



Global Special Feature Vol. 1: [AMERICAS](#)

Acceleration of Business Growth in the Americas

Q How would you define the current position of Olympus' business in the Americas and achievement against the 16CSP?

Abia

Our business in the Americas is in good health, and continues to grow despite some challenges in the market. We currently contribute 34% to the global annual revenues for the Company; something for which we are very proud. Our businesses in the United States and Canada remain strong, and our Latin America Division has demonstrated great strides over the last several years by enhancing governance and compliance, communication, and relationships with distributors. There is a significant amount of opportunity in emerging markets such as Mexico and Brazil, and we continue to identify new opportunities to grow our businesses and help meet the needs of our customers and the people in these regions.

The 16CSP continues to guide our business activities and decision-making. We have made significant progress in some areas—such as EndoTherapy, the Surgical Business and Company Culture—while we continue to work towards achieving other goals outlined in the 16CSP. At the same time, we must remain agile as a company and adapt our priorities at any time to focus on what is ultimately best for the business and our stakeholders.

S P E C I A L



Nacho Abia

President & CEO, Olympus Corporation of the Americas (OCA)

Olympus Corporation of the Americas (OCA) continues to demonstrate its stability and good health, contributing approx. more than 30% to Olympus' global annual revenues. Nacho Abia, President & CEO of OCA, and Todd Usen, President of the Medical Systems Group OCA, explain the Company's groundwork for success and strategic plans for driving growth well into the future.

Q How would you define the groundwork for success in the Americas and keeping the business in good health?

Abia

Overall, the success of our Company is built on the foundation of three key components: People, Efficiency, and Investments. Above all else, people make up the fabric of our Company. We have a team of strong and dedicated employees who are committed to carrying out our purpose of making people's lives healthier, safer and more fulfilling every day.

Over the last few years, we have placed a strong emphasis on hiring talented and tenured individuals from outside the Company to assume a breadth of executive-level and senior management roles, many within our Medical Business. We are extremely fortunate to have these talented individuals join Olympus from other prominent medical

device and pharmaceutical companies, as they continuously strengthen our leadership and move the Company forward.

Efficiency is also a key component to success. In 2013, I established an internal business practice known as "E3," which strives to ensure that everything we do as a company is Effective, Efficient, and Excellent. As part of this initiative, I encouraged employees to continuously be mindful of how we can achieve E3 on a daily basis. Today, E3 is ingrained in our culture. Over the years, it has created a very cost-conscious mentality. Employees are respectful of spending, and proactively consider where we can be more efficient in our processes and operations. Because of these efforts, our SG&A has remained level over the years.

F E A T U R E

Todd Usen

President, Medical Systems Group,
Olympus Corporation of
the Americas (OCA)



SPECIAL FEATURE

Some other focus areas for improving efficiency and maximizing operations include modifying organizational structures to ensure the right people are in the right roles across the Company, further advancing globalization, and applying our “One Olympus” mentality of working together across businesses, entities and regions.

Thanks to our successful efforts in efficiency, we have

positioned ourselves well to invest in the Company. Investments are critical for any company’s success; and you must be willing to invest in order to grow a business. We feel strongly about the merit of this approach and continue to make wise, thought-out investments. In the last five years, we have invested in several large-scale projects, while maintaining level expenses year-over-year. These projects include three new manufacturing and repair facilities to expand our capabilities and customer service; system implementations to improve efficiency such as SAP, Salesforce, and Salesforce Asset Management; and a brand initiative to further promote our brand and build equity.

Finally, over the last year, business development has become a focal point and critical activity for driving growth, especially within our Medical Business. Todd Usen, President, Medical Systems Group, Olympus Corporation of the Americas, will explain more about our growth strategies in this area.



In October 2017, Olympus commenced operations of its new National Service Center East and medical asset warehouse/distribution center in Bartlett, Tennessee. An investment of more than \$12 million, the 110,000 square-foot facility is projected to create approximately 280 jobs in disciplines such as medical device repair, distribution, and management.

Q Would you explain your main focus areas for the Gastroenterology & Respiratory (GI&R) and Surgical businesses?

