



We will contribute to making people's lives more fulfilling through the supply of mirrorless cameras and other innovative products.

The Imaging Division is steadily transforming its business structure. Looking ahead, we will contribute to making people's lives more fulfilling by providing products and services that show Olympus-like uniqueness through the development, manufacture, and sale of high-value-added products.

**Shigemi Sugimoto**  
Corporate Officer  
Imaging Division Head

<ul style="list-style-type: none"> <li>Unique technologies accumulated by concentrating on mirrorless cameras</li> <li>Competencies in designing and manufacturing compact, lightweight, high-performance lenses</li> <li>Maintain high share in mirrorless camera market (domestic)</li> </ul>	<p><b>Strengths</b></p> <p>S</p>	<p><b>Weaknesses</b></p> <p>W</p> <ul style="list-style-type: none"> <li>Low shares of large U.S. and Chinese markets</li> </ul>
<ul style="list-style-type: none"> <li>Expected increase in replacement purchase and additional purchase traditional single-lens-reflex cameras based on accelerated shift to mirrorless cameras throughout the market</li> </ul>	<p><b>Opportunities</b></p> <p>O</p>	<p><b>Threats</b></p> <p>T</p> <ul style="list-style-type: none"> <li>Intensified competition in mirrorless camera market</li> <li>Further evolution of smartphones and tablets</li> </ul>

### Domestic Market Share (Mirrorless Cameras)



### Digital Cameras



### Others



### Application of Imaging Division Technologies to Other Businesses

The Imaging Division functions as a companywide technology driver, and the technologies and business management processes developed in this business are being applied to other Olympus businesses, which contributes to making people's lives healthier and safer.

Technology / Business Management Process	Business of Application	Area of Contribution
1. Advanced digital technologies	<b>Endoscopic Solutions Division</b>	Use of digital camera auto focus actuator on the tip of next-generation endoscopes
	<b>Scientific Solutions Division</b>	Development of prototypes using Wi-Fi and ICT for regenerative medicine solution
2. Low-cost production and design technologies	<b>Endoscopic Solutions Division</b>	Use of low-cost, high-density packaging design based on imaging technology for endoscope processor boards
	<b>Therapeutic Solutions Division</b>	Development of next-generation energy devices using shortened, low-cost development processes and mass-production and miniaturization technologies
3. Mobile technologies	<b>Therapeutic Solutions Division</b>	

### Operating Environment and Forecasts

Facing with a rapid decrease of the digital camera market, we proceeded with structural transformation to shift to a more lean structure. We thus sought to realize a business structure that will enable the Imaging Division to continue generating profits, in case of a decrease in sales, by optimizing cost structures and enhancing sales activities pertaining to high-value-added interchangeable lens products.

Meanwhile, the competition in the mirrorless camera market is fierce due to shift to mirrorless cameras by competitors. Olympus is focusing on development of Micro Four Thirds mirrorless cameras. Olympus will continuously enhance sales of mirrorless cameras through selection and focus and risk control.

### Priority Measures

1	Advance Ongoing Business Structure Reforms	<ul style="list-style-type: none"> <li>Focus on the development of high-value-added mirrorless cameras (primarily OM-D series) and interchangeable lenses (PRO series)</li> <li>Develop a business structure that allows for improved efficiency in launching new products and mass production</li> <li>Establish a business structure for companywide purchasing</li> </ul>
2	Improve Responsiveness to Market Changes	<ul style="list-style-type: none"> <li>Monitor the market size and Olympus' share and respond to changes in environment by improving efficiency in each location and function, and advancing the selection and focus of target market segments throughout our businesses</li> </ul>
3	Minimize Inventory Risks	<ul style="list-style-type: none"> <li>Reduce product supply lead times and lower risks associated with unbalanced inventory distribution among local regions to shorten inventory turnover periods</li> </ul>
4	Contribute to Olympus as Groupwide Technology Driver	<ul style="list-style-type: none"> <li>Establish comprehensive range of technologies for 4K and 8K movie, development of devices necessary for recording at these resolutions, and optimization of an output interface to a monitor</li> <li>Apply advanced digital technology, low-cost production technology, and mobile technology—which are created through the process of developing and manufacturing OM-D cameras and PRO lenses—to other businesses</li> </ul>

### Accomplishments in Fiscal 2019 and Future Measures

Accomplishments
<ul style="list-style-type: none"> <li>Advancement of structural transformation to generate stable earnings                             <ul style="list-style-type: none"> <li>Shutdown at a manufacturing subsidiary in China</li> <li>Proceed with transfer of production to the Vietnam factory</li> </ul> </li> <li>Reinforcement of earnings foundation                             <ul style="list-style-type: none"> <li>Improvement of product quality through the enhancement of quality assurance systems</li> </ul> </li> <li>On-schedule introduction of OM-D E-M1X mirrorless camera and M. Zuiko Digital ED 12-200mm F3.5-6.3 interchangeable lens due to concentrating on the development of mirrorless cameras</li> </ul>

Future Measures
<ul style="list-style-type: none"> <li>Ongoing advancement of structural transformation to maintain profitability                             <ul style="list-style-type: none"> <li>Steady implementation of operations at the Vietnam factory after transferring production and improving the manufacturing cost ratio (augmenting production capacity and improving efficiency)</li> <li>Reinforcement of sales function after streamlining through selection and focus (response to changes in environment)</li> <li>Improvement of profitability through the periodical launches of new products</li> </ul> </li> </ul>

### TOPIC

#### Honored with Camera Grand Prix 2019 "Readers Award"

A Micro Four Thirds mirrorless camera "Olympus OM-D E-M1X" was honored with the Camera Grand Prix 2019 "Readers Award," one of the most prestigious awards in Japan.



Camera Grand Prix 2019 awards ceremony

### Fiscal 2020 Forecast

(FY)	2019	2020 (Forecast)
Revenue	¥48.7 billion	¥50.0 billion
Operating Profit	¥(18.3) billion	¥(7.0) billion

