

# INTELLECTUAL PROPERTY REPORT

## Core Technology and Business Models

Olympus' management focuses on strengthening the Company's technological capabilities with the aim of becoming an even more advanced technology-oriented company.

Olympus' core competence is in Opto-Digital Technology, a fusion of the latest digital and optical technologies accumulated by the Company over many years. In order to further strengthen this core competence, the Company has positioned the following technologies as fundamental and common to the Olympus Group as a whole: optical technology—the science of capturing and controlling light; electronic imaging technology—the manipulation of digital images captured from light; precision technologies—the technologies to create products accurately and control them precisely; and cell-related technology, which enables live cell observation and cell separation culturing that is indispensable for establishing regenerative medicine. By effectively channeling R&D resources to sharpen its competitive edge, the Company continues to create new levels of value for its Imaging Systems, Medical Systems, Life Science and Industry-Related businesses.

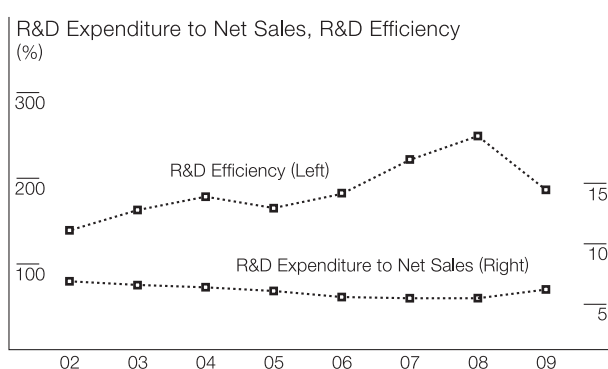
In the fiscal year ended March 31, 2009, Olympus' R&D expenditure amounted to approximately ¥70.0 billion, accounting for roughly 7.1% of net sales.

R&D efficiency edged down due mainly to decreased operating income. On the other hand, due to a substantial drop in net sales and a 6% year-on-year increase in R&D expenditure, the R&D expenditure ratio rose compared with the previous fiscal year.

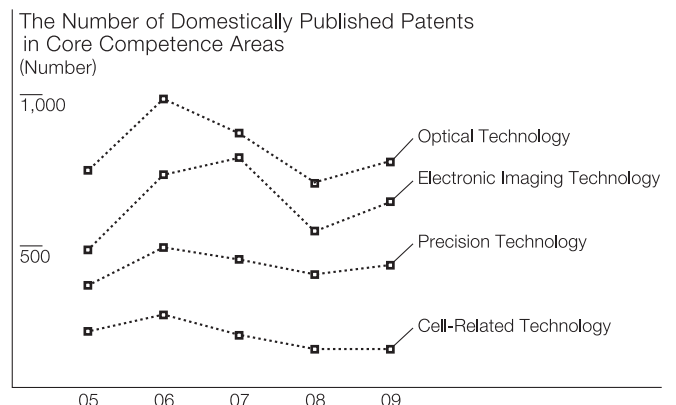
## R&D Segment and IP Overview

The following graphs show the number of published domestic patents Olympus possesses in its areas of core competence, as well as a breakdown of domestic patents held by core competence area.

As the following graphs indicate, Olympus makes careful selections for its patent applications. The percentage of patents acquired in core competence technologies grew 3% year on year to 72%.



Note: R&D expenditure to net sales and R&D efficiency are calculated on the basis of the IP strategy index set down by the Ministry of Economy, Trade and Industry and on a moving average calculated on a five-year basis. All figures are provided on a consolidated basis.



## Number and Ratio of Patents Held by Business Group

	Imaging Systems	Medical Systems	Life Science	Industry-Related	Corporate R&D Center	Total
Japan patents	1,927	2,534	699	208	1,171	6,539
% to total (%)	29	39	11	3	18	100
U.S. patents	1,437	927	433	166	883	3,846
% to total (%)	37	24	11	4	23	100
China patents	280	145	54	7	40	526
% to total (%)	53	28	10	1	8	100
Other patents	84	391	162	18	165	820
% to total (%)	10	48	20	2	20	100
Total	3,728	3,997	1,348	399	2,259	11,731
% to total (%)	32	34	11	3	19	100

### Measures against Counterfeit Products

Olympus has adopted a proactive approach against counterfeit products with the aim of protecting consumers and the Olympus brand.

In more concrete terms, we appoint at our Chinese branches expatriate employees responsible for IP, who are tasked with collecting information on such products and taking appropriate measures, including the prosecution of those responsible as needed. The Company also offers seminars on counterfeit products to Chinese customs and other related government organizations, effectively enhancing collaboration and communication with qualified parties. Furthermore, Olympus has stepped up the monitoring of increasing counterfeit products sales on the Internet.

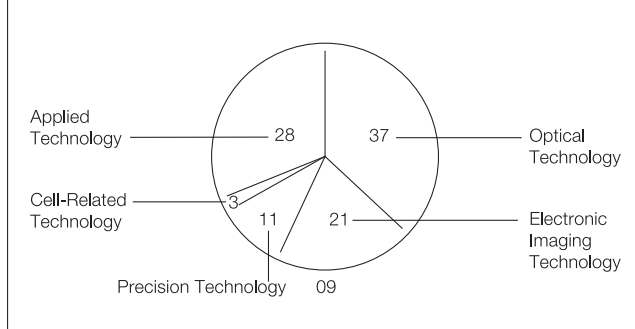
We will continuously implement stringent and effective counterfeit product initiatives in the future.

### Contribution of the Patent Portfolio to Company Business

Olympus actively pursues a policy of converting R&D results into patented IP while strictly screening which technologies to apply for patents. The achievements of this policy over the past five years, broken down by country, are shown in the chart below. In Japan, Olympus will review the patents it holds in terms of investment effectiveness, while promoting patent application activities overseas with the aim of increasing the number of patents obtained. In addition, Olympus will strive to reinforce collaboration with its overseas R&D affiliates, including Gyrus Group Limited, which became a wholly owned subsidiary in February 2008, to strengthen the entire Group's IP portfolio on a global scale.

The number and ratio of Olympus' patents in each business area at the end of the fiscal year ended March 31, 2009 are shown in the table above. Olympus holds patents that offer business potential in each of its Imaging Systems, Medical Systems, Life Science and Industry-Related businesses. The Company's core Imaging Systems and Medical Systems businesses account for 66% of all patents held.

Breakdown of Domestic Patents Held by Core Competence Area (%)



Number of Patents Held by Country (Number of patents)

