While economic activities are gradually reopening and vaccinations are gradually progressing, the global economy continued to face highly uncertain conditions including a second (or more) wave of infection in some regions. The Japanese economy faced challenging conditions, as was the case for the global economy, due to the impact of COVID-19, despite showing signs of recovery in exports and a diminished effect of COVID-19 on corporate earnings.

Under such economic circumstances, the Olympus Group carried out activities toward sustainable growth under its business transformation plan "Transform Olympus" announced in 2019, aiming to develop itself as a truly global medtech company, and a medium- and long-term management strategy based on "Transform Olympus." Under "Transform Olympus," the Company has set "selection of and concentration on the corporate portfolio" as one of the core components for business growth and enhanced profitability in this corporate strategy. As a measure to implement this strategy, in September 2020, the Company concluded a final agreement with Japan Industrial Partners, Inc. (JIP) concerning the divestiture of the Company's Imaging Business to OJ Holdings, Ltd., a company established by JIP. Based on this agreement, in January 2021, the Company completed the divestiture in question (Due to this, the Imaging Business is presented as a discontinued operation from the fiscal year under review). Furthermore, in February 2021, to realize the corporate strategy amid a challenging external environment, the Company solicited voluntary retirement through a career support for external opportunity to (i) promote an external career opportunity for employees wishing to leverage their skills to use outside Olympus Group, (ii) recruit and promote people who can be active moving forward to the right positions, and (iii) achieve the profitability befitting a global medtech company.

Business results

Business results of continuing operations are presented in (1) to (5) below. (6) represents the aggregated results of continuing operations and discontinued operations.

(1) Revenue

Revenue decreased by ¥24,687 million year on year to ¥730,544 million. This decrease was due to a decrease in revenue in the Endoscopic Solutions Business, Therapeutic Solutions Business and Scientific Solutions Business, despite an increase in revenue in other businesses. Details are as described in "2. Results of the Business Activities."

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

The sum of share of profit (loss) of investments accounted for using equity method, other income, and other expenses amounted to ¥20,513 million, and the loss increased by ¥11,109 million year on year. Other income increased due to factors such as government subsidies of approximately ¥2,400 million associated with COVID-19 measures. On the other hand, other expenses increased due to factors such as expenses of approximately ¥12,000 million for special additional payment associated with implementing the career support for external opportunity, expenses of approximately ¥5,200 million for business restructuring related to the establishment and transfer of a new company due to the divestiture of the Imaging Business, which was carried out to promote "selection of and concentration on the corporate portfolio," and an increase of approximately ¥2,700 million in related expenses for the promotion of "Transform Olympus."

(3) Operating profit

Operating profit decreased by ¥10,215 million year on year to ¥81,985 million.

Note: For monetary amounts indicated in units of ¥1 million, fractions of ¥1 million are rounded off.

(4) Finance income (loss)
Finance loss, which reflects finance income and finance costs, improved ¥408 million year on year to ¥5,175 million. The main factor for this improvement of loss was a decrease in exchange losses.

(5) Income taxes
Income taxes decreased by ¥14,895 million year on year to ¥11,140 million. The decrease was mainly due to newly increased deferred tax assets, as taxable income is expected to increase in the future due to improved profitability mainly due to the divestiture of the Imaging Business.

(6) Profit (loss) attributable to owners of parent
Profit attributable to owners of parent decreased by ¥38,752 million year on year to ¥12,918 million.

(Research and development, and capital investments)
During the fiscal year under review, the Olympus Group invested ¥84,131 million on research and development, and spent ¥98,935 million on capital investments.

(Impact of COVID-19)
Due to COVID-19, postponement/cancellation of surgery was recommended by each academic society in the various fields of healthcare, the number of procedures decreased, and there were restrictions on sales promotion activities such as restrictions on visits to medical institutions or postponement/cancellation of business negotiations. Also, in the Scientific Solutions Business, there was diminished appetite for capital investment among customers, in addition to restrictions on sales promotion activities including restrictions on visits to clients and postponement/cancellation of business negotiations. We have recognized an impact on the Company's consolidated results in the fiscal year under review of approximately ¥32,400 million in revenue of continuing operations.

(Impact of foreign exchange rate)
Regarding foreign exchange, the yen appreciated against the U.S. dollar, on the other hand, it depreciated against the euro and the renminbi compared to the previous fiscal year. The average exchange rate during the period was ¥106.06 against the U.S. dollar (¥108.74 in the previous fiscal year), ¥123.70 against the euro (¥120.82 in the previous fiscal year) and ¥15.67 against the renminbi (¥15.60 in the previous fiscal year), which caused revenue and operating profit to down by ¥6,275 million and ¥6,954 million, respectively, year on year. Revenue and operating profit decreased 2.4% and 3.5% year on year, respectively, excluding the impact of the foreign exchange rate.

2. Results of the Business Activities

Endoscopic Solutions Business

Revenue ¥419,466 million (down 1.5% 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 ¥419,466 million (down 1.5% year on year), while operating profit amounted to ¥104,705 million (down 4.3% year on year).

In the Endoscopic Solutions Business, in April 2020 in Europe and Asia, and in July in Japan, we introduced the new flagship endoscope system "EVIS X1," but due to the impact of COVID-19, postponement/ cancellation of gastrointestinal endoscopy was recommended by each academic society, the number of procedures decreased, and there were restrictions on sales promotion activities such as restrictions on visits to medical institutions or postponement/cancellation of business negotiations. As a result, revenue in the Endoscopic Solutions Business declined.

Operating profit in the Endoscopic Solutions Business decreased. While profitability improved to the extent that raising cost efficiency was promoted, the decline in revenue due to the spread of COVID-19, and recording a provision for expenses of approximately ¥6,000 million associated with voluntary recall of bronchoscopes and cholangioscopes, as well as recording approximately ¥4,200 million as expenses mainly for special additional payment associated with implementing the career support for external opportunity in other expenses resulted in profits declining.

Revenue decreased 0.5% year on year, and operating profit decreased 0.3% year on year, excluding the impact of the foreign exchange rate.

Therapeutic Solutions Business

Revenue ¥206,040 million (down 4.6% 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 ¥206,040 million (down 4.6% year on year), while operating profit amounted to ¥24,633 million (down 5.9% year on year).

Due to the impact of COVID-19, postponement/cancellation of surgery was recommended by each academic society, the number of procedures decreased, and there were restrictions on sales promotion activities such as restrictions on visits to medical institutions or postponement/cancellation of business negotiations. As a result, revenue in the Therapeutic Solutions Business declined.

Operating profit in the Therapeutic Solutions Business decreased. Although depreciation decreased approximately ¥5,200 million due to amortization of intangible assets recorded when Gyrus was acquired in 2008 finished in the previous fiscal year, and raising cost efficiency was promoted, the decline in revenue, recording approximately ¥2,000 million as expense for the voluntary recall of treatment tools in cost of sales, and recording approximately ¥1,400 million as expenses mainly for special additional payment associated with implementing the career support for external opportunity in other expenses resulted in profits declining.

Revenue decreased 4.1% year on year, and operating profit was flat, excluding the impact of the foreign exchange rate.

Scientific Solutions Business

Revenue ¥95,861 million (down 8.9% 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 ¥95,861 million (down 8.9% year on year), while operating profit amounted to ¥4,949 million (down 50.5% year on year).

In China, the business environment recovered, primarily for cancer research and regenerative medicine in the life science field, and for semiconductor-related industries in the industrial field, and sales were favorable in the fourth quarter. However, overall, in addition to a reduced desire for capital investment mainly in the aviation industry, restrictions on sales promotion activities including restrictions on visits to clients or postponement/cancellation of business negotiations due to the impact of COVID-19 led to decreased revenue in the Scientific Solutions Business.

Operating profit in the Scientific Solutions Business decreased mainly due to the recording of approximately ¥1,200 million as expenses mainly for special additional payment associated with implementing the career support for external opportunity in other expenses in addition to decreased revenue and a decline in operating levels at manufacturing bases as a result of reduced production volume due to the impact of COVID-19 despite the progress in cost efficiency.

Revenue decreased 7.9% year on year, and operating profit decreased 39.6% year on year, excluding the impact of the foreign exchange rate.

