

Medical Business Strategy: Strengthening Business Foundations and Corporate Portfolio

Business Development

Establishment of a Corporate Venture Capital Fund

Under the corporate strategy we announced in 2019, we aim to sustain an annual revenue growth rate of 5–6% based on organic growth through investment in existing businesses and functional enhancements, mainly in the medical field, as well as M&A and other investments in line with our business strategy. In recent years, the pace of innovation has been accelerating, and new trends such as digital, AI and robotics are shifting the medtech landscape.

We are strengthening the capabilities and scope of our Global Business Development function and have been conducting M&A activities in our focus areas, especially in the medical field. In order to take advantage of these opportunities and to create opportunities for us to grow, we established a corporate venture capital fund “Olympus Innovation Ventures” in October 2021.

We consider that “Olympus Innovation Ventures” is important. It should be seen as part of a comprehensive

business development program. Also, this Corporate Venture Capital (CVC) is used as making a minority investment in earlier-stage and emerging companies. We will strive to form relationships early and help nurture partnerships with relevant and compelling external companies.

“Olympus Innovation Ventures” is governed by the investment committee comprised of the COO, CSO, CFO, and CTO that will establish and monitor the investment strategy. Investment committee has 100% rights over investment decisions and will report quarterly to the Group Executive Committee and annually to the Board of Directors.

Olympus Innovation Ventures will be managed by the Global Business Development team. The management of the CVC itself will be outsourced to an experienced external CVC fund manager. This will have advantages in terms of portfolio management, deal execution, etc.

Outline of “Olympus Innovation Ventures”

Initial corporate commitment	U.S. \$50 million (additional investment if necessary)
Priority clinical areas	Focus on “devices” or “digital (such as data analytics or clinician workflow)” in GI/Urology/Respiratory area
Stage	Emphasis on early to growth-stage global startups

We will identify opportunities through CVC with the following five objectives:

- Build a pipeline of future M&A targets
- Identify promising new markets for future growth
- Raise Olympus’ profile in the medtech innovation ecosystem
- Spot critical trends in technology, medicine, and care delivery
- Generate financial return on invested capital

“Olympus Innovation Ventures” Portfolio

We completed our first investment in Virgo Surgical Video Solutions. Their mission is to improve patient outcomes and clinical workflows in healthcare by developing AI tools for endoscopy. Also, they envision a world where technology powered by AI dramatically improves the quality of, and access to healthcare.

**Message from
Matt Schwartz, CEO of
Virgo Surgical Video Solutions**



Virgo is excited to partner with Olympus through the Innovation Ventures fund. Olympus’ expertise in endoscopic imaging technologies and Virgo’s strength in cloud-based endoscopy solutions are a natural fit together. We fully expect this partnership to yield multiple opportunities that mutually benefit both companies in the years to come.

Single-use Endoscope

Approach to Reusable and Single-use Endoscopy

As part of our corporate strategy unveiled in November 2019, a key strategic effort to further strengthen our leadership in endoscopy is to complement our reusable endoscopy product portfolio with single-use endoscopes. Reusable endoscopes will continue to be the first choice for a wide range of procedures due to the strong clinical need for advanced imaging and maneuverability as well as their financial efficiency for hospitals. At the same time, as single-use endoscopy is

quickly becoming a relevant option for selected procedures, the market for single-use endoscopes is expected to grow by 15–18%* annually from 2020 to 2030.

As a global leader in endoscopy, we are developing single-use endoscopes on the strength of our expertise in visualization, maneuverability and ergonomics, as well as our largest installed base in the market.

*Growth forecast information comes from the Company’s research.

Areas in which We Plan to Develop (or Launched) Single-use Endoscopes (As of September 2022)

Focus on the Customer

We recognize that single-use endoscopes are necessary for enhancing our endoscope portfolio to satisfy the demand from the market and customers.



Olympus’ goal is to be the endoscopy partner of choice by providing the right endoscope for every patient, procedure and site of care around the world.

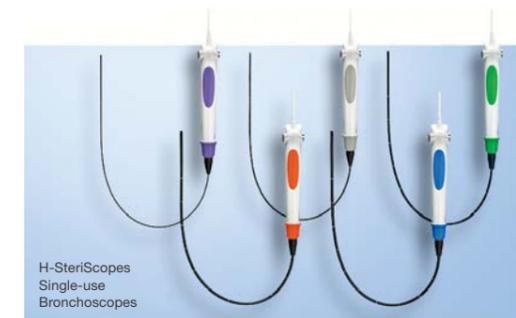
We will focus our single-use endoscope business in areas such as:



Product Launch in the U.S.

In April 2021, Olympus announced the expansion of our respiratory portfolio with the launch of our first line of single-use bronchoscopes, the H-SteriScopes™.

Available in five models, this disposable bronchoscope includes premium features that will help clinicians target, diagnose, and treat patients while enhancing workflow and productivity.



The H-SteriScope portfolio is a collaboration between Veran Medical Technologies, Inc., a wholly owned Olympus subsidiary, and Hunan Vathin Medical Instrument Co., Ltd. Olympus does not handle H-SteriScope in Japan.