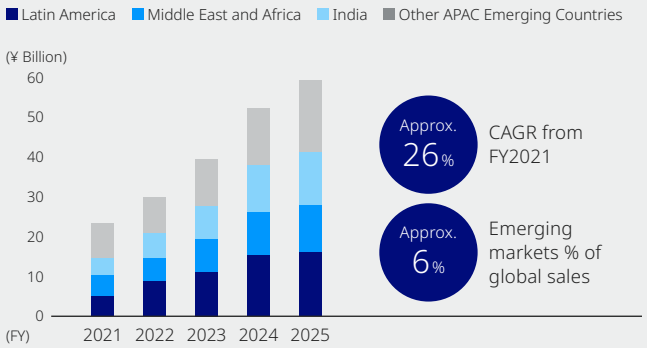
Sustainable Growth Opportunities in Emerging Markets and the Chinese Market

In markets where further development of endoscopic medicine is expected, we explain Olympus' strengths, current market conditions, and future growth potential.

Image of India

Sales Growth Trends in Emerging Markets in the Medical Business



Approx.
2,000 people

Number of healthcare professionals in emerging markets who participated in training courses in which Olympus was involved in FY2025*1

Number of Endoscopists per Million People*2

Thailand	32
Vietnam	25
Malaysia	14
India	7
Philippines	5
Indonesia	3
[Reference] Japan	277
[Reference] U.S.	50
[Reference] China	28

*1 In addition to those organized by Olympus, the total number of participants in online/hybrid/on-site training courses, including those co-sponsored by NGOs, academic societies, and hospitals in India, Indonesia, Philippines, Brazil, Mexico, South Africa, Saudi Arabia, and United Arab Emirates
*2 Compiled by Olympus using publicly available data.

Growth Opportunities in Emerging Markets and Contributions to Strengthening Healthcare Infrastructure

In emerging countries, demand for medical equipment is expanding due to population growth and economic development. In particular, because the rate of cancer is expected to rise, the importance of early detection and treatment through gastrointestinal endoscopy is also increasing. At the same time, a shortage of highly specialized endoscopists remains a challenge. To address this, we are strengthening our investment in training activities for endoscopists in regions such as India, Latin America, and Africa. Although emerging markets currently account for a relatively small portion of our total Medical Business revenue, our CAGR over the past few years has been high at over 25%, and we expect our strong growth to continue going forward.

India

With the world's largest population and rapid economic growth, India has now emerged as the fifth-largest economy in the world. In 2009, Olympus established its local subsidiary, Olympus Medical Systems India (OMSI), to directly enter the Indian market. At the time, the market was dominated by secondhand refurbished endoscopes, raising concerns about product quality, patient safety, and medical education. To address these challenges, OMSI implemented a strategy focused on expanding training and raising awareness of endoscopic medicine. By providing the latest endoscopy systems and organizing workshops, OMSI supported the enhancement of healthcare professionals' knowledge and skills. As a result, the quality of endoscopic care in India has significantly improved, and the refurbished equipment market has virtually disappeared. Alongside India's rapid economic development, investment in the healthcare sector is accelerating, and demand for advanced medical care is expected to continue growing. In line with this trend, Olympus has announced a strategic initiative to establish an R&D Offshore Development Center (ODC) in Hyderabad, India, and is preparing to launch its in-house R&D center in the coming years. We remain committed to contributing to the enhancement of regional healthcare infrastructure while pursuing sustainable growth.

ODC in Hyderabad

COLUMN

Click here to watch the interview.
https://youtu.be/CIrYZjU_mNk

A Partnership to Improve Lives through Gastrointestinal Endoscopy Advancement in India

Dr. D. Nageshwar Reddy
Chairman and Managing Director, Chief of Gastroenterology & Therapeutic Endoscopy Asian Institute of Gastroenterology (AIG) Hospitals, Hyderabad, India

Dr. Nageshwar Reddy, President of the Asian Institute of Gastroenterology (AIG), a leading medical institution in Hyderabad, India, was influenced by his grandfather and father, who were both physicians, to pursue a career in medicine. During his years of study, he specialized in gastroenterology and endoscopy, and his interest in therapeutic endoscopy was piqued after he witnessed a patient's life being saved by an endoscopic procedure during his fellowship.

