

Value Creation Model

# Olympus' Value Creation Model

**OUR PURPOSE** Making people's lives healthier, safer and more fulfilling

**Strength**

**Strong position built on basis of relationships of trust with customers**

- ▶ Global market share for gastrointestinal endoscopes approximately 70%
- ▶ Training for doctors conducted around the world
- ▶ Entered emerging markets ahead of other companies and built relationships of trust with doctors
  - Have built relationships of trust in Chinese market for about 50 years, since normalization of diplomatic relations between Japan and China in 1972
  - Established representative office in Singapore in 1975

**Global and robust management foundation**

- ▶ Approximately 17 training centers with the aim of providing training opportunities for healthcare professionals
- ▶ Build an industry-leading service network among the world's medical device companies
- ▶ Established a global headquarters for the Therapeutic Solutions Business in the U.S.
- ▶ Credit ratings: A (R&I), BBB+ (S&P), Baa2 (Moody's)
- ▶ Approximately 990 dialogues with institutional investors and securities analysts\*1

**Technological capabilities that produce high-quality and advanced products**

- ▶ Selected as one of the top 100 most innovative companies in the world 10 times
- ▶ Olympus Group's approximately 20,000 patents\*2 to build a high-quality IP portfolio
- ▶ Strong know-how and optical technology built up since the Company's founding
- ▶ Manufacturing techniques that realize high-mix, low-volume production

**Diverse human resources that possess high expertise**

- ▶ Aiming to become a global medtech company, hiring highly specialized and talented people for global positions
  - To further grow mainly in the Therapeutic Solutions Business, set up a specialized business development team in the U.S., hired talented people, and carried out M&A
  - Percentage of foreign management roles globally: approximately 51%\*3
- ▶ To strengthen implementation skills, approximately 6,000 employees participated in training, and approximately 4,500 people participated in the Global Communication Skill Strengthening Program\*2

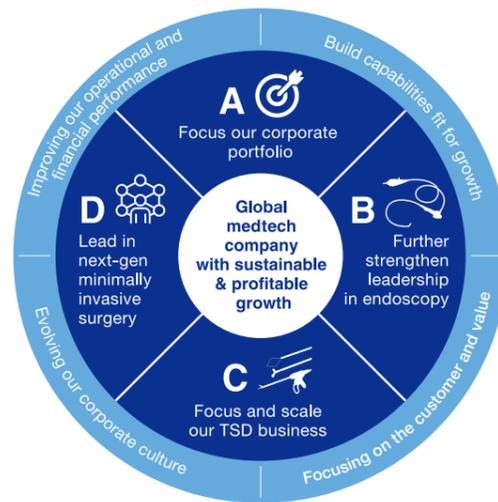


**Strategy**

**Corporate Strategy**

**Transforming into a Truly Global Medtech Company**

Realization of corporate culture and structure that enables sustainable growth



See page 41 for Medical Business Direction

**Six Important ESG Areas**

1. Corporate governance
2. Economic sustainability
3. Product sustainability
4. Environment
5. People
6. Society

**Our Materiality**

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

**Social Outcome**

**Providing value to patients, countries, and society through our customers**



**Patients**

- Contributing to the health of people around the world
- Improving patient outcomes by elevating the standard of care in target diseases based on early diagnosis and minimally invasive treatments

**50 million**

Colonoscopies performed worldwide\*4

**100**

Diseases or conditions treated\*5



**Relationships of trust built by collaborating with customers**

- Feedback on product improvements and requests
- Providing products that help improve patient outcomes by meeting abundant needs
- Support for procedure development

**Customers**

(Medical institutions, research institutions, manufacturing industry, etc.)

- Contributing to improvements in efficiency of medical care and its economic outcomes through early diagnosis and minimally invasive treatments
- Contributing to biological/medical research as well as pathology research
- Contributing to industrial efficiency and improvements in inspection quality



**Countries/Society**

- Contributing to limiting medical expenses through early diagnosis and minimally invasive treatments
- Contributing to the future of medicine
- Contributing to safety and security in everyday lives

**Financial KPIs**



**5-6%**

Annual average revenue growth rate



**> 20%**

Operating margin\*6

\*1 Fiscal year 2022  
 \*2 As of March 2022  
 \*3 The percentage within global senior management as of July 1, 2022  
 \*4 Numbers come from the Company's research. Numbers of the US, Canada, Germany, France, Italy, Spain, the UK, Poland, Japan, China, South Korea, Australia, India, and Russia. As of 2019  
 \*5 Olympus has versatile medical devices with the ability to treat approximately 100 diseases or conditions as of March 2022.  
 \*6 Operating Profit excludes "Other income/expenses." adjustments are made for the impact of exchange rate fluctuations; actual exchange rates are used.