Basic Policy of Mid-Term Vision (Olympus Medical Business Group)

- Reinforcement of GI business foundation
- Significant growth of SP business
- Sales increase in emerging markets

- Reinforcement of Repair/Service
- Reinforcement of global sales functions
- Reinforcement of R&D/Manufacturing functions

Improvement of Productivity
Management Philosophy “Social IN”
Aims to realize a better livelihood and happiness for all through its activities as a value-creating enterprise.

Group Missions
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 Values
Optimizing value to exceed expectations.
To create an environment for healthcare that serves humanity, the value we should provide is...

- Increased need for early diagnosis and minimally invasive therapy
- The one and only endoscope manufacturer that can provide “see and treat” solutions
Our Medical Business Domain

- Gastrointestinal
- General Surgery
- Urology
- Respiratory
- Gynecology
- ENT

2015/5/8 No data copy / No data transfer permitted
Our Medical Business Domain

- Gastrointestinal
- General Surgery
- Imaging
- EndoTherapy
- Energy
- CDS
- IT / Systems Integration
- Urology
**Investments in development**
- Strengthening of technology development capabilities
- Ratio of R&D expenditures to net sales: 8%

**Investments in manufacturing**
- Redevelopment of 3 Tohoku factories: Approx. ¥20 billion
- Reorganization of U.S. development and production bases

**Investments in sales and services**
- Approx. 1,000 new hires
- Establishment of new repair centers

**Investments in emerging countries**
- Reinforcement of sales systems
- Activities to promote spread of endoscopic procedures
Net Sales for the Medical Business

Net Sales by Product

(Billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>2012/3</th>
<th>2013/3</th>
<th>2014/3</th>
<th>2015/3</th>
<th>2016/3 (Plan)</th>
<th>2017/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-Term Vision</td>
<td>349.2</td>
<td>383.0</td>
<td>394.7</td>
<td>492.3</td>
<td>520.0</td>
<td>615.0</td>
</tr>
<tr>
<td>GI Endoscopes</td>
<td>45.4</td>
<td>49.1</td>
<td>58.8</td>
<td>179.8</td>
<td>65.3</td>
<td>72.9</td>
</tr>
<tr>
<td>Surgical</td>
<td>112.1</td>
<td>127.0</td>
<td>159.6</td>
<td>313.3</td>
<td>206.3</td>
<td>335.8</td>
</tr>
<tr>
<td>Endotherapy</td>
<td>191.8</td>
<td>218.7</td>
<td>274.0</td>
<td>313.3</td>
<td>206.3</td>
<td>335.8</td>
</tr>
</tbody>
</table>

CAGR

<table>
<thead>
<tr>
<th></th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-Term Vision ('13/3-'17/3)</td>
<td>14.1%</td>
</tr>
<tr>
<td>Results ('13/3-'15/3)</td>
<td>18.9%</td>
</tr>
</tbody>
</table>

Net sales increases approx. 1.6 times, or ¥210 billion, over past 3 years
Performance greatly exceeding medium-term vision targets
Operating income increases approx. 1.8 times, or ¥57 billion, over past 3 years
Performance greatly exceeding medium-term vision targets
Future Direction of Medical Business

Expectations and Outlook for Business Units
Future Direction of Medical Business

Divide Medical Business into 5 business units

GI (gastrointestinal) | GS (general surgery) | Uro / Gyn (urology/gynecology) | ENT (ear, nose and throat) | Medical Services
GI (gastrointestinal) Business Unit

1. Maintain unrivaled share of gastrointestinal endoscope market
2. Increase sales in emerging markets
3. Expand EndoTherapy device operations
4. Develop operations in respiratory field
5. Grow operations in gastrointestinal peripheral fields
Expand EndoTherapy Device Operations

