

Jan 11, 2019

OLYMPUS CORPORATION ANNOUNCES TRANSFORMATION PLAN TO CONTINUE ITS DEVELOPMENT AS A TRULY GLOBAL MEDICAL TECHNOLOGY COMPANY, ACCELERATE SHAREHOLDER VALUE CREATION, AND BENEFIT ALL STAKEHOLDERS

- **Drive Efficiency in Decision-Making, Integrate Risk Management, and Improve Resource Allocation Across the Enterprise**
- **Establish New Global Group Management Structure and Globally Uniform Human Resources Program To Ensure Company Pursues Both Efficiencies and Growth Initiatives**
- **Optimize Industry-Leading Medical Device Business Around Endoscopic Solutions and Therapeutic Solutions To Capture Key Growth Opportunities, with U.S.-based Management for Therapeutic Solutions Division**
- **Focus on Cost Containment Initiatives as Top Priority; First Step Freezes FY 2020 SG&A at FY 2018 Levels**
- **Yasuo Takeuchi Will Become President and CEO of Olympus on April 1**
- **Align Board Structure With Global Nature of Olympus' Business; Seek Shareholder Approval at 2019 Annual Shareholders' Meeting to Migrate to a Three Committees Board Structure**
- **Commitment to Diversifying Board By Nominating Three New Directors with Highly Relevant Global Backgrounds, including ValueAct Capital Partner D. Robert Hale**

TOKYO – January 11, 2019 – Olympus Corporation today announced a comprehensive transformation program to continue its development as a global medical technology (medtech) company and drive improved performance, accelerating value creation for all stakeholders.

The multi-tiered plan is designed to re-engineer Olympus with a governance, leadership, and human resources framework that will pave the way for more coordinated, agile management processes that better support the global enterprise Olympus has become.

The plan reflects the Board and management's belief that the new framework will better enable Olympus to capture meaningful cost savings and generate growth through its strongest business opportunities, particularly in the U.S. market for medical devices that support endoscopic procedures.

This transformation will be led by Yasuo Takeuchi, who will be named President and Chief Executive Officer of Olympus Corporation. Mr. Takeuchi is currently Vice President and Chief Financial Officer. Hiroyuki Sasa, who has successfully led Olympus through an important period of global development and stabilization, will transition from President of Olympus Corporation to Board Director as of April 1, at the same time the broader organization changes take effect.

Mr. Takeuchi said: "The Transform initiatives we are announcing today are the culmination of the multi-year effort to rebuild Olympus led by Hiroyuki Sasa when he became CEO in 2012 after a highly challenging period. He introduced the Medium-Term Vision and then drove sustainable business growth during the initial years of the '16 Corporate Strategic Plan (CSP). Through Mr. Sasa's leadership, we strengthened internal control frameworks as a foundation for enhancing global compliance and governance, implemented a matrix organizational structure to maximize

the use of corporate resources, and reinforced the quality and regulatory assurance function. We also began to reorganize our operations by including leadership from Europe and the Americas as part of our executive management team and introduced the cross-business application of best practices.

“We will now take the next major step to launch a comprehensive plan to further transform our operations, together with clear objectives, accountability, and a responsible time frame,” continued Mr. Takeuchi. “As we near our 100 year anniversary as a leading company in Japan, this new plan better supports and harmonizes our global operations as a global medtech company. We believe this organization will drive improved organic growth and significantly more efficient operations, as we look to position Olympus for another 100 years of success. This plan is also fundamental to our commitment to accelerate shareholder value creation.

“I want to thank Mr. Sasa for his extraordinary service to Olympus. I am also honored to continue my own service to Olympus in this new role. Through the implementation of this go-forward plan, we will improve our performance and create a more efficient company that will fulfill our purpose of making people’s lives healthier, safer and more fulfilling,” Mr. Takeuchi added.

Adopt Global Management Structure and HR Program

To align Olympus’ management structure with its current and future business operations and drive cost reductions, Olympus will strengthen leadership globally by implementing a new global structure, streamlined decision-making, and more uniform business management. This transformation work will place clear accountability on the business unit leaders for driving sales and profitability in their respective units.

Starting April 1, the executive management team will consist of five executive officers with leadership across the entire organization. In addition to Mr. Takeuchi as Chief Executive Officer, the team will include Mr. Akihiro Taguchi as Chief Operating Officer, Mr. Haruo Ogawa as Chief Technology Officer, Mr. Yasushi Sakai as Chief Financial Officer, and Mr. Stefan Kaufmann as Chief Administrative Officer.

This team will be responsible for decision-making and execution of unified, global policies and strategies across the different business lines. The business unit heads will report directly to the Chief Operating Officer.

To better drive continued global growth and recruit and retain high-level talent across business lines, the Company is also updating its talent management protocols across the Company and reassessing its global workforce to drive greater efficiency. Olympus will establish the required talent management infrastructure through a Global HR Program. This will allow the Company to reinforce strong performance, to manage headcount, and to place the right individuals in optimal positions globally.

Optimize and Simplify Medical Device Business

An integral part of this new plan will be the reorganization of the Olympus medical device business into two global divisions – Endoscopic Solutions and Therapeutic Solutions – rather than the current five. These two divisions’ business models differ in distinct ways, and organizing the business through this structure will enable speedy and lean business management, enhancing Olympus’ competitiveness among global medtech companies.

