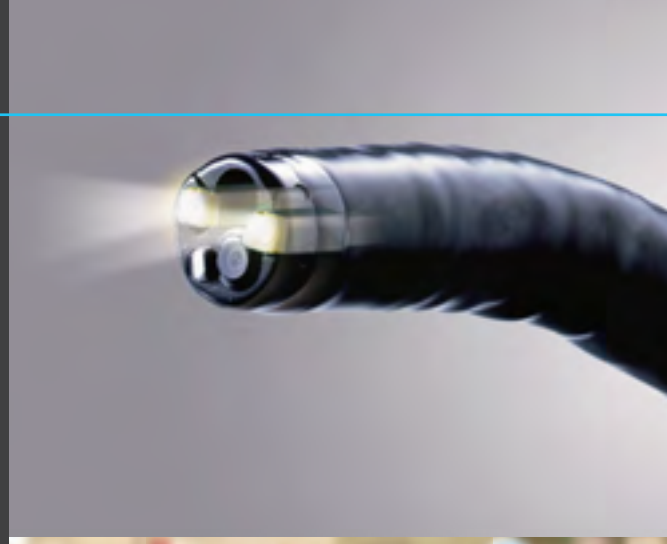
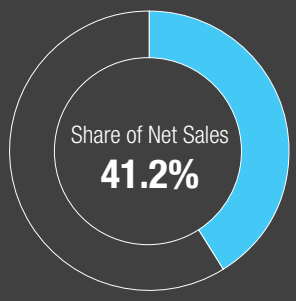
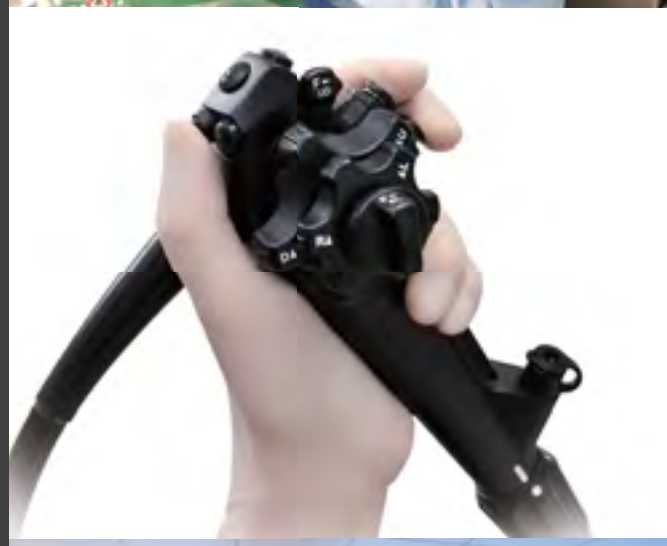
MEDICAL BUSINESS





Olympus developed the world's first practical gastrointestinal endoscope in 1950, contributing greatly to the establishment of a method for the early diagnosis of gastric cancer, the leading cause of death in Japan at the time. Subsequently, we have worked diligently to perfect fiberscope and videoscope technologies, and to develop a wide variety of detection and treatment methods using endoscopes and endoscopic devices.

Today, the trend toward minimally invasive treatment is revolutionizing the front lines of medical care. Whereas surgery for gastric cancer and colon cancer previously required opening the abdominal cavity, it is now possible to perform surgery by simply making a small opening in the skin or eliminating the incision entirely by performing the procedure endoscopically. These breakthroughs have helped reduce the physical burden on patients and contributed to overall improvements in the quality of life.



Main Products

Gastrointestinal Endoscopy

Endoscope systems:
Flexible videoscopes and fiberscopes, video processors, light sources, liquid crystal display (LCD) panels, etc.

Peripheral equipment:
Video printers, endoscope cleaning systems, sterilization system, etc.

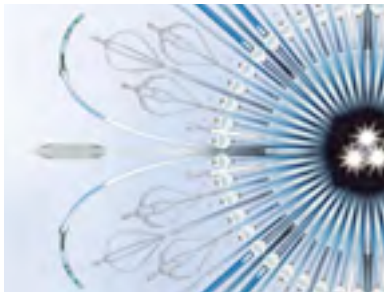
Capsule endoscopy:
Capsule endoscopes, recorders, real-time viewers, etc.