Usen

A major focus of ours is on Infection Prevention. We take our role in enhancing patient safety very seriously and continuously seek to improve the next generation of our products. Our ultimate goal is not to control infections but to prevent them.

For the Gastroenterology & Respiratory (GI&R) business, two keys areas of focus will be artificial intelligence (AI) and

therapeutic endoscopy. The integration of AI into colonoscopy procedure holds great promise for the future of GI screening for physicians and patients. By incorporating AI, we are investing in technology that will elevate all clinicians while unlocking new ways to treat disease for patients. In addition, we are always striving, whether organically or inorganically, to enhance our endoluminal therapy portfolio to meet the clinical needs of our customers and lead the way in identifying new treatment modalities.

For the Surgical Business, our key initiatives are System Integration, Big Screen Surgery and Adjacent Markets. We have greatly strengthened our enterprise system integration capabilities and are well-positioned to seize new opportunities, thanks to our acquisition of Image Stream Medical, Inc., in 2017. Our integration solutions allow surgical and interventional clinicians to virtually connect and collaborate in ways that have not been possible, practical, or cost-effective before.



The only fully integrated 4K imaging chain available for healthcare use, VISERA 4K UHD allows operating room (OR) personnel to get closer to the operating field as they view cases live on a 55-inch operative display that magnifies anatomical features to deliver more visual information to the entire surgical team.

Big Screen Surgery with 4K capabilities has been a game changer for surgery and for Olympus, positioning us well against our competitors. Olympus offers the only fully integrated 4K imaging chain available for healthcare use. Through this cutting-edge technology, we are able to address unmet needs in surgical imaging. Operating room (O.R.) personnel can now view cases live on a 55-inch operative display that magnifies anatomical features to deliver more visual information to the entire surgical team. Additionally, ORBEYE—our 4K-3D Video Microscope used for surgical visualization and winner of a 2018 Edison Award—represents an area of growth as we aim to promote the device across multiple specialties such as neurosurgery, spine, microsurgery, ENT and cardiac. Furthermore, we will focus on adjacent markets and growing our presence in office-based technology and procedures, and seek new opportunities for selling to offices. We will expand our strategy in gynecology and women’s health, building upon our already strong core competencies in this area.



The precise 4K-3D digital images from the new ORBEYE surgical microscope can enable more accurate surgery by providing high-resolution 3D imaging of the structure of tissue, blood vessels and other features.

Q What is your vision for the future of Olympus’ US Medical Business (medium-to long-term goals)?

Usen

To continue to thrive as a global technology leader and healthcare provider, we will concentrate on several key areas. Meeting the value needs of our customers and focusing on the “voice of our customers” is top priority. The Voice of the Customer today consists of the provider (physician), the patient, and the payer. We must understand the needs of all three to fully create, and bring value to our customers.

We must also continue to emphasize our offerings and solutions beyond capital equipment and evolve to a procedure-based company, emphasizing disposable and minimally invasive device technologies. We will continue exploring a presence in adjacent markets and specialties, such as orthopedics, where our technology can improve outcomes and enhance patient satisfaction.

Both organic and inorganic growth will be critical for the future health of our Medical Business. Mergers and acquisitions have become a critical activity for driving growth, and will continue to be part of our strategy moving forward. Within the last year, we have successfully invested in more than six inorganic growth opportunities including the acquisition of Image Stream Medical. Further enhancing

relationships with Group Purchasing Organizations and Integrated Delivery Networks in the United States will also be part of our strategy. Over the last couple of years, we have taken our key account management to a much higher level by successfully restructuring the internal team focused on these relationships. The team has been very successful and recently signed some major partnership agreements including Kaiser, Providence, North Well and North Shore.

Finally, to truly be prepared for the future, we must continue to provide value and prove our value. Competition in the medical device industry is becoming more difficult and companies are becoming more powerful as they join forces. Within Olympus, we must share our skills and knowledge globally, and work together to advance our globalization efforts. This unification will enable us to further diversify our offerings, adapt to the needs of our customers, and establish new solutions for patient care.

Olympus is a company committed to people, and what we do truly matters. This is why we must prove our value day after day, and never become complacent with the status quo.