

OLYMPUS

Your Vision, Our Future

OLYMPUS Investor Day 2017

Scientific Solutions Business (SSBU)

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President and Representative Director
Olympus Corporation
September 13, 2017

16CSP

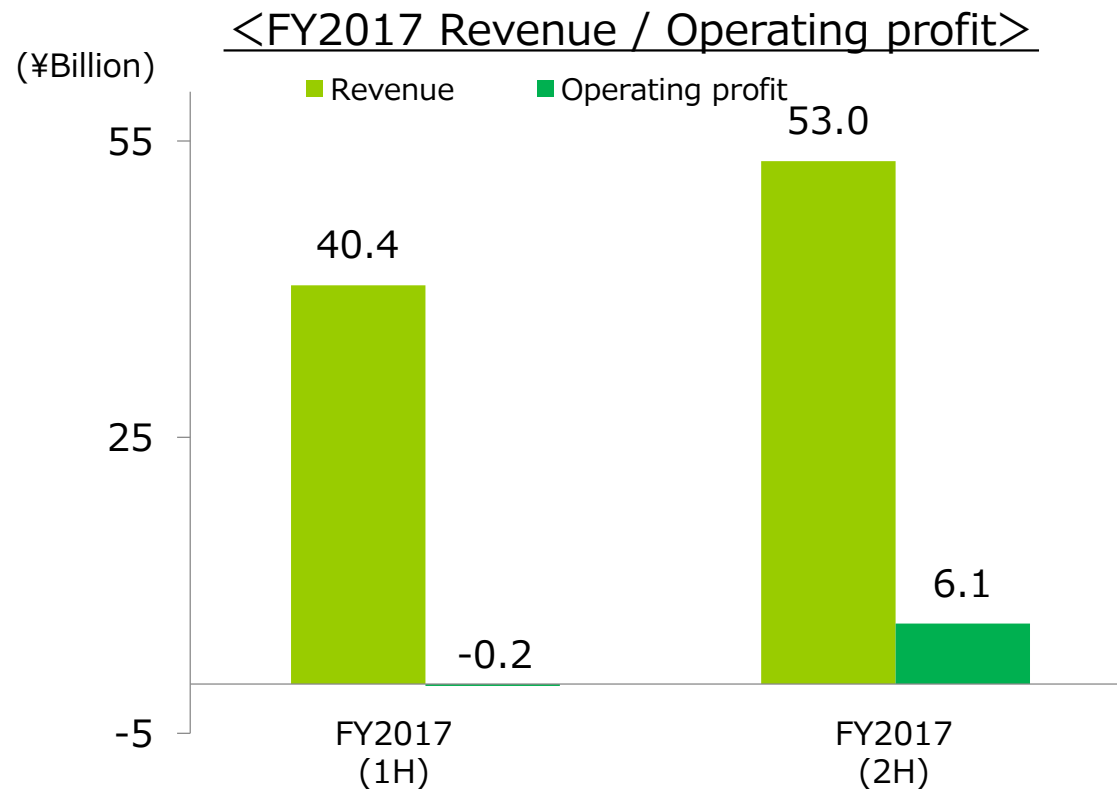
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Progress in Addressing Strategic Challenges (Business Strategies)

1

Realize continuing organic growth and keep operating margin consistently above 10% through initiatives tailored to customer segments



<New Products Launched in Fiscal 2017>

LS Research

Confocal Laser Scanning
Microscopes FV3000 series



Manufacturing Infrastructure Maintenance

Industrial Videoscope
IPLEX NX series



Environment & Natural Resource

Handheld XRF analyzers
VANTA series



1H: Sluggish sales due to rapid yen appreciation and delays in deliveries of certain products and in launches of new products

2H: Swift recovery due to market upturn, resolution of internal issues, and new product benefits

Future Directives for Accomplishing Targets of 16CSP

Steadily implement customer segments oriented-strategies

1

Achieve growth and improve profitability in existing businesses

- ✓ Develop shared global operating foundations to improve profitability
- ✓ Expand solutions targeting the pathological examination market
- ✓ Promote automation and IoT compatibility of industrial inspection equipment

