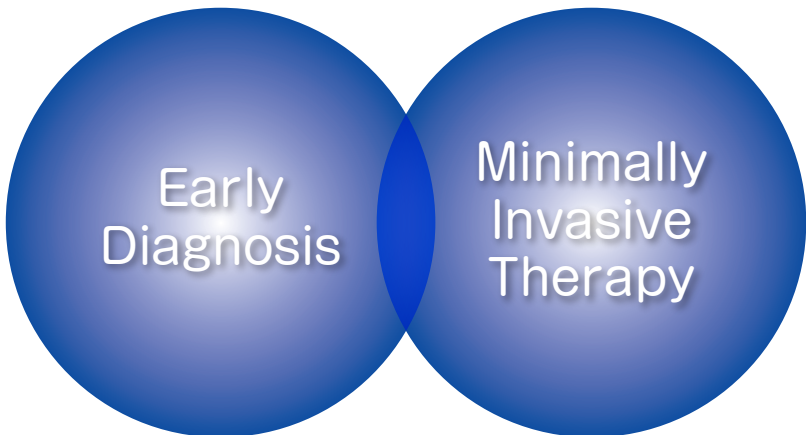


Strengths of Olympus Medical Business

Focus on Early Diagnosis and Minimally Invasive Therapy

Olympus is pursuing technological advances in the fields of early diagnosis, particularly in terms of gastrointestinal endoscopes, and minimally invasive therapy with emphasis placed on surgical devices. Through these efforts, we hope to contribute to improvements in the quality of life of patients while also helping to address the worldwide trend of rising healthcare costs.

Value to Be Provided by Medical Business



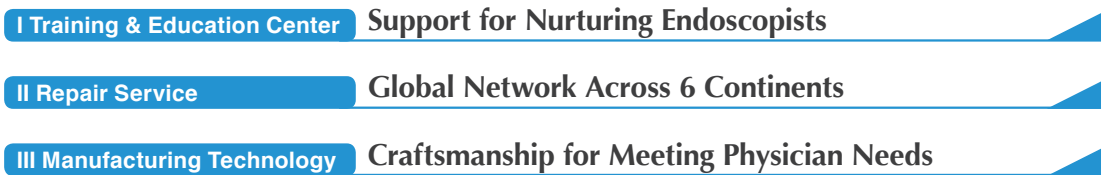
Product Development Based upon Trustworthy Relationships Established with Physicians over Many Years

From the time when Olympus developed the world's first practical gastroscope in 1950 to today, the Company has continued to refine its endoscope technologies in close collaboration with physicians. Endoscopes require precise design and functionality, and we have worked with physicians over the course of many years to enhance and improve the specifications of our products to achieve this important threshold of operability. This committed effort is one reason Olympus is the world's leader in endoscopes.



Solid Operations

Aiming to provide the leading technologies, products, services and solutions all over the world, Olympus is developing networks in the Medical Business that reach across the globe.



I Training & Education Center Support for Nurturing Endoscopists

Demand for early diagnosis and minimally invasive therapy is expanding along with the rapid economic growth in emerging markets, particularly China. As in Japan, the U.S., and Europe, Olympus actively supports the nurturing of doctors by providing training opportunities on the safe and effective use of Olympus products, which allows doctors to be familiar with new equipment and procedures in emerging countries.

Efforts in China

In addition to the progress which the Chinese government is making in reforming medical care, China's population is also rapidly aging in a manner similar to U.S. and European countries. In medical facilities, therefore, the number of endoscopists are unable to keep up with the growing number of patients, making the development of new endoscopists an urgent matter. Olympus built the Shanghai Medical Training & Education Center in 2008 in the research and industry development district outside of Shanghai in China. This site is conveniently located near Shanghai Airport, making it easy for doctors to visit from all over China. Behind the futuristic exterior of the building are located both a training center and a call center. The training center is set up to allow for the performance of gastrointestinal endoscopic examinations, as well as training on the operation of endotherapy devices and surgical equipment. A lecture hall capable of seating close to 100 people is located on the uppermost floor and is wired for high-capacity broadband communications, making academic exchange possible for doctors both inside and outside China. Training of sales representatives and repair and service technicians is also performed at Shanghai Medical Training & Education Center, which contributes to improve the quality of Olympus' marketing services. The call center handles communications with medical facilities, sales representatives repair technicians and dealers throughout the country, with an equivalent level to that of U.S. and Europe. Olympus opened similar training centers in Beijing in 2010 and in Guangzhou in 2013, further accelerating support for nurturing new Chinese endoscopists.



