

Risk Management

Promotion of Risk Management

The Olympus Group is implementing risk management initiatives to achieve its basic management policy, which includes its corporate philosophy, company strategy, etc. Specifically, based on the “Policy of Risk Management and Crisis Response” and related rules, the Olympus Group is undertaking risk management from the perspective of both “offense” through active and sound risk taking leading to sustainable growth and value creation for Olympus Corporation and “defense” to prevent illegalities and accidents.

A crisis management process has also been established to minimize the impact of unforeseen incidents on corporate value.

Risk Management

In terms of risk management systems, we have established a global risk management system, defined categories of risks that could affect the achievement of Olympus Corporation’s business targets as well as the company strategy, and identified the executive officer responsible for each risk category (establishing risk assurance). Each executive officer executes the necessary measures (organizational structure, process preparation, focus measures, etc.) to keep within the acceptable range of their designated area of risk.

In April 2023, we launched a new organization to integrate the four functions (Risk and Control, Compliance, Privacy, Information Security) related to GRC (Governance, Risk, Compliance). In order to enhance coordination among the different functions, we have worked to further strengthen our risk management system with respect to execution capabilities.

In addition, risk management processes are operated with a plan-do-check-act (PDCA) cycle of risk assessment

(identification, analysis and evaluation of risk, and setting countermeasures), implementation of risk countermeasures, monitoring and reporting, and improvement. Risk assessment is linked to the process for formulating the fiscal year plan, with risk evaluated using common companywide evaluation standards, and companywide risks visualized and uniformly managed. Also, the status of response to the Olympus Group’s key risks are periodically reported to the Olympus Group Executive Committee (GEC), the Board of Directors, and the Audit Committee.

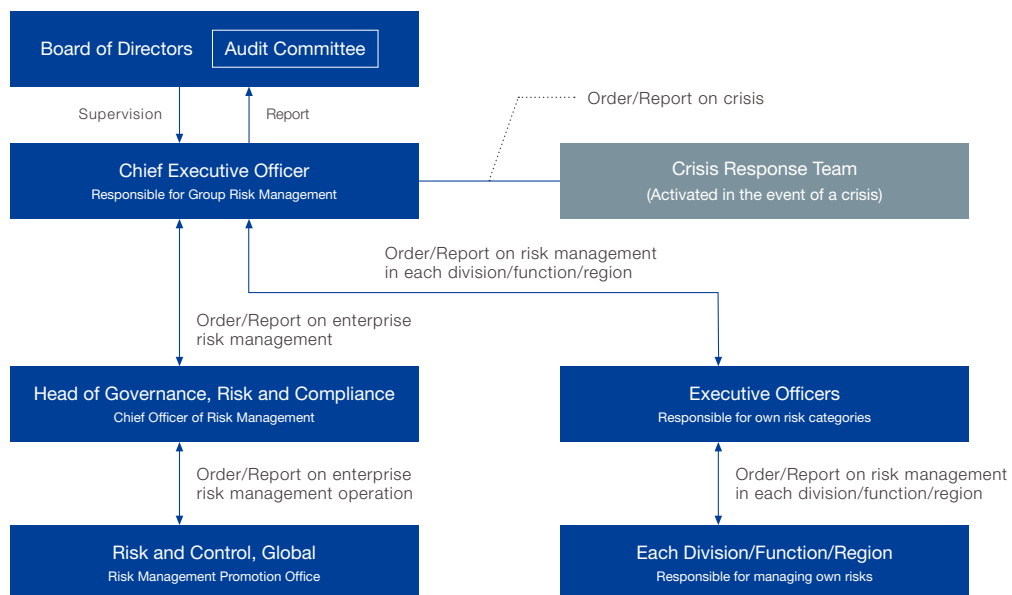
Crisis Management

Any major incident that is highly likely to affect business management in the Olympus Group is reported promptly to the president and other senior management and handled appropriately by the managers in coordination with relevant divisions. Furthermore, we continue to conduct annual training exercises in anticipation of emergencies, ensuring the ongoing review and refinement of response processes. Our aim is to minimize damages in the event of large-scale natural disasters and similar incidents.