Others

Revenue ¥9,177 million (up 11.6% year on year)

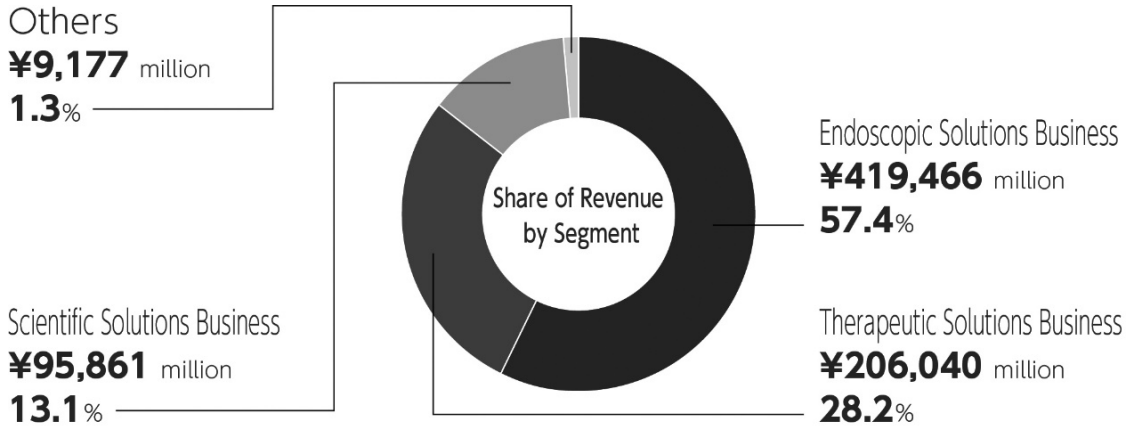
Principal products and business
Manufacture and sale of biomedical materials, R&D for new businesses, etc.

Consolidated revenue for other businesses amounted to ¥9,177 million (up 11.6% year on year) and operating loss was ¥682 million (compared with an operating loss of ¥2,864 million in the previous fiscal year).

Revenue increased with the addition of sales of ¥1,735 million from FH ORTHO SAS (France), which became a subsidiary in November 2020.

Operating profit for other businesses improved through recording a gain on the sale of ¥1,770 million as other income through the sale of all of the issued shares of OLYMPUS-RMS CORP., which had been a subsidiary of the Company, to ROHTO Pharmaceutical Co., Ltd. in March 2021.

Note: On January 1, 2021, the Company divested its Imaging Business to a wholly owned subsidiary of the Company (the "New Imaging Company") through an absorption-type split and transferred 95% of the issued shares of the New Imaging Company to OJ Holdings, Ltd., a special purpose company established by Japan Industrial Partners, Inc. Due to this, the Imaging Business is presented as a discontinued operation from the fiscal year under review.



3. Changes in Assets and Results of Operation

		IFRS			
		FY2018	FY2019	FY2020	FY2021
Revenue	(Millions of yen)	786,497	793,862	755,231	**730,544**
Operating profit	(Millions of yen)	81,029	28,281	92,200	**81,985**
Profit before tax	(Millions of yen)	76,665	20,117	86,617	**76,810**
Profit attributable to owners of parent	(Millions of yen)	57,064	8,147	51,670	**12,918**
Total assets	(Millions of yen)	978,663	932,030	1,015,663	**1,181,017**
Total equity	(Millions of yen)	444,259	442,387	371,958	**395,480**
Basic earnings per share	(Yen)	41.71	5.97	39.37	**10.05**
Equity attributable to owners of parent per share	(Yen)	324.25	323.06	288.39	**306.72**

Notes: 1. See “I Review of Group Operations 1. Review of Operations” on pages 23 to 24 for details on results for the current fiscal year.

2. 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 FY2018, “basic earnings per share” and “equity attributable to owners of parent per share” reflect the stock split.

3. The Imaging Business has been classified as a discontinued operation from the fiscal year under review. Due to this, the amounts presented for revenue, operating profit and profit before tax are the amounts from continuing operations from which the discontinued operation has been excluded. The amounts for the previous fiscal year have been similarly reclassified and presented.

4. Financing and Capital Investment

(1) Financing

During the fiscal year under review, the Company issued the 26th unsecured straight corporate bonds of ¥25,000 million and the 27th unsecured straight corporate bonds of ¥25,000 million in July 2020, in addition to carrying out financing of ¥100,000 million by means of long-term borrowings in May 2020.

(2) Capital investment

A total of ¥98,935 million was spent this fiscal year in capital investment. Main expenditures included R&D assets, equipment for demonstration and rental and expansion of production functions in the Endoscopic Solutions Business and Therapeutic Solutions Business. Additionally, the amount of capital investment includes an increase in right-of-use assets of ¥39,436 million due to new lease agreements under IFRS 16 “Leases.”

5. Status of Important Corporate Restructuring, etc.

(1) 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 an absorption-type split.

(2) The Company acquired all of the issued shares of Veran Medical Technologies, Inc. (U.S.) to make it a wholly owned subsidiary through Olympus Corporation of the Americas (U.S.), a consolidated subsidiary of the Company, as of December 29, 2020 (U.S. Time).

(3) The Company divested its Imaging Business to OM Digital Solutions Corporation, a newly established wholly owned subsidiary of the Company, through an absorption-type split and completed the transfer of 95% of the issued shares of the said subsidiary to OJ Holdings, Ltd., a special purpose company established by Japan Industrial Partners, Inc. as of January 1, 2021.

(4) The Company acquired all of the issued shares of Quest Photonic Devices B.V. (Netherlands) to make it a wholly owned subsidiary through Olympus Winter & Ibe GmbH (Germany), a consolidated subsidiary of the Company, as of February 9, 2021 (Central European Time).

(5) On February 12, 2021, the Company decided to execute an absorption-type split to divest the rights and obligations related to the domestic sales function of the medical and scientific business to Olympus Medical Science Sales Corporation, a wholly-owned subsidiary of the Company, which is scheduled to take effect on October 1 of the same year.

(6) The Company transferred all of the issued shares of OLYMPUS-RMS CORP., a subsidiary of the Company, to ROHTO Pharmaceutical Co., Ltd. as of March 23, 2021.

(7) On April 30, 2021 (Central European Time), the Company concluded a final agreement concerning the acquirement of the shares of Medi-Tate Ltd. (Israel), and plans to acquire all of the issued shares of said company (excluding shares held by the Company) through Olympus Winter & Ibe GmbH, a consolidated subsidiary of the Company, as of May 31, 2021.

6. Future Challenges

The Olympus Group announced its business transformation plan “Transform Olympus” in January 2019 and announced its corporate strategy in November 2019. The Group is promoting company-wide efficiency improvement programs expecting large-scale efficiency improvements in the areas of products (cost of sales and R&D), commercials (sales and marketing, maintenance service), and corporate (indirect expenses for corporate functions) to be a truly global medtech company achieving sustainable growth and profitability.

For FY2022, under our theme “further strengthen our position as a global medtech company,” we will involve four key initiatives: “Deepening profitable growth strategy in Medical business,” “Further improvement of efficiency and effectiveness through Transform Olympus,” “Continued steady investment in product development for future growth” and “ESG initiatives that contribute to a sustainable society” in order to continue with and firmly establish the corporate transformation we implemented in Fiscal 2021.

In addition, amid the ongoing global spread of COVID-19, apart from the impact on selling activities due to restrictions on visits to customers such as medical institutions or postponement/cancellation of business negotiations, the Olympus Group’s business activities have been affected by factors such as the decrease in the volume of products sold due to the decrease in the number of procedures. Under these circumstances, the Olympus Group has continued to implement training, demonstration and seminars online, and strives to provide solutions responding to the new environment. We will take all possible measures to continue the provision of products, services, etc., giving priority to the preservation of health and safety of our employees in the world, healthcare providers, patients, and society as a whole.

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

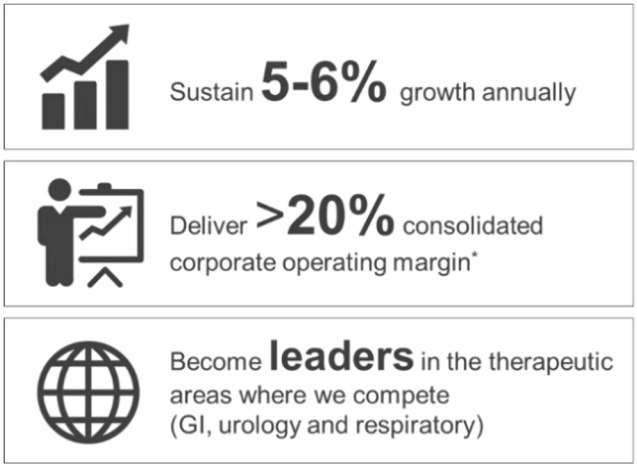
(1) Our strategic aspiration and performance metrics

At the Olympus Group, our strategic aspiration is to develop into a globally-leading medtech company that delivers benefits to all stakeholders through innovative value and contributes to the health of people around the world. In keeping with this thinking, we will continue to steadily initiate reforms to realize an annual revenue growth rate of 5-6% and an operating margin of over 20%.