2

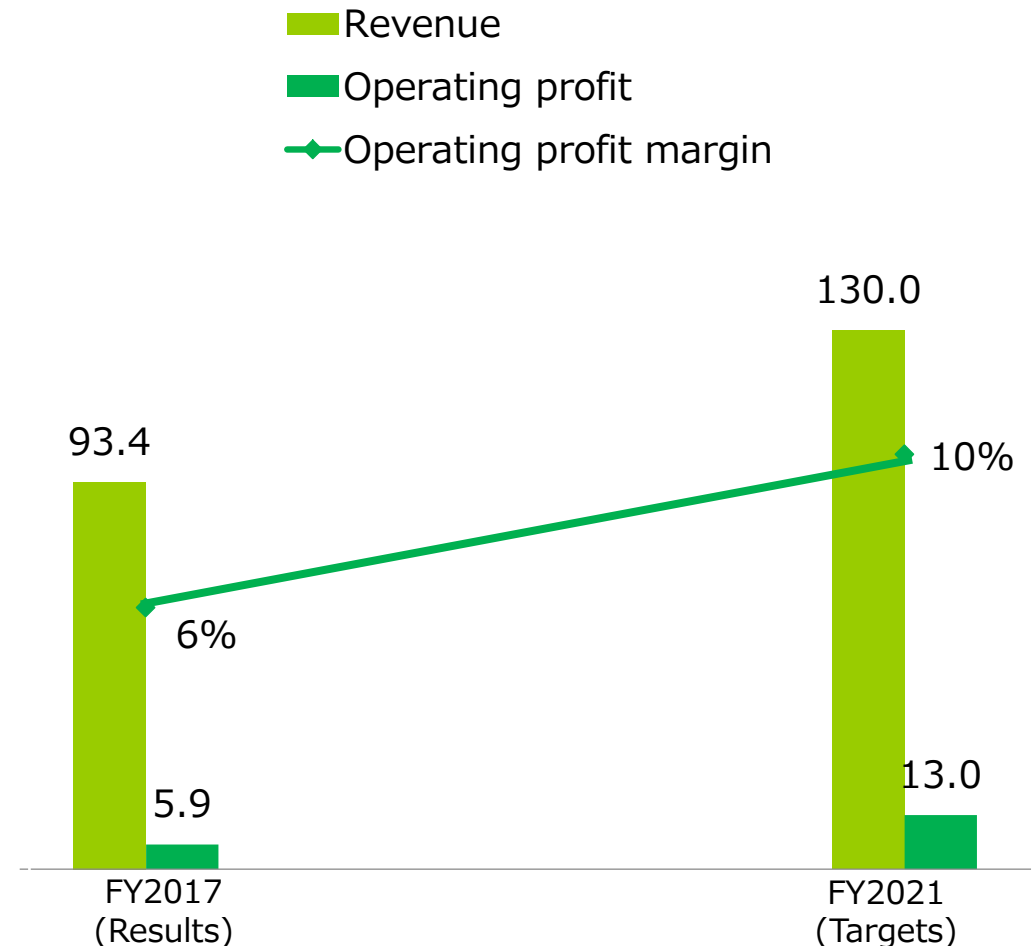
Expand product portfolios targeting priority customer segments

- ✓ Expand product portfolios focused on the clinical (pathological examination), manufacturing, and infrastructure maintenance customer segments

3

Step up development of drug discovery and regenerative medicine solutions

- ✓ Conduct ongoing investment in new product development with a view to future market expansion



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OLYMPUS Investor Day 2017 Imaging Business (IMBU)

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Progress in Addressing Strategic Challenges (Business Strategies)

1 Select and concentrate and prepare for market decrease

- ① Advance ongoing business structure reforms
 - Focused on development of highly-profitable OM-D series and PRO series lenses
 - Launched flagship OM-D E-M1 Mark II and two M. ZUIKO PRO series interchangeable lenses
 - Consolidated manufacturing functions to limit increases in manufacturing costs and improve efficiency of new product manufacturing launch
 - Steadily transferred production from Shenzhen to Vietnam
- ② Improve responsiveness to market changes
 - Achieved massive improvement in profitability by revising region-specific sales channel strategies and cost structures
- ③ Minimize inventory risks
 - Steadily improved supply chain management processes
 - Maintained leveled production volumes and effectively controlled inventories
 - Reduced numbers of product items (reduced numbers of compact audio products and SLR lens kits)
 - Shortened lead times (began shipping certain products directly from Vietnam)

