

Management Policies for Fiscal 2019

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President and Representative Director
Olympus Corporation
May 11, 2018

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.
- Olympus Corporation assumes no responsibility for any damage resulting from the use of this material.

Voluntary Adoption of IFRS

- The Company has chosen to voluntarily adopt International Financial Reporting Standards (IFRS). The first document to which these standards were applied was the consolidated financial statements for the three months ended June 30, 2017.
- Figures for the fiscal year ended March 31, 2017 have been restated based on IFRS for the purpose of comparisons.

- **Management Policies for Fiscal 2019**
 - 1. Review of the First Two Years of 16CSP (Medium-Term Management Plan)**
 - 2. Policies for Pursuing Future Growth**
- **Consolidated Financial Results for Fiscal 2018**
- **Full-Year Forecasts for Fiscal 2019**

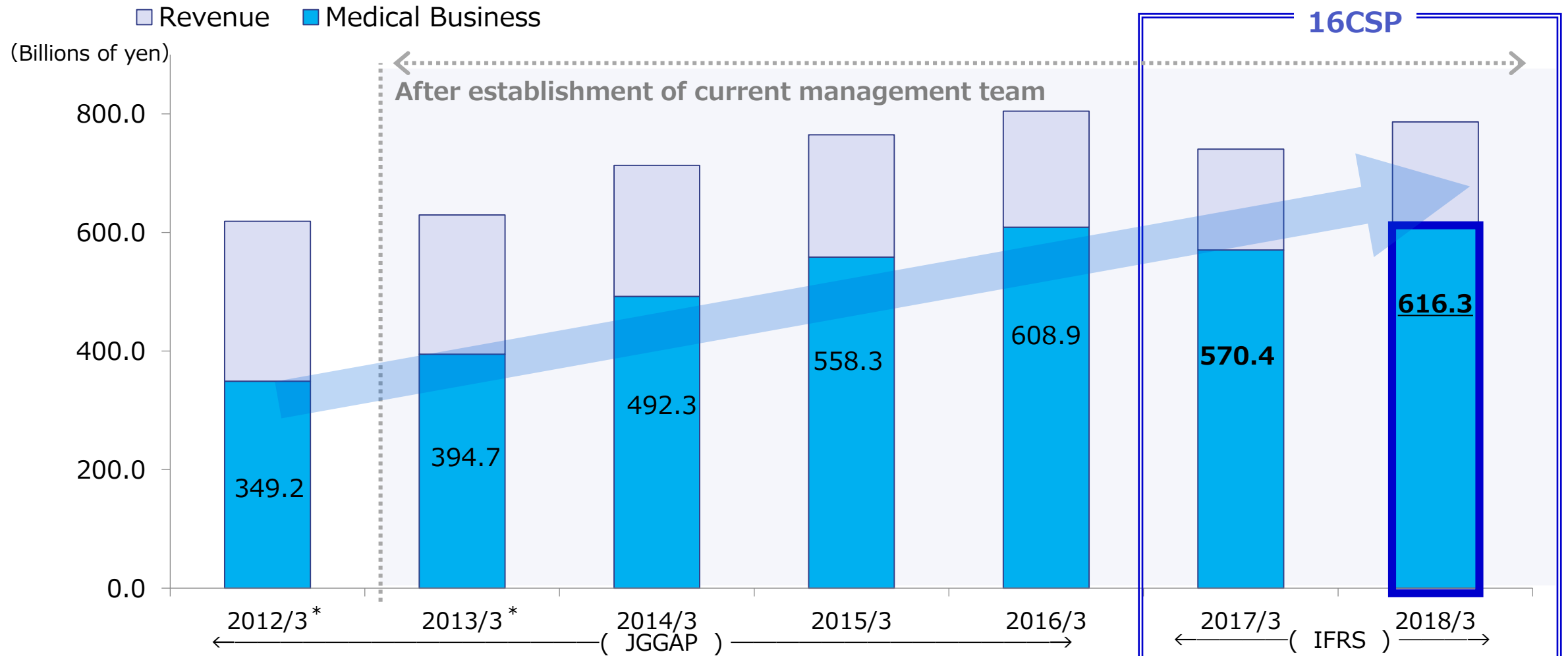
Note: For the fiscal years as of / ended March 31)

1. Review of the First Two Years of 16CSP (Medium-Term Management Plan)

Note: 16CSP is the five-year medium-term management plan that began with fiscal 2017.

