

OLYMPUS

Your Vision, Our Future

Olympus Medical Systems Business — Growth Strategy

September 13, 2011

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President, Olympus Medical Systems Corporation**

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**Executive Officer, Olympus Corporation
General Manager of Marketing Division
Olympus Medical Systems Corporation**

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3. Colorectal Cancer Eradication Campaign (BRAVE CIRCLE)

Profile of our Medical Systems Business

Corporate Profile of the Olympus Group

Established:	October 12, 1919	
Chairman & CEO:	Tsuyoshi Kikukawa	
President & COO:	Michael C. Woodford	
Head office:	Shinjuku Monolith, 2-3-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	
Business lines:	Manufacture and sales of precision machinery and instruments	
Capital:	Approx. ¥48.3 billion	(as of March 31, 2011)
Consolidated workforce:	Approx. 34,000	(as of March 31, 2011) (Medical Systems Business: Approx. 15,000)
Group companies:	Approx. 180 subsidiaries	(as of March 31, 2011)
Consolidated net sales:	¥847.1 billion	(fiscal year ended March 31, 2011) (Medical Systems Business: ¥355.3 billion)

The Medical Systems Business Group's Promise

The ultimate dream of the Medical Systems Business Group is to continue to contribute to building a healthcare environment that can save as many people in the world as possible.

Our Promise

Corporate Philosophy “Social IN”

Olympus aims to realize a better livelihood and happiness for all through its activities as a value-creating enterprise.

Mission

Driven by our customers' quest for clinical excellence, efficiency and peace of mind, we apply knowledge, vision and solutions to create an environment for healthcare that serves humanity.

Core Value

Optimizing value to exceed expectations.

Overview of our Medical Systems Business

Olympus is the endoscope pioneer and the world's only integrated endoscope manufacturer.

1950: Olympus develops the world's first practical gastrocamera (endoscope).



1975: Olympus expands into the surgical endoscopy field.



Olympus expands its range of endotherapy devices.

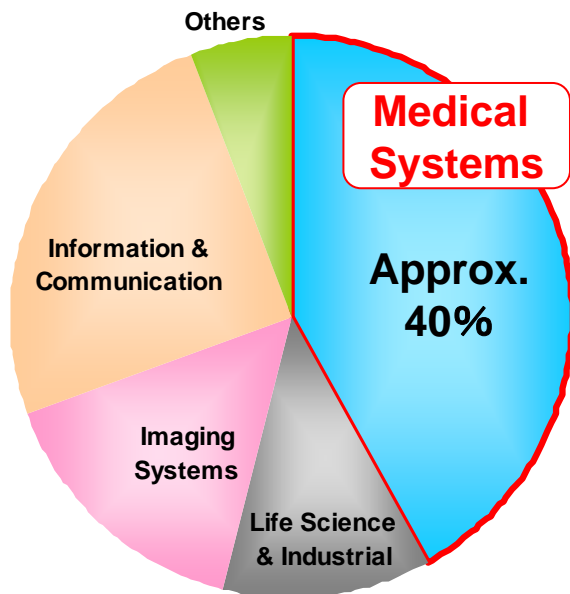


Positioning of our Medical Systems Business

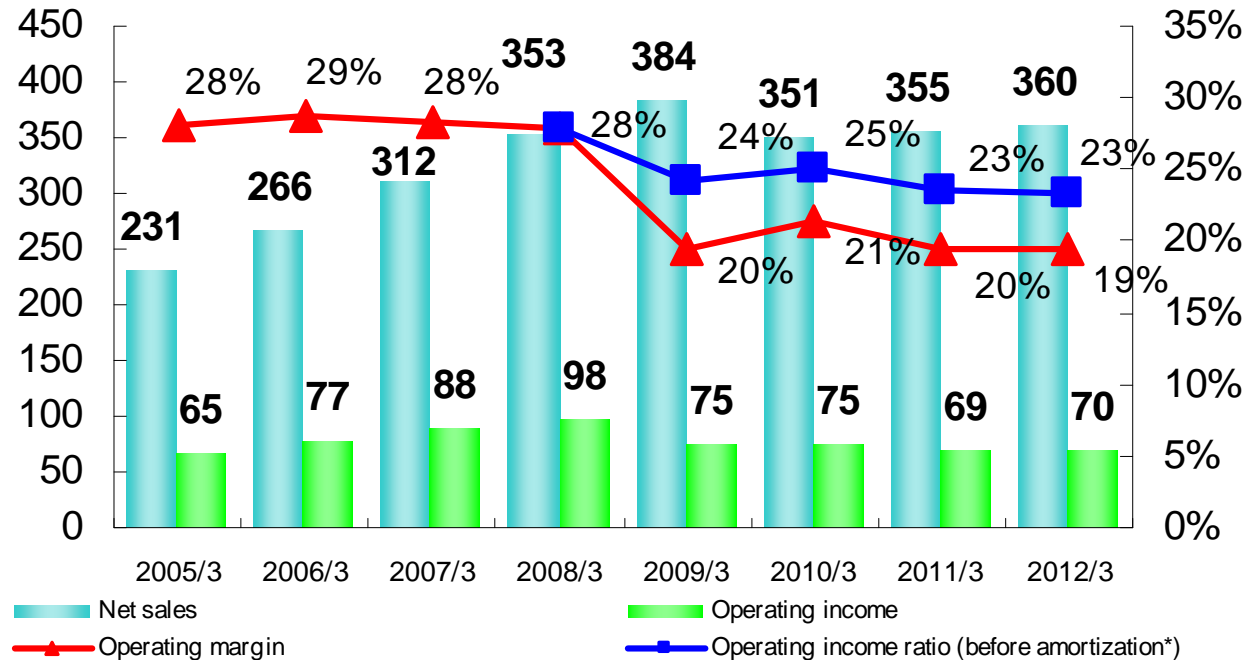
Olympus' biggest business segment

- Net sales ratio: **Approx. 40%**
- Contribution to total corporate operating income: **Approx. 109%**
(before corporate allocation of expenses)

