

OLYMPUS

Your Vision, Our Future

OLYMPUS Investor Day 2017 General Surgery Business Unit (GSBU) Strategy

Tomohisa Sakurai
Head of General Surgery Business Unit
Olympus Corporation
September 13th, 2017

16CSP

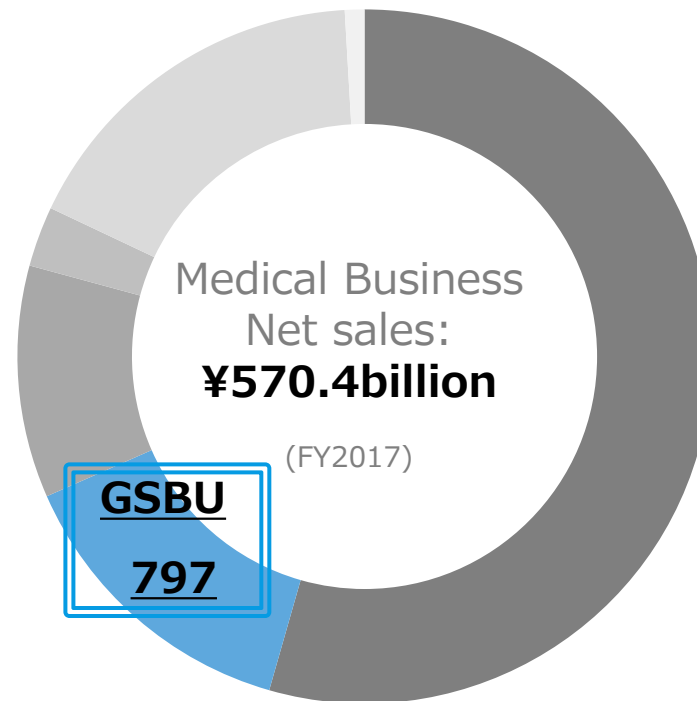
Disclaimer

- This material contains forward-looking statements that reflect management's current views, plans, and expectations based on information available at the time of preparation. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, future business decisions, and other internal and external factors that may cause the Company's actual results, performance, achievements, or financial position to be materially different from any future results expressed or implied by these forward-looking statements.
- Additionally, this information is subject to change without notice. Accordingly, other information should be used in addition to this material when making investment decisions.
- These materials contain information on products that have not yet been approved under The Law on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (including products still under development). This information is not provided for the purposes of advertising or offering medical advice. This information is purely meant to offer examples of Olympus' R&D activities. Moreover, the Company does not guarantee that products described in these materials will actually be marketed.
- Olympus Corporation assumes no responsibility for any damage resulting from the use of this material.

Positioning of GS Business within Olympus

GSBU

- 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



Today's Agenda

- 1. Positioning of GS Business and Business Strategies**
- 2. Strategy Progress and Issues**
- 3. Future Actions**

GSBU Product Portfolio

GSBU

Surgical Imaging



IR Observation System



New 3D scopes
(Rigid, Flex)

Energy Devices



THUNDERBEAT Type-S



Laparoscopic Surgery System in Gynecology

Operating Room System Integration



Operating Room System Integration



IP Image Management
(Distribution and Recording Image)

