

Scientific Solutions Division



We help make people's lives healthier, safer, and more fulfilling around the world by supplying innovative products and services for supporting scientific research, pathology research, and inspections of manufacturing and social infrastructure.

The Scientific Solutions Division delivers high-quality products and services for a variety of markets. In this business, we will continue to strengthen points of contact with customers as we establish frameworks that will enable us to respond to changing needs by supplying optimal solutions.

Yoshitake Saito
Corporate Officer
Scientific Solutions Division Head

- Superior technological prowess and quality for optical, imaging, ultrasound, and XRF technologies
- Top-class market shares for all product segments
- Global sales, marketing, and service networks
- Total solutions provided through diverse product lineup

- High susceptibility to changes in economic conditions of specific regions and countries
- Technological maturity of certain products
- Increased manufacturing and sales costs for certain products

Strengths	Weaknesses
S	W
Opportunities	Threats
O	T

- Long-term demand growth for social infrastructure construction in emerging countries and aging social infrastructure maintenance in developed countries
- Continuous growth in demand in aviation, automotive, and other manufacturing industries
- Increase in demand for digitalization in pathology research field
- New needs arising from regularization of regenerative medicine

- Large foreign exchange rate movements
- Trend toward limiting capital expenditures by private-sector companies
- Delayed execution of government budgets and budget cuts in various countries
- Emergence of alternative technologies
- Economic slowdown in emerging countries
- Cyclical trends in specific customer segments

Operating Environment and Direction of Strategies for the Scientific Solutions Division

Operating Environment and Business Opportunities

In the short term, we are witnessing favorable conditions for the semiconductor and electronic components industries due to increased demand in relation to the Internet of Things (IoT) and automotive products. Trends related to capital investment are also firm thanks to increases in natural resource prices. In the medium to long term, we anticipate growth in the Scientific Solutions Division to be driven in part by market expansion stemming from investment in aviation, transportation, and other social infrastructure. We also look forward to the emergence of full-fledged markets for digital pathology research and drug discovery and regenerative medicine support businesses.

Direction of Strategies for the Scientific Solutions Division

In the life science field, we deliver cutting-edge solutions for the cancer, neuroscience, and stem cell research markets, among others, with our high-share-holding microscopes. Olympus also endeavors to address the new needs arising from the increase in pathology research stimulated by the advancement of preventive medicine and the acceleration of regenerative medicine and drug discovery research through private-public partnerships. As for the industrial field, the Company is making steady progress in the customer segment-oriented strategies on the back of sustainable growth in the global economy, and it will thereby pursue growth in existing businesses while simultaneously bolstering product portfolios. At the same time, we aim to address new needs in the future growth fields of smart factories, automotive inspection, and structure monitoring.

Market Shares and Portfolios

	Biological Microscopes	Industrial Microscopes	Industrial Videoscopes	Non-Destructive Testing Equipment	X-Ray Fluorescence (XRF) Analyzers
Field	Life Science	Industrial			
Share	40–50%	30–40%	35–45%	30–40%	25–35%
Competitors	Nikon, Zeiss, Leica	Nikon, Zeiss, Leica	GE	GE	Thermo Fisher
Products					
Uses	Biological and medical research and pathology research Basic life science research and clinical pathology research aimed at a better understanding of illnesses and other topics	Contribution to improvements in efficiency and quality in industry as well as in safety and security in everyday lives			
Customer Segment	LS Research / Clinical (Pathology Research) / Regenerative / Medicine Support & Drug Discovery Support	Manufacturing / Environment & Natural Resources / Infrastructure Maintenance			

Priority Measures

1	Improve Earnings Capacity and Keep Operating Margin Consistently 10% through Initiatives Tailored to Customer Segments	<ul style="list-style-type: none"> • Achieve organic growth in industrial and pathology research fields • Secure high profitability in existing businesses
2	Actively Expand Portfolios Targeting Customer Segments in Which Certain Growth Can Be Anticipated in Consideration of Company Strengths and Market Growth Potential	<ul style="list-style-type: none"> • Expand lineup of solutions that contribute to increased inspection quality, productivity, and efficiency for customers
3	Broaden Scope of Development of Regenerative Medicine Solutions to Further Long-Term Growth	<ul style="list-style-type: none"> • Conduct up-front investments in future growth

Accomplishments in Fiscal 2019 and Future Measures (Tasks)

Accomplishments	Future Measures (Tasks)
<ul style="list-style-type: none"> • Strong performance in sales of high-end equipment in the life science field mainly in North America and China and contributions from industrial microscopes, industrial videoscopes, and other products in the industrial field due to favorable markets for electronic components, aircraft, power generation plants, and manufacturing in the fiscal year ended March 2019. • Proactive expansion of product portfolios for manufacturing, infrastructure maintenance and other customer segments in which we can anticipate market growth and leverage Company strengths • Profitability increased significantly in the life science field due to efforts to enhance business efficiency. 	<ul style="list-style-type: none"> • Promote R&D to expand portfolio and materialize and execute strategies for creating sales opportunities • Ongoing reinforcement of customer contact points and development of fundamental technologies to achieve long-term growth in the regenerative medicine support field anticipated to see market growth in conjunction with future advancement of research

Fiscal 2020 Forecast

(FY)	2019	2020 (Forecast)
Revenue	¥104.2 billion	¥106.0 billion
Operating Profit	¥8.1 billion	¥11.0 billion
Operating Margin	7.8%	10.4%