Sales by business segment (%) (Business performance)
(Unit: Billions of yen)
Results for year ended March 2011



Average annual growth rate: Approx. 6%
(Years ended March 2005 – 2012)



*Before amortization of goodwill and intangible assets of Gyrus Group PLC

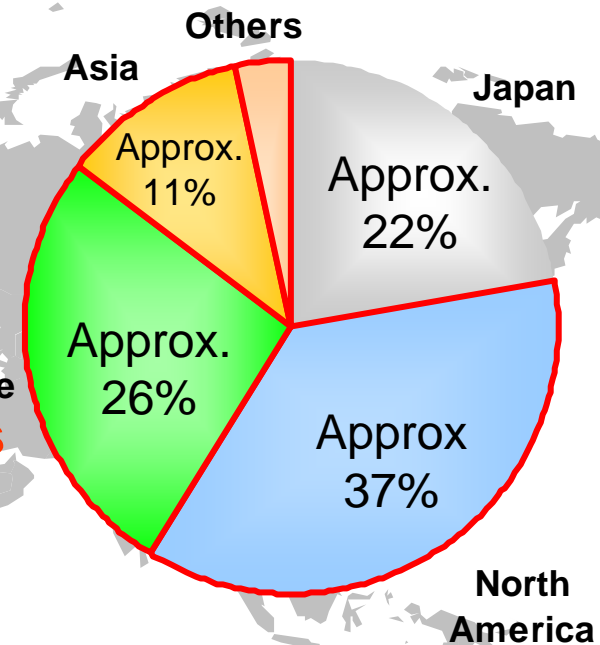
Overseas Expansion

Global Network

● Production sites: 4 in Japan 11 overseas

● Development sites: 1 in Japan 4 overseas

● Sales companies: 1 in Japan 35 overseas



Approx. 80% of sales in overseas markets

【As of March 31, 2011】

Impacts of the Great East Japan Earthquake

Due to high potential demand for minimally invasive medical devices, we will likely avoid mid- and long-term impacts.

Status of Production Bases in the Tohoku Region

Base	Major products	Current operating status
Aomori	Endotherapy devices	<u>All have resumed normal operations.</u> * The impact on parts procurement has also been eliminated.
Aizu (Fukushima)	Gastrointestinal endoscopes	
Shirakawa (Fukushima)	Endoscope systems (including processors and light sources)	

Current Topics

Patents

May 2011

Our narrow band imaging (NBI) endoscope system, which contributes to early detection of cancer, was awarded the **Prime Minister's Invention Prize** at the **2011 National Commendation Ceremony for Invention**.



Future Technology

July 2011

We acquired the U.S. venture company **Spirus Medical, Inc.**, an endoscope insertion device manufacturer.

Social Contribution

Great East Japan Earthquake Reconstruction Assistance

- Monetary donations, disaster recovery equipment donations
- Continual employee volunteer-dispatch support activities
- Wakuwaku Science Workshops for elementary and junior high school children in Ishinomaki City

Growth Strategy

—The 2010 Corporate Strategic Plan—

Progress and Outlook

Our View of the Business Environment

Positive medium- and long-term factors from the perspectives of demographic aging and healthcare systems

Rapid demographic aging in developed economies

- Increased emphasis on preventive medicine: Reductions of expenditures on social security benefits
- Rising expectations toward minimally invasive medicine: Improvement in patient QOL and hospital efficiency
- Healthcare system reform: United States—Colorectal cancer testing potentially available to uninsured people

Development and improvement of healthcare systems in emerging economies

- Government-funded healthcare system reform: China—reconstruction, construction, and re-equipment of province-level hospitals
- Growing interest in health: India—increased investment in health businesses
- Emergence of medical tourism in Asia

Response to unprecedented appreciation in the yen

Key Points in the 2010 Corporate Strategic Plan

- Further Strengthen our Endoscope Business Base

- Two Growth Drivers
 - ✓ Expansion of the Surgical & EndoTherapy Field
 - ✓ Expansion of the Chinese and Asian Markets

- Enhance our Repair Service System

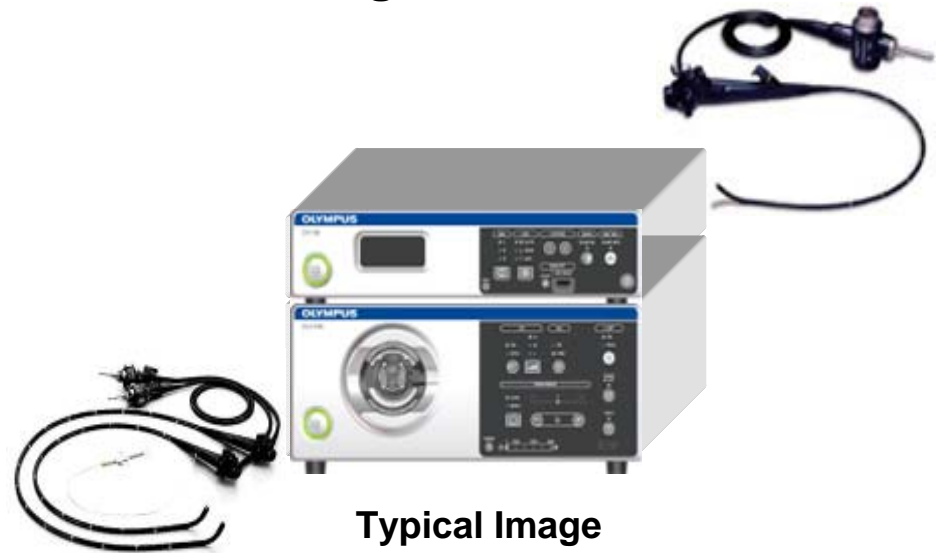
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Further Strengthen our Endoscope Business Base (Gastrointestinal)