[Strategic aspiration]

Our aspiration is to become a globally-leading medtech company contributing to people’s lives by delivering innovative solutions that benefit patients, healthcare professionals, payors and providers

[Performance metrics]



* Adjusted for extraordinary items

(2) Management policy for FY2022

The Olympus Group will achieve sustained growth together with high profitability and steadily pursue the following four key initiatives to move from exiting the “transformation” phase to the phase of “further strengthening” itself as a global medtech company.



Deepening profitable growth strategy in Medical business



Further improvement of efficiency and effectiveness through Transform Olympus



Continued steady investment in product development for future growth



ESG initiatives that contribute to a sustainable society

7. Major Subsidiaries, etc.

There are 100 consolidated subsidiaries, including the following 4 major subsidiaries, and 3 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

8. Principal Places of Business and Plants (As of March 31, 2021)

(1) Principal places of business of the Company

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

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

Olympus Medical Systems Corp.	Shibuya-ku, Tokyo (Headquarters: Hachioji-shi, Tokyo)
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

9. Employee Situation of the Group (As of March 31, 2021)

Segment	Numbers of employees		Increase/decrease from the previous fiscal year	
Endoscopic Solutions Business	14,243	(389)	230	(-74)
Therapeutic Solutions Business	7,269	(179)	381	(-240)
Scientific Solutions Business	3,551	(169)	-107	(-7)
Others	608	(30)	52	(-10)
Management division	5,982	(368)	193	(73)
Total	31,653	(1,135)	749	(-258)

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. Due to transfer of the Imaging Business, it has been excluded from the scope of consolidation for the current fiscal year, therefore this segment is not included in the table above. The number of employees in the Imaging Business decreased by 4,270 individuals from March 31, 2020.
3. The method for aggregating the number of employees whose work is classified cross-segment has been changed from the current fiscal year. The increase/decrease from the previous fiscal year is calculated after reclassifying the number for the previous year with the method applied to the current fiscal year.
4. The number of employees includes 842 individuals that retired through the career support for external opportunity, which was implemented in February 2021.

10. Principal Lenders (As of March 31, 2021)

(Millions of yen)

Lender	Balance of borrowing
Sumitomo Mitsui Banking Corporation	90,244
MUFG Bank, Ltd.	62,571

11. 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 maximum ¥3,610 million (Subsequently, the claims expanded to reach a total of maximum ¥4,329 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. On October 22, 2020, the Supreme Court dismissed the petition for acceptance of the final appeal by the Company and also dismissed the final appeal and the petition for acceptance of the final appeal by the two former directors. 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. With the above, this lawsuit for damages against former directors and former Audit & Supervisory Board Member of the Company in connection has totally ended.

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 payment of ¥100 million was made to the Company by the end of October 2019, and the remaining amount was paid by the end of September 2020. 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, and the lawsuit was pending in the Tokyo District Court. On February 26, 2021, a judicial settlement was reached with the defendant agreeing that a total of ¥1,200 million shall be paid to the Company as settlement money for this case, and payment in full was made to the Company by the end of March 2021.

(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. On July 1, 2020, the Guangdong Higher People's Court vacated the first judgement ordering OSZ to pay compensation for damages and remanded the case back to the Shenzhen Intermediate People's Court for reconsideration because the basic facts of the case, such as the validity of the memorandum based on which Anpingtai made its claims, are unclear. The lawsuit is pending in the Shenzhen Intermediate 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 was intervening in the Lawsuit (against SAMR) in accordance

with a court decision of the People's Court of Yantian District, Shenzhen Municipality, Guangdong Province, China (the "Yantian Court") about the Lawsuit. Thereafter, YL filed for withdrawal of the Lawsuit (against SAMR) and was given approval by the Yantian Court on March 26, 2021. This marked the end of the Lawsuit (against SAMR) and OSZ's intervening in the Lawsuit (against SAMR).
Moreover, claiming that SAMR's restriction on the registration of the Transfer by YL was instructed by Shenzhen Science and Technology Innovation Committee (the "Committee"), YL filed an administrative lawsuit (the "Lawsuit (against the Committee)") against the Committee on June 10, 2020, and OSZ was intervening in the Lawsuit (against the Committee) in accordance with a court decision of the Yantian Court. Thereafter, YL filed for withdrawal of the Lawsuit (against the Committee) and was given approval by the Yantian Court on March 30, 2021. This marked the end of the Lawsuit (against the Committee) and OSZ's intervening in the Lawsuit (against the Committee).
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. OSZ filed a jurisdictional objection to the lawsuit and Shenzhen Intermediate People's Court accepted the jurisdictional objection and dismissed YL's lawsuit on March 19, 2021. YL objected to such decision and filed an appeal to the Guangdong Higher People's Court on March 28, 2021.

(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; former Directors of the Company Hiroyuki Sasa, Yasuyuki Kimoto, Hideaki Fujizuka, Shiro Hiruta, Motoyoshi Nishikawa and Kiichi Hirata; former Audit & Supervisory Board members of the Company (current Directors of the Company) Katsuya Natori; former Audit & Supervisory Board members of the Company (former Directors of the Company) Masashi Shimizu 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. The lawsuit is pending in the Tokyo District Court.

II Matters Concerning Shares (As of March 31, 2021)

1. **Total Number of Shares Authorized to be Issued:** 4,000,000,000 shares
2. **Total Number of Issued Shares:** 1,285,635,042 shares
   (Excluding treasury stock 85,279,921 shares)
3. **Number of Shareholders as of the record date for exercise of voting rights:** 33,340
4. **Principal Shareholders (Top 10)**

Name of Shareholders	Numbers of shares held	Holding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	169,323,100 shares	13.17
JP MORGAN CHASE BANK 385632	92,419,874	7.19
Custody Bank of Japan, Ltd. (trust account)	73,115,000	5.69
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
STATE STREET BANK AND TRUST COMPANY 505010	42,787,084	3.33
SSBTC CLIENT OMNIBUS ACCOUNT	33,854,835	2.63
MSCO CUSTOMER SECURITIES	23,495,015	1.83
STATE STREET BANK WEST CLIENT - TREATY 505234	18,376,712	1.43

Note: The holding ratio is computed by excluding treasury stock (85,279,921 shares).

5. Other Important Matters Concerning Shares

Cancellation of treasury shares

At the meeting of the Board of Directors held on May 7, 2021, the Company resolved the cancellation of treasury shares as provided for under Article 178 of the Companies Act.

- Type of shares to be cancelled: Common shares
- Total number of shares to be cancelled: 71,620,630 shares (5.22% of total number of issued shares before the cancellation)
- Date of cancellation: June 4, 2021
- Total number of issued shares after cancellation: 1,299,294,333 shares
- Number of treasury shares after cancellation: 13,659,291 shares (1.05% of total number of issued shares after the cancellation)

III Matters Concerning Company Officers

1. Name of Directors and Executive Officers

(As of March 31, 2021)

(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	Susumu Kaminaga	Chairman of the Compensation Committee	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	Michijiro Kikawa	Member of the Audit Committee	
Outside Director	Tetsuo Iwamura	Member of the Nominating Committee Member of the Compensation 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	Managing Partner, ITN Partners Supervisory Director, Global One Real Estate Investment Corp. Audit & Supervisory Board Member, Recruit Holdings Co., Ltd.
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	Stefan Kaufmann	Chief Administrative Officer (CAO)	

Appointment	Name	Position and responsibility in the Company	Important concurrent positions at other organizations
Director	Nobuyuki Koga	Member of the Audit Committee	

Notes: 1. The above all Directors assumed their post on July 30, 2020.

2. Directors Sumitaka Fujita, 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, 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 Director Nobuyuki Koga as Standing Audit Committee Member in order to execute the following duties continuously and effectively: interviewing Executive Officers and other officers; receiving reports from the internal audit functions, etc.; 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)
Katsuya Natori	December 7, 2020	Outside Director Managing Partner, ITN Partners 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. Audit & Supervisory Board Member, Recruit Holdings Co., Ltd.
	March 23, 2021	Outside Director Managing Partner, ITN Partners Supervisory Director, Global One Real Estate Investment Corp. Audit & Supervisory Board Member, Recruit Holdings Co., Ltd.	Outside Director Managing Partner, ITN Partners Director, MODEC, INC. Supervisory Director, Global One Real Estate Investment Corp. Audit & Supervisory Board Member, Recruit Holdings Co., Ltd.

(2) Name of Executive Officers

(As of March 31, 2021)

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	Nacho Abia	Chief Operating Officer (COO)
Executive Officer	Akihiro Taguchi	Chief Technology Officer (CTO)
Executive Officer	Chikashi Takeda	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. Under the Company's corporate officer system, the following are corporate officers as of March 31, 2021.

