R&D Dialogue

Bringing meaningful innovations to fruition with the goal of improving the lives of millions

At Olympus, we are committed to driving innovation with a focus on patient safety. In a recent dialogue, our CTO and Deputy CTO shared their insights on the changes that have emerged over several years of transformation, and discussed the challenges as well as the medium- to long-term direction of innovation.

Syed Naveed
Executive Officer and
Chief Technology Officer (CTO)

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Hidenobu Kimura
Chief Technology Officer (Deputy position)
Olympus Corporation

Please share what experience you bring to your role at Olympus.

Naveed: My background is in mechanical engineering, with specialization in robotics and laser applications. I started my schooling in India and moved to the U.S. for higher education where I focused on laser technology. I have been in MedTech for over 25 years, most of that time in the U.S., and for the past two and a half years, I have been at Olympus.

I feel very comfortable here and have felt honored to be a part of this Company, which has been serving patients and has been at the forefront of innovation for more than 100 years.

Kimura: My background is also in mechanical engineering. I joined Olympus in 1990 and have been with the Company for the past 35 years. I began my career in the industrial videoscope division, and after a little over two years, I transitioned into the medical field. During that time, I mainly focused on the GI field and had the privilege of working closely with healthcare professionals.

Since joining Olympus, I have been dedicated to advancing endoscope development and fostering cutting-edge technology that meets the needs of healthcare professionals.

What do you think are Olympus' strengths and what challenges do we face as a global MedTech company?

Naveed: Olympus has many strengths, particularly in optics and precision mechanics. As Hide (Kimura) has demonstrated, close collaboration with healthcare professionals has been a key driver of our innovation. Even in my short time here, I have seen that Olympus has a big and rich legacy of innovation. While over the last few years our innovation has slowed for various reasons, I believe we are now well-positioned to reclaim that legacy and move forward with renewed momentum.

From a technological standpoint, our capabilities in optics and precision mechanics remain strong. However, the future extends beyond these traditional strengths. To continue

delivering innovative solutions for patients, we must invest in and build on our strengths in areas such as software and AI.

Kimura: Our legacy is rooted in the strong relationships we have built with doctors not only through our R&D efforts, but also across our sales and marketing teams. These connections enable us to stay focused on the needs of our patients and customers. However, moving forward, we have to understand more deeply what our patients and customers need. Digestive cancers remain a prevalent disease in the world, so we have a lot of work ahead.

Additionally, we must improve our development processes to bring products to market more quickly. By meeting our customers' unmet needs, Olympus continues to lead and remain competitive in the GI field.

Naveed: Collaboration with healthcare professionals is key, and we have gone back to the basics by connecting our engineers with doctors.

Currently, we are training a large number of our engineers in Stanford Biodesign methodology. This methodology targets identifying unmet clinical needs, developing solutions, and planning for implementation into clinical practice. For the last half a year, we have trained over 200 engineers in the U.S., Europe, and Japan. We have also established a system that enables engineers to spend three to four weeks at major hospitals around the world and then come back with valuable experience and knowledge. This approach brings together engineers and physicians from around the world to co-create solutions. We are committed to open collaboration throughout the development process to ensure we meet unmet needs.

What changes can be seen at our R&D sites in Japan and what improvements can we make?

Kimura: One description of these changes is, "globalization," but another is "bridging the gap." In the past, there have been roadblocks to globalization in R&D, such as language barriers and substantial differences in culture, which made mutual communication with clear understanding difficult. Since 2019, however, Olympus has been moving toward a global mindset. Japanese employees have become more proactive in communicating, and the mentality of our engineers has been gradually evolving.

I see more and more engineers connecting with global colleagues through various touchpoints. Through these collaborations, we have been gaining understanding about what it means to be a global MedTech company with a global mindset.