Gain a dominant market share and ensure profitability in the imaging field

- Early introduction and diffusion of next-generation endoscope systems
- Establishment of a significant presence in emerging markets (introduction of popularly priced models)
- Diagnostic technology to promote early detection
- Endoscope technology to achieve definite diagnoses



Typical Image

Further Strengthen our Endoscope Business Base (Gastrointestinal)

Imaging technology for achieving early detection: NBI

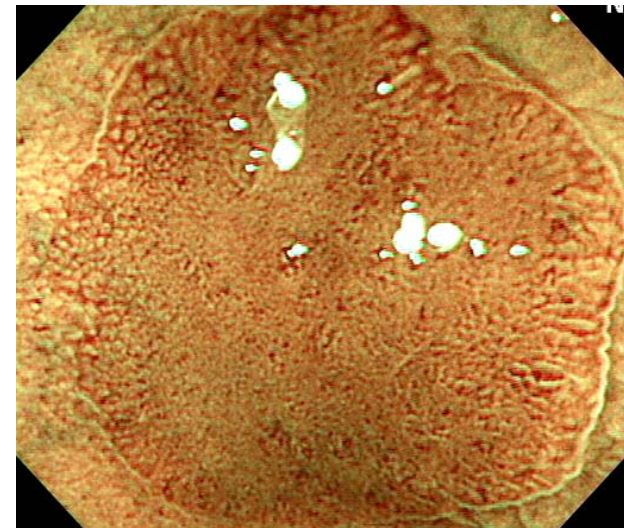
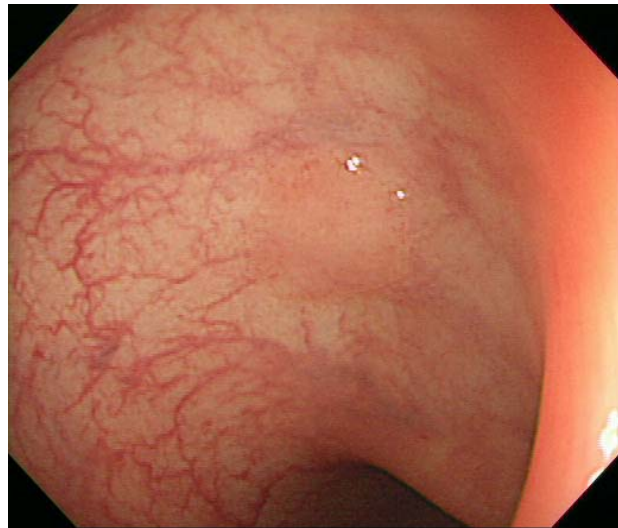
- Acquisition of approval of insurance reimbursement for medical effects from early cancer detection using NBI (in Japan)
- Initiative for standardization of NBI observation as diagnosis

NBI (Narrow Band Imaging)

Normal Observation

NBI

NBI Zoom



Source: Image courtesy of Dr. Sano (National Cancer Center Hospital East)

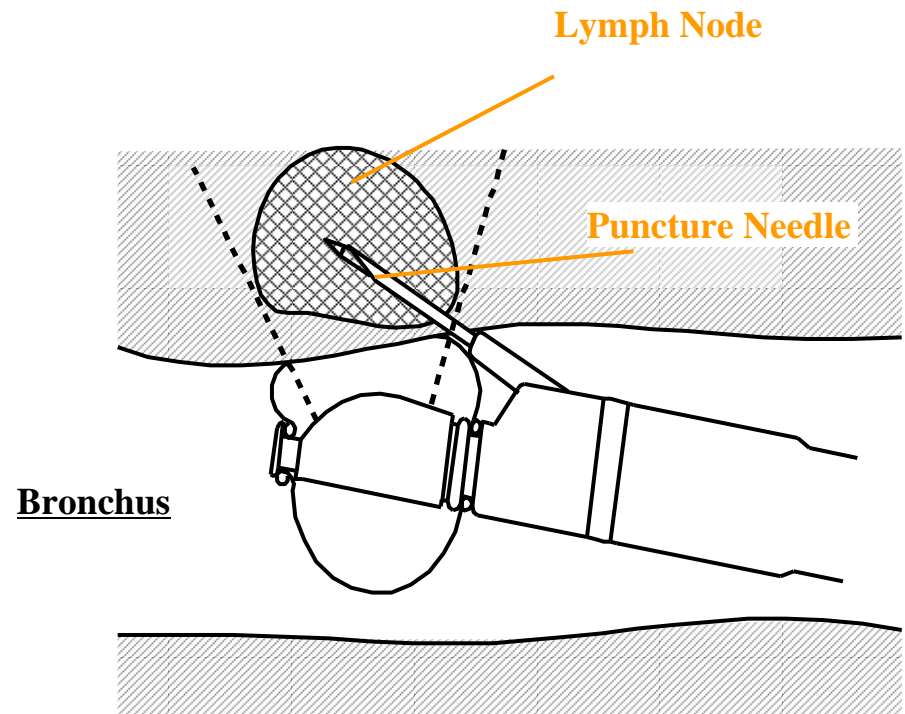
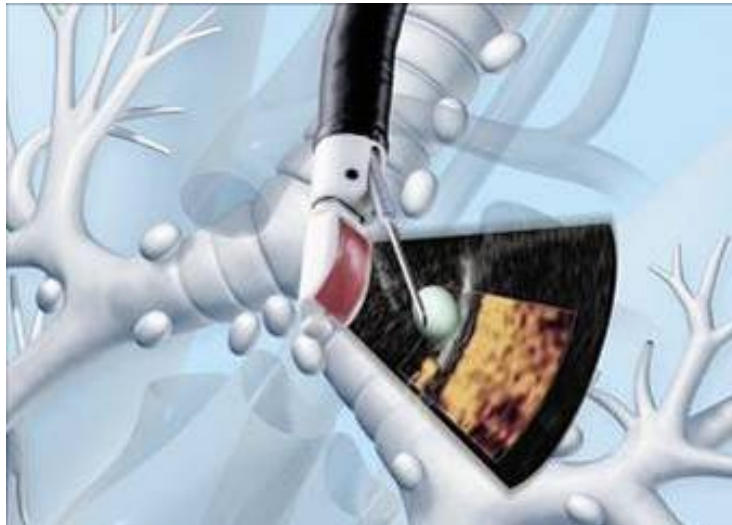
Further Strengthen our Endoscope Business Base (Respiratory)

