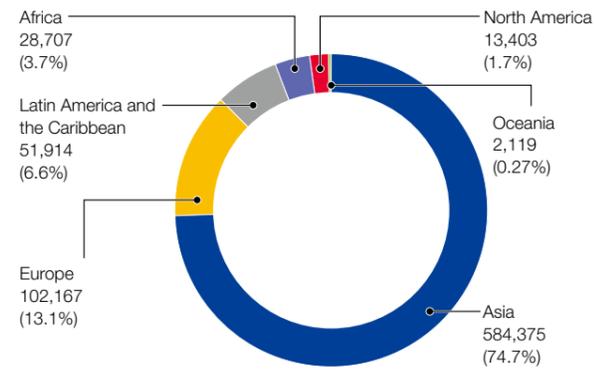


## Expansion of Growing Businesses in Asia

### Market Environment in Asia

Previously, although infectious diseases caused by a lack of hygiene were a real social problem in emerging countries, there has been a rapid decline in these diseases alongside economic advancement, and a more likely cause of death now is cancer. In Asia with many emerging countries, where around 50% of the world's population is concentrated, the number of cases of stomach cancer and esophageal cancer is high, while the early detection rate and five-year survival rate are low. In addition to changing disease, the main reasons for this are a rising and aging population, and increased needs for medical care following greater healthcare awareness in each country in line with economic growth. Due to a limited number of facilities and physicians that can appropriately diagnose and treat patients compared with developed countries, the penetration rate of endoscopes is low and the gap between supply and demand, stemming from the low number of endoscopists who can use these devices, has become an increasingly serious issue.

Number of Stomach Cancer Deaths in 2018 (Estimate)

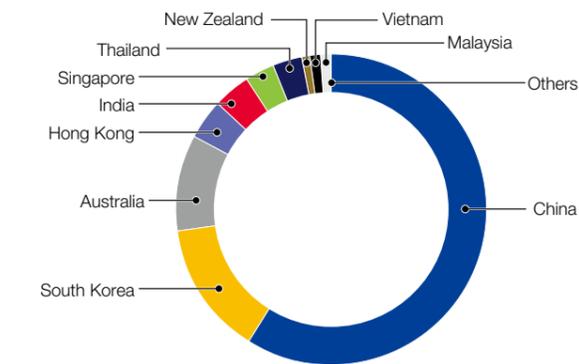


Source: WHO, Globocan 2018 Graph production: Global Cancer Observatory (<http://gco.iarc.fr>)

### Olympus' Strategy in Asia

When viewed from a medium-to-long-term perspective, there is substantial room for the expansion of markets in Asia, and along with initiatives to expand business there is an integral strategy for the ongoing growth of the Company. Increasing the number of physicians capable of safely using endoscopes will be key to Olympus' growth. We aim to facilitate this increase by bolstering training support through our training centers. At the same time, we are reinforcing after-sales services to meet the rising demand for endoscope maintenance and repair services. On a regional basis, China has continued to manifest high growth in the past years, and as such, we intend to keep investing in this market. On the other hand, the increasingly uncertain political landscape and expectations of even stricter medical laws and regulations in emerging countries has prompted us to further strengthen our operational capabilities.

Distribution of Revenue by Country in Asia / Oceania



Number of Endoscopists per Million People

China	22
Malaysia	17
Philippines	4
Indonesia	2
Vietnam	6
Thailand	4
India	5
(Reference) Japan	250

Source: Olympus Corporation (based on publicly available data)

Sequentially Establishing Training Centers to Expand Business in Emerging Countries



## Interview

### It is Important to Build Win-Win Relationships with Local Communities

Rie Nakase

Endoscopic Solutions Division / Therapeutic Solutions Division  
Director, Asia-Pacific Marketing

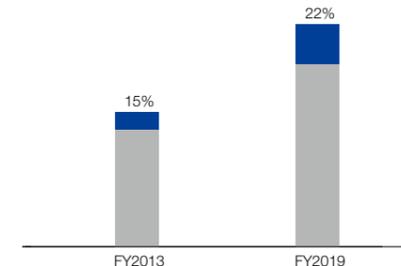


#### Establishment of a Strong Sales and Service Network in Asia

Olympus has been engaged in the medical fields in Asia since establishing a representative office in Singapore in 1975. In the 1980s, we established an office in China and since 2000 have established subsidiaries in Korea, Vietnam, India, Indonesia, and Malaysia, thereby building up our business foundations.