The Endoscopic Solutions division, a proven global leader in endoscopes, will continue to be managed from Japan. This division will have global responsibility, facilities around the world and

will invest in enhancements to its existing infrastructure and processes. The division will consist of Gastrointestinal (GI), Respiratory and Surgical endoscopy capital products; Software; Reprocessing; Repair service and System Integration.

The Therapeutic Solutions division will be managed from the United States, bringing the management of the organization closer to the largest therapeutic device market with better access to the medical industry cluster and its largest customers. This division will also have global responsibility and facilities around the world. This division will consist of EndoTherapy (single-use therapeutic) devices for GI and Respiratory fields; Energy and other surgical single-use devices; and Urology, Gynecology and Ear, Nose, and Throat (ENT) products.

Under this new organizational structure, Olympus looks forward to focusing the business strategies and cost structure of its divisions to optimize their potential with respect to more timely and effective product offerings.

Prioritize Cost Containment and Capital Efficiency

Olympus recognizes that there is a significant opportunity to improve operating profit margin and return on capital in line with global medical device industry peers, especially following a period of elevated investment in the early years of 16CSP.

Olympus will now increase focus on cost containment and capital efficiency initiatives. Working groups have been established to accomplish this goal. The first step of these initiatives is to freeze FY 2020 SG&A, including R&D, at the FY 2018 level, starting April 1, the beginning of the new fiscal year, while FY2019 will remain at current guidance level.

Olympus is also developing longer-term cost savings programs, which will be finalized and announced together with the revised strategic plan. Olympus will also review its capital expenditure levels across business units with the goal of sustainably improving free cash flow available for shareholder return and responsible M&A investment toward the strategic goal of becoming a leading global medtech company.

Intention to Adopt New Governance Initiatives Consistent With the Transformation Plan, Including Migration to a Three Committee Board Structure and Adding Three Directors

Consistent with the focus of its Transform Olympus and Transform Medical plans, particularly to further support the global nature of its business, Olympus will seek shareholder support for changes to the structure and composition of its Board of Directors at the next annual meeting.

To align Olympus' Board structure with the global nature of its business and provide enhanced oversight and support of management, at the June 2019 Annual Meeting Olympus will ask its shareholders to approve an amendment to the Company's Articles of Incorporation to migrate from a Company with a Kansayaku-kai audit structure to a Company with a Three Committees Board structure. The Three Committees structure will simultaneously improve the Board's focus on supervising management's implementation of strategy and best practices, increase management's agility, and improve the ability to attract global executives.

In addition, the Board's nominating committee is identifying three new Board member candidates to present to shareholders for election at the June 2019 Annual Shareholders' Meeting.

Building on its ongoing collaborative relationship with its largest shareholder, ValueAct Capital Management L.P. ("ValueAct"), Olympus plans on inviting D. Robert Hale, a Partner at ValueAct,

to stand for election at the June 2019 Annual Meeting. As a seasoned management consultant and investor across industries, Mr. Hale would bring the Board expertise in advising leading global companies during transformation as well as significant global capital markets and healthcare experience.

Two additional new Board members will also be proposed to stand for election at the 2019 Annual Meeting. Olympus will recruit international executives who have highly relevant experience at leading global medical technology companies and has invited ValueAct to help identify candidates.

Mr. Takeuchi said: “We made good progress over the past few years developing our reorganization plans on our own initiative. We believe the change in our governance structure at this time will help to advance our progress by bringing us more in line with the world’s leading global companies. We have been impressed with ValueAct’s expertise and constructive approach, and believe that having Rob Hale on the Board will bring useful global perspective and experience to our ongoing work to transform Olympus and build value for all shareholders.”

Mr. Hale said: “Over the past year our team has been in a highly collaborative dialogue with Hiroyuki Sasa, Yasuo Takeuchi and their colleagues. We share their vision and believe the transformation initiatives to globalize governance and management will position Olympus to achieve its full potential. I am honored to be invited to serve on the Olympus Board and look forward to working with Mr. Takeuchi and his team for the long-term benefit of all Olympus stakeholders.”

Of the transformation plan as a whole, Mr. Takeuchi added: “Olympus also looks forward to realizing its full potential as a global medtech company. This transformation plan constitutes an important further step forward in that process through changes to our leadership, recruiting, divisional structure and management, and corporate governance. By executing on these changes, Olympus will become a more efficient and agile operator which will allow us to maximize long-term shareholder value and drive benefits to all of our stakeholders.”

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About Olympus Group

Olympus is a global technology leader, crafting innovative optical and digital solutions in medical technologies; life sciences; industrial solutions; and cameras and audio products. Throughout our nearly 100-year history, Olympus has focused on being true to society and making people's lives healthier, safer and more fulfilling.

Our Medical Business works with health care professionals to combine our innovative capabilities in medical technology, therapeutic intervention, and precision manufacturing with their skills to deliver diagnostic, therapeutic and minimally invasive procedures to improve clinical outcomes, reduce overall costs and enhance quality of life for patients. For more information, visit Olympus.com.