Provide respiratory endoscope devices to contribute to continuous treatment of intractable respiratory diseases

- **Confirmed diagnosis of lung cancer: transbronchial ultrasound-guided fine-needle aspiration biopsy**

Study-based guidelines established

→ **Expectations for standard procedures for lung cancer staging**

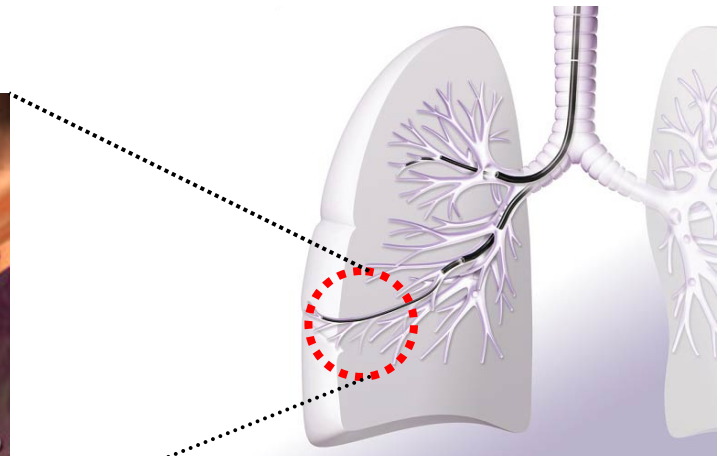
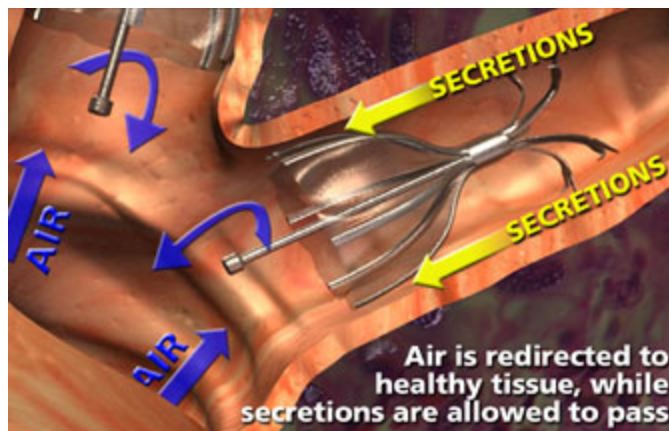


Further Strengthen our Endoscope Business Base (Respiratory)

Accelerate business development in the field of non-cancerous lung disease treatment

- Spiration, Inc., acquired in June 2010
- Aggressive market development through development of therapies and procedures for treatment of pulmonary emphysema and other non-cancerous lung diseases, in addition to our activities in the existing market centered on lung cancer
- Strengthening of marketing functions and sales structures in order to win medical treatment business in the respiratory field

Emphysema Treatment Valve



Key Points in the 2010 Corporate Strategic Plan

- Further Strengthen our Endoscope Business Base
- Two Growth Drivers
 - ✓ Expansion of the Surgical & EndoTherapy Field
 - ✓ Expansion of the Chinese and Asian Markets
- Enhance our Repair Service System

Expansion of the Surgical & EndoTherapy Field (Surgical Endoscopy)

Secure a 30% share of the global operating-room imaging market in 2015

- Introduce VISERA ELITE, our new integrated endoscopy video system
- Expand customer contact points and establish business infrastructure by utilizing the diffusion of flexible endoscope-based natural orifice transluminal endoscopic surgery and laparo-endoscopic single-site surgery (LESS)
- Expand our lineup of differentiated products focused on minimally invasive surgical techniques

