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Positioning of GS Business within Olympus

- Aggressively allocating management resources to grow GS business into 2nd core business after GI
- Main growth driver in Medical Business, achieve sales growth exceeding market growth rate
- Improve profitability along with single-use business sales growth

Medical Business
Net sales: ¥570.4billion
(FY2017)
Today’s Agenda

1. Positioning of GS Business and Business Strategies

2. Strategy Progress and Issues

3. Future Actions
## GSBU Product Portfolio

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<th>Energy Devices</th>
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GSBU Business Strategy

1. Establish new de facto standard in surgical imaging market

2. Secure No.3 position in energy device market and encroach upon No.2 and No.1 positions

3. Establish single-use device business model

4. Fully leverage Olympus’ strength in GI field
Strategy Progress and Issues

1. Establish new de facto standard in surgical imaging market

【Priority Measures】**Complete 4K/3D imaging chains**

- **VISERA 4K-UHD**
  - Introduced in Europe, Japan and US
  - Added 4K recorder and new camera head
  - Taking time to close contracts of conversion accounts
  - Expand sales target with enriching 4K compatible scope line-ups (5/10mm, ENT, Orthopedics)

- **VISERA ELITE II (3D)**
  - Introduced in Europe/Japan
  - Line-up including rigid 3D scope and flexible 3D scope with deflectable tip
  - 3D image recorder
  - Accelerate sales for OLYMUS customers’ replacement
  - To be introduced in US in the fiscal year to put sales back on the track of the expected growth
Establish new de facto standard in surgical imaging market

**VISERA ELITE II**
Improved 3D function as standard setting

Universal platform across departments

Addition of IR Observation Function

- Video Processor
- 3D Function, integrated Light Source
- The world’s first image rotation function
- OLYMPUS’ unique flexible Videoscope with deflectable tip
- Joystick control

- SONY 4K3D Monitor
- Convertible

- 2DHD
- GI
- URO
- ENT

- Rigid scopes for various specialties

- IR solo observation mode
- IR observation overlapped mode

**NOTE:** These products are either Pending FDA 510(k) clearance or in development. VISERA ELITE II is not for sale in the USA.
Strategy Progress and Issues

Establish new de facto standard in surgical imaging market

【Priority Measure】Proposing 4K world via OR System Integration

- Direct switching system of laparoscopic image signals
- Mixed different image standards
- Independent from hospital network
- IP base 4K image management
- Easy editing, distribution, recording
- Connected to in and outside hospital network
- Proposing solution is enhanced via ISM M&A
- Getting more big-scale 4K sales deals in US

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Strategy Progress and Issues

Secure No.3 position in energy device market and encroach upon No.2 and No.1 positions

【Priority Measure】Expand Energy Device Portfolio and Accelerate Development Speed

- THUNDERBEAT -

Laparoscopic Surgery

- New SONICBEAT : 3 types
- From February 2016
- Ultrasonic only

GI Surgery

- THUNDERBEAT Type-S
- From April 2017
- Basic function improvement

URO Surgery

- Software update
- From April 2017
- Feedback function improvement

Open Surgery

- Fine Jaw
- From April 2016
- Fine tip shape

- Extended Jaw
- From May 2016
- Rapid cutting

Thyroid

- Fine Jaw
- From April 2016
- Fine tip shape

Liver

- Fine Jaw
- From April 2016
- Fine tip shape

Cavitas pelvis

- Fine Jaw
- From April 2016
- Fine tip shape

Breast

- Fine Jaw
- From April 2016
- Fine tip shape


"NOTE: Thunderbeat Type-S and ITM are pending USA FDA 510(k) clearance; they are not for sale in the USA."

*ITM : Intelligence Tissue Monitoring
Strategy Progress and Issues

2. Secure No.3 position in energy device market and encroach upon No.2 and No.1 positions

【Priority Measure】 Expand Energy Device Portfolio and Accelerate Development Speed
- PK Device-

Laparoscopic Surgery
Gynecology

STMS Generator

Downsized with improved function

PK instruments※
(spatula, needle, loop)
From 2016 (Europe/US)
STMS compatible

PK Morcellator※
From 2017 (Europe/US)
Tissue cutting/extraction

Pneumoliner※
From 2017 (Europe/US)
Used together with PK Morcellator

November 2016
Conducted product training using CTE system together with AAGL

Introduced in US/Europe in this fiscal year;
Expect sales increase together with PK instruments, thus PK business recovery

CTE* system

*CTE--Contained Tissue Extraction System
Future Actions to Achieve 16CSP

GSBU: CAGR 11% in revenue

GSBU

- Slow sales in the 1st year of 16CSP, but strategy and measures progressing on track
- Expecting back to planned growth path with enhancing and adding activities

Surgical Imaging

- Maximally leverage ISM assets; 4K/3D big-scale sales deals; propose multiple operating rooms’ integration
- New VISERA ELITE II and 3D scope introduction in each region, accelerate promotion

Energy

- Continuous device portfolio expansion and enhance sales promotion with improved value based marketing
- Enhancing energy sales organization in China, Asia and developing regions
- Re-strengthen PK business in US