- Enhance lineup of pancreato-biliary EndoTherapy devices

VisiGlide 2™
X-Suit NIR®

- Promote spread of endoscopic submucosal dissection (ESD) procedures

QuickPlace V™
CleverCut 3 V™

- Quickly launch new products in response to customer needs

QuickClip Pro™
IT knife nano™
Develop Operations in Respiratory Field

- **Respiratory product and technology portfolio**

  - Intra bronchial valves (IBV)
  - EBUS –TBNA (Endobronchial Ultrasound-guided Transbronchial Needle Aspiration)
  - Imaging Bronchoscopes / thoracoscopes
  - Energy Device
  - 3D laparoscopy surgical system

- **Strong connection with customers**
GS (general surgery) Business Unit

1. Improve Olympus brand image in surgical device field
   • Combine Early Diagnosis and Minimally Invasive Therapy: allow practitioners to “see more & treat better”
2. Develop surgical imaging operations
3. Expand energy device operations
4. Grow operations in emerging markets
Expand Energy Device Operations

- Enhance energy device lineup
- Continue introducing devices in response to customer needs
- Strengthen energy device sales systems
Develop Surgical Imaging Operations

- Introduce VISERA ELITE 3D laparoscopy surgical system

- Introduce products developed by SOMED*

*SOMED : Sony Olympus Medical Solutions
Improve Olympus Brand Image in Surgical Device Field

See more & Treat Better
Uro/Gyn (urology/gynecology) Business Unit

1. Promote usage of TURis* to expand TUR (prostate and bladder cancer treatment) operations
2. Expand stone management business
3. Promote spread of narrow band imaging (NBI) technologies to expand cystoscope operations
4. Revise Gyn (gynecology) field strategies

* TURis: Transurethral resection in saline
Promote Usage of TURis to Expand TUR Operations

- Replace monopolar TUR systems with bipolar TUR systems
- Generate synergies with NBI and other imaging technologies ("see & treat")
Expand Stone Management Business

- **Expand lineup of Stone management devices**
- **Generate synergies between URF-V2 and stone management devices**
- **Strengthen sales systems**
ENT (ear nose throat) Business Unit

1. Expand paranasal sinus surgery operations centered on DIEGO ELITE
2. Grow ENT flexible endoscope (ENF) operations
3. Develop endoscopic laryngo-pharyngeal surgery (ELPS) techniques
4. Create minimally invasive paranasal sinus diagnosis and treatment techniques
5. Advance tympanic membrane ventilation tube business strategies centered on U.S. operations
**ENT (ear nose throat) Business Unit**

- **Product and technology portfolio**

  - **Debrider: Power device**
  - **Energy Device**
  - **ENT imaging products and rigid endoscopes**
  - **4K 3D: SOMED**
  - **Sinus treatment: Expand operations**
Expand Paranasal Sinus Surgery Operations Centered on DIEGO ELITE

- Strategically introduce DIEGO ELITE in various countries
- Complete DIEGO ELITE additional product development plans
- Create minimally invasive paranasal sinus diagnosis and treatment techniques
Medical Services Business Unit

1. Provide environment in which customers can always use products with peace of mind
2. Create frameworks for continually providing optimal services
3. Strengthen profitability management in global repair service operations

- Revise and strengthen global repair service systems
- Improve profitability of domestic repair service operations
- Improve process for introducing repair systems for new products
Prepare for Next Medium-Term Management Plan

(Billions of yen) Net Sales

- Endoscopes
- Surgical Devices
- Endotherapy Devices

2012/3  2013/3  2014/3  2015/3  2016/3 (Plan)

- 349.2  394.7  492.3  558.3  615.0
- 45.4  49.1  58.8  65.3  72.9
- 112.1  127.0  159.6  179.8  206.3

(Billions of yen) Operating income

- 68.2  87.1  112.7  124.9  137.0

Continue tackling new challenges in Medical Business, main growth driver for Olympus
This material contains forward-looking statements that reflect management’s current views, plans, and expectations based on information available at the time of preparation. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, future business decisions, and other internal and external factors that may cause the Company’s actual results, performance, achievements, or financial position to be materially different from any future results expressed or implied by these forward-looking statements.

Additionally, this information is subject to change without notice. Accordingly, other information should be used in addition to this material when making investment decisions.

Olympus Corporation assumes no responsibility for any damage resulting from the use of this material.