LESS

flexible endoscope procedures

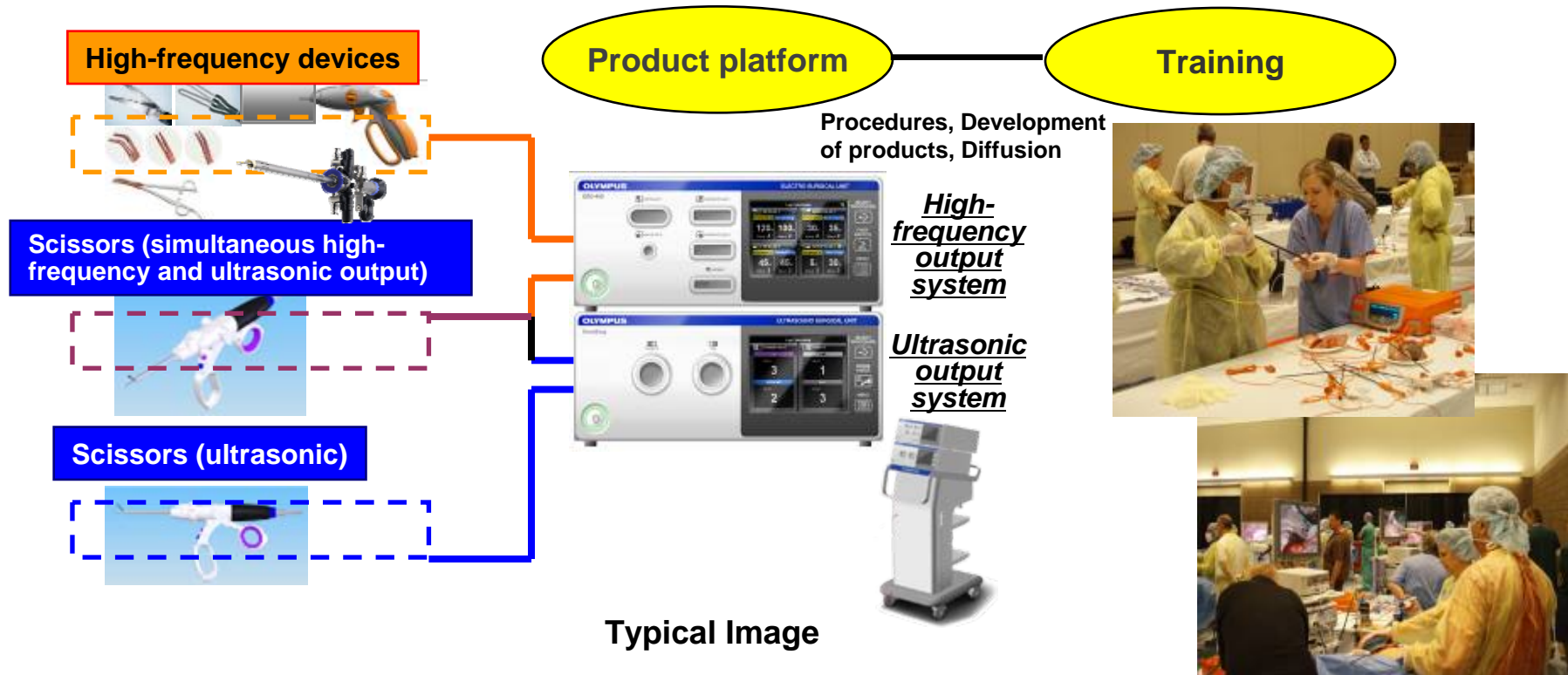


Typical Image

Expansion of the Surgical & EndoTherapy Field (Surgery Energy: General Surgery)

Establish our Energy Products Business

- Create the market through diffusion of new minimally invasive surgical procedures and introduction of high-added-value devices
- Expand our disposable supplies business
- Establish and utilize training centers



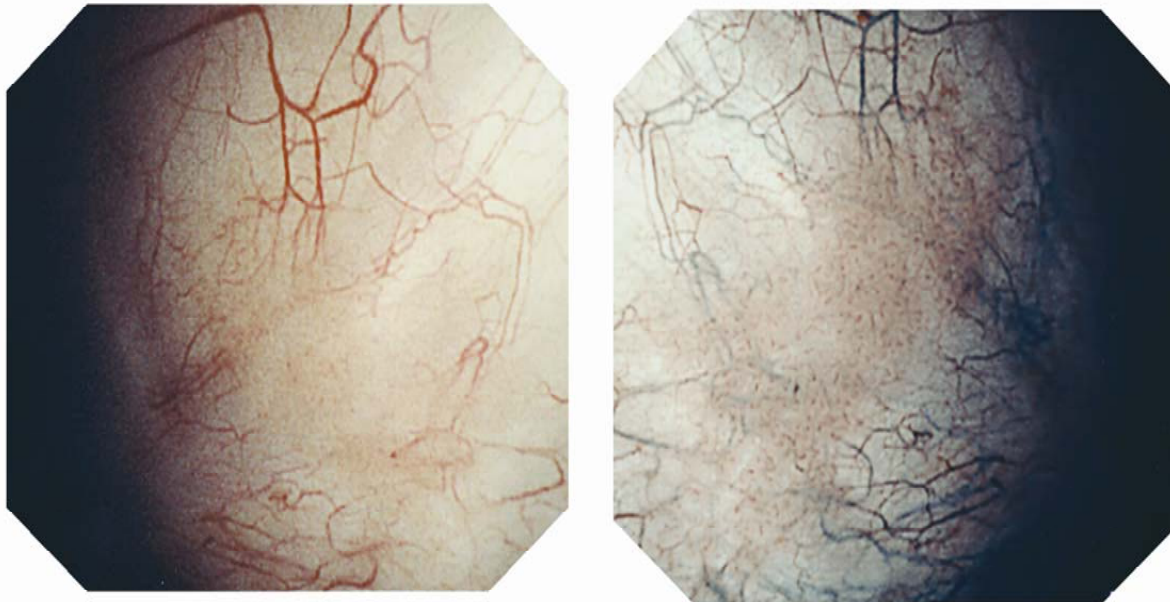
Expansion of the Surgical & EndoTherapy Field (Urology)

Strengthen and expand our operations in the urology field

- Introduce VISERA ELITE, our new integrated endoscopy video system
- Further strengthen our sales structure by utilizing our advantages in North America
- Expand our product lineup and continuously introduce differentiated products

Apply and utilize NBI technology to create value for diagnosis and treatment in the surgery market

Angiodysplasia Site (Bladder)



Source: Image courtesy of Richard Bryan MD, PhD, U.K.

