



Yasuo Takeuchi

Director, Representative Executive Officer, President and CEO

Andre Roggan

Executive Officer and Chief Technology Officer (CTO)

Tetsuo Kobayashi

Executive Officer and Chief Manufacturing and Supply Officer (CMSO)

Ross Segan

Corporate Officer and Chief Medical Officer (CMO)

Pierre Boisier

Corporate Officer and Chief Quality Officer (CQO)

CxO Roundtable Discussion

Enhancing Capabilities and Cross-functional Collaboration as a Patient and Disease-oriented Company

Management Changes, Company Vision, and Challenges to Becoming a Leading Global Medtech Company

Takeuchi: In my mind, Olympus has been focusing on how to deliver solutions for our customers and our history proves that. We started to manufacture microscopes, then expanded into consumer cameras, and then into endoscopes, all the while listening to our customers and building the technologies they need. That's why Olympus has been characterized as a very product-oriented or technology-oriented company. Now, we have decided we are going to focus on the medical field. I can see gaps between Olympus as the product-oriented company and a medtech company, but identifying those gaps and filling them is both our mission and our challenge. There is no defined path to becoming a medtech company, but our journey for becoming a leading global medtech company

has only just begun, and Our Purpose is always to meet the needs of patients and customers.

Today, I think Olympus is better structured than ever before. In April 2022, we split the former CTO function in two, creating the new position of CMSO. Their joint purpose is to unify the governing of our global processes and strive to standardize the Center of Excellence, manufacturing, as well as each function while maintaining medical safety and efficacy. To become a global medtech company, we need to enhance global governance from all angles, which is different from our current model that tends to be locally oriented.

Roggan: To become a leading global medtech company, it's imperative we maintain our clear customer focus through innovation and our segments like GI, Urology, and Respiratory. To do that, we have to become a real promoter of innovation and core technology development, with these strategies being fully aligned with our corporate

strategy and medical business direction. As CTO and head of R&D, my vision is for Olympus to become a leading global R&D organization by delivering innovative products and services with clear customer and patient focus. And we will do this in shorter introduction cycles.

We must also focus on our employees because people make our organization and culture. What we want to see is enabled and engaged employees who are living Olympus' core values and working in efficient and agile processes.

The challenges we face as a company are many, but through engaged employees and the right processes, we can do better. For example, from an R&D perspective, we are still running very complex processes that are not standardized globally. We can move more resources into new product development and focus more on simplifying our processes globally, as well as strengthening collaboration with external partners, to support faster decision-making

and product delivery.

To help with these challenges, my goal is to establish a strong leadership team who embraces change with empowering leadership. This team will support building a Healthy Organization and our greatest asset, our employees.

Kobayashi: Olympus has a long history of providing outstanding technology and values to customers. However, improvements are necessary for us to continue being trusted and chosen by healthcare professionals and patients around the world. To meet the needs of customers, we need to standardize our process globally, speed up R&D to deliver value to patients in a timely manner, and grow our capabilities in quality assurance as well as regulatory affairs, to meet the market's high quality and safety standards.

My vision as CMSO is for us to continue living the Olympus values by working as one global and cross-functional team, making decisions, and seeking opportunities



Our journey for becoming a leading global medtech company has only just begun, and Our Purpose is always to meet the needs of patients and customers.”

————— Yasuo Takeuchi

in a fully inclusive, yet business-oriented manner. Craftsmanship and our drive for excellence will continue to be part of our foundation, but we will break functional silos to achieve cross-functional integration.

As Andre has said, we have many challenges to overcome. Regulations are growing tighter, material prices are increasing, and the market has become very competitive, but we can all do our part. My goals are to focus on network optimization, digitalization, a global operating model, and sustainability. By strengthening our resilience, improving our capabilities, and retaining and developing

world-class talent, we can accelerate our transformation journey.

Boisier: Olympus’ goal is to transform into a leading medtech company through a relentless focus on improving the quality, safety, efficacy, and compliance of our products. To achieve this, the company must unify under one quality management system and we must lead by example with a global mindset as one team. We can do this by not doing compliance for compliance’s sake or quality for quality’s sake. We need to make sure we understand the intent of the regulations and expectations of our customers and use this information to constantly improve our products and processes, always striving toward operational excellence.

In the same way, we must drive operational excellence by constantly improving our products and how we deliver them to our customers. For example, when listening to customers, we should not just be recording quality data, but using that data and turning it into information we understand and can reflect it in our products. We must strive to constantly ship new products and make sure our new designs are meeting customer expectations.

We have both internal and external challenges to overcome, and we are working on our internal challenges through our transformation process. The external challenges we confront can be overcome by understanding the issues and quickly adapting. Regulations and safety requirements are always changing, so we must be able to understand why these changes are taking place and quickly make changes.