Appointment	Name
Corporate Managing Officer	Nobuhiro Abe
Corporate Managing Officer	Ken Yoshimasu
Corporate Officer	Masahito Kitamura
Corporate Officer	Tetsuo Kobayashi
Corporate Officer	Toshihiko Okubo
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	Akira Hasegawa
Corporate Officer	Hideki Kusuda
Corporate Officer	Tomohisa Sakurai
Corporate Officer	Shigeto Ohtsuki
Corporate Officer	Masahito Goto
Corporate Officer	Wenlei Yang
Corporate Officer	Frank Drewalowski

Notes: 1. The following corporate officers retired on December 31, 2020.

Corporate Officer	Shigemi Sugimoto

2. The following corporate officers retired on March 31, 2021.

Corporate Managing Officer	Nobuhiro Abe
Corporate Managing Officer	Ken Yoshimasu
Corporate Officer	Masahito Kitamura

3. The following corporate officers were newly appointed on April 1, 2021.

Corporate Officer	Hironobu Kawano
Corporate Officer	Andre Roggan

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. Overview of content of directors and officers liability insurance agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The said insurance agreement insures officers and managerial employees of the Company and the Company's subsidiaries (domestic and in Asia), and the insurance premiums are fully borne by the Company. The said insurance agreement covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives claims related to the pursuit of such liability.

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

(1) Total compensation paid to Directors 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	Performance linked compensation, etc.	Non-monetary compensation, etc.	
Director	Inside	717	450	182	86	5
	Outside	149	129	–	20	10
	Total	866	578	182	106	15
Executive Officer		431	191	173	67	3

Notes:
1. Basic compensation shows the amount paid for FY2021. Performance linked compensation, etc. show the amounts of short-term incentive compensation for the applicable period, FY2021 (to be paid in July 2021), and non-monetary compensation, etc. shows the amount of long-term incentive compensation to be recorded as expenses for FY2021. Performance-linked stock compensation (PSU) of ¥87 million is only recorded in non-monetary compensation, etc. and is not recorded in performance linked compensation, etc.
2. 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.
3. The Company does not pay performance linked compensation to Directors who do not double as an Executive Officer.
4. The aforementioned Inside Directors include the two Inside Directors who retired at the close of FY2020 General Meeting of Shareholders held on July 30, 2020. Outside Directors include the one Outside Director who retired at the close of the same General Meeting of Shareholders.
5. One Outside Director has requested to decline his compensation and the Compensation Committee has decided to not pay the compensation to him. However, he is included in the number of Outside Directors mentioned above.

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

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 determined the details of compensations, etc. for the fiscal year under review after discussing matters concerning the determination of compensations, etc., including the consistency of the policy to determine compensations, etc., of Directors and Executive Officers on an individual basis with how the details and amounts of compensations, etc., are determined, and the rationality of the process of deriving the details and amounts of compensations, etc., by applying numerical values and other relevant factors to the way they are determined, and the Company has decided that this is in accordance with said policy for determination.

The Compensation Committee retained "Pay Governance," an international independent compensation consultant, to provide objective and professional advice and information, and support investigations. They attended all meetings of the Compensation Committee.

(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 expectations of various stakeholders, 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.

In addition, stock-based compensation will be set at ¥3 million for both Japanese and non-Japanese residents. The number of shares to be given will be calculated based on the share price at the time of assumption of office at the General Meeting of Shareholders, and the number of shares will be given after vesting.

<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 to 91%</td><td>9 to 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 compensation system based on the following concepts. Additionally, Executive Officers in this paragraph include Executive Officers who also serve as Directors.

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 (BS) 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). Focusing on achieving management strategies aimed at enhancing medium- to long-term corporate value and shareholder value, the ratio of performance-linked compensation, particularly long-term incentive compensation (LTI), was raised, and the standard amount of short-term incentive compensation (STI) and long-term incentive compensation (LTI) was set as follows.

Representative Executive Officer BS:STI:LTI=1:1:2
Executive Officer BS:STI:LTI=1:1:1.5

Long-term incentive compensation (LTI) consists of subsequent grant-type restricted stock compensation (RSU) and performance-linked stock compensation (PSU), of which 25% is subsequent grant-type restricted stock compensation (RSU) and 75% is performance-linked stock compensation (PSU).

The composition ratio of compensations as a whole 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.

■ Non-monetary compensation: subsequent grant-type restricted stock compensation (RSU)
Subsequent grant-type restricted stock compensation (RSU) has a transfer restriction period of three years, and a number of shares equivalent to 25% of the standard amount for long-term incentive compensation (LTI) (basic compensation multiplied by a factor of 1.5 or 2) is determined at the beginning of the transfer restriction period. This number of shares is provided after three years have passed.

■ Matters relating to performance linked compensation, etc. (i) short-term incentive compensation (STI)
[Evaluation index, evaluation weigh and reasons for selecting]
The standard amount of short-term incentive compensation (STI) is the same type of compensation as basic compensation (BS), and after the end of the applicable period, the Compensation Committee evaluates the performance of indicators and decides the payment rate and amount.

a. In the fiscal year under review, due to the spread of COVID-19 infections, it was difficult to establish targets for the initial financial indicators that were set, so the Company increased the ratio of strategic goals, which are non-financial indicators. In addition, since operating profit, which was

set as a financial indicator, is an index that is greatly affected by the external environment, the Company has determined that it is appropriate to set general and administrative expenses, which are closely related to operating profit, as an index.

b. The composition ratio of revenue, general and administrative expenses, and strategic goals was set as follows.

Revenue 20%	General and administrative expenses 20%	Strategic goals 60%

(Note) The composition ratio of indices set in the previous term was revenue 30%, operating profit 50% and strategic goals 20%.

c. Upper limit of payment

In order to share value with shareholders, TSR is calculated based on the average share price on the final 30 business days of the previous fiscal year and the fiscal year under review and set as the upper limit of payments.

d. Revenue: 20%

Even in a business environment where COVID-19 infections continue to spread, sales growth is essential to achieve medium-to long-term management strategy targets and is set as an indicator.

100% payment is provided when the achievement rate of targets is 100%, in which achievement rate = payment rate, and the evaluation table is set from the lower limit of 70% to the upper limit of 130%.

e. General and administrative expenses: 20%

General and administrative expenses is set as an indicator because it is closely related to operating profit and is essential for implementing investments for future growth.

An incremental evaluation table for general and administrative expenses has been established in which actual results in the range of 105 to 92% provide a payment rate of 70 to 130% and actual results of 100% provide 100% payment. In addition, the lower limit of 0% is provided if actual results are over 105%, and the upper limit of 130% is provided if actual results are less than 92%.

f. Strategic goals: 60%

The following “Measures to Be Implemented in Fiscal Year 2021” disclosed in June 2020 are set as the main targets and are common goals for all executive officers. In addition, the payment rate for the achievement rate of each measure is set from 0 to 200%.

- Focus our corporate portfolio
- Structural reform of fixed costs
- Successful launch of next-generation GI endoscopy system EVIS X1
- Continued steady investment in product development for future growth
- Driving efficiency in our R&D operations

[Result]

Performance linked compensation, etc. (STI)		Target value	Actual value	Achievement rate	Payment rate
Performance evaluation index	Revenue (20%)	¥669.5 billion	¥715.4 billion	107%	21.4%
	General and administrative expenses (20%)	¥384.2 billion	¥358.9 billion	120%	24%
	Strategic goals (60%)	-	-	111%	66.6%

(Notes) 1. Revenue excludes the Imaging Business, which was transferred during the fiscal year under review, after foreign exchange adjustment.

2. General and administrative expenses excludes the Imaging Business, which was transferred during the fiscal year under review, and other profit or loss after foreign exchange adjustment.

a. The upper limit of payments is set at 131.5 % based on the average share price on the final 30 business days of the previous fiscal year and the fiscal year under review.

b. As a result of the above, the payment rate is 112% for the total payment rate of each performance evaluation index. In addition, the payment amount was determined by multiplying this payment rate by the standard amount of performance linked compensation (STI).

■ Matters relating to performance linked compensation, etc. (ii) non-monetary compensation: performance-linked stock compensation (PSU)

In performance-linked stock compensation (PSU), a number of shares equivalent to 75% of the standard amount of long-term incentive compensation (LTI) is determined based on the share price at the start of the performance evaluation period, and a number of shares is provided according to performance after the end of the target period.

First, the following details the performance-linked stock compensation (PSU) for the fiscal year under review, which is the fiscal year ending the evaluation period.