Working in partnership to improve healthcare for people across different socio-economic backgrounds, AIG was formed under the philosophy that patients everywhere should receive the best available medical technology, infrastructure, and talent, equal to that seen in developed countries. However, there are still disparities, and many of the people living in rural areas and semi-urban areas still don't have access to the best available care.

"The survival rate of cancer patients in emerging countries is lower than in developed countries," Dr. Reddy explained. "The five-year survival rate of colon cancer patients in India is about 30%*[1], while in Japan it is 70%*[2]. Early detection and treatment through regular checkups are important. However, there are few facilities in India that provide cancer screening services, and there are not enough doctors and opportunities for training."

Dr. Reddy and AIG set about starting endoscopy mobile units with the main objective of elevating the standard of care for underprivileged people in hard-to-reach communities. Olympus supported these units with the necessary medical equipment, and they have been able to bring to rural communities endoscopy, colonoscopy, and basic liver function tests that uncover life-threatening conditions, potentially leading to life-saving treatment for those most ill. One particular example saw a unit encounter a woman who was coughing up blood during pregnancy due to a tear in her lower esophagus. She was administered an endoscopic clipping immediately stopping the outflow of blood, ultimately saving her life.

"During the last 30 years," Dr. Reddy said, "there has been a dramatic change in gastrointestinal endoscopy, which evolved from a purely diagnostic procedure to a major therapeutic procedure. It has changed how we treat patients with gastrointestinal disease."
Dr. Reddy observed that in the past, many gastrointestinal diseases were treated by invasive surgery. Gastrointestinal endoscopy has since made a huge difference to patients' lives by enabling doctors to detect diseases, including cancer in its early stages, and making it easier to resect. He pointed to the possibility that even patients who are diagnosed with early-stage gastric cancer can live for 10 years or longer, while those who have severe conditions such as cholangitis (inflammation of the bile duct system), can be cured through the deployment of endoscopic procedures.

The Indian healthcare sector is one of India's largest employers, however, there are relatively few endoscopists. India has 7 endoscopists per million people, while in Japan the figure is 277 endoscopists per million people, showing the need for additional highly trained professionals.

When speaking about AIG's partnership with Olympus, Dr. Reddy outlined how Olympus has not only played a role in helping India move forward with its healthcare reforms, but has also helped build a state-of-the-art facility that has trained over 500 endoscopists.

"Olympus collaborates with us and Indian academic societies to support endoscopy training more than 150 times a year and provides prompt medical equipment repair services. In particular, the training and development of endoscopists is of great significance. It helps support the health and lives of the people in India. Olympus provides us with added value beyond just products."

Dr. Reddy's hopes lie in making healthcare accessible to all. "India is experiencing rapid growth in population and economy. Lifestyle-related diseases such as cancer are on the rise. However, with partners such as Olympus at the helm, those committed to its utmost to realize the health, peace of mind, and spiritual richness of the people of India, I do believe a brighter future awaits."

*1 World Health Organization. (n.d.). GCO - SURVCAN. Retrieved from International Agency for Research on Cancer: https://gco.iarc.fr/survival/survcan/dataviz/table?survival=5&populations=0&cancers=90
*2 National Cancer Center Japan. (2023, 03 16). In-hospital Cancer Registry Survival Rate Aggregation. Retrieved from ganjoho.jp (Japanese only): https://ganjoho.jp/public/qa_links/report/hosp_c/hosp_c_reg_surv/index.html

Brazil

As the economic center of Latin America, Brazil represents Olympus' largest market in the region, with approximately 8,000 medical facilities offering endoscopic procedures. Our local subsidiary, Olympus Optical do Brasil, has achieved exceptionally high customer acquisition rates through a customer-centric strategy and strong cross-functional collaboration. Rather than competing on price, the team focuses on delivering optimal solutions tailored to the needs of doctors. In 2024, Olympus introduced the EVIS X1 endoscopy system to the Brazilian market. The system is expected to contribute to examinations and diagnoses performed by local doctors.

Middle East and Africa

With a combined population of approximately 1.8 billion, the Middle East, Turkey, and Africa represent growth markets with increasing demand for endoscopist training, endoscopic systems, and repair services. In this diverse region, Olympus MEA FZ-LLC (OMETA) operates across 72 countries, each with distinct needs and purchasing power. While countries like the Kingdom of Saudi Arabia seek cutting-edge medical technologies, many nations across Africa are urgently looking for foundational support to build their healthcare infrastructure. To meet these diverse needs, Olympus is advancing projects that deliver the latest endoscopic products and services in close collaboration with local distributors and healthcare professionals. Through these efforts, we aim to contribute to the sustainable development of medical infrastructure across the region.