In terms of a business continuity plan (BCP), we strive to develop practical plans that emphasize the value chain. To support this, we have established the “BCP/BCM Development Guideline” and consistently work on improving BCP practices. Additionally, we conduct regular education and training programs to enhance the effectiveness of our BCP.

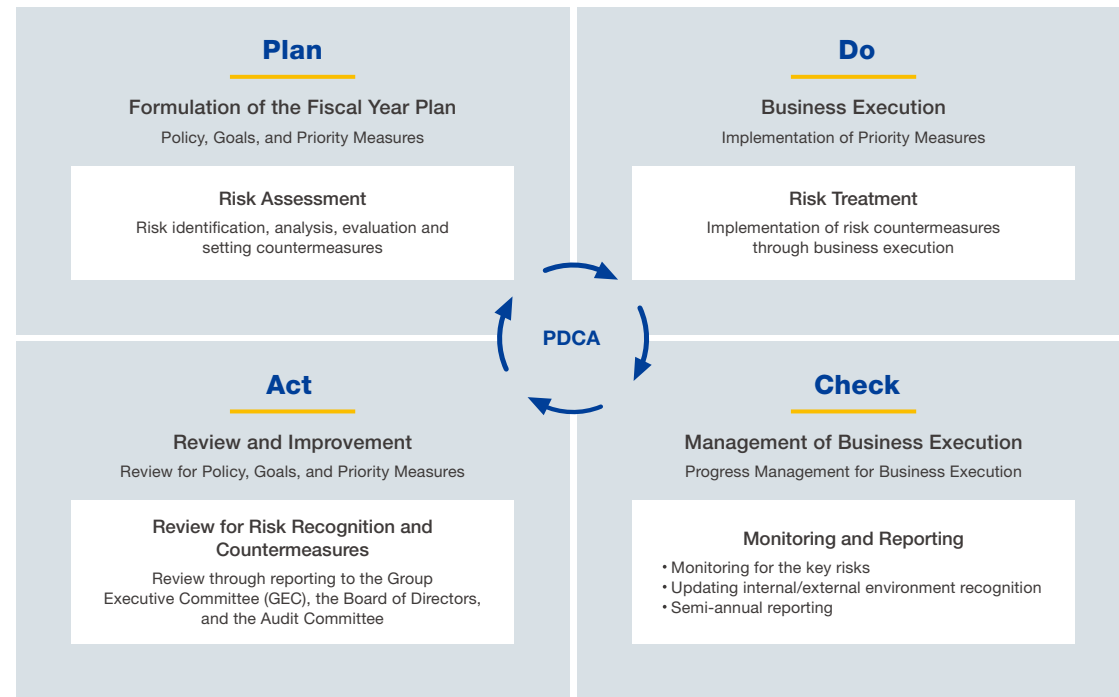
Moving forward, we will continue to prioritize the health and safety of our employees, healthcare professionals, patients, and communities, while implementing the best measures to maintain the supply of our products and services.

Risk Management Structure (FY2023)