Surgical Devices

Medical equipment for surgical therapy and surgery:
Surgical video endoscope systems (surgical endoscopes, video processors, light sources, LCD panels, etc.), peripheral devices for endoscopic surgery, electrosurgical knives, etc.

Endotherapy Devices

Endoscopic devices for all disciplines of endoscopy:
Biopsy forceps, high-frequency polypectomy snares, grasping forceps, stone retrieval and lithotriptor baskets, hemostasis accessories, etc.

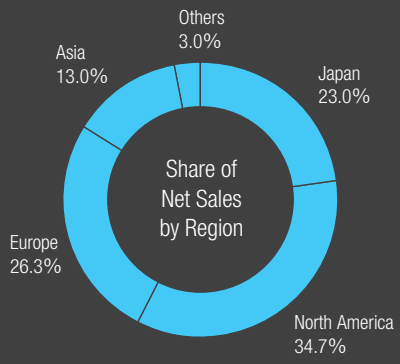


Akihiro Taguchi
President
Medical Group

MEDICAL BUSINESS

Consolidated Net Sales
¥349.2 billion

Consolidated Operating Income
¥68.2 billion



(Fiscal 2012 results)

Fiscal 2012 Business Results and Activities

In the first half of fiscal year ended March 31, 2012, sales of mainstay gastrointestinal endoscopes (LUCERA series) were substantially affected by the Great East Japan Earthquake. In the second half of the year, however, product supply was restored and sales were strong. As a result, full-year net sales and operating income fell only 2% and 5% year-on-year, respectively.

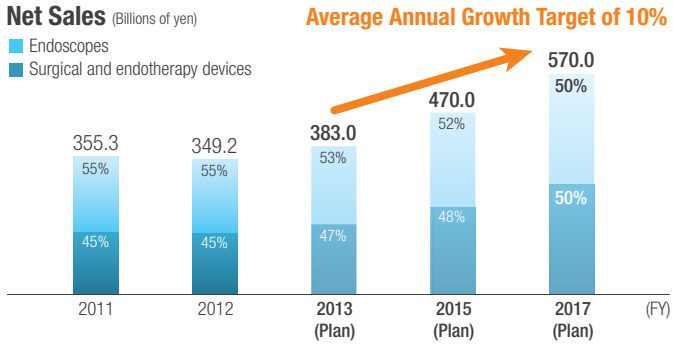
Although the impact on business of the deferred posting of past losses was a concern, business partners and physicians were understanding. As a result, the impact was limited, and the business was supported by strong demand.

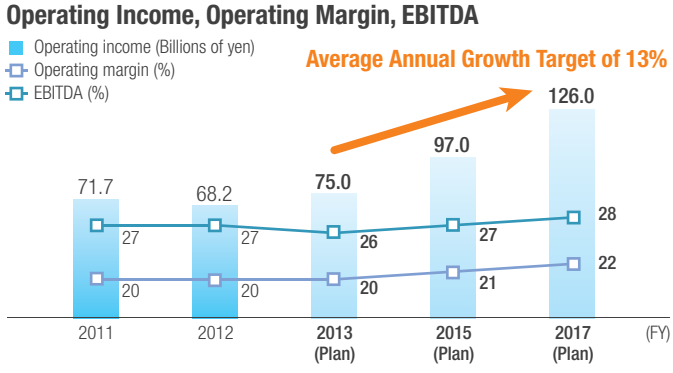
Consolidated net sales rose 3% and operating income rose 4% year-on-year, excluding the impact of foreign exchange transactions. Today, the Medical Business is achieving steady sales growth.

New Products

In our endoscopy, surgical, and endotherapy device businesses, Olympus has made significant progress in the development of strategically important new products that will serve as future growth drivers. In the spring of 2012, Olympus introduced to the gastrointestinal endoscopy field the EVIS EXERA III series, a next-generation gastrointestinal endoscope system, and Axeon, Olympus' first low-cost endoscope model for emerging markets.