Expansion of the Surgical & EndoTherapy Field (Surgery Energy: Urology)

Focus on energy business in the urology field

- Focus on benign prostatic hyperplasia treatment as a minimally invasive therapy
 - ✓ Utilization of bipolar technology
 - ✓ Intensification of our search for next-generation therapy devices

Spherical design for perfect movement within the prostate

Proven TURis technology

Short learning curve

Virtually bloodless procedure

Excellent haemostasis

High vaporization speed

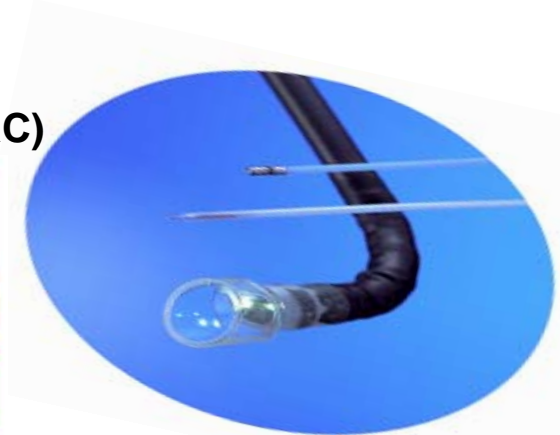
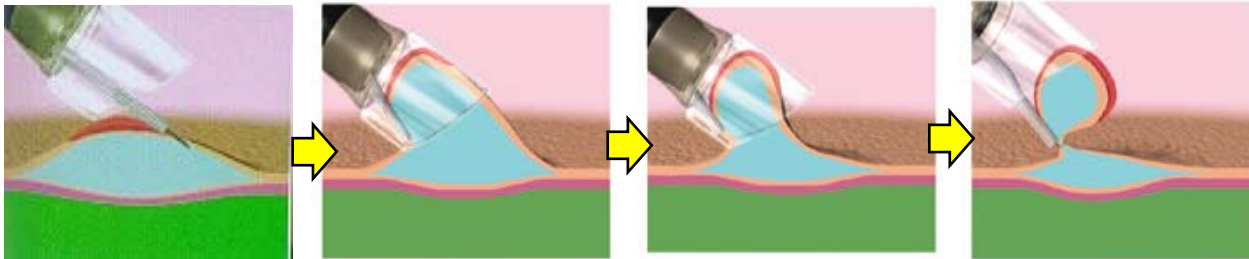
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Expansion of the Surgical & EndoTherapy Field (Endoscopy)

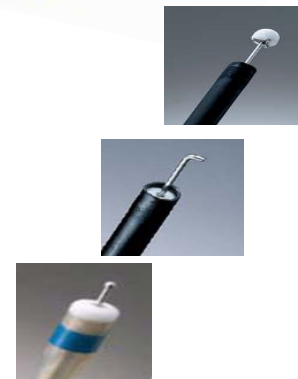
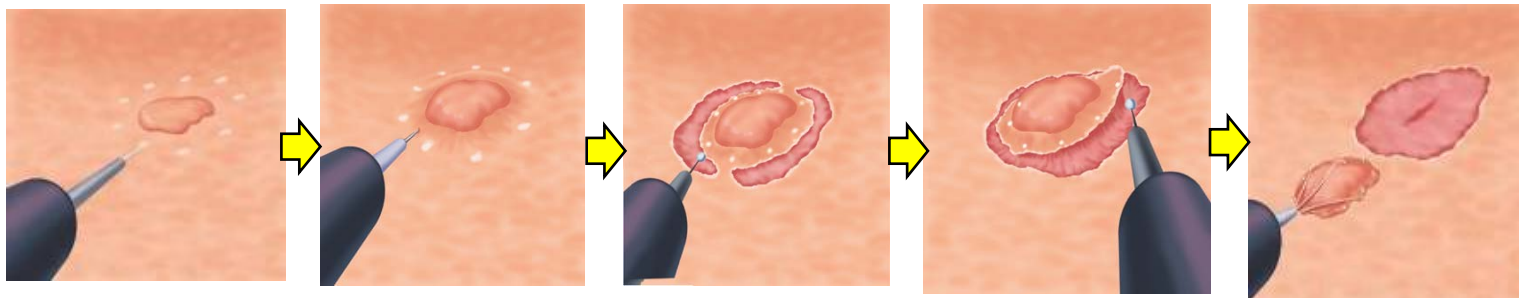
Achieve the top share (30%) of the existing global endoscopy market in 2015

- Secure the top share of the Japanese market
- Further strengthen our sales structure
- Expand our product lineup and continuously introduce differentiated products

Endoscopic mucosal resection using a cap-fitted endoscope (EMRC)



Endoscopic submucosal dissection (ESD)



Expansion of the Chinese and Asian Markets

Objective

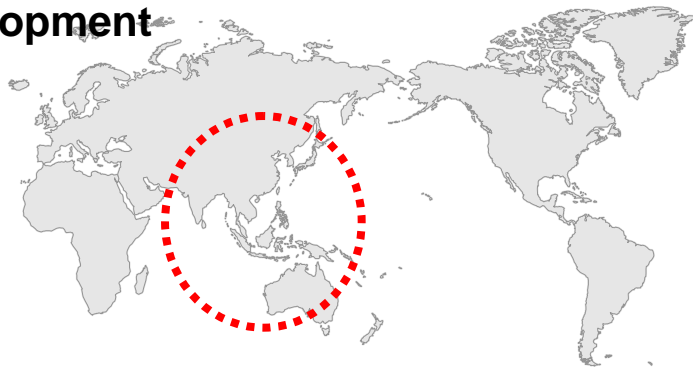
- **Introduce popularly priced models**
 - ✓ Strengthen our sales and service structures
 - Establish a local subsidiary in India
- **Expand the size of the market and our share**
 - ✓ Increase the number of endoscopists, and improve their training
 - 2008: Shanghai Training Center
 - 2010: Established Beijing Training Center