Risk Management

Risk Management to Achieve Basic Management Policy



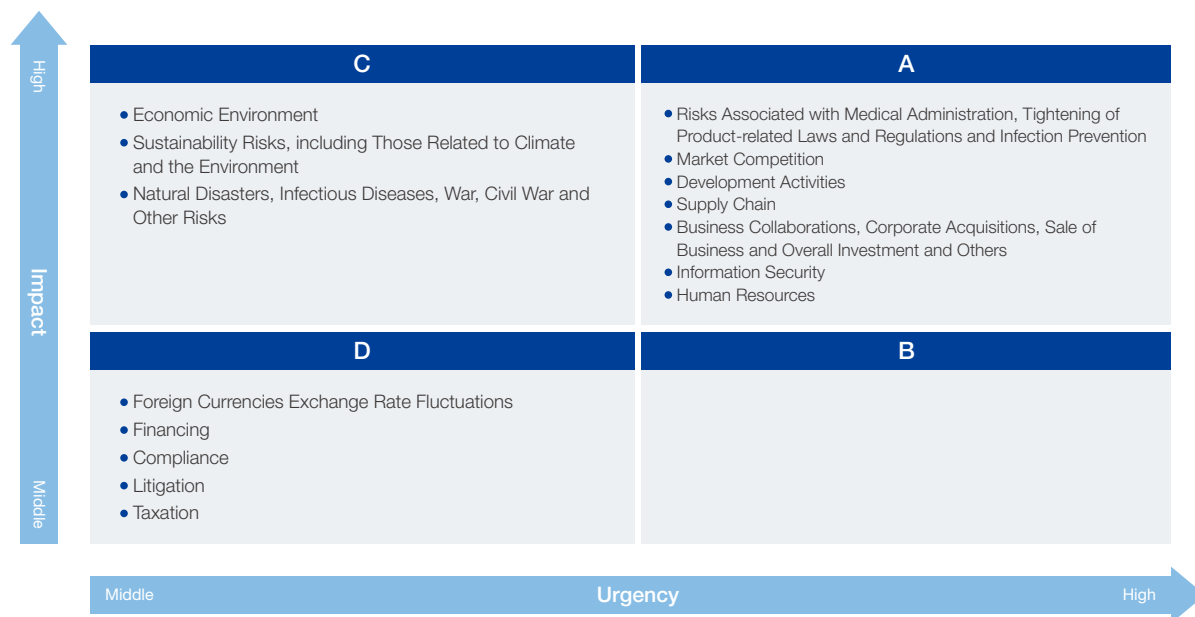
Significant Risks

The Olympus Group conducts risk assessments at the time of annual planning to identify significant risks that could significantly affect the achievement of the company strategy and business goals. For risks that are particularly important from a company-wide perspective, the management team consider their priority

based on their impact on our management and their degree of urgency, and organize them into the following risk map to ensure common awareness throughout Olympus. Please refer to our website for details of each risks.

Business Risk : <https://www.olympus-global.com/ir/policy/risk.html>

Companywide Significant Risk Map



Companywide List of Significant Risks

Category	Risk	Type	Impact/Urgency	Trend
Business Environment	Risks Associated with Medical Administration, Tightening of Product-related Laws and Regulations and Prevention	Opportunities & Threats	A	↑
	Risks Associated with Market Competition	Opportunities & Threats	A	↑
Market	Risks Associated with Economic Environment	Opportunities & Threats	C	↑
	Risks Associated with Foreign Currencies Exchange Rate Fluctuations	Opportunities & Threats	D	↑
	Risks Associated with Financing	Opportunities & Threats	D	→
Business Activities	Risks Associated with Development Activities	Opportunities & Threats	A	→
	Risks Associated with Supply Chain	Opportunities & Threats	A	→
	Risks Associated with Business Collaborations, Corporate Acquisitions, Sale of Business and Overall Investment and Others	Opportunities & Threats	A	→
Overall Management	Risks Associated with Compliance	Threats	D	→
	Risks Associated with Litigation	Threats	D	→
	Risks Associated with Information Security	Threats	A	↑
	Risks Associated with Human Resources	Opportunities & Threats	A	↑
	Risks Associated with Taxation	Threats	D	→
	Sustainability Risks, Including Those Related to Climate and the Environment	Opportunities & Threats	C	→
	Natural Disasters, Infectious Diseases, Civil War and Other Risks	Threats	C	↑

Our awareness of the basic environment that affects the entire Olympus Group is provided below, and we identify risk and evaluate response policies both as an entire company and on an individual organizational level.

Recent Changes in the Business Environment

Category	Environment	Description
Political	Geopolitical	The possibility of export controls on cutting-edge technologies caused by intensifying trade friction between the U.S. and China impacting the business performances of the Olympus Group. We have prepared response policies (BCP formulation, etc.) that considers war and conflict.
Economical	Macro-economy	Global inflation, interest rate fluctuations, and sudden exchange fluctuations rooted in complex factors such as international economic friction, the levying of economic sanctions, shortages of key raw materials, and deterioration in supply-and-demand balances.
Social	Stakeholders	Demands from the standpoint of sustainability are increasing from global and regional stakeholders, and the legal rulemaking around information disclosure is accelerating.
Technology	New technologies	Diversification of business models and competitors. Acceleration of DX and robotics, rapid commercialization, evaluation of medical applications, and legal rulemaking for AI.