Panorama of Olympus (China) Medical Training & Education Center in Shanghai



Various forms of training can be given within the facility

Efforts in Asian countries

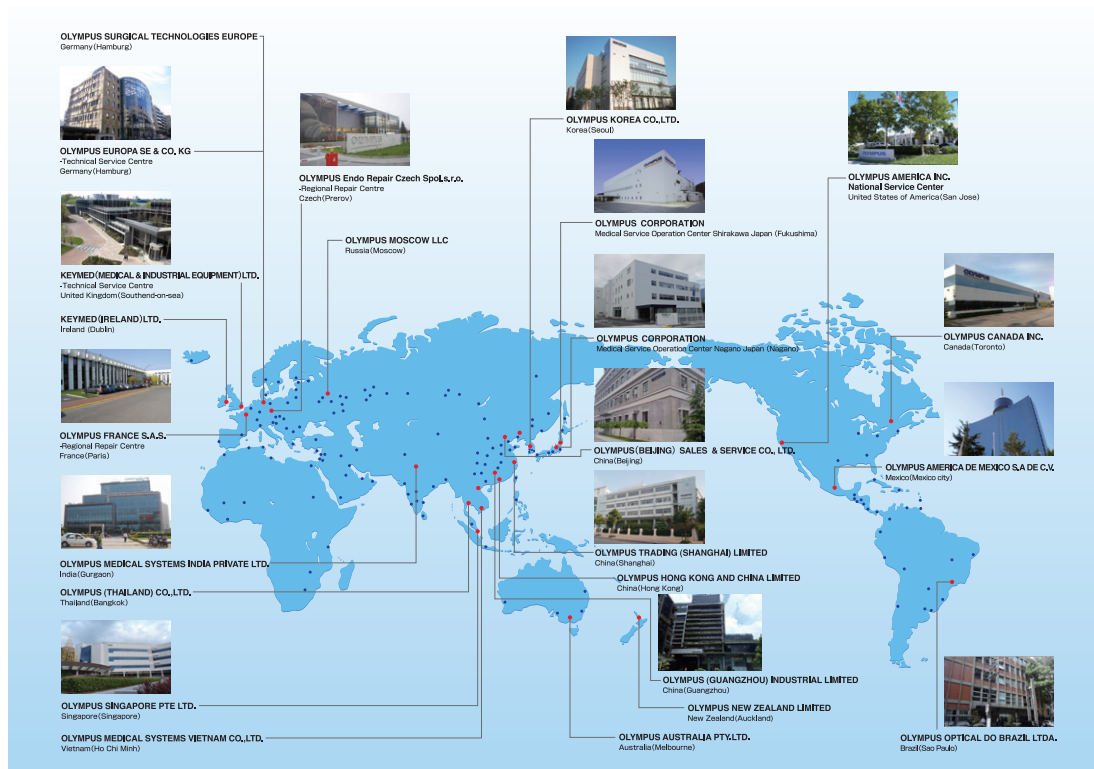
With a total population of over 1.2 billion people, India is the most promising new market second to China. It is here that Olympus is steadily executing its business strategies. From the size of its population and the speed of its economic growth, it is believed that the availability and use of medical equipment in India will advance rapidly in the future. As with Japan and China, there are a number of gastrointestinal diseases in India amenable to endoscopic treatment, and endoscopic procedures for biliary and pancreatic diseases are very common. Olympus works with Indian academic societies and supports over 150 endoscopic training sessions annually. Having established a training center in Thailand in 2016 to serve medical personnel from Southeast Asia, Olympus is also striving to develop the medical technology infrastructure in the nations of the region and expand their use of endoscopy. In the future, Olympus intends to continue contributing to improvements in patient quality of life (QOL) by working to help with endoscopy skill development and on the wider use of endoscopes for early diagnosis, minimally invasive therapy and surgery. These plans include the establishment of further training centers in other parts of Asia.



T-TEC (Thai-Training and Education Center)

II Repair Service

Global Network Across 6 Continents



Map of Olympus' repair locations around the world (● shows locations capable of major repairs*)

Endoscopes are precision instruments used within the human body. High quality after-sales service is necessary to maintain safety and provide maximum functionality. In order for patients around the world to receive safe endoscopic examination and treatment, Olympus has established the industry's leading global repair & services system.

The World's Largest Endoscope Repair Center

San Jose, California, U.S. Olympus is proud of the "San Jose National Repair Service Center," the world's largest endoscope repair center. Within the walls of the 80,000 square-meter building accented in blue, Olympus' corporate color, 250 service staff members dressed in white lab coats meticulously carry out their repair work. The San Jose location was established in 1979 to perform concentrated, authentic repairs (major repairs)*, including full instrument disassembly and reassembly. Prior to this, major repairs of endoscopes had been performed at small service locations distributed throughout the U.S. However it was decided that a centralized location where high quality repairs coexisting with rapid repair turnaround was critical for the U.S. market. The centralization of major endoscope repair in one facility has improved both the quality and the efficiency of delivering repair service to our customers.



