



12 June 2007

## **Pentax and Hoya merger details announced**

- *Endoscope business remains key growth focus*
- *Pentax management continuity agreed*

On 11 January 2007, Optiscan investors were advised that Pentax Corporation and Hoya Corporation of Japan planned to merge their businesses and target higher growth from the Pentax endoscope business. The merger was to be completed by an offer of Hoya shares for Pentax shares.

Since that time, the two companies have been involved in wide ranging and, according to press reports, occasionally intense discussions. Divergent views within Pentax on the best way to proceed with the merger led to considerable public input from major Pentax shareholders and some resignations by senior Pentax managers.

The companies have now made a joint announcement describing how the merger will proceed. A significantly revised agreement features a Hoya cash offer for Pentax shares, and an understanding that all the Pentax businesses will continue as wholly-owned Hoya subsidiaries after the merger.

The announcement again emphasised the importance of the endoscope (Life Care) business to the merged company, restating earlier advice that, *"Expected stable revenues from the [Hoya] information technology and eye care areas will support the [Pentax] Life Care area in achieving strategic growth."*

The joint announcement also committed to maintain Pentax managers in key leadership roles within the Pentax business units. This will ensure post merger management and business continuity, and will allow a rapid refocussing on business objectives after the distraction often associated with a merger process.

The current proposal is still subject to approval of Pentax shareholder later this month. However, major institutional shareholders have now publicly stated their intention to accept the revised Hoya offer and merger plan.

An English version of the Hoya Pentax joint announcement is available on the Pentax website. <http://www.pentax.co.jp/english/news/announce/20070531-02.pdf>

## **Background**

Optiscan is a global leader in microscopic imaging technologies for medical markets.

Optiscan's unique and patented technologies enable high-powered microscopes to be miniaturised and used inside the body. The technology enables microscopic imaging of up to 1000 times magnification to be achieved. Doctors can use the technology to instantly see cellular level details of tissue without the requirement to surgically remove tissue (biopsy).

Pentax is the second largest producer of flexible endoscopes in the US\$1.2Bn pa global flexible endoscope market.

Pentax has been licensed by Optiscan to use its patented miniaturised microscope technology.

Pentax released the world's first fully functional flexible endomicroscope for sale in March 2006.

Optiscan manufactures and sells to Pentax the high value key operating components of the miniaturised endomicroscope system.

Further information:

Matthew Barnett, CEO  
Tel (613) 9538 3347  
matthewb@optiscan.com

Bruce Andrew, CFO  
Tel (613) 9538 3398  
brucea@optiscan.com