

December 20, 2022

News Release

Company: Olympus Corporation
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Notice Regarding Acquisition of Odin Medical Ltd. (to make it a subsidiary) in the UK

Olympus Corporation ("Olympus") hereby announces that it has decided and signed a definitive agreement to acquire and completed the acquisition of all outstanding shares of Odin Medical Ltd. ("Odin", headquartered in the UK), a cloud-AI endoscopy company, through Olympus' UK subsidiary Keymed (Medical & Industrial Equipment) Ltd. on December 19, 2022 (Western European Time).

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.

Odin Medical Ltd. is an award-winning Cloud AI endoscopy company founded by a team of eminent clinicians and artificial intelligence experts from the world-renowned Wellcome / EPSRC Centre for Interventional and Surgical Sciences (WEISS) at University College London (UCL) to create the next generation of cloud AI-enabled applications for endoscopy. The acquisition is a strategic component of Olympus' broader digital strategy to transform clinical and procedural workflows to help improve patient care, by providing procedure teams in hospitals with greater access to the data, expertise and visual information they need to make critical decisions and deliver quality care.

2. Overview of the subsidiary to be acquired

(1) Name	Odin Medical Ltd.
(2) Location	43-45 Foley Street, London, England, W1W 7TS, UK
(3) Job title and name of representative	CEO, Peter Mountney
(4) Description of business	Development of Cloud-enabled AI solutions primarily for endoscopic applications
(5) Share capital (Note 1)	JPY 233 (as of the end of November 2022)
(6) Date of establishment	September 11, 2018
(7) Major shareholders and shareholding ratios	Founders, 66.5% AI Seed 2 Nominees Ltd, 6.1%

	UCL Business Ltd., 6.0%		
	Other, 21.4%		
(8) Relationship between Olympus and Odin	Capital relationship	None	
	Personnel relationship	None	
	Business relationship	None	
	Related party relationship	None	
(9) Operating results and financial standing over the last three years (Note 1)			
As of / Fiscal year ended	September 30, 2019	September 30, 2020	September 30, 2021
Net Assets	JPY 84 million	JPY 70 million	JPY 55 million
Total Assets	JPY 87 million	JPY 160 million	JPY 143 million
Net assets per share	JPY 61.91	JPY 51.79	JPY 40.71
Revenue	JPY 5 million	JPY 78 million	JPY 155 million
Operating Profit (Loss)	JPY (1) million	JPY (13) million	JPY (15) million
Profit (Loss)	JPY (2) million	JPY (13) million	JPY (15) million
Earnings per share	JPY (1.13)	JPY (9.82)	JPY (11.08)
Dividends per share	—	—	—

(Note 1) Calculated at the exchange rate of JPY 166.23 per GBP (exchange rate as of the end of November 2022).

3. Overview of the counterparty to the acquisition of shares

(1) Founders

(i) Name	Peter Edward Mountney Patrick Rosa Brandao Laurence Bruce Lovat Danail Valentinov Stoyanov Daniel Toth
(ii) Address	London, UK
(iii) Relationship with Olympus	None

(2) AI Seed 2 Nominees Ltd

(i) Name	AI Seed 2 Nominees Ltd	
(ii) Location	50 Eastcastle Street, London, W1W8EA, UK	
(iii) Job title and name of representative	Stephen Roy Page, Director	
(iv) Description of business	Activities auxiliary to financial intermediation	
(v) Share capital	1 GBP	
(vi) Date of establishment	May 2, 2019	
(vii) Relationship with Olympus	Capital relationship	None
	Personnel relationship	None
	Business relationship	None

	Related party relationship	None
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(3) UCL Business Ltd.

(i) Name	UCL Business Ltd.	
(ii) Location	Gower Street, London, WC1E 6BT, UK	
(iii) Job title and name of representative	David Hunter, Chairman	
(iv) Description of business	Other research and experimental development on natural sciences and engineering	
(v) Share Capital	GBP 8.4 million	
(vi) Date of establishment	January 4, 1993	
(vii) Net assets (Consolidated)	GBP 31 million	
(viii) Relationship with Olympus	Capital relationship	None
	Personnel relationship	None
	Business relationship	None
	Related party relationship	None

4. Number of shares acquired, acquisition costs, and shareholding before and after acquisition

(1) Number of shares held before the change	—
(2) Number of shares to be acquired	1,403,765 shares
(3) Acquisition costs (including conditional payment) (Note 2)	GBP 66 million (Approx. JPY 11 billion), of which upfront payment of GBP 33 million and up to GBP 33 million upon attainment of technical and regulatory milestones (Note 3)
(4) Number of shares held after the change	1,403,765 shares (Ratio of voting rights held: 100%)

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

(Note 3) Calculated at the exchange rate of JPY 166.23 per GBP (exchange rate as of the end of November 2022).

5. Timetable

(1) Date of conclusion of the agreement	December 19, 2022
(2) Date of commencement of share transfer	December 19, 2022

6. Future Outlook

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

(For reference) Consolidated Financial Forecast (as of November 11, 2022) and Consolidated Financial Results
for Fiscal Year ended March 31, 2022

(JPY in Millions)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Current Forecast (FY ending March 2023)	892,000	212,000	206,000	387,000
Actual Results (FY ended March 2022)	750,123	146,188	141,701	115,742

(Note) The Scientific Solutions Business has been classified as a discontinued operation from this 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.