Beijing Training Center

April 2011

Launched regional headquarters company for Asia and Oceania to coordinate regional strategy and facilitate business infrastructure development



Net Sales in China and Asia

Year ended
March 2010:
¥34.5 billion

Year ending
March 2015:
**¥100.0
billion**
(CAGR: 24%)

Key Points in the 2010 Corporate Strategic Plan

- Further Strengthen our Endoscope Business Base

- Two Growth Drivers
 - ✓ Expansion of the Surgical & EndoTherapy Field
 - ✓ Expansion of the Chinese and Asian Markets

- Enhance our Repair Service System

Global Repair Service Facilities

Repair facilities: More than 200
Heavy repairs: At 40 locations

OLYMPUS SURGICAL TECHNOLOGIES EUROPE
Germany (Hamburg) ドイツ



OLYMPUS EUROPA HOLDING GMBH.
-Technical Service Centre
Germany (Hamburg) ドイツ



KEYMED (MEDICAL & INDUSTRIAL EQUIPMENT) LTD.
-Technical Service Centre
United Kingdom (Southend-on-sea) イギリス

KEYMED (IRELAND) LTD.
Ireland (Dublin) アイルランド



OLYMPUS FRANCE S.A.S.
-Regional Repair Centre
France (Paris) フランス



OLYMPUS MEDICAL SYSTEMS INDIA PRIVATE LTD.
India (Gurgaon) インド

OLYMPUS (THAILAND) CO., LTD.
Thailand (Bangkok) タイ



OLYMPUS SINGAPORE PTE LTD.
Singapore (Singapore) シンガポール

OLYMPUS MEDICAL SYSTEMS VIETNAM CO., LTD.



OLYMPUS Endo Repair Czech Spol.s.r.o.
-Regional Repair Centre
Czech (Prerov) チェコ

OLYMPUS MOSCOW LLC
Russia (Moscow) ロシア



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China (北京) 中国

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Korea (Seoul) 韓国



OLYMPUS MEDICAL SYSTEMS CO.
医療サービスオペレーションセンター白河
Japan (福島白河) 日本



OLYMPUS TRADING (SHANGHAI) LIMITED
China (上海) 中国

OLYMPUS HONG KONG AND CHINA LIMITED
China (香港) 中国

OLYMPUS AUSTRALIA PTY LTD.



National Service Center (OLYMPUS AMERICA INC.)
United States of America (San Jose) アメリカ



OLYMPUS AMERICA INC.
United States of America (Center Valley) アメリカ

OLYMPUS AMERICA DE MEXICO S.A DE C.V.
Mexico (Mexico city) メキシコ

OLYMPUS NEW ZEALAND LIMITED
New Zealand (Auckland) ニュージーランド

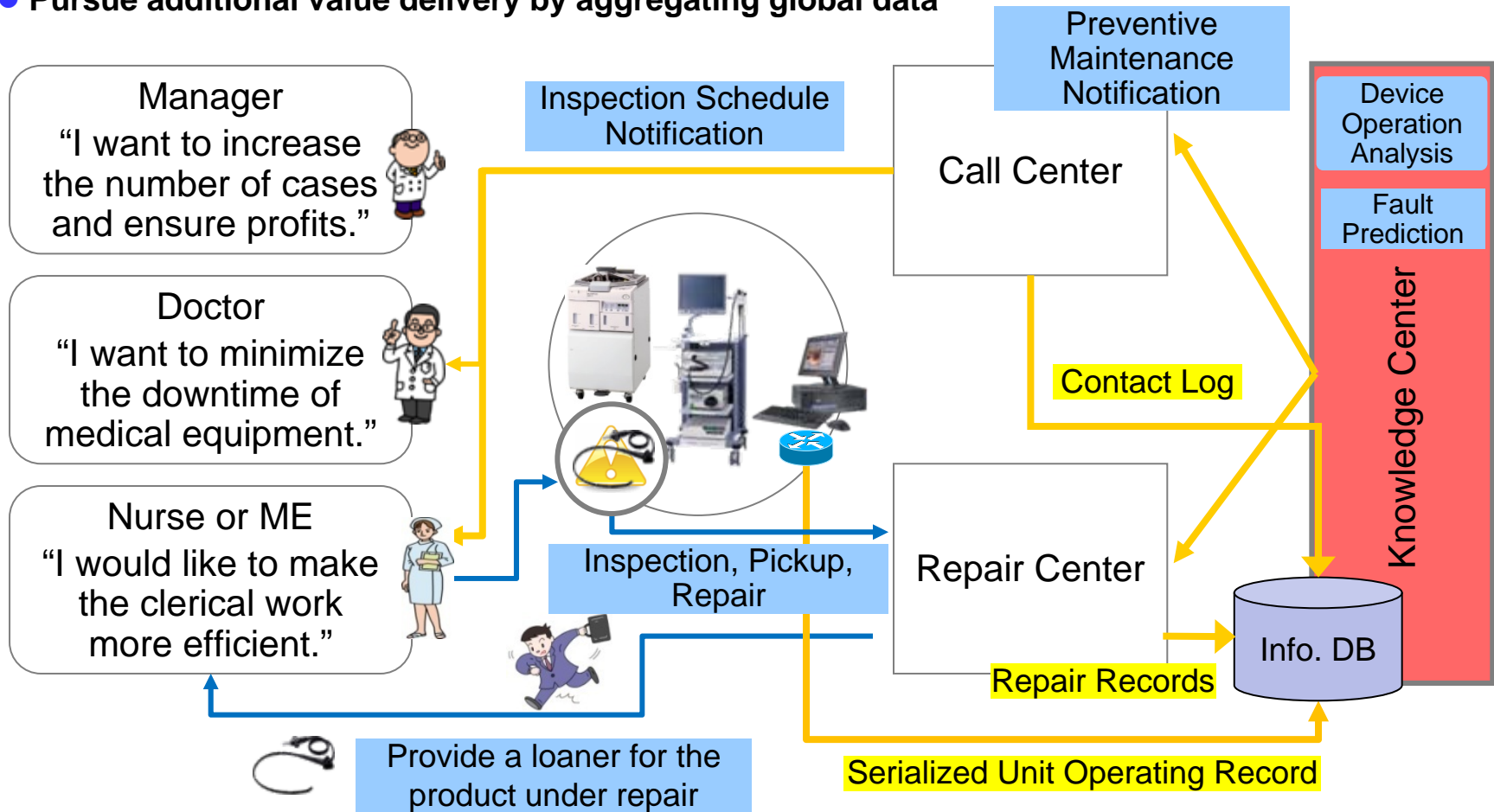
OLYMPUS OPTICAL CO. BRAZIL LTD.