[Evaluation index and reasons for selecting]

Performance-linked stock compensation (PSU) with the fiscal year ended March 31, 2019 as the initial year of the evaluation period and the fiscal year ended March 31, 2021 as the final year of the evaluation period is intended to stimulate motivation to increase medium- to long-term business growth and profitability and to reward the results of such efforts, and with an applicable period of three fiscal years, has adopted a performance evaluation index of (1) the average rate of revenue growth over the applicable period and (2) the total profit attributable to owners of parent (hereinafter "Profit") for the applicable period. In addition, the PSU has been set to grant a number of common shares of the Company equivalent to an amount adjusted within the range of 0 to 150% according to the achievement rate of the targets at the end of the applicable period.

[Result]

The payment rate is 0% as the actual value fell below the target value.

Performance evaluation index	Target value	Minimum value	Actual value	Payment rate
Total Profit for applicable period	¥291.9 billion	¥145.9 billion	¥72.7 billion	0%
Average rate of revenue growth over applicable period	6.4%	3.2%	0.2%	0%

(Notes) 1. Total Profit includes the Imaging Business for the fiscal year ended March 31, 2019, and the fiscal year ended March 31, 2020, and does not include the Imaging Business for the fiscal year under review.
2. The actual value for the average rate of revenue growth does not include the Imaging Business for the entire period.

Next, the following details the performance-linked stock compensation (PSU) for which the evaluation period begins in the fiscal year under review and ends in the fiscal year ending March 31, 2023.

[Evaluation index, evaluation weigh and reasons for selecting]

a. The Company has set the evaluation index and evaluation weigh as follows.

Operating margin 40%	ROIC 15%	EPS growth rate 15%	Relative TSR 20%	Strategic goals 10%

b. Operating margin: 40%
Operating margin, a financial guidance on management strategy is set as an indicator of performance evaluation.
100% will be paid if the target is achieved. The evaluation table of 0 to 200% payment is calculated based on the reasonably set logic by relative comparison with the peer group.

c. ROIC: 15%
ROIC, a financial guidance on management strategy is set as an indicator of performance evaluation.
100% will be paid if the target is achieved. The evaluation table of 0 to 200% payment is calculated based on the logic reasonably consistent with the evaluation table of operating margin.

d. EPS growth rate: 15%
The EPS growth rate, a financial guidance on management strategy is set as an indicator of performance evaluation.
The evaluation table of 0 to 200% payment is calculated based on the logic reasonably consistent with the evaluation table of operating margin.

e. Relative TSR: 20%

Relative TSR is set as an indicator of performance evaluation. It is an important standard which makes long-term performance and pay align from the viewpoints of both shareholders and the executive management.
Twenty global medtech companies are set as a peer group, and 100% will be paid if the rank of our TSR is located at 50%. The evaluation table of 0 to 200% payment is calculated based on the logic reasonably set by relative comparison with the peer group.

f. Strategic goals (ESG): 10%
Strategic goals are used as an indicator for ESG, which is announced to be reinforced in its management strategy. The index of DJSI (Dow Jones Sustainability Index) is set as an evaluation index.
DJSI ratings are "World Index (W)," "Asia Pacific Index (AP)," and "Non-Index (N)" from the top ranks. Establish an assessment table that emphasizes Index to be acquired in the third year, considering the outcome in the first and second years, and decide payment rates of 200%, 150%, 100%, 50%, and 0%.

■ Clawback clause

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

a. An event that requires the refund of the difference between the amount of compensation that have been paid and the amount of compensation that should have been paid caused by a revelation that the information prerequisites for compensation is incorrect or different.
b. An event requiring the return of the amount of compensation already paid as a kind of sanctions in the event of a violation of obligation, etc.

The final decision on the application of clawback to individual events is made by the Compensation Committee and reported to the Board of Directors.

(3) Compensation of Executive Officers for the fiscal year ending March 31, 2022

The Company decided on a new compensation system for the fiscal year under review and onward at a meeting of the Compensation Committee for the fiscal year ended March 31, 2020. However, in light of the impact of the spread of COVID-19 infections on the business environment, the Compensation Committee reviewed and discussed the necessity of revising the compensation system. As a result, the decision was made to revise short-term incentive compensation (STI) and long-term incentive compensation (LTI) of Executive Officers for the fiscal year ending March 31, 2022, and grant subsequent grant-type restricted stock compensation "Transformational FY22-RSU."

(i) Short-term incentive compensation (STI)

Considering the importance of steadily implementing long-term and strategic initiatives for each fiscal year, the Company has decided to increase the composition ratio of strategic goals from among the targets for short-term incentive compensation (STI)

Operating profit: revenue: strategic goals=40:30:30

Operating profit	Revenue	Strategic goals
40%	30%	30%

(Note) The composition ratio of indices set in the fiscal year under review was operating profit 50%, revenue 30% and strategic goals 20%.

(ii) Long-term incentive compensation (LTI)

Long-term incentive compensation (LTI) under the new compensation system established in the fiscal year under review was composed of 25% for subsequent grant-type restricted stock compensation (RSU) and 75% for performance-linked stock compensation (PSU). The evaluation period is three years for each. On the other hand, the spread of COVID-19 infections had a significant impact on the first year (the fiscal year under review) of the management strategy announced in November 2019, increasing the uncertainty of the business environment in the second year (the fiscal year ending March 31, 2022). To this end, discussions were held on the ratio of performance-linked stock compensation (PSU) to subsequent grant-type restricted stock compensation (RSU) for long-term incentive compensation (LTI) which will start in

the fiscal year ending March 31, 2022, and finish in the fiscal year ending March 31, 2024, and it was decided to set subsequent grant-type restricted stock compensation (RSU) at 40% and performance-linked stock compensation (PSU) at 60% for long-term incentive compensation (LTI).

RSU	PSU
40%	60%

(iii) Subsequent grant-type restricted stock compensation "Transformational FY22-RSU"

The Compensation Committee believes that providing appropriate compensation to Executive Officers responsible for management to be highly motivated in their efforts to achieve the management strategies and for the results they produce will lead to the subsequent maximization of corporate value and enhancement of shareholder value. The management strategy announced in November 2019 replaces the 2016 Corporate Strategic Plan ("16CSP") and has progressed significantly in line with the long-term direction of the Company. Performance-linked stock compensation, for which the evaluation period was the three-year period from the fiscal year ended March 31, 2019, to the fiscal year under review, was set based on the 2016 Corporate Strategic Plan ("16CSP") and was not provided because the actual value in the performance evaluation index fell below the minimum value.

Considering the various reform themes being promoted in the business transformation plan "Transform Olympus" based on the management strategy, the one-time costs due to the transfer of the Imaging Business implemented in the fiscal year under review, and the impact of the spread of COVID-19 infections, etc. from the fiscal year ended March 31, 2020, and onward, although the actual value of the performance evaluation index fell below the performance target value linked to officers' compensation, the Compensation Committee has determined that the management efforts of Executive Officers have produced results that will lead into the fiscal year ending March 31, 2022, and onward.

In light of the above results and management efforts of the Executive Officers, and in the midst of an uncertain business environment, the Company considered it necessary to provide effective compensation to the Executive Officers to encourage them to continue to strive to maximize corporate value and increase shareholder value in the fiscal year ending March 31, 2022, and onward, as well as to encourage them to hold shares in order to further strengthen the sharing of interests with shareholders. Therefore, the Compensation Committee, after consulting with "Pay Governance," an independent compensation consultant, decided at the discretion of the Compensation Committee to grant the following "Transformational FY22-RSU" as subsequent grant-type restricted stock compensation.

1. Grantees

Chief Executive Officer (CEO) and Chief Technology Officer (CTO)

2. Granting form

The unit grant date for "Transformational FY22-RSU" will be April 1, 2021, and the rights will be vested three years later or upon retirement at the Company's request. In the event of retirement that is not due to the Company's request, the Compensation Committee will decide how to respond.

3. Units granted

The standard amount for "Transformational FY22-RSU" is set at 18% of the basic compensation for the fiscal year ending March 31, 2022. The number of shares to be given will be calculated based on the share price on the business day prior to the grant date, and the number of shares will be given after vesting.

5. Matters Concerning Outside Officers

(1) Relations between other organizations where important concurrent positions are assumed and the Company (As of March 31, 2021)

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. Director, DEFTA Capital Inc. Chairman, The Japan Institute of Electronics Packaging Member of the Board, Toray Industries, Inc.
Outside Director	Yasumasa Masuda	Independent Non-Executive, Deloitte Touche Tohmatsu LLC Independent Non-Executive, Deloitte Tohmatsu LLC
Outside Director	Katsuya Natori	Managing Partner, ITN Partners Supervisory Director, Global One Real Estate Investment Corp. Audit & Supervisory Board Member, Recruit Holdings Co., Ltd.
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 FY2020 General Meeting of Shareholders held on July 30, 2020 until the end of the current fiscal year.