Segan: Olympus has a storied history of medical innovation that has benefited millions of people around

the world. We should be proud of this, but at the same time, unsatisfied because there is so much more we can do. At the beginning and end of every day, we have to renew our commitment to our patients. They are our mothers, fathers, brothers, sisters, children, and our families. Patients are our friends, colleagues, loved ones, and members of the global community. At some point, we are also patients, and we must always remember that what we do is for those we are privileged to serve.

Olympus has a great foundation on which to build, and we must deliver innovations to meaningfully and measurably improve clinical outcomes with economic value across the care pathway. To do this, we need to collaborate with the healthcare community, identify and characterize important unmet medical needs, generate and disseminate high-quality clinical evidence, and stay scientifically informed as a company. The Medical and Scientific Affairs (MSA) organization is well placed to help deliver these solutions because we bring a special mix of medical, scientific, and professional capabilities that allow us to have a portfolio that is clinically relevant and economically valuable and safe.

As Tetsuo said, the market is competitive and the regulations are growing tighter, but there are things we can do including providing evidence that is measurable and making sure our business is scientifically informed. At Olympus, we must always advocate from the patient’s point of view.

Takeuchi: These are all important goals and views on the challenges for our Company and I am happy to see we are all aligned in our aspirations. Although we have many things to face, our single direction

will not change and that is very important. I think our efforts with *Transform Olympus* over the past three years has helped tremendously. At the heart of this, is our employees and I am now more motivated than ever to do what I can empower and motivate our people.

Enhancing Cross-functional Activities between Functions

Takeuchi: As mentioned, we have reorganized the CTO function and split it in two. We have also enhanced our QARA and MSA functions and changed them to be led by experienced CQO and CMO. These have allowed us to continue focusing on medical safety and efficacy while evolving as a leading global medtech company to meet the needs of our customers. There is no single way of governing a global company and we have to enhance governance in all directions to continue being the company chosen by healthcare professionals and patients around the world.

Roggan: Product development has always been a cross-functional activity. Strong collaboration between all core functions including quality, regulatory, manufacturing, R&D, and clinical affairs is very important and a key enabler to delivering and developing excellent products. There are many challenges we need to overcome such as aiming for launching products without quality issues. This is where cross-functional collaboration is key, and we can start collaboration much earlier on in the product development process through front loading and concurrent engineering. By involving all individuals in the development process at the very beginning of the project, we can identify issues much

earlier and improve quality from the onset. Implementing value engineering already from the early phases of development will help make sure we do it right the first time, so we launch a product fully meeting requirements and customer expectations. This is a key success to securing the next level of competitiveness.

Kobayashi: This new scalable, global operational structure will improve our ability to execute. We will be able to work with the same aspirational target, and most importantly, all relevant functions will be able to “speak the same language” beyond regions, factories, and sites. By speaking the same language, we can remove some duplication in processes and costs, allowing us to be efficient on a global scale. This new business model will improve our ability to react to changing markets and ultimately improve patient outcomes. As the CMSO, I believe we can bring continuous improvements in the speed of operations and cost efficiency of product development to improve on-time delivery. For example, we can suggest sustainable supplier and procurement options as well as help streamline processes and costs. Moreover, driving and accelerating our digitalization agenda will increase the feeling of unity by working in a truly global and cross-functional context, which fully encourages and leverages best practices.

Boisier: We do need to standardize our processes and quality management system as much as possible. Not every part of the quality management system can be standardized, however, and in these areas, we need to harmonize. In R&D, for example, sometimes different validation techniques are

needed for different types of products. It’s our job to work cross functionally with R&D and others to ensure we are using the appropriate validation techniques in each situation. When we collect data from customers, we need to understand the data and bring it back to the cross-functional team so that the data can be turned into real information to help make good decisions to continuously improve our products and services. Our mantra is to continuously simplify our processes and focus on what needs



We aim to become a leading global R&D organization by delivering innovative products and services with clear customer and patient focus. And we will do this in shorter introduction cycles.”

————— Andre Roggan

to get done so we can constantly deliver what the customer needs. **Segan:** MSA sees itself as another critical partner and enabler. Many functions such as risk management, safety planning, etc. are coordinated across R&D, manufacturing quality, and medical safety including infection prevention. All of these functions work closely with MSA. We have been adding capabilities in not only infection prevention team, but also in medical safety in collaboration with those other functions.



“

Today, the market is extremely competitive and the standards we are required to meet are very tight, but our drive for operational excellence, inspired by our *monozukuri* ('craftsmanship') will continue to be part of our foundation.”

