

OLYMPUS

Your Vision, Our Future

Future Direction of Scientific Solutions & Imaging Business

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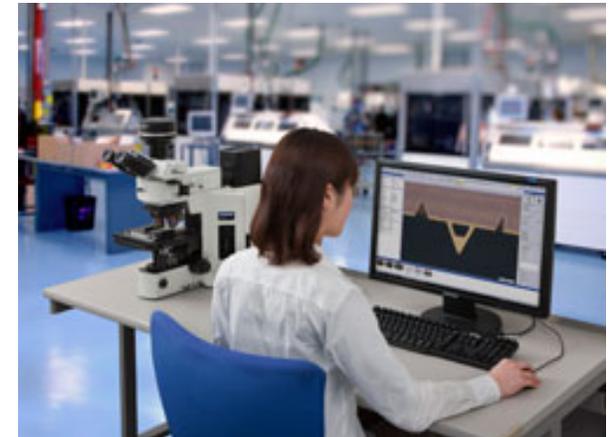
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Expand Earnings of Scientific Solutions Business

Strengthen customer group oriented strategies and earnings foundation

Predict needs of professionals and respond by providing innovative products



Expand Earnings of Scientific Solutions Business

1

Work closely with customers to expand market share and maximize earnings

- **Shift from product lineup based strategies to customer group oriented strategies**
- **Strengthen ability to connect with customers**

2

Strengthen earnings foundation

- **Improve business efficiency and constitution through organizational integration**
- **Conduct upfront investment in growth markets**

Expand Earnings of Scientific Solutions Business

1

Work closely with customers to expand market share and maximize earnings

- **Shift from product lineup based strategies to customer group oriented strategies**
 - I. **Narrow range of target customer groups and identify unprofitable business fields**
 - II. **Step up activities in maintenance, manufacturing, and natural resource fields**

- **Strengthen ability to connect with customers**
 - I. **Strengthen market development functions**
 - II. **Create systems for collecting and utilizing market feedback**

Expand Earnings of Scientific Solutions Business

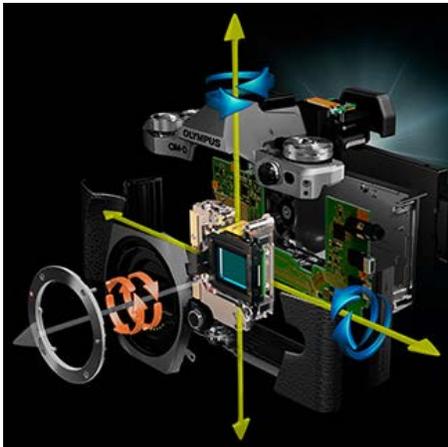
2

Strengthen earnings foundation

- **Improve business efficiency and constitution through organizational integration**
 - I. **Integrate management functions and reform sales organizations**
 - II. **Improve asset efficiency**
- **Conduct upfront investment in growth markets**
 - I. **Focus on regenerative medicine research**
 - II. **Continue to explore new technological possibilities**

Optimize business scale

Revise mirrorless camera operation expansion plans and reform structure to prioritize breaking even in fiscal 2016



Imaging Business—Market Outlook

1 Market contraction exceeding fiscal 2015 industry forecast

- **CIPA's initial 2014 shipment forecast**
Compact cameras: 33,800,000 units
Digital SLR: 16,700,000 units
- **CIPA's 2014 shipment data (results)**
Compact cameras: 29,600,000 units (down 35.3% YoY)
Digital SLR: 13,840,000 units (down 19.6% YoY)
Mirrorless cameras included: 3,290,000 units (down 0.5% YoY)

2 Outlook

- **Sharp decline in January – March 2015**
- **Market climate presenting little hope for mirrorless camera sales growth**

Imaging Business—Restructuring Measures

1

Realize level of expenses at which Imaging Business can break even with projected low level of sales

- **Restructure operations to achieve 30% reduction in SG&A expenses**
- **Revise regional strategies → Limit resources allocated to regions lacking market growth potential**

2

Revise and rationalize fixed costs

- **Greatly reduce resources allocated to manufacturing, development, and indirect divisions**

Imaging Business—Restructuring Measures

1

Realize level of expenses at which Imaging Business can break even with projected low level of sales

- **Restructure operations to achieve 30% reduction in SG&A expenses**
- **Revise regional strategies → Limit resources allocated to regions lacking market growth potential**

I. Narrow product lines (establish premium brand image rather than pursuing high sales volumes)

- **Promote thorough differentiation with miniature, lightweight, and high-resolution OM-D systems**
- **Establish image as premium brand providing specialized systems, such as handheld cameras for documentary filming**
- **Stabilize business by transitioning to business model centered on interchangeable lenses**

II. Limit range of sales focus regions

- **Develop regional strategies focused on Europe, Japan, and Asia**
- **Reduce inventories through greater sales efficiency**

Imaging Business—Restructuring Measures

2 Revise and rationalize fixed costs

- **Greatly reduce resources allocated to manufacturing, development, and indirect divisions**

I. Utilize imaging technologies in Scientific Solutions Business and Medical Business

- **Increase usage of optical and image processing technologies in Scientific Solutions Business**
- **Develop foundation technologies to be utilized in future wireless/mobile communication technologies in Scientific Solutions Business and Medical Business**

II. Shift toward growing BtoB operations under guidance of Business Development Office

- **Transition to model for Imaging Business compatible with Industry 4.0**
- **Utilize imaging contents grounded in safety and security for business development**



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