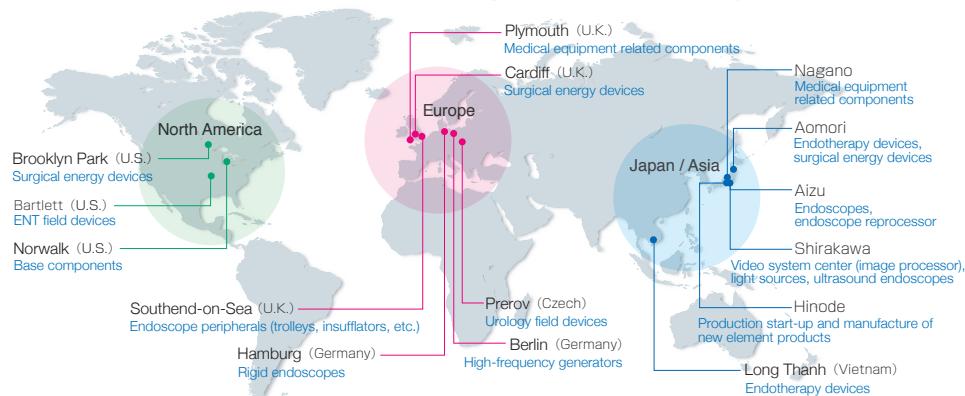
World's largest endoscope repair center
(San Jose, California)

*Major repairs: An overhaul involves the dismantling, inspection and repair of malfunctioning equipment

Repair Quality on a Level Equal to New Products

Endoscopes, which are inserted directly into the human body, must meet strict safety and performance standards. This applies both to new instruments and instruments being returned to healthcare professionals following service. Therefore, it is required that fully repaired items have the same level of quality as new products. "Safe, stable use" is one of the essential values of endoscopes. With this kind of thinking, Olympus has continued to strive to enhance its service system, ever since the start of the endoscope business in 1952. Currently, Global Network Olympus service locations spread across 6 continents: North America, South America, Europe, Asia, Australia, and Africa. This is the largest network of service sites for any global medical device manufacturer.

III Manufacturing Technology Craftsmanship for Meeting Physician Needs



The current trilateral approach of North America, Europe, and Japan/Asia is supported by the following manufacturing centers. Surgical devices are manufactured in North America based at the three manufacturing facilities. The main products are surgical devices for ear, nose and throat and surgical energy devices. In Europe, rigid endoscopes, therapy devices for urology / gynecology, surgical energy devices and endoscope related equipments are manufactured in Germany, Czech Republic and UK.

Strength in advanced manufacturing technology

Manufacturing in Japan and Asia is based around the three Japanese factories in Aizu, Shirakawa, and Aomori, and the factory in Vietnam. The factories in Japan develop and manufacture gastrointestinal endoscope systems from basic components and have a unique strength in manufacturing that requires a high level of precision and one-of-a-kind know-how assembly expertise on the part of the manufacturing staff. The endoscopes in Olympus flexible endoscopy systems are manufactured exclusively at the Aizu factory. For the main components of the endoscope, such as the imaging unit, control section and electrical connector, there are plans to unify development and manufacturing and to isolate and develop essential key technologies, while realizing high-mix, low-volume production. For example, Olympus decided to develop the machining equipment necessary to manufacture the stainless steel distal tip of the endoscope in-house, thus keeping this knowledge within the company. Products manufactured by the Shirakawa factory include video processors and light sources for endoscopes, ultrasound endoscopes, and capsule endoscopes. The strengths here are component technologies for electrical equipment (including semiconductors and circuit boards), circuit design, and quality assurance. By employing "Toyota production methods," quality improvements are being made daily and production lead times are dramatically shrinking. The Aomori factory features high-tech production of Endotherapy devices. The factory specializes in therapeutic devices such as electrocautery snares for gastrointestinal polypectomy, devices for use in biliary ducts, etc. The Vietnam factory, which was established as a satellite factory of the Aomori facility, also produces Endotherapy devices and related products.

Characteristics of Endoscopy System Manufacturing Techniques That Realize High-Mix, Low-Volume Production

The number of different variations of endoscopes we offer grows each year, and we currently offer more than 300 different models of endoscopes. Creating endoscopes requires sophisticated manufacturing technologies as well as high-mix, low-volume production systems. On top of fulfilling these requirements, we have maintained a stance toward production that compels us to develop components and equipment ourselves should the market be unable to supply us with items that meet our expectations for craftsmanship. As the components of endoscopes have incredibly intricate structures, it is impossible to find ready-made blades for their production. Therefore, each time we need to develop new endoscope components, we start by creating custom blades and other tools capable of meeting our design specifications. The unique products Olympus offers are the result of an ongoing, comprehensive process of in-house craftsmanship, which entails resolving issues on our own. This thorough process has enabled us to earn the trust from the world that we hold today.