COLUMN

Click here to watch the interview.
https://youtu.be/m0NwYAlbDlk

The Kenya Project: Paving the Way for Endoscopy in Africa*

In Kenya, an African country experiencing high economic development, the proportion of deaths due to non-communicable diseases has been rising in recent years, with cancer especially prevalent. In response, the Kenyan Ministry of Health is working to strengthen cancer screening efforts, especially by recommending colorectal cancer screening for citizens aged 45 and older to enable early detection. However, there is a shortage of endoscopists needed for detailed examinations, making doctor education and skill enhancement an urgent task. To help address these challenges, Olympus is working to expand access to endoscopic examinations and contribute to the development of endoscopic medicine and healthcare infrastructure in Kenya. For this column, a member of Olympus' Government Affairs team in charge of international cooperation shares insights into the Company's initiatives in the Kenya Project.

Koichiro Watanabe
Government Affairs
International Cooperation Division
Senior Director

In Japan, technology enabling the early detection and early treatment of cancer is becoming widespread. However, in Kenya, where the number of cancer patients is on the rise, there is a growing need for doctors to have opportunities to acquire such skills and knowledge. To address these challenges, Olympus has launched an international medical cooperation project with the support of the Japanese government. This three-year project, which began in 2023, focuses on providing endoscopy training to Kenyan doctors. Olympus is responsible for the overall planning, operation, and coordination of the training, while employees in Tokyo and on-site in Kenya work together to provide ongoing support.

In this project, Olympus collaborates with Kyushu University Hospital's International Medical Department to provide technical training on endoscopy to doctors from hospitals across Kenya. First, online lectures were conducted on the latest developments in Japanese endoscopic diagnosis. Then, Japanese doctors traveled to hospitals in Nairobi, the capital of Kenya, to provide lectures and clinical guidance locally. That included practical instruction on upper and lower gastrointestinal endoscopic examinations, teaching basic diagnostic techniques and how to operate the endoscope. Following this, the Kenyan doctors traveled to Japan and received approximately three weeks of training at Kyushu University Hospital. There, they observed various endoscopic examinations and treatments, and received technical instructions, including hands-on practice with simulator models. Throughout this training, they worked diligently to acquire practical knowledge and skills.

One of the Kenyan doctors who participated in the training, explained what he gained from this experience: "What endoscopy is, and how important it is in terms of diagnosis and therapeutics. This would be a great opportunity to transfer the skills and knowledge that I learned here to our colleagues back at home." Kenya and Japan have vastly different medical environments, but the passion of healthcare professionals to acquire knowledge and techniques is common worldwide. Even in different countries and cultures, people share the same passion for helping patients. I believe it's important to continue these activities for a long time, exploring how far we can go together while understanding our differences.

* This project is part of a 2024 initiative commissioned by Japan's Ministry of Health, Labour and Welfare, carried out by the National Center for Global Health and Medicine.

Growth Opportunities in the Chinese Market and Provision of Total Solutions

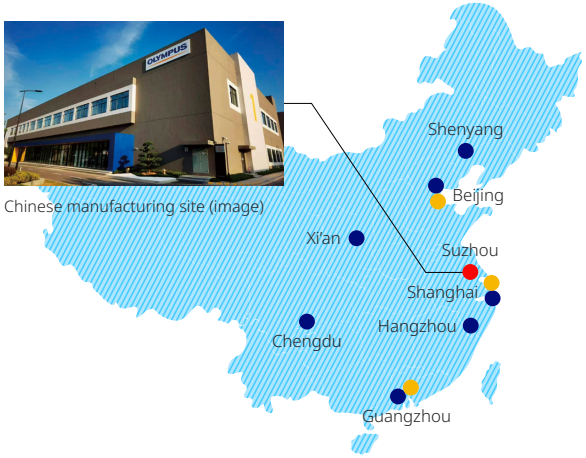
Since entering the Chinese market about 50 years ago, Olympus has been strengthening its business foundation ahead of other companies. Through active cooperation with doctors, hospitals, and academic societies, we have spread endoscopy and have built relationships of trust with doctors. At the same time, we have been supporting doctors so that they can perform endoscopic screenings and treatments safely by strengthening our after-sales service at our service sites and training support.

