

January 28, 2021

News Release

Company: Olympus Corporation

Yasuo Takeuchi, Director, Representative Executive Officer, President and CEO

(Code: 7733, First Section, Tokyo Stock Exchange)

Contact: Takaaki Sakurai, Vice President, Investor Relations

TEL: +81-3-3340-2111

## Notice regarding Acquisition of Quest Photonic Devices B.V. (to make it a subsidiary) in the Netherlands

Olympus Corporation ("Olympus") hereby announces that it has entered into an agreement to acquire Quest Photonic Devices B.V. ("Quest", headquartered in the Netherlands), a company that develops, manufactures and commercializes fluorescence imaging systems (FIS) for medical applications, through Olympus Winter & Ibe GmbH (headquartered in Germany), our consolidated subsidiary doing business as "Olympus Surgical Technologies Europe" or "OSTE."

### 1. Purpose of the acquisition

Olympus announced, on November 6, 2019, its new corporate strategy ("Corporate Strategy") to achieve growth as a global medical technology ("medtech") company in order to realize sustainable growth for the Olympus Group overall. Under this Corporate Strategy, Olympus's strategic aspiration is to grow into a globally-leading medtech company contributing to people's lives by delivering innovative solutions that benefit patients, healthcare professionals, payors, and providers.

Fluorescence imaging refers to special light imaging technologies that utilize the properties of specific fluorescent dyes that can be directed to specific anatomical structures. By using targeted dyes in combination with a certain light wavelengths, tissues or lesions that are nearly invisible under normal white light become visible, so fluorescence imaging is expected to contribute to the improvement of imaging in surgery.

The global market for FIS imaging devices is expected to grow at a compound annual rate of more than 12% from around US\$310 million in 2018 to over US\$827 million in 2027. \* Increasing demand for minimally invasive procedures and reconstructive surgery is helping to drive the growth of FIS worldwide. Furthermore, application of the technology is expected to expand over the coming years as additional fluorescent dyes can be combined with targeted antibodies.

Olympus has been introducing advanced technologies such as 3D and 4K in the field of endoscopic imaging, and Quest has imaging systems for fluorescence-guided surgery in minimally invasive procedures such as laparotomy and laparoscopy. This acquisition adds Quest's innovative fluorescence imaging systems to our product portfolio, and the combination of Quest's leading fluorescence imaging systems technologies with Olympus' existing laparoscopic optical imaging system will enable Olympus to offer surgeons a wide range of high quality fluorescence imaging solutions for both of laparotomy and laparoscopy.

\* Source: Transparency Market Research; Near-Infrared Fluorescence Imaging System Market Global

Industry Analysis, Size, Share, Growth, Trends and Forecast, 2019–2027.

2. Details of the acquisition

I. Acquisition method

OSTE will acquire all of the outstanding shares of Quest, and the current Quest's shareholders will receive cash considerations.

II. Funding for this acquisition

Borrowing will be used to fund this acquisition.

3. Overview of the subsidiary to be acquired

|   |   |                             |                             |
|---|---|-----------------------------|-----------------------------|
| (1) Name  | Quest Photonic Devices B.V.   |                             |                             |
| (2) Address   | Middenmeer, North Holland, the Netherlands  |                             |                             |
| (3) Title and Name of representative  | CEO Richard Meester   |                             |                             |
| (4) Description of business   | R&D and manufacturing of medical devices  |                             |                             |
| (5) Capital Amount (Note)   | JPY 474 million (as of the end of December 2019)  |                             |                             |
| (6) Date of incorporation   | August 21, 2008   |                             |                             |
| (7) Major shareholders and shareholding ratios  | Quest Management B.V., 77%<br>Stichting Administratiekantoor Quest Photonic Devices , 23% |                             |                             |
| (8) Relationship with Olympus   | Capital relationship  | None                        |                             |
|   | Personnel relationship  | None                        |                             |
|   | Transactional relationship  | None                        |                             |
|   | Related party relationship  | None                        |                             |
| (9) Operating results and financial standing over the last three years (Yen in Millions) (Note 1) |   |                             |                             |
| Fiscal Year   | Year Ended<br>December 2017   | Year Ended<br>December 2018 | Year Ended<br>December 2019 |
| Consolidated Net Assets   | 2   | 434                         | 474                         |
| Consolidated Total Assets   | 790   | 1,011                       | 1,283                       |
| Consolidated Revenue  | 162   | 224                         | 396                         |
| Consolidated Operating Profit   | 19  | 65                          | 120                         |
| Profit attributable to owners of parent   | -28   | 36                          | 42                          |

(Note) Calculated at the exchange rate of JPY 126.95 per EUR (exchange rate as of the end of December 2020).

4. Overview of the Seller

|             |  |
|-------------|--|
| (1) Name    | Quest Management B.V., 77%<br>Stichting Administratiekantoor Quest Photonic Devices , 23%  |
| (2) Address | Quest Management B.V., Industrieweg 41, 1775 PW<br>Middenmeer the Netherlands<br>Stichting Administratiekantoor Quest Photonic Devices , |

|                               |   |      |
|-------------------------------|---|------|
|                               | Industrieweg 41, 1775 PW Middenmeer the Netherlands |      |
| (3) Relationship with Olympus | Capital relationship                                | None |
|                               | Personnel relationship                              | None |
|                               | Transactional relationship                          | None |
|                               | Related party relationship                          | None |

#### 5. Number of shares acquired, shareholding and purchase price

|  |   |
|--|---|
| (1) Number of shares held before the acquisition | —   |
| (2) Number of shares acquired                    | 1,928,160 shares  |
| (3) Acquisition amount                           | Approx. EUR 36 million (Approx. JPY 4.6 billion) (Note 1) |
| Conditional payment (Note 2)                     | Approx. EUR 14 million (Approx. JPY 1.8 billion) (Note 1) |
| (4) Number of shares held after the acquisition  | 1,928,160 shares (Ownership ratio: 100%)                  |

(Note 1) Calculated at the exchange rate of JPY 126.95 per EUR (exchange rate as of the end of December 2020).

(Note 2) The conditional payment has not been finalized as of the date hereof.

#### 6. Schedule

|                     |   |
|---------------------|---|
| (1) Date of signing | January 28, 2021                        |
| (2) Date of closing | February 8, 2021 (provisional schedule) |

#### 7. Future Outlook

Olympus is currently in the process of analyzing the impact of the acquisition. If any future event which requires disclosure arises, Olympus will announce it promptly.

(For reference) Financial forecast (as of 13<sup>th</sup> of November 2020) and actual results for FY ended March 31, 2020

(Yen in Millions)

|  | Revenue | Operating profit | Profit before tax | Profit attributable to owners of parent |
|--|---------|------------------|-------------------|---|
| Current Forecast<br>(FY ending March 2021) | 697,000 | 60,500           | 58,500            | (5,500)                                 |
| Actual Results<br>(FY ended March 2020)    | 755,231 | 92,200           | 86,617            | 51,670                                  |

(Note 1) The Imaging Business has been classified as a discontinued operation from the second quarter. Due to this, the amounts presented for revenue, operating profit and profit before tax are the amounts from continuing operations. The amounts presented for profit attributable to owners of parent are aggregates of continuing operations and discontinued operation.

(Note 2) The figures for actual results for the FY2020 (total) are before the audit.