In the surgical device field, Olympus introduced VISERA ELITE, a surgical endoscopy video system, as well as THUNDERBEAT, the world's first surgical energy device capable of simultaneously delivering bipolar high-frequency and ultrasonic energies.





Business Strategy as Part of Our Medium-Term Vision

Medical Business
➡ Profit and growth driver

Business Environment

As aging populations increase, especially in developed countries, improvement of patient quality of life and control of both healthcare and social security costs have become urgent priorities in countries all over the world. Olympus is the only company in the world with technologies for the development and manufacture of medical and surgical devices that meet the full spectrum of procedural needs, from early detection and diagnoses to minimally invasive treatments. Olympus will seek further business expansion by capitalizing on our unique ability to create solutions capable of delivering both new diagnostic methods and new minimally invasive treatments.

Policy 1

In the field of gastrointestinal endoscopy, in which Olympus has captured a global market share exceeding 70%, Olympus aims for average annual growth of 9%, while further strengthening the business base and maintaining high market share.

In April 2012, during the first year of our medium-term vision, Olympus introduced the EVIS EXERA III series. This represented our first release of a new gastrointestinal endoscope system for Europe and North America in more than seven years. This new platform delivers improved observation, new insertion technologies, and enhanced operational efficiencies.

Olympus aims to maintain our dominant market share and achieve high growth by continuously introducing new products incorporating differentiating technologies, such as narrow band imaging (NBI).

Policy 2

The field of surgical devices is a growth driver in which Olympus aims for average annual sales growth of 14% by providing solutions that help surgeons diagnose and treat more effectively.

One of our growth strategies in the surgical devices field was the introduction of VISERA ELITE, our first release of a new surgical endoscopy video system in the last five years. Olympus aims to take advantage of the system's extremely high-resolution and high-fidelity color reproduction to capture a global market share within the next three years of 25% in the operating-room imaging arena.

A second key strategy is to drive business growth with sales of THUNDERBEAT, the world's first surgical energy device capable of simultaneously delivering bipolar high-frequency and ultrasonic energies.

In the coming years, Olympus will pursue business expansion in this field by taking maximum advantage of the powerful sales network we acquired through our acquisition of Gyrus ACMI.

Policy 3

Aim for an average annual growth of 23% by expanding total sales in emerging markets.

In emerging markets, principally China, demand for healthcare has rapidly increased in step with rapid economic development, and Olympus has pursued a business strategy adapted to this growth. In China in particular, Olympus has achieved significant expansion with growth in annual sales exceeding 25% over the last several years.

What is important in emerging markets is to increase the number of physicians capable of using endoscopes. To meet this need, Olympus established an advanced training center in Shanghai in 2008 and another in Beijing in 2010. Both facilities have been successful in training physicians and promoting the use of endoscopy in China. Future plans call for establishing more than 20 other training centers in Asia to further accelerate this initiative.

In addition, to meet needs in high-growth countries, Olympus introduced Axeon, the Company's first low-cost endoscope model for emerging markets. This introduction will help with Olympus' expansion plans, designed to enable general practitioners to perform endoscopic examinations to better meet the needs of their communities.

Improved Observation Performance from Further Advancements in NBI

Systems equipped with NBI, an Olympus proprietary technology, enhance visibility.

Narrow band imaging (NBI) is a technology that uses blue and green wavelength light to enhance the visibility of capillaries and other structures on the mucosal surface. Specifically, irradiation with light having wavelengths easily absorbed by the hemoglobin in the blood enables highlighted observation of clusters of capillaries.

Note: The EVIS EXERA III gastrointestinal video endoscope system is being sequentially introduced in Europe (excluding the U.K.), the U.S.A., Asia (excluding Japan), Oceania, the Middle East, and Africa, following regulatory compliance and approval. In Japan and the U.K., Olympus has already launched a comparable system under the LUCERA brand name.

Improvements in NBI Optical-Digital Technology