In addition to our three in-house training centers in Shanghai, Beijing, and Guangzhou, we are currently supporting the training of endoscopists across China through our collaboration with regional top hospitals in nearly 20 provinces*1. Moreover, all seven service centers provide inspection and maintenance for endoscopic products, creating an industry-leading system. Olympus is also preparing a local manufacturing site in Suzhou, Jiangsu Province, China, so that we can provide "Made in China" products for the local market. Our gastroscope featuring the most advanced imaging has officially obtained the Medical Device Registration Certificate from the Jiangsu Medical Products Administration (MPA) in August 2025. We are working closely with local authorities to prepare the necessary regulatory processes, with the aim of starting production locally within 2025. We will continue to achieve business growth not only by launching high-value-added and differentiated products but also by proposing total solutions that include our services and training activities.

*1 As of September 2025

Chinese Service Centers, Training Centers, and a Manufacturing Site

● Service Centers ● Training Centers ● Manufacturing Site (under preparation)



Chinese manufacturing site (image)

Approx.
111,000 people

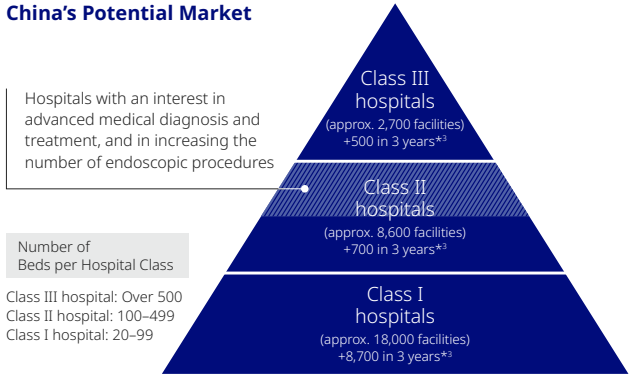
Number of healthcare professionals who have participated in Olympus training courses over the past five years*2 (including approximately 88,000 online participants)

*2 FY2021 to FY2025

Policies by the Chinese Government

- "Made in China 2025" released in 2015: The Chinese government announced that the country aims to become a true manufacturing powerhouse, including in R&D, instead of the current one focusing on goods assembly. The goal is to become one of the top manufacturing nations in the world by 2049. There are 10 target fields, one of which includes biotechnology and medical device.
- "Healthy China 2030" released in 2016: This policy promotes the health of the Chinese people and building of a healthy nation. Priority items are early detection and treatment of chronic diseases including cancer, fixing regional disparities in the medical service area, and expansion of medical institutions. To support this, the aim is also to achieve technological innovation and development in the medical industry.
- "Working plan for improvement of one thousand county-level hospitals" released in 2021: This policy aims to raise the healthcare standard of 1,000 county-level hospitals to the same level as a Class III hospital by 2025.
- "Action Plan to Promote Large-scale Equipment Renewals and Trade-ins of Consumer Goods" released in 2024: The plan focuses on seven areas: industry, agriculture, construction, transportation, education, culture and tourism, and healthcare. Its targets are the replacement of old facilities and consumer goods with new ones, in a process designed to make them more high-end, smart (AI), and green by 2027. In medical equipment, the focus is on expanding domestic demand and the structural reform of hospitals, aiming to correct regional disparities, improve the quality of healthcare, and increase efficiency. High-end large-scale medical equipment, innovative medical equipment, and AI-related products are said to have a high chance of orders.
- Volume-based procurement (VBP): A type of centralized purchasing procurement program implemented by the nation, provincial alliances, provinces, and cities.
- Anti-corruption campaign: A campaign relating to anti-corruption audits targeting all public hospital; capital products are mainly affected due to the suspension or delay of purchasers' decisions at hospitals; Begun in July 2023, it was announced in May 2024 that the campaign would become a normalized initiative, including standardizing distribution and changing hospital purchasing processes to prevent any recurrence of misconduct and corruption.

China's Potential Market



In China, about 29,000 hospitals are divided into classes III, II, and I and there is a tendency for patients to converge on class III hospitals where medical level is high. Moreover, there is a significant shortage of rural hospitals, and to resolve this disparity in healthcare, investment in infrastructure is expected to continue to grow, especially in mid-tier and rural hospitals.

*3 Figures comparing the number of facilities as of March 31, 2024 with those as of March 31, 2021