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

Strategy Progress and Issues

1 Establish new de facto standard in surgical imaging market

【New Product*】 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

SONY 4K3D Monitor Convertible

The world's first image rotation function

OLYMPUS' unique flexible Videoscope with deflectable tip Joystick control

2DHD

GI

URO

ENT

Rigid scopes for various specialties

Non-IR Observation

Mode switch button

IR solo observation mode

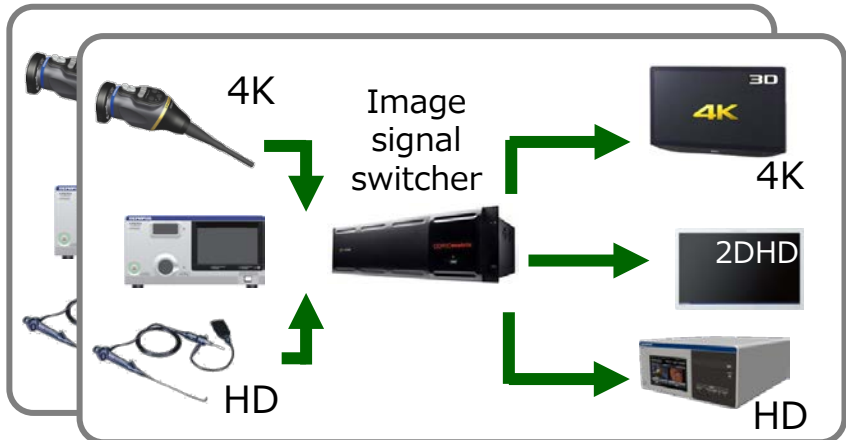
IR observation overlapped mode

"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

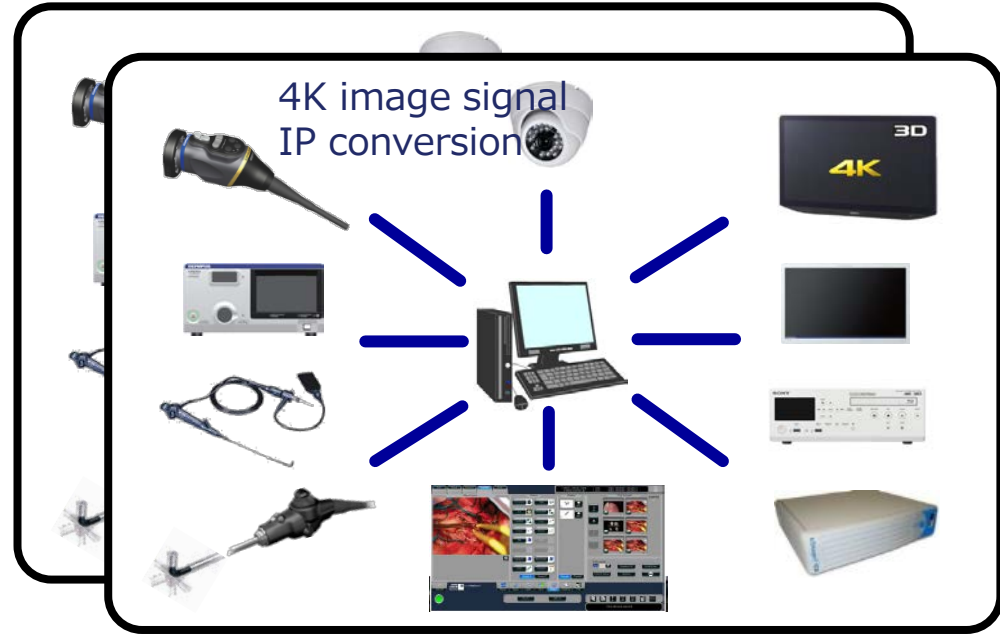
1 Establish new de facto standard in surgical imaging market

[Priority Measure] Proposing 4K world via OR System Integration

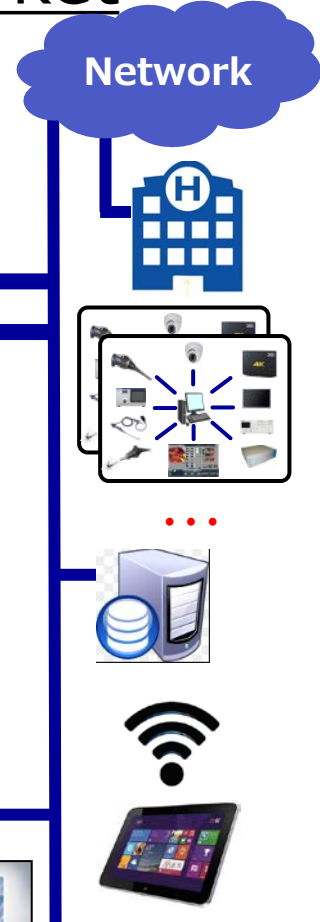


- Direct switching system of laparoscopic image signals
- Mixed different image standards
- Independent from hospital network

— : Image signal cables — : 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



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

- THUNDERBEAT -



STMS
Generator

Laparoscopic Surgery

GI Surgery
URO Surgery



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



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



- Software update
- From April 2017
- Feedback function improvement

Open Surgery

Thyroid
Liver
Cavitas pelvis
Breast



- Fine Jaw
- From April 2016
- Fine tip shape



- Extended Jaw
- From May 2016
- Rapid cutting



- PK AIM※
- From 2017 in US
- Monopolar + Bipolar combination

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

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-



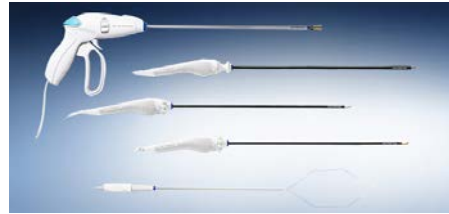
STMS
Generator



Downsized with
improved
function

Laparoscopic
Surgery

Gynecology



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



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



CTE* system

- 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

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



OLYMPUS