To further expand sales, we changed our organizational structure in 2011. Applying a block management for the 10 countries in Asia where we have local subsidiaries and enabling speedy decision making, Asia / Oceania region's share of revenue in the gastrointestinal endoscope field has grown from 15% in FY2013 to 22% in FY2019.

Olympus Revenue in the Asia / Oceania Region in the Gastrointestinal Endoscope Field



#### Creating Win-Win Relationships Locally by Providing Integrated Services

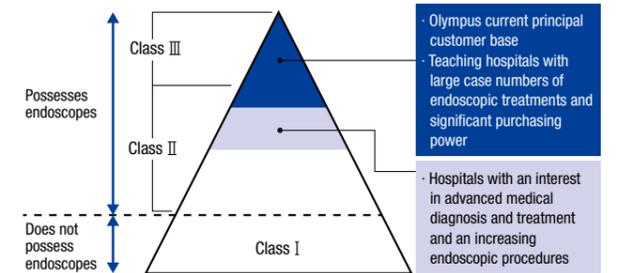
Olympus deploys products in a wide range of fields and is developing new diagnostic and therapeutic techniques that require continuing education. To ensure that our products are used safely and effectively, the training of healthcare professionals is paramount. It's also important to provide a repair service for endoscopes since they require constant maintenance.

Olympus provides integrated services ahead of the competition that range from diagnosis to treatment, thereby contributing to the expansion of medical access for patients together with healthcare professionals and improving the quality of life. The ensuing advancement in local medical care has heightened Olympus' presence in Asia. Emerging countries have a vulnerable medical infrastructure, however, and many of these nations have only just established academic societies. Olympus contributes to local communities through support to ensure day-to-day clinical practice and so that physicians can devote themselves to patients' care with peace of mind. We believe that building win-win relationships is one of our core missions.

#### Chinese Market Driving Results in the Endoscope Business

As a result of continued initiatives in Asia, we have achieved remarkable growth in recent years, especially in China. In FY2020, we forecast Asia, led by China, to drive results in the Endoscopic Solutions Division. In China, there are roughly 30,000 hospitals, with this figure on the rise, while sales to Class II facilities are increasing on the back of Chinese governmental support policies. Class II hospitals have an interest in advanced treatments and have started to focus on preoperative diagnoses, which is leading to purchases of high-end equipment, so we believe there is significant room for expansion in the market going forward. Besides strengthening our sales activities to Class II and below, we will team up with medical facilities and academic societies to accelerate activities to boost awareness of and drive broader implementation of early diagnosis and early treatment for cancer.

Latent Demand in China, Asia's Growth Driver



#### Supporting the Development of Physicians and Enhancing Exchange through Olympus Training Centers

Olympus uses its training centers to provide the opportunity for young physicians, who have very few chances to work in an actual clinical setting, to be familiar with our products, and for experts and young physicians to learn new skills as part of a team. The number of cases involving Endoscopic Submucosal Dissection (ESD), a medical treatment originating in Japan, is growing rapidly in China, and providing the opportunity to learn treatment methods with minimal burden on the patient has led to growing incentive to treat cancer in its early stages, with physicians passionate about the benefit of patients. Over the past five years, approximately 20,000 physicians have taken part in Olympus' training programs. Going forward, I hope we can contribute to a higher quality of medical care in emerging countries by providing the opportunity for training and thereby drive further business growth.