————— Tetsuo Kobayashi

Enhanced CQO and CMO Functions

Takeuchi: After announcing *Transform Olympus*, we have further enhanced our CQO and CMO functions unique to a medtech company. The CQO is a relatively new position from 2019, created under the desired scenario of Olympus becoming a medtech company. Also, the CMO is a very new position from 2020, and one we did not have in the past. We used to depend upon external sources for those areas, but it is critical for us as a medtech company to have these internal capabilities.

Segan: First, I would like to explain a little about what MSA does for Olympus. We do a mixture of things including clinical trials, publications, and milestones of clinical trials that either lead to regulatory clearances or differentiation in the marketplace.

Over the past two years we have been focused on first building foundational capabilities in Medical and Scientific Affairs, which included the formation of an appropriate clinical research organization and augmenting infection prevention team. We were hiring medical experts with clinical expertise in major therapeutic areas such as GI, Urology, and Respiratory, as well as gathering resources capable of doing health economics, outcomes research, real-world data, market access, and market development. We are working very robustly in infection prevention to be able to establish Olympus as a thought leader and not one that merely reacts to regulatory requirements.

With the release of the medical business direction at Investor Day last December, where we were talking about elevating standards of care, our endoscopes and

therapeutic devices will be a critical enabler of that. I think Olympus has a lot of the right ideas and we just need to continue to challenge ourselves to do it differently. I feel that we are on the cusp of that, but it is just something we are going to have to keep working on.

Boisier: The best part about Olympus is the culture and the people. Every employee has a great attitude and wants to do their best for the customer and the Company, but the challenge is sometimes knowing what is best. In the past, there were instructions coming from too many different directions. We are in the process of providing a clear direction for our associates so everyone can focus on performing their duties consistently, so we can harness the power of a large medtech company.

We are all responsible for the quality of our products and ensuring compliance to regulations, but manufacturing should be leading the way on manufacturing issues, R&D should be leading the way on R&D issues, and the list goes on. If everyone is trying to do everything, the message gets cloudy and that's what we have been focusing on fixing.

We are not only transforming QARA, but also R&D and manufacturing. Everything we are doing is aligned. Our processes are getting better to help give direction, and we will also start simplifying those processes so employees can continuously do their job to the best of their abilities.

We have a lot of work to do, and I am rarely happy with the speed of improvement, but based on my experience at other global companies, I can say the progress of our transformation is moving at an appropriate pace. It is not just QARA



“

We must deliver innovations to meaningfully and measurably improve clinical outcomes with economic value across the care pathway.”

————— Ross Segan

that is transforming, but the Company and we are working on aligning our business with what is best for the customer.

Takeuchi: It is also important we make sure our employees are understanding our message. Having small meetings with employees is one way to guarantee that the message is being delivered.

Roggan: I couldn't agree more. Meeting Olympus employees and getting feedback are crucial for developing our new corporate culture.

Kobayashi: Yes, it is also very important to collaborate together and be motivated in order to improve our capabilities and efficiency.

Future Aspirations and Final Thoughts

Roggan: My aspiration is to further strengthen Olympus' longstanding position as a market leader and innovator of new products by helping our R&D function to grow into a world-class structure. The key to this is cross-functional collaboration and staying focused on our customers and patients.

Kobayashi: We have a lot of challenges to overcome as a company, but we also have a lot of potential and it's an exciting journey to be a part of. We must focus on three priorities: 1. Operational excellence, 2. Building the next-generation manufacturing system by utilizing digitalization, and 3. Retaining, developing, and attracting our world-class talent. We can always do better as a company, and we are going to continue working hard on our journey to becoming a leading global medtech company.

Boisier: Our focus must be on safety, quality, delivery, and cost of our products and services. These are all critical to our associates and customers. By moving to one quality management system, we can become more agile and be continuously improving our products and services. To do this, we must simplify and focus our processes to make jobs easier and more efficient. **Segan:** I would like to be bold and say that Olympus will be playing a more meaningful role in cancer states, among others. We are going to truly change the standard of care in certain conditions, and I want people to start seeing Olympus as the company who is going to bring value to the healthcare community in a different, more comprehensive and meaningful way.

Takeuchi: I think we can all and

agree there are many challenges we are facing, but there are also many opportunities for us to contribute to the healthcare community. Olympus is now shifting from being a product-oriented company to a patient- and disease-oriented company. I am very excited because we are stepping in the right direction, and while we need to overcome our many challenges, we also have a lot of opportunities. Right now, we have a really good culture in the Company where everyone can explore their capabilities and be empowered to go beyond that. Yes, there is always more work to do, but we will make it our goal to wake up every morning and go to bed every night thinking about the patient.



“

We need to make sure we understand the intent of the regulations and are constantly improving our products, processes, and services, always striving toward operational excellence.”

————— Pierre Boisier