(2) Major activities during current fiscal year

	Attendance at meetings	Remarks and outline of duties performed with regard to expected roles for outside directors
Sumitaka Fujita, Director	Board of Directors: 18 of 18 Nominating Committee: 12 of 12	From an independent position, Mr. Fujita actively provided statements necessary for supervising the execution of business. In addition, as Chairman of the Board of Directors, he led the Board to focus on important agenda items, such as medium- to long-term management strategies and review of the business portfolio, with the aim of strengthening the supervisory functions of the Board of Directors. He held regular meetings of only outside directors to exchange information and share awareness based on an independent and objective standpoint. He also held Executive Sessions with only outside directors after each Board meeting, and exchanged views on issues based on the matters for deliberation on that day and issues that should be deepened at Board meetings in the future. He relayed the content of these meetings to the CEO as chairman. As the Chairman of the Nominating Committee, he was fully aware of the importance of director appointment and succession plans and promoted committee management.
Susumu Kaminaga, Director	Board of Directors: 18 of 18 Compensation Committee: 11 of 11	From an independent position, Mr. Kaminaga actively provided statements necessary for supervising the execution of business. In particular, he offered opinions and recommendations from various perspectives based on his long experience in global business development in advanced technology fields. In addition, as Chairman of the Compensation Committee, he promoted the operation of the Committee, including leading the formulation and management of the compensation system, which is consistent with medium- to long-term management goals, and taking the initiative in the decision of executive compensation.
Michijiro Kikawa, Director	Board of Directors: 18 of 18 Audit Committee: 26 of 26	From an independent position, Mr. Kikawa actively provided statements necessary for supervising the execution of business. In particular, he offered opinions and recommendations from various perspectives on the Group's overall business activities based on his wealth of global management experience. In addition, as a member of the Audit Committee, he participated in the audit of the execution of duties by directors and executive officers.
Tetsuo Iwamura, Director	Board of Directors: 18 of 18 Nominating Committee: 12 of 12 Compensation Committee: 11 of 11	From an independent position, Mr. Iwamura actively provided statements necessary for supervising the execution of business. In particular, he offered opinions and recommendations from a variety of perspectives on the Group's overall business activities based on his wealth of global management experience. In addition, as a member of the Nominating Committee and the Compensation Committee, he participated in decisions on matters such as the proposals for the election of directors and executive compensation.
Yasumasa Masuda, Director	Board of Directors: 18 of 18 Nominating Committee: 12 of 12 Compensation Committee: 11 of 11	From an independent position, Mr. Masuda actively provided statements necessary for supervising the execution of business. In particular, from his experience as a manager in the healthcare industry, he offered opinions and recommendations from various perspectives on the overall business activities of our group. In addition, as a member of the Nominating Committee and the Compensation Committee, he participated in decisions on matters such as the proposals for the election of directors and executive compensation.

	Attendance at meetings	Remarks and outline of duties performed with regard to expected roles for outside directors
Katsuya Natori, Director	Board of Directors: 18 of 18 Audit Committee: 26 of 26	From an independent position, Mr. Natori actively provided statements necessary for supervising the execution of business. In particular, he offered opinions and recommendations from his extensive experience and broad knowledge as a company manager and from his professional perspective as an attorney. In addition, as Chairman of the Audit Committee, he led the audit of the execution of duties by directors and executive officers and promoted committee management.
Atsushi Iwasaki, Director	Board of Directors: 18 of 18 Audit Committee: 24 of 26	From an independent position, Mr. Iwasaki actively provided statements necessary for supervising the execution of business. In particular, he offered opinions and recommendations based on his extensive experience and broad knowledge as a certified public accountant. In applying KAM (Key Considerations in Auditing), he also provided advice and guidance as an expert, and he shared information with the internal audit department and in the Audit Committee. In addition, as a member of the Audit Committee, he participated in the audit of the execution of duties by directors and executive officers.
David Robert Hale, Director	Board of Directors: 18 of 18 Nominating Committee: 12 of 12	From an independent position, Mr. Hale actively provided statements necessary for supervising the execution of business. In particular, as an experienced management consultant and investor in a variety of industries, he offered opinions and recommendations from his knowledge in global capital markets and the healthcare industry. In addition, as a member of the Nominating Committee, he participated in decisions on matters such as the proposals for the election of directors.
Jimmy C. Beasley, Director	Board of Directors: 18 of 18 Compensation Committee: 11 of 11	From an independent position, Mr. Beasley actively provided statements necessary for supervising the execution of business. In particular, he offered opinions and recommendations based on his global business experience in the healthcare industry and his extensive experience in a management team. In addition, as a member of the Compensation Committee, he participated in decisions on matters such as executive compensation.

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	¥266 million
Total amount of money and other financial interests to be paid by the Company and its subsidiaries	¥289 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. The Company's important subsidiaries, 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.

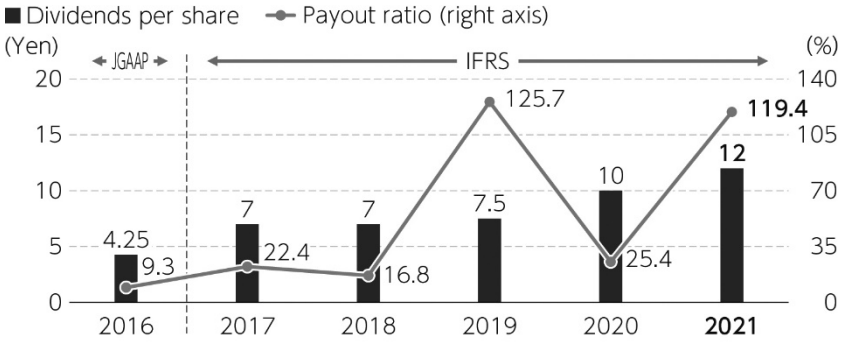
5. Policy for Decisions on Dividend of Retained Earnings, etc.

Aiming to achieve a sustained growth of the Group, we maintain the proactive shareholder return considering shareholder value while putting a priority on investing for business growth. Our basic policy is to provide stable dividends as a basic part of the profit distribution.

Based on the above policy, the Company have decided to pay a year-end dividend of ¥12 per share for the fiscal year under review, increased by ¥2 from the previous fiscal year by a resolution at the meeting of the Board of Directors held on May 7, 2021. Effective date and payment start date are June 3, 2021.

In addition, based on a resolution at FY2020 General Meeting of Shareholders held on July 30, 2020, the Company's Articles of Incorporation have stipulated that dividends from retained earnings, etc. may be paid by a resolution of the Board of Directors.

(Reference)



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.

Consolidated Statement of Financial Position

(As of March 31, 2021)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		**LIABILITIES:**	
Current assets	**580,162**	**Current liabilities**	**328,394**
Cash and cash equivalents	217,478	Trade and other payables	69,891
Trade and other receivables	157,920	Bonds and borrowings	31,529
Other financial assets	10,268	Other financial liabilities	21,873
Inventories	158,984	Income taxes payable	10,736
Income taxes receivable	10,425	Provisions	33,412
Other current assets	24,970	Other current liabilities	160,953
Subtotal	580,045	**Non-current liabilities**	**457,143**
Assets held for sale	117	Bonds and borrowings	323,735
		Other financial liabilities	60,197
Non-current assets	**600,855**	Retirement benefit liability	42,446
Property, plant and equipment	238,952	Provisions	5,676
Goodwill	130,813	Deferred tax liabilities	10,852
Intangible assets	100,435	Other non-current liabilities	14,237
Retirement benefit asset	22,677	**Total liabilities**	**785,537**
Investments accounted for using equity method	3,128	**EQUITY:**	
Trade and other receivables	24,577	**Total equity attributable to owners of parent**	**394,326**
Other financial assets	23,350	Share capital	124,643
Deferred tax assets	55,507	Capital surplus	90,835
Other non-current assets	1,416	Treasury shares	(98,048)
		Other components of equity	(1,347)
		Retained earnings	278,243
		Non-controlling interests	**1,154**
		Total equity	**395,480**
Total assets	**1,181,017**	**Total liabilities and equity**	**1,181,017**

Consolidated Statement of Profit or Loss

(April 1, 2020 to March 31, 2021)

(Millions of yen)

Accounts	Amount
Continuing operations	
Revenue	730,544
Cost of sales	271,014
Gross profit	**459,530**
Selling, general and administrative expenses	357,032
Share of profit (loss) of investments accounted for using equity method	595
Other income	8,479
Other expenses	29,587
Operating profit	**81,985**
Finance income	1,193
Finance costs	6,368
Profit before tax	**76,810**
Income taxes	11,140
Profit from continuing operations	**65,670**
Discontinued operations	
Loss from discontinued operations	**(52,681)**
Profit	**12,989**
Profit attributable to:	
Owners of parent	12,918
Non-controlling interests	71
Profit	**12,989**

Consolidated Statements of Cash Flows (Reference)

