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News Release

Company: Olympus Corporation
Yasuo Takeuchi, Director, Representative Executive Officer, President and CEO
(Code: 7733, First Section, Tokyo Stock Exchange)
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**Notice Regarding start of the process to acquire Israeli medical device company Medi-Tate Ltd.
(new subsidiary) pursuant to its call option rights**

Olympus Corporation ("Olympus") hereby announces that Olympus exercised its call option right to acquire all of the outstanding shares of Medi-Tate Ltd. ("Medi-Tate"), registered in Israel, a medical device company. The call option was acquired by Olympus in 2018, as disclosed in its press release on its corporate website dated November 2, 2018. The shares of Medi-Tate are proposed to be acquired through Olympus Winter & Ibe GmbH (registered in Germany), Olympus's consolidated subsidiary doing business as "Olympus Surgical Technologies Europe" or "OSTE".

1. Reasons for acquiring shares

Olympus announced, on November 6, 2019, its new corporate strategy ("Corporate Strategy") to achieve growth as a global medical technology ("medtech") company in order to realize sustainable growth for the Olympus Group overall. Under this Corporate Strategy, 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.

In this Corporate Strategy, Olympus identified "Focus and scale the Therapeutic Solutions Division" as one of the core components for business growth and enhanced profitability. In particular, Olympus announced its focus on three fields: gastrointestinal endotherapy devices, urological devices, and respiratory devices. In its potential acquisition of Medi-Tate, Olympus expects to further expand its urology business product offerings.

Benign prostatic hyperplasia ("BPH") is a urological condition that 8 out of 10 men will face in their lifetimes. Medication and surgical treatment are among the usual treatment options for BPH, while in-office procedures are of increasing interest as part of an overall emphasis in healthcare on value-based care.

Olympus has an innovative legacy of developing and marketing a market-leading resection portfolio for the Transurethral Resection of the Prostate ("TURP") procedure as an option for BPH treatment.

Medi-Tate is a medical device manufacturer engaged in the research and development, production, and sale of devices for the treatment of BPH. The company’s product “iTind” is European CE marked and received de Novo authorization from FDA in early 2020.

By combining the iTind with Olympus’ existing urology products, Olympus would be able to provide a wider range of patient solutions for the treatment of BPH, bolstering its urology business with accretive revenue in a fast growing market.

In November 2018, Olympus began distributing iTind in certain parts of Europe and the United States under a Distribution Agreement concluded with Medi-Tate. Through more than two years of sales experience, Olympus has seen its medical value and that the future potential of iTind is high. In order to consider the acquisition of 100% of the Medi-Tate shares, and the potential to grow its urology business with Medi-Tate’s devices in the medium to long term. Olympus exercised its call option today.

2. Overview of the subsidiary to be acquired

(1) Name	Medi-Tate Ltd.	
(2) Address	17 Hauman st., Hadera, Israel	
(3) Title and name of representative	CEO Ido Kilemnik	
(4) Description of business	R&D and manufacturing of medical devices	
(5) Capital Amount (Note 1)	¥ 1million (at the end of September 2020)	
(6) Date of incorporation	26 February, 2007	
(7) Major shareholders and shareholding ratios (Note 2)	Olympus Corporation, 18.46% Ido Kilemnik, 14.23% Xenia Venture Limited, 14.10% P&T International Group, 8.02%	
(8) Relationship with Olympus	Capital relationship	Medi-Tate is an equity-method affiliate of Olympus, and its shareholding ratio as of December 31, 2020 is 18.46%.
	Personnel relationship	One of Olympus’ employees concurrently serves as a director of Medi-Tate.
	Transactional relationship	Olympus has an existing distributor relationship with Medi-Tate.
	Related party relationship	Medi-Tate is an equity-method affiliate of Olympus and falls under the category of a related party.
(9) Operating results and financial standing over the last two years (Yen in millions) (Note 1)		
Fiscal year	Year Ended December 2018	Year Ended December 2019
Net Assets	2,354	2,100

Total Assets	2,396	2,164
Revenue	5	14
Operating Profit	-255	-297
Net Profit	-204	-439

(Note 1) Calculated at the exchange rate of JPY 104.48 per USD (exchange rate as of the end of January 2021).