Naveed: This shift in mindset is very important, and I agree with Hide that "globalization" is a good keyword to describe the changes seen at our R&D sites in Japan. In the past, our R&D teams in a country were composed exclusively of members from that country. However, we now have people from a variety of cultures in these centers, and I believe we are now seeing much stronger collaboration across our R&D sites in Japan, the U.S., and Germany. We have also established an Offshore Development Center in India, which is contributing to the standardization of our R&D processes and helping to strengthen our global innovation capabilities.

Another change I have seen is building new capabilities, such as in software and single-use scopes. Some of these capabilities have never been seen before, and our changing mindset has been key to these advancements. As Hide has said, the movement from a regional mindset to a global one has given us the ability to learn from each other and to learn what defines a truly valuable product for our patients.

To continue moving forward, I believe we need to embrace two fundamental things: a growth mindset and open and transparent communication. Having a growth mindset encourages people to think about not only what happened in the past, but also to think about what can be learned and how to adapt to challenges in the future. We need to say, "Yes, we can," instead of remaining stuck in routines of the past.

What positive impact has quality and regulatory transformation project *Elevate* had on innovation so far?

Naveed: We are making steady progress across many of our

"We must improve our development processes to bring products to market more quickly."

Hidenobu Kimura

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Syed Naveed

Elevate workstreams. *Elevate* is supporting the standardization and harmonization of our design control processes, and in doing so, is helping to both establish and enhance our processes not only to shorten our development cycle, but also to make our regular product testing, approvals and clearances more robust.

Kimura: I have had the opportunity to work in the QA&RA function for two years, and during that time I have seen a growing recognition of the importance of QA&RA and process standardization. Today, I am confident that our engineers understand how vital our quality management system is and how important it is to prioritize patient safety.

Please tell us about R&D's medium- to long-term innovation strategy.

Naveed: As our CEO Bob White often says, "Innovation is the lifeblood of MedTech." We now have to revive and reinvigorate innovation. This can only happen through close collaboration between engineers and healthcare professionals. To foster this collaboration, we have taken several important steps, including revising our processes and providing Biodesign training for our engineers.

As outlined in our company strategy, our three focus areas —GI, Urology, and Respiratory—are also important to our medium- to long-term strategy. Within those areas, we have identified our "value roadmap" and "technology roadmap," which are the values and technologies we can bring to our patients and customers over the next five years. For the GI area in particular, we want to be the partner of choice in endoscopy and shape the future for endoscopy suites. To achieve this, we have three areas of investment: digital, robotics, and single-use endoscopy. For digital and robotics, we must leverage our legacy technology and build on it, such as by adding digital and software features, to help bring more value to our patients. At the same time, with single-use endoscopes, we aim not only to demonstrate our leadership in reusable scopes, but also to provide holistic solutions that meet evolving clinical needs.

Kimura: For our next-generation Olympus endoscopy system, we are working efficiently toward enhancing product functionality and performance, enabling timely introduction to the market. Historically, we have been developing each product individually, but we are now shifting toward a modular product architecture—developing by module rather than by product. This modularization approach allows for greater development flexibility, faster product updates, and ultimately delivers higher value to our patients and customers.

Please share your message with all stakeholders.

Kimura: As Olympus has been transforming, so too have the mindsets of our engineers. With the integration of advanced technologies, our endoscopes are evolving to deliver greater value to patients. By maintaining close collaboration with healthcare professionals around the world and keeping patient safety at the forefront of everything we do, we remain committed to meeting the needs of our patients and customers.

Naveed: Olympus has a rich tradition of innovation. Over the past many decades, we have developed unique technologies to solve the problems of millions of patients worldwide. We are investing more vigorously in both innovation and our capabilities that drive it. Across the world—from Boston to London, Hamburg to Hyderabad, Shanghai to Tokyo—we are building teams with the brightest minds. They are coming together to co-create with healthcare professionals and bring meaningful innovations to fruition with the goal of improving the lives of millions.

With these foundations supporting us, we will keep moving forward and saying "Yes, we can."