

Innovation

R&D Activities

Basic Policy

Olympus R&D Defined the Vision

"Being a leading global and agile R&D organization, innovating new solutions that elevate the standard of care."

To achieve this vision, three R&D missions were set following companywide Olympus' company strategy:

Patient safety and sustainability	Prioritize patient safety and product quality, establish and maintain a healthy and capable organization
Innovation for growth	Deliver value creating innovation for products, procedures, and solutions
Productivity	Ensure predictable and efficient execution based on a high performing organization

R&D Strategy in Company Strategy

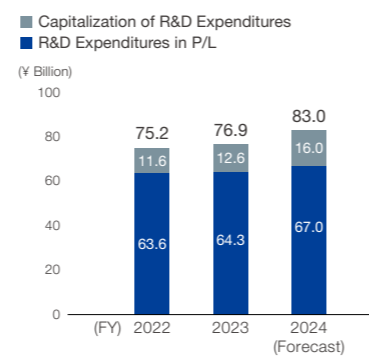
In the company strategy announced in May 2023, R&D is positioned as center of the most important value-creating initiatives for innovation, which is essential for the Company's development. We aim to introduce innovation methods that address unmet needs, make appropriate investments that will drive future innovation, actively pursue strategic partnerships, and accelerate speed to market.

Customer Driven Innovation Focus on clinical-driven innovation to address unmet needs, lower healthcare cost, and build on co-development practice with healthcare professionals (HCPs): <ul style="list-style-type: none"> Improve clinical outcomes and the standard of care Optimize total cost of care Engage with HCPs not only when collecting voice of the customer (VOC), but in regular feedback loops throughout all development phases 	Strategic Partnership Pro-actively seek for strategic partnerships through joint venture, early-stage investments, M&As and co-creation: <ul style="list-style-type: none"> Seek M&A opportunities to reinforce Olympus' core technology competence Utilize joint venture, e.g. Sony Olympus Medical Solution (SOMED) Inc. with Sony Collaboration with third parties to leverage outside technologies and shorten time to market
Efficient and Capable R&D Organization Become more efficient and predictable in project execution, fully leveraging our global resources and enhance capabilities and capacity: <ul style="list-style-type: none"> Execute projects more efficiently through implementation of lean and agile methodologies and concurrent engineering Optimize resources and capabilities for each project by creation of competence clusters and mastering the best development teams from our global R&D engineering resources Improve capabilities through Olympus' new Project Management Office Academy or establishment of Digital Excellence Centers and augment R&D resource pool by off-shore development capacities 	Right Investment Make the right choices for future investments to ensure long-term growth: <ul style="list-style-type: none"> Follow a strict strategic business planning process to prioritize project portfolios across divisions and business units Select cutting-edge technologies with a high potential to drive customer value, e.g. digitalization, robotics, Artificial Intelligence (AI)/Machine Learning (ML)

Approach toward R&D Expenditures

To advance as a leading global MedTech company, it is critical for Olympus to provide competitive and innovative products to the markets in a faster cadence. Shifting from our traditional "all by ourselves" approach to one leveraging alliances and partnerships will enable shorter development cycles and the optimization in overall development costs. Our aim is to invest approximately 8.5% of our revenue into R&D activities in fiscal year 2026. This ratio is competitive and reflects the average of our peers in the MedTech industry. Within such budget frame we will gradually shift investments from sustaining activities to midterm innovation and technology development, supporting our clinical unmet-needs driven strategy for next generation products. In addition, a fraction of the R&D budget will be reserved for transformative/disruptive technology exploration.

R&D Expenditures



Single-use Endoscope

Approach to Reusable and Single-use Endoscopy

One of strategic value pools in our company strategy unveiled in May 2023 is business and global expansion. We continue to recognize the market opportunity for single-use endoscopes and 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 October 2023)

We have established a strategic approach to single-use endoscopy that is aligned with our goal to be the **Endoscopy Partner of Choice**, with best-in-class solutions providing the right scope for every patient, procedure and site of care.

Pioneers in visualization and maneuverability			Largest installed base in the market		
Best-in-Class Visualization	Infection Control	High Maneuverability	Improves Workflow (on-demand solution)	Durable & Reliable	Managing Costs

Focus on innovative visualization technology to provide clinicians with the optimal range of endoscopes to meet their needs:

GI Duodenoscopes/ Cholangioscopes: Planned launch FY2025–FY2026	Urology Ureteroscopes: Planned launch FY2025	Respiratory Bronchoscopes: Launched FY2022 Rhinolaryngoscopes: Launched FY2024
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Spotlight: Product Launch in the U.S.

E-SteriScope Single-use Flexible Video Rhinolaryngoscope

Launched in 2023, the E-SteriScope portfolio delivers options for both diagnostic and therapeutic procedures complimenting Olympus' existing video platform to provide a comprehensive ENT solution.



- Single-use scopes help avoid procedural delays stemming from scope availability:
- For off-hours when reusable options are not available
 - For physicians who need to quickly scope a patient at bedside

The E-SteriScope is a collaboration with Hunan Vathin Medical Instrument Co., Ltd. Olympus does not handle E-SteriScope in Japan.

Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.