Medium-Term Vision (Corporate Strategic Plan)

Restart

Olympus announced a new medium-term vision for the five years from the fiscal year ended March 2013. Acting in accordance with the vision's slogan of "Back to Basics," the Company aims to return to the basic values it had at founding and make a fresh start in order to regain the credibility of its stakeholders, build itself anew, and create new corporate value.

Corporate Management Policies under the New Management

Back to Basics

One Olympus

Profitable Growth



Basic Strategies Based on Corporate Management Policies

- 1 Rebuilding of Business Portfolio / Optimizing Allocation of Management Resources
- Clarification of our core businesses
- 2. Identification and liquidation of non-core businesses
- 3. Establishment of mechanisms to drive optimal allocation of management resources

Contribute to total wellness of people as a company centered on Medical Business

- Review and
 Reduction of Costs
- 1. Cost reduction
- 2. Significant curtailment of indirect expenses

Improve profitability of the entire Group through drastic review of cost structures

- Restoration of Financial Health
- Steady flow of profits from businesses
- 2. Maximization of cash flow
- 3. Streamlining of assets

Improve equity ratio as soon as possible and realize stable management

- Restructuring of Corporate Governance
- Restructuring of governance system
- 2. Reinforcement of internal controls
- 3. Strengthening of the compliance system

Recover trust and improve corporate value

Performance Indices and Targets

Performance Indices	FY ended March 2012 (Results)	FY ended March 2013 (Results)	FY ending March 2017 (Target)
Return on invested capital (ROIC)	2.7%	2.7%	10% or more
Operating margin	4.2%	4.7%	10% or more
Free cash flow (Cash flow from operating activities + cash flow from investing activities)	¥(4.8) billion	¥58.7 billion	¥70.0 billion or more
Equity ratio	4.6%	15.5%	30% or more

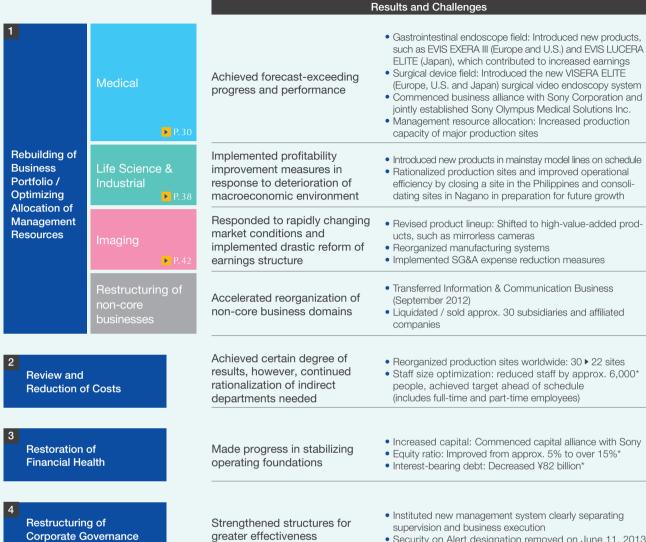
Results of implementing these basic strategies will be monitored based on four performance indices: "return on invested capital (ROIC)*," "operating margin," "free cash flow," and "equity ratio."

* Return on Invested Capital (ROIC)

ROIC is an index that measures income generated on a company's invested capital (IC). At Olympus, ROIC is calculated using the following assumptions:

Return (Operating income after taxes) / IC (Shareholders' equity + Interest-bearing debt)

Progress during the First Year of the Medium-Term Vision and Future Challenges



greater effectiveness

• Security on Alert designation removed on June 11, 2013

* Compared with March 31, 2012



Financial Plans	FY ending March 2015		FY ending March 2017	
	Previous target	Revised target	Previous target	Revised target
Net sales	¥1,010 billion	¥760 billion	¥1,160 billion	¥920 billion
Operating income (Operating margin)	¥90 billion	¥93 billion 12 %	¥130 billion 11 %	¥143 billion 16%
Ordinary income (Ordinary income ratio)	¥70 billion 7%	¥70 billion 9%	¥115 billion 10%	¥125 billion 14%
Net income (Net income ratio)	¥40 billion 4 %	¥45 billion 6%	¥85 billion 7 %	¥85 billion 9%

Notes:

- 1. Figures for previous targets are those from when the medium-term vision was initially announced on June 8, 2012. Revised target figures reflect the revision released on May 15, 2013.
- 2. Previous foreign exchange assumptions called for exchanges rates of ¥80 to US\$1 and ¥100 to 1 EUR. Revised assumptions projected exchanges rates of ¥90 to US\$1 and ¥120 to 1 EUR.