

Looking Back at Transform Olympus and Onward to the Future

Promoting Efficiency and Strengthening Foundations for Growth

Transform Olympus Heads toward Its Next Phase

Olympus has been globally developing a corporate transformation program companywide with the aim of improving business operations, performance, and organizational health.

By having promoted a variety of measures on a companywide basis, we improved the adjusted operating

margin, which had been 9.2% in fiscal year 2019, by more than 10% to 19.3% in fiscal year 2022 and thereby achieved a significant result.

Now that the culture of corporate transformation has taken root, Olympus is shifting to a new phase, from transformation to growth.



COLUMN: Fostering a Culture of Corporate Transformation

Olympus Hero Selection—Awards for Employees Who have Driven Transformation

As part of *Transform Olympus*, Olympus has implemented more than 1,000 bottom-up initiatives in a wide range of areas, including in R&D, procurement, manufacturing, medical services, supply chain management, finance, human resources, the digital field, and organizational health. Based on Our Core Values, executive officers have engaged in the selection and commendation for Olympus Heroes, employees who have proactively put into effect transformations under these initiatives. Since launching this initiative in 2019, more than 300 employees have been selected as Olympus Heroes. By constructing a social incentive system that expresses great appreciation for achievements in this way, mindsets are drastically transformed along with a culture of positive transformation that is fostered by, for example, having employees mutually recognize each other across regions and departments as well as raising the motivation of employees throughout the organization.

Medical Service Workstream
Thoroughly explained to employees in Japan the necessity of improving profitability while optimizing repair costs and revising service prices. This explanation helped employees transform their mindset to focus more on medical services. Taking balance between customer satisfaction and profitability, it was a big step toward establishing the system which enables the provision of sustainable services.

Medical Asset Management Workstream
Established a centralized management system of single-use endotherapy devices for demonstration in China and realized efficient inventory management and effective use of assets.

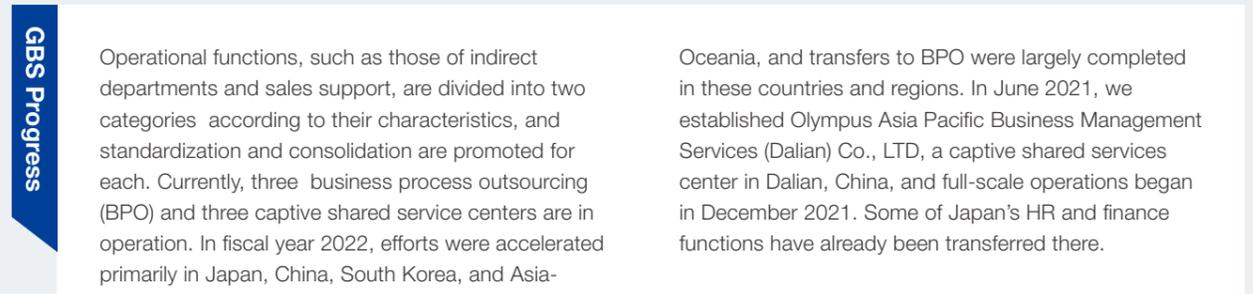


Initiatives in Global Business Services

To standardize business processes and improve cost efficiency, in 2018 Olympus launched Global Business Services (GBS) in Europe ahead of other regions. Since then, we have been rolling out GBS and promoting their initiatives worldwide. Even as we achieve future sales growth, the expectation is to curb costs by standardizing some operational functions, such as indirect departments and sales support, that were dispersed in each country and region. All of this will be accomplished with the view of global overall optimization, outsourcing to external vendors and

transferring them to our own subsidiaries.

Currently, GBS is being rolled out by region, but we are also strengthening global collaboration. Even after transferring functions, we are still pursuing further improvements and considering expanding the scope of GBS, which will lead to stronger global group governance. In the years to come, we will continue our GBS activities not only to improve cost efficiency, but also to enhance Olympus' organizational capabilities and support sustainable growth.



Business Process Outsourcing (BPO) = External Outsourcing Vendor

Operations with generalized business processes:
Invoice payments, finance operations such as fixed assets, part of purchasing operations, etc.

Captive Shared Services Center = Olympus Group Company

Olympus' unique and high confidentiality functions:
HR functions, financial planning and analysis (FP&A), and part of finance functions such as accounts receivable, etc.