Enhance Our Repair Service System

Improve customer satisfaction by creating added value

- Further enhance the system by utilizing existing global facilities and infrastructure
- Improve customer satisfaction by strengthening preventive maintenance and breakdown maintenance from the viewpoint of hospitals
- Pursue additional value delivery by aggregating global data



Our 10-Year Goal: Sales of ¥1 Trillion in Fiscal Year Ending March 31, 2020 (Our Centenary Year)

Expansion of Diagnostic Fields

- Expansion of orthopedic surgery and circulatory system fields

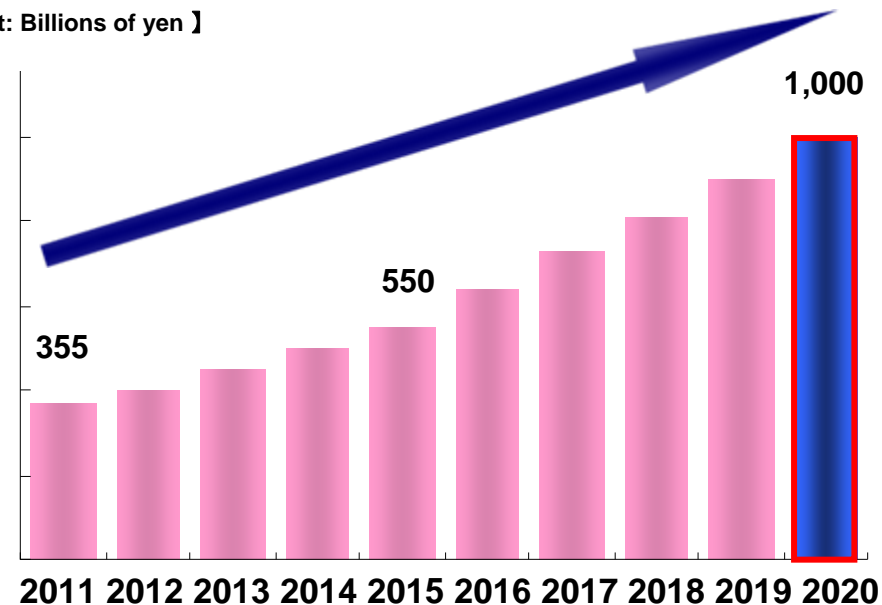
Fiscal Year Ending March 31, 2020 : Sales of ¥1 trillion

- Growth driver: surgical & endotherapy devices

Products \ Markets		Product group				
		Endoscopes	...	Energy products	...	Solution services
Diagnostic fields	Gastrointestinal (internal)					
	Respiratory					
	General surgical					
	Urinary					
	Ear and nose					
	Orthopedic surgery					
	Circulatory					

【 Unit: Billions of yen 】

Average annual growth rate: Approx. 11%
(Years ending March 2011 - March 2020)





大腸がん撲滅キャンペーン

Introduction of the Brave Circle Campaign to Eradicate Colorectal Cancer

Activity Plan for Fiscal Year Ending March 31, 2012



Hokkaido

Aomori

Akita Iwate

Yamagata Miyagi

Niigata Fukushima

Gumma Tochigi Ibaraki

Saitama

Yama-nashi Tokyo

Aichi Shizuoka Kanagawa

Chiba

Ishikawa

Toyama

Gifu

Nagano

Fukui

Shiga

Hyogo

Kyoto

Osaka

Nara

Mie

Wakayama

Shimane Tottori Hiroshima Okayama

Ehime Kagawa

Kochi Tokushima

Yama-guchi

Nagasaki Saga Fukuoka Oita

Kumamoto Miyazaki

Kagoshima

Okinawa

Thank you for your attention.

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Notice Concerning Forward-Looking Statements

Performance forecasts and other forward-looking statements in this presentation reflect judgments and assumptions based on information available at the time of writing. Because of the uncertainty inherent to judgments and assumptions, and because of the potential for future changes in business operations, conditions in Japan or overseas, or other factors, actual results, etc., may differ substantially from the targets stated.