BioSpectrum
the business of Bio & Health Sciences
ASIA EDITION

Olympus unveils corporate strategy

November 7, 2019 | News

Medical business to drive future growth of Olympus Corporation as a global medtech leader



Olympus Corporation has announced its Corporate Strategy in central Tokyo. The announcement follows the company's earlier announcement in January this year, when significant changes in governance, the headquarters move of the Therapeutic Solutions business to the US, as well as a cost containment program were announced as a starting point of the company's extensive transformation efforts.

To achieve an operating profit margin of 20% or above at the fiscal year 2023 March, Olympus introduced four core elements:

1. **Focus the corporate portfolio centering on Medical**, the company's key contributor to revenue and profit with the greatest market growth potential. The **Imaging** and **Scientific Solutions** divisions remain crucial components to the overall Olympus business, and will strive to improve profitability and operational efficiency.
2. **Strengthen global leadership in Endoscopy** by continuously innovating technologies in reusable devices, pioneering the nascent disposable endoscopy segment, and shifting toward a service-based and procedure-based commercial model. With the aim of achieving an annual growth of ~6% over the next three years, the business continues to evolve with increasing demand in emerging markets, such as China, where double-digit revenue growth is forecasted.
3. **Focus and scale prioritized therapeutic areas of Gastrointestinal, Urology and Respiratory.** This exciting segment is expected to continue to bring annual growth of ~8% over the next three years, through portfolio development, organic growth and M&A opportunities. Managing its business globally from the U.S will strengthen the company's ability to compete, grow and lead in the world's largest market. The development of new devices for gastrointestinal, urology and respiratory areas will be the key focus.
4. **Pioneer next-generation tools and procedures for minimally invasive surgery.** This fourth element ensures long-term sustainability in the evolving business environment and secures the option to fully exploit the potential of new technologies that includes endoluminal manipulator. The company aims to innovate the solution of the total minimally invasive surgery workflow along with external partners.

Olympus Corporation President and CEO Yasuo Takeuchi said: "We are committed to build on our 100-year legacy of world-leading innovation, quality and dedication to making people's lives healthier, safer and more fulfilling. Our new strategy is the most significant change we have undertaken in decades, and it is designed to strengthen our position as a world leader in the medtech industry. It will enable us to improve shareholder value and the lives of patients, while benefiting healthcare

professionals. Our refreshed business structure also provides a more dynamic, agile approach to quickly adapt to changing market conditions. We are responding not only to competitive market forces, but also focusing on our sustainable, future growth."

To support these strategic growth initiatives, a thorough transformational program will drive the change from within and assure accomplishment. But the transformation not only comprises initiatives for improved performance, it also reinforces the development of organizational capabilities and corporate culture.