

January 11, 2019

News Release

Company: Olympus Corporation
Representative Director, President: Hiroyuki Sasa
(Code: 7733, First Section, Tokyo Stock Exchange)
Contact: Takaaki Sakurai, General Manager, Public Relations and IR Office

**Notice Concerning
Transformation Plan “Transform Olympus” to Develop Itself
as a Truly Global Medtech Company
And Change in Representative Director**

Olympus Corporation (the “Company”) hereby announces that the Company has resolved, at the meeting of the Board of Directors held today, (i) to formulate a transformation plan, “Transform Olympus”, with the purpose to develop itself as a truly global medical technology (“medtech”) company and (ii) to change the Representative Director of the Company as following:

I. Formulation of Transformation Plan “Transform Olympus” (the “Plan”)

1. Background of formulation of the Plan

While the Company will celebrate its 100th anniversary this year, 2019, the Company considers that, in order for the Company group to continue sustainable growth over the coming years and to develop itself as the world’s leading company in the medical industry as a truly global medtech company, it must overcome following challenges: (i) enhancing efficiency in decision-making, (ii) integration of risk management, (iii) global optimal placement of talent and function, (iv) improvement on speed and efficiency of business management equivalent to global medtech companies and (v) accomplishment of sustainable growth in the therapeutic device field.

The Company has formulated the Plan with the purpose to overcome these challenges and to establish a foundation that enables the Company group to enhance sustainable developments as a truly global medtech company.

2. Overview of the Plan

Overview of the Plan is as follows:

(1) Establishment of global group executive management structure

Starting April 1, 2019, with the purpose for enhancing efficiency in decision-making and integrating risk management across the Company group, the Company will newly establish the Executive Management Meeting consisting of 5 Chief Officers - Chief Executive Officer, Chief Operating Officer, Chief Technology Officer, Chief Financial Officer, and Chief Administrative Officer. The Executive Management Meeting will lead the Company group globally under the unified policy.

The following persons are scheduled to be appointed as Chief Officers as of April 1, 2019.

Chief Officer	Name (Current Title)
Chief Executive Officer (CEO)	Yasuo Takeuchi (Director, Vice President and Chief Financial Officer)
Chief Operating Officer (COO)	Akihiro Taguchi (Director, Senior Executive Managing Officer)
Chief Technology Officer (CTO)	Haruo Ogawa (Director, Senior Executive Managing Officer)
Chief Financial Officer (CFO)	Yasushi Sakai (Executive Managing Officer)

Chief Administrative Officer (CAO)	Stefan Kaufmann (Executive Officer)
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The Executive Management Meeting will be responsible for decision-making and execution of unified and global policies or strategies across the different business lines and functions. The business unit heads will report directly to the Chief Operating Officer.

(2) Globally integrated HR management

The Company group will integrate the HR management system across the Company group such that the Company group may proactively recruit and optimally assign talented individuals regardless of nationalities. The new HR management system will be determined under following policies:

- Talent Development:
 - Early selection and appointment
 - Training professionals and specialists for each function
- Talent Appointment and Assignment:
 - Appointing and assigning talent regardless of nationality and age
 - Establishing talent information system
- Talent Acquisition:
 - Recruitment of required individuals and integration of HR system at global level
- HR Governance:
 - Direct governance and monitoring of successors for individuals in key positions

(3) Reorganization of the Medical Business - “Transform Medical”

With the purpose of improving speed and efficiency of business management comparable to global medtech companies and enhancing sustainable growth in the therapeutic device field, starting April 1, 2019, the Company group will reorganize its medical device business into two business divisions - Endoscopic Solutions and Therapeutic Solutions – from the current five business divisions consisted of Gastrointestinal (GI) and Respirator, General Surgery, Urology and Gynecology, Ear Nose Throat, and Medical Services. The Therapeutic Solutions division will be headquartered in the United States, which is the largest therapeutic devices market and enables the Company to have access to abundant talent.

- Endoscopic Solutions division
 - Headquarter: Japan
 - Feature: Multi-product small volume production
 - System verification and reliability testing technology
 - Long-term technical development and improvement
 - Products and Services: GI, Respiratory and Surgical endoscopy capital products, Software, Reprocessing, Repair service and System Integration
- Therapeutic Solutions division
 - Headquarter: United States
 - Feature: Rapid and mutual development cycle
 - Flexible manufacturing system
 - Reasonable supply chain
 - Products and Services: 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 products

(4) **Diversification of the Board of Directors**

In order to enhance sustainable growth of the Company group as a truly global medtech company, the Company will strengthen supervising and monitoring functions of the Board of Directors by appointing new directors with global and multilateral experience and expertise.

Amongst others, the Company is considering to appoint three new director candidates at the Annual General Meeting of Shareholders of the Company in June 2019. Building on its ongoing collaborative relationship with its largest shareholder, ValueAct Capital Management L.P. (“ValueAct”), the Company plans to propose appointment of D. Robert Hale, a Partner at ValueAct, as a new director of the Company at the June 2019 Annual Meeting. Furthermore, the Company plans to ask its shareholders to appoint two other new director candidates 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. Regarding other new director candidates, the Company intends to appoint international executives who have highly relevant experience at leading global medtech companies. Upon identification of the candidates, the Company plans to refer advice from ValueAct.

The Company will promptly make further announcement once the details of the candidates are determined.

(5) **Migration to a Company with a Three Committees board structure**

With the purpose for driving efficiency in decision-making and enhancement of governance and improvement of transparency, the Company is considering to 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 at the June 2019 Annual Meeting, and migrate from a Company with a Kansayaku-kai audit structure to a Company with a Three Committees board structure.

The Company will promptly make further announcement once the details of the migration are determined.

II. **Change of the Representative Director of the Company**

1. **Reason for the Change**

Upon the enforcement of the Plan set out in the “*I. Formulation of Transformation Plan “Transform Olympus” (the “Plan”)*” above, the Company intends to renew its management team and advance the Plan under the leadership of Yasuo Takeuchi (Current Title : Director, Vice President).

Hiroyuki Sasa will resign from representative director of the Company and Yasuo Takeuchi will substitute his position. Hiroyuki Sasa will remain as the Director of the Company after April 1, 2019.

2. **Name and Title of Old and New Representative Director**

Name	New Title	Old Title
Hiroyuki Sasa	Director	Representative Director, President
Yasuo Takeuchi	Representative Director, President and Chief Executive Officer	Director, Vice President

3. **Profile of New Representative Director**

Yasuo Takeuchi

Birthdate February 25, 1957

April 1980 Joined the Company

April 2005 General Division Manager, Olympus Medical Systems Corp.

April 2009 Director, Olympus Europa Holding GmbH

June 2009 Executive Officer, the Company

October 2011 Executive Managing Director and Chairman of the Board, Olympus Europa Holding GmbH

April 2012 Director, the Company (present)
Senior Executive Managing Officer, the Company
Group President of Group Management Office, the Company
Chairman of the Board, Olympus Corporation of the Americas (present)

March 2013 Administrative Board and Managing Director, Olympus Europa Holding SE (present)

April 2015 Head of Corporate Management Office, the Company

April 2016 Director, Vice President, the Company (present)
Chief Financial Officer (CFO), the Company (present)
Chief Regional Representative Officer (present)

4. Number of Shares held by New Representative Director

11,987 shares (as of September 30, 2018)

5. Scheduled Date of Appointment

April 1, 2019

End