(April 1, 2020 to March 31, 2021)

(Millions of yen)

Accounts	Amount
Cash flows from operating activities	
Profit before tax	76,810
Loss before tax from discontinued operations	(52,476)
Depreciation and amortization	59,937
Impairment losses (reversal of impairment losses)	842
Interest and dividend income	(1,169)
Interest expenses	3,992
Loss on sale of Imaging Business	44,794
Share of loss (profit) of investments accounted for using equity method	(595)
Decrease (increase) in trade and other receivables	(9,718)
Decrease (increase) in inventories	4,024
Increase (decrease) in trade and other payables	7,361
Increase (decrease) in retirement benefit liability	(987)
Decrease (increase) in retirement benefit asset	(718)
Increase (decrease) in provisions	6,826
Other	13,847
Subtotal	152,770
Interest received	817
Dividends received	352
Interest paid	(3,355)
Income taxes paid	(26,462)
Net cash provided by operating activities	124,122

(Millions of yen)

Accounts	Amount
Cash flows from investing activities	
Payments into time deposits	(40,002)
Proceeds from withdrawal of time deposits	40,015
Purchase of property, plant and equipment	(38,660)
Proceeds from sales of property, plant and equipment	1,621
Purchase of intangible assets	(20,567)
Payments for loans receivable	(466)
Collection of loans receivable	1,167
Proceeds from sales of investments	7,870
Payments for sale of businesses	(27,830)
Proceeds from sale of businesses	2,121
Payments for acquisition of subsidiaries	(44,541)
Proceeds from sale of subsidiaries	1,328
Purchase of investments in associates	(1,069)
Other	95
Net cash used in investing activities	(118,918)
Cash flows from financing activities	
Increase (decrease) in short-term borrowings and commercial papers	(67,721)
Repayments of lease liabilities	(16,188)
Proceeds from long-term borrowings	99,230
Repayments of long-term borrowings	(10,606)
Dividends paid	(12,856)
Dividends paid to non-controlling interests	(170)
Proceeds from issuance of bonds	49,757
Payments for purchase of treasury shares	(2)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(462)
Other	(182)
Net cash used in financing activities	40,800
Effect of exchange rate changes on cash and cash equivalents	8,757
Net increase (decrease) in cash and cash equivalents	54,761
Cash and cash equivalents at beginning of period	162,717
Cash and cash equivalents at end of period	217,478

Non-Consolidated Balance Sheet

(As of March 31, 2021)

(Millions of yen)

Accounts	Amount	Accounts	Amount
ASSETS:		**LIABILITIES:**	
Current assets	**350,572**	**Current liabilities**	**156,024**
Cash and time deposits	40,060	Accounts payable	43,980
Notes receivable	29	Short-term borrowings	11,694
Electronically recorded monetary claims - operating	843	Current portion of long-term borrowings	15,000
Accounts receivable	73,292	Lease liabilities	2,674
Finished goods	35,357	Other payable	15,820
Work in process	2,566	Accrued expenses	28,628
Raw materials and supplies	45,796	Income taxes payable	166
Short-term loans receivable	102,293	Deposits received	36,353
Other receivables	44,910	Provision for product warranties	117
Income taxes receivable	3,758	Provision for business restructuring	891
Other current assets	6,905	Other current liabilities	701
Allowance for doubtful accounts	(5,237)	**Non-current liabilities**	**320,775**
Fixed assets	**475,997**	Long-term bonds, less current maturities	120,000
Property, plant and equipment	**72,989**	Long-term borrowings, less current maturities	195,000
Buildings	29,764	Lease liabilities	5,325
Structures	865	Long-term deposits received, less current maturities	358
Machinery and equipment	4,012	Other non-current liabilities	92
Vehicles	6	**Total liabilities**	**476,799**
Tools, furniture and fixtures	16,010	**NET ASSETS:**	
Land	14,372	**Shareholders' equity**	**344,810**
Lease assets	7,737	**Share capital**	**124,643**
Construction in progress	223	**Capital surplus**	**91,072**
Intangible assets	**7,283**	Legal capital surplus	91,063
Patent right	470	Other capital surplus	9
Software	4,635	**Retained earnings**	**227,143**
Software in progress	2,172	Other retained earnings	227,143
Right of using facilities, etc.	6	Reserve for advanced depreciation	1,084
Investments and other assets	**395,725**	Retained earnings carried forward	226,059
Investment securities	11,093	**Treasury shares**	**(98,048)**
Investment securities in subsidiaries and affiliates	342,659	**Valuation and translation adjustments**	**4,488**
Investments in capital of subsidiaries and affiliates	278	Net unrealized holding gains (losses) on available-for-sale securities, net of taxes	4,488
Long-term loans receivable	70		
Prepaid pension expenses	14,690		
Long-term accounts receivable-other	5,752		
Deferred tax assets	23,268		
Other assets	4,789	**Subscription rights to shares**	**472**
Allowance for doubtful accounts	(6,874)	**Total net assets**	**349,770**
Total assets	**826,569**	**Total liabilities and net assets**	**826,569**

Non-Consolidated Statement of Income

(April 1, 2020 to March 31, 2021)

(Millions of yen)

Accounts	Amount
Revenue	344,134
Cost of sales	220,227
Gross profit	**123,907**
Selling, general and administrative expenses	95,332
Operating profit	**28,575**
Non-operating income	38,157
Interest income	111
Dividends income	32,728
Foreign exchange gains	340
Others	4,978
Non-operating expenses	17,732
Interest expenses	1,264
Interest on bonds	290
Bond issuance cost	243
Commission for syndicate loan	822
Business structure improvement expenses	11,532
Others	3,581
Ordinary profit	**49,000**
Extraordinary income	8,383
Gain on sales of investment securities	4,726
Gain on sale of shares of subsidiaries and associates	3,518
Gain on liquidation of subsidiaries and affiliates	30
Income related to litigation	109
Extraordinary losses	56,515
Loss related to sale of Imaging Business	47,623
Extra payments for early retirements, etc.	8,886
Loss on valuation of investment securities	1
Loss on sales of investment securities	5
Profit before provision for income taxes	**868**
Income taxes, current	(864)
Income taxes, deferred	(6,809)
Profit	**8,541**

(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

May 12, 2021

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, 2020 to March 31, 2021.

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, 2021.

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

May 12, 2021

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 fiscal year from April 1, 2020 to March 31, 2021.

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, 2021, 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 has audited the performance of duties by the Directors and Executive Officers for the fiscal year from April 1, 2020 to March 31, 2021. 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 on the status of development and operation of the system from the Directors, Executive Officers, employees, etc. 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, utilizing means via telephone or Internet, etc. while cooperating with the Internal Audit Department and the Internal Control Department of the Company, all Audit Committee Members attended important meetings (including online 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 (including online sessions), and received reports on the business conditions of subsidiaries as necessary. As for internal controls over financial reporting, reports made by Directors, Executive Officers, 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 (including online sessions).
(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 performance of their duties of the Directors and Executive Officers, 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) We confirm that 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, are proper.

(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.

May 12, 2021

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]

(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 (Corporate Governance System)

