

Message from the CMSO



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Drawing on my variety of experiences from Change Management, I am optimizing manufacturing, repair, procurement, and the supply chain as one value chain.”

Tetsuo Kobayashi

Executive Officer and
Chief Manufacturing and Supply Officer (CMOSO)

Strengthen Risk Management and Resilience

I joined Olympus in 1983 and my career began in the manufacturing function at the Shirakawa Factory as well as open a factory overseas. After that, I experienced corporate function in Singapore, Medical Business management, and representation of the Finance Division, etc. Recently, I've been involved in relocating the global business headquarters for the Therapeutic Solutions Business to the U.S., and engaging with *Transform Olympus* as Chief Transformation Officer (CTrO). In April 2022, I was appointed CMSO. For many years, Olympus has been working earnestly in manufacturing to realize the needs of healthcare professionals, and our expanding global service network also presents a high barrier to entry. Despite possessing these strengths, each function and each factory has a tendency to follow prescribed methods, I recognize there are challenges related to responding to the recent rapid changes in the environment as well as the risks. I think my strengths lie in having consistently carried out Change Management and, as CMSO, I will strive to optimize manufacturing, repair, procurement, and the supply chain as one value chain. Fiscal year 2023 is an important year for achieving the adjusted operating margin of over 20%, which is a current milestone. Worth noting, there is a risk for a short supply of parts, but, since we have been strengthening our end-to-end global partnering, we were able to take appropriate measures to minimize this risk. We have been managing this by identifying important suppliers and building strong relationships with them, considering alternative solutions, and adjusting inventory reserves. Going forward, we will continue monitoring changes happening in the world, identify possible risks, and, in advance, prepare countermeasures. We will strengthen the risk management system and by promoting efforts to increase resilience, we can build a strong organization that can respond to changes in the environment and all risks in both a flexible and timely manner.

Refining Operational Excellence and Maximizing Provided Value

Improving operation effectiveness and efficiency is very important, as well as establishing business improvement processes in the field so that products and solutions can be provided to our customers in a timely and appropriate manner. Specifically, I will be promoting digitalization and the creation of a global operating model, as well as encourage hiring additional diverse talent. We will switch to globally unified processes and integrated systems in addition to conducting reviews of common KPIs, etc. This will enable us to flexibly reorganize our production system, which will lead to a stronger risk response. Also, collaboration between R&D functions will contribute to concurrent engineering in the early stage of product development. We will be promoting diverse talent, and we will not only respond to requests from R&D functions, but we will also be strengthening our capabilities in which specialists in the manufacturing and procurement functions can provide added value, such as by proposing optimal manufacturing methods and the best suitable suppliers. Up to now, our manufacturing technologies have continued to evolve while inheriting advanced manufacturing capabilities, enabling Olympus to maintain its competitive advantages. From this point on, we will collaborate more closely with external partners to develop unique manufacturing technologies while strengthening our core technologies even further. By implementing these measures and refining our operational excellence, I believe there is room for improving profitability in addition to the usual effects of reducing costs. Constant investment is required for Olympus to achieve sustainable growth as a truly global medtech company and continue to expand its value to society and our stakeholders. As CMSO, I will contribute to the improvement of profitability necessary to realize this virtuous cycle.