(Note 2) The shareholding ratio is calculated based on the total number of shares outstanding before dilution.

3. Overview of the Seller

(1) Name	Ido Kilemnik, 14.23% Xenia Venture Limited, 14.10% P&T International Group, 8.02%
(2) Address	Ido Kilemnik, Hadera, Israel Xenia Venture Limited, Kiryat Gat, Israel P&T International Group, Road Town, Tortola, British Virgin Islands.
(3) Relationship with Olympus	None

4. Number of shares to be acquired, shareholding and purchase price

(1) Number of shares held before the acquisition	519,009 shares (Ownership ratio: 18.46)								
(2) Number of shares to be acquired	2,595,046 shares								
(3) Acquisition amount	<table> <tr> <td>Amount invested (Note 1)</td> <td>Approx. 20 million USD (Approx. JPY2.1 billion (Note 2))</td> </tr> <tr> <td>Purchase price of stock</td> <td>Approx. 200 million USD (Approx. JPY20.9 billion (Note 2))</td> </tr> <tr> <td>Conditional payments (Note 3)</td> <td>Up to approx. 40 million USD (Approx. JPY4.2 billion (Note 2))</td> </tr> <tr> <td>Total</td> <td>Approx. 260 million USD (Approx. JPY27.2 billion (Note 2))</td> </tr> </table>	Amount invested (Note 1)	Approx. 20 million USD (Approx. JPY2.1 billion (Note 2))	Purchase price of stock	Approx. 200 million USD (Approx. JPY20.9 billion (Note 2))	Conditional payments (Note 3)	Up to approx. 40 million USD (Approx. JPY4.2 billion (Note 2))	Total	Approx. 260 million USD (Approx. JPY27.2 billion (Note 2))
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(4) Number of shares held after the acquisition	3,114,055 shares (including all outstanding options and warrants) (Ownership ratio: 100%)								

(Note 1) Includes (1) underwriting preferred E shares, (2) the right for a call option (3) the right to distribute Medi-Tate's products.

Since we have not agreed on the breakdown of (1) to (3), the total amount is shown.

(Note 2) Calculated at the exchange rate of JPY 104.48 per USD (exchange rate as of the end of January 2021).

(Note 3) The conditional payments have not been finalized as of the date hereof and are contingent on achievement of an earn-out target by a certain date.

5. Schedule

(1) Date of determination of CEO	February 26, 2021
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(2) Date of signing	On March 31, 2021 (planned)
(3) Date of closing	On April 30, 2021 (planned)

The planned signing of the Share Purchase Agreement and the associated transaction documents is conditioned upon successful conclusion of certain negotiations among the parties. Additionally, the closing of the transaction is subject to customary closing conditions, including any third party and regulatory consents.

6. Future Outlook

Olympus does not believe there will be an impact on the financial results for the year ending March 31, 2021. Olympus will promptly provide notice as soon as additional items to be disclosed have arisen.

Reference: Consolidated earnings forecast for the current fiscal year (announced on February 12, 2021) and consolidated earnings results for the previous fiscal year

(Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Consolidated earnings forecast for the current fiscal year (ending March 31, 2021)	720,000	79,500	75,500	8,500
Consolidated earnings results for the previous fiscal year (ended March 31, 2020)	755,231	92,200	86,617	51,670

Notes: 1. The imaging business has been classified as a discontinued operation since the second quarter. Accordingly, the revenue, operating profit, and profit before tax indicate the amounts from the continuing operations while the profit attributable to owners of the parent shows the total of the continuing and discontinued operations.

2. The figures for the fiscal year ended March 31, 2020 are unaudited.