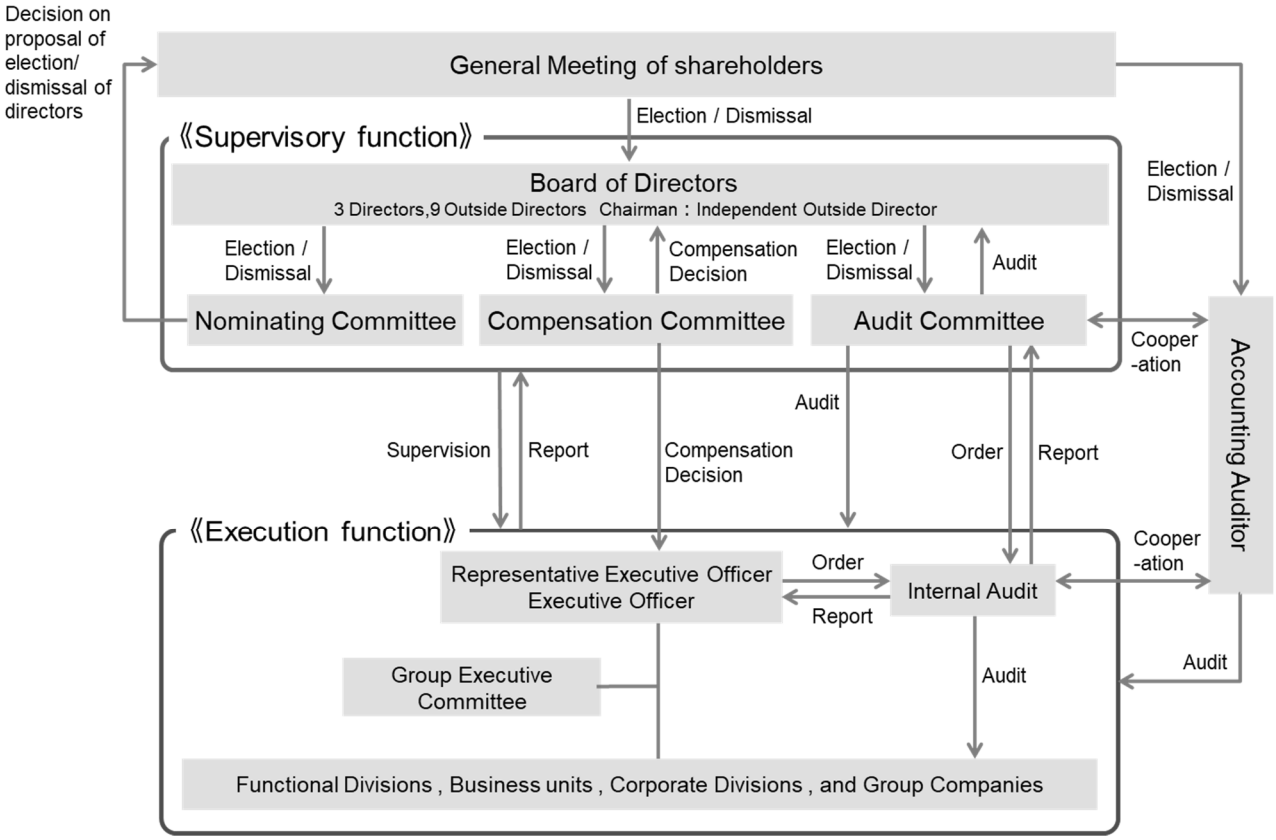
All our activities are based on our corporate philosophy, “Making people’s lives healthier, safer and more fulfilling.” Following this philosophy, we aim to improve our company’s continuous development and medium- and long-term corporate value for all stakeholders, including shareholders. This philosophy also drives us to establish, implement, and continuously improve systems for ensuring the effectiveness and efficiency of operations and the appropriateness and reliability of financial reports. We are continuously strengthening our corporate governance system, positioning this task as a top management priority. In addition, we are complying with and have implemented measures based on the principles of Japan’s Corporate Governance Code. Through such efforts, we seek to ensure an effective corporate governance structure based on our fiduciary duty to shareholders; our responsibilities to customers, employees, communities, and other stakeholders; and the aforementioned corporate philosophy.

Basic policy for corporate governance is posted on the Company’s website.

https://www.olympus.co.jp/company/governance/policy.html

Corporate Governance Structure

(As of March 31, 2021)



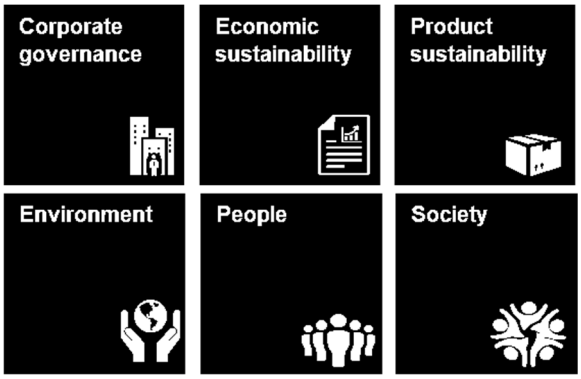
Reference (ESG)

For a Sustainable Society and Company Development

Driving Better Health and Happiness through Responsible Business

Amid drastic changes in global and social environments, Olympus needs to undertake its business activities from an ESG (Environment, Social and Governance) perspective in order for us to grow sustainably. In the corporate strategy we announced in November 2019, we defined six important ESG areas and four initiatives or materiality items and added new materiality item from an environmental perspective in May 2021. We also newly established the post of officer in charge of ESG in April 2021 for the purpose of to promoting ESG.
By working on these materiality items through our business activities, we will realize company development and a sustainable society.

We will actively engage on six ESG areas:



Our materiality

- Healthcare access and outcomes
- Compliance, product quality and safety
- Responsible supply chain
- Diversity and inclusion
- Carbon neutral society and circular economy

Reference (FAQ)

We shall answer shareholders' questions.

Q1 Please tell us about the forecasts for fiscal year ending March 31, 2022.
A Revenue is expected to increase in all divisions on the premise that the impact of COVID-19 will continue to reduce with the global progresses in vaccination. In the Endoscopic Solutions Business, we will continue to expand sales with a focus on GI endoscopy system EVIS X1, and expect to achieve an increase in revenue and operating profit. In the Therapeutic Solutions Business, we expect to see a significant rise in revenue and operating profit, given higher revenue driven by a recovery in the number of procedures and sales contribution from the companies that we acquired. In the Scientific Solutions Business, we plan to improve selling, general and administrative expenses efficiency based on improved market conditions and growth in China. As a result of these efforts, for the consolidated financial results in fiscal year ending March 31, 2022, we expect revenue of ¥806.0 billion, operating profit of ¥126.0 billion, and profit attributable to owners of parent of ¥89.0 billion. We expect to see an increase in revenue by 10% year on year. Operating profit and profit attributable to owners of parent will represent record highs for the Company, respectively.

Q2 What are the reasons for deciding to pay dividends of ¥12 per share for fiscal year ended March 31, 2021?
A Aiming to achieve a sustained growth of the Group, we maintain proactive shareholder returns considering shareholder value while putting a priority on investing for business growth. Our basic policy is to provide stable dividends as a basic part of profit distribution.
Revenue and operating profit decreased in the fiscal year under review due to COVID-19, expenses related to the divestiture of the Imaging Business, and career support for external opportunities. However, we see a recovery trend in results and a stable financial condition, and sufficient operating cash flow can be expected from continuing operations. Taking into consideration these aspects, the Company has decided to pay a year-end dividend of ¥12 per share for the fiscal year under review, increased by ¥2 from the previous fiscal year.

Q3 Will a resolution on dividends not be made at the General Meeting of Shareholders?
A In order to make the payment of flexible dividends from surplus possible, we made amendment to the Articles of Incorporation at the General Meeting of Shareholders held on July 30, 2020, so that the payment of dividends from surplus shall be made possible by a resolution of the Board of Directors. According to this change, the Company has decided to pay a year-end dividend of ¥12 per share by a resolution at the meeting of the Board of Directors held on May 7, 2021. In addition, the effective date and payment start date are June 3, 2021.

Q4 What are the reasons for divesting the Imaging business.
A Since the Company began with the manufacture and sale of a camera using the Zuiko photographic lens in 1936, the Company has contributed to making people's lives more fulfilling through innovative technology and unique product development capabilities. 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. 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. Despite all of these efforts, the Company's Imaging business recorded operating losses for 3 consecutive fiscal years up to FY2020.
Under such circumstances, the Company considers that, by carving-out the Imaging business and by operating the business with Japan Industrial Partners, Inc., the Imaging business's corporate structure may become more compact, efficient and agile and it is the most appropriate way to realize self-sustainable and continuous growth. The Company therefore transferred the Company's Imaging business to said company.

Q5 What are the reasons for implementing career support for external opportunity?
A Based on the corporate strategy announced in November 2019, Olympus's strategic aspiration is to grow into a globally-leading medtech company contributing to people's lives by delivering innovative solutions that benefit patients, healthcare professionals, payors, and providers. To accomplish the Corporate Strategy under the harsh external environment with accelerating technological innovations and changes in the social environment as well as increasingly fierce competitions, Olympus intends to build a corporate culture full of opportunities for employees to enhance their specializations and personal developments, aiming at a

performance-oriented organization where each employee is actively engaged with a clear understanding of their responsibilities.
During this transformational period, our goals are to (i) promote an external career opportunity for employees wishing to leverage their skills to use outside Olympus group, (ii) recruit and promote people who can be active moving forward to the right positions, and (iii) achieve the profitability befitting a global medtech company. As such, we have implemented the career support for external opportunity.

Q6 Please tell us about the current status of ESG initiatives.

A In the corporate strategy we announced in November 2019, we defined ESG materiality items. We added "Carbon Neutrality and Circular Economy" as an ESG initiative in May 2021, and set an environmental target achieving carbon neutrality by 2030. We also agreed with recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD) and decided to work on information disclosures based on the TCFD recommendations.
We will continue to improve its manufacturing process and the energy saving measures to achieve carbon neutrality. At the same time, we will accelerate the efforts to reduce CO_2 by switching all the electricity procurement for all of its business operations to renewable energy sources by 2030. We will also continue to concentrate on highly transparent information disclosures focused on analyses of the risks and opportunities posed by climate change.