Progress in Addressing Strategic Challenges (Business Strategies)

2

Clarify and entrench Olympus' unique characteristics

- Focus business on providing unique value to specific customer groups (specialists) and maintain strong market position
 - OM-D E-M1 Mark II named "Camera of the Year" and received "Readers Award" and M. ZUIKO Digital ED 12-100mm f/4.0 IS PRO named "Lens of the Year" in Camera Grand Prix 2017 Awards
 - Received awards as part of TIPA Awards 2017, a major European photo and imaging award program
- Fulfill role as technology driver for entire Olympus Group by developing advanced digital and network technologies

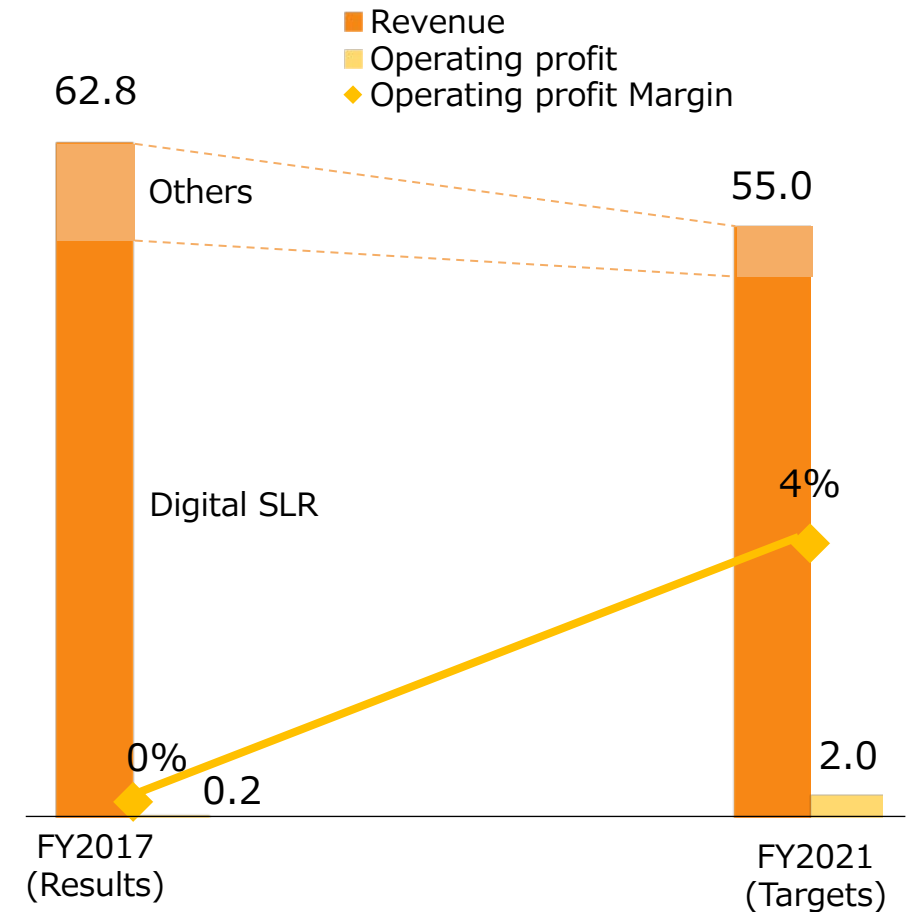
① <u>Advanced digital technologies</u>	Scientific Solutions	Moved forward with development of next-generation products using advanced digital technologies as part of initiatives to create regenerative medicine solutions
② <u>Low-cost production design capabilities</u>	Medical	Advanced development of next-generation energy devices utilizing various technologies for energy devices, including low-cost mass production technologies, composite part integration technologies, and miniaturization technologies
③ <u>Mobile technologies</u>		

Future Directives for Accomplishing Targets of 16CSP

Develop high-value-added business to continually improve profitability

Solidify profitable business structures and step up implementation of “Business to Specialist” model

- Promote sales of highly-profitable OM-D series cameras and PRO series lenses
- Accelerate development of products aimed at expanding base of professional and high-level amateur customers
- Improve cost efficiency
- Continue to minimize inventory risks and reduce manufacturing costs



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