Review of First Two Years of 16CSP: (1) Revenue (Consolidated & Medical Business)

- Strong growth of Medical Business drives increases in consolidated revenue
- **Record-breaking revenue achieved in Medical Business** despite mainstay gastrointestinal endoscopes being in the later stages of their product life cycles



Review of First Two Years of 16CSP: (2) Business Progress (Medical Business)

- **Steady investments and other measures for growing mainstay Medical Business as core business underpinning consolidated performance**

Priority Measures of 16CSP (Medical)

- | |
|--|
| 1. Expand leading GI market share and improve profitability while realizing substantial growth in endotherapy and surgical business operations |
| 2. Shift from installation-based Medical Business model to procedure-based Medical Business model |
| 3. Expand operations in emerging countries |
| 4. Strengthen ability to respond to GPOs / IDNs* ¹ |
| 5. Strengthen QA/RA* ² functions |
| 6. Improve productivity |

*1 GPOs: Group Purchasing Organizations; IDNs: Integrated Delivery Networks

*2 Quality Assurance / Regulatory Assurance

(Progress)

- Smooth progress in converting rival companies' customers into Olympus customers by utilizing 4K systems in the surgical device field
- Endotherapy device operations expanded as planned (particularly accelerated of sales promotions in the ERCP field)
- Construction of development and production systems in North America to bolster production capacity and efficiency with regard to THUNDERBEAT as this product enjoys ongoing double-digit growth
- Double-digit growth for two consecutive years in Asia/Oceania due to strong performance in all fields
- Training and service centers established in Thailand and Dubai to further expansion of emerging markets
- Rapid progress in business negotiations with several major IDNs in North America, the largest market for the Medical Business, thanks to coordination with ISM (acquired in June 2017)
- Favorable progress in augmentation of repair infrastructure centered on Europe and North America

Changes in the Operating Environment (Disparities from Initial 16CSP Outlook)

Macroeconomic Environment

No major changes in operating environment trends in comparison with initial 16CSP outlook, but **accelerated changes in operating environment including strengthening of regulatory assurance and technological progress**

Operating Environment

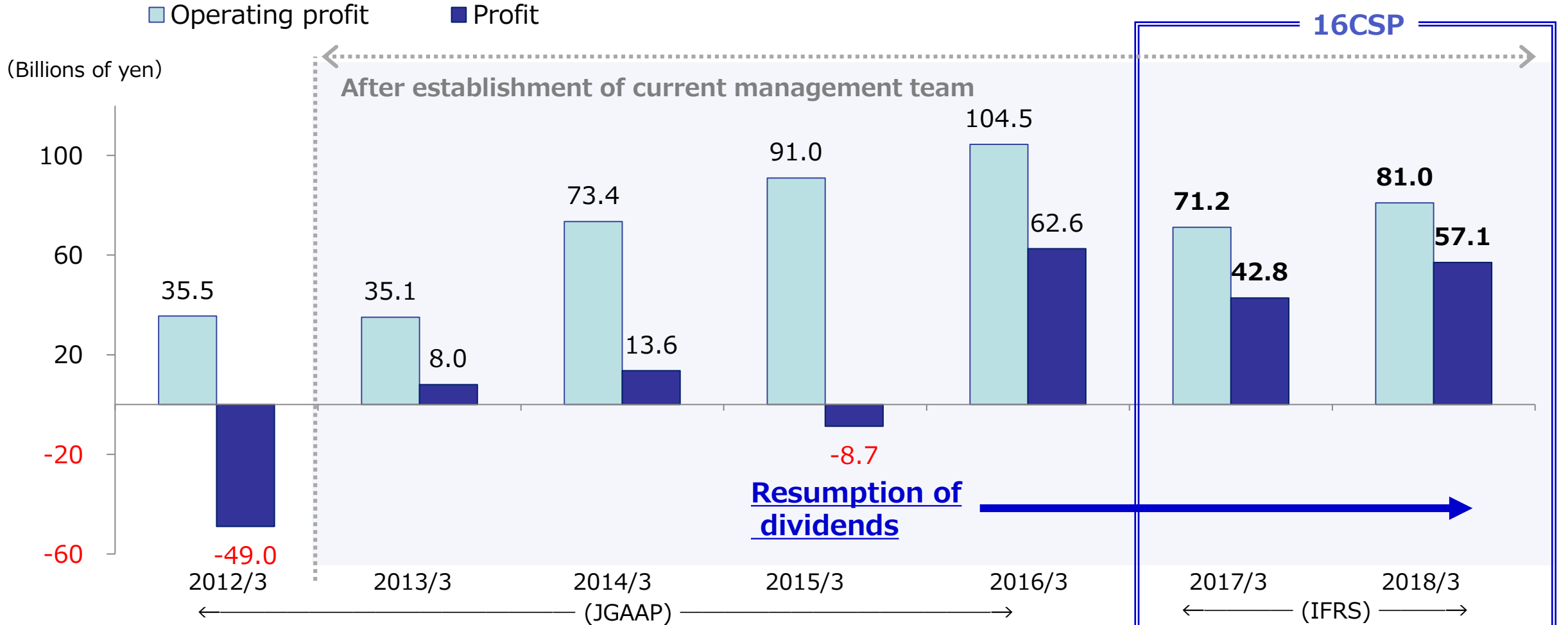
	No changes from initial operating environment outlook	Changes surpassing initial outlook (disparities)
Medical	<ul style="list-style-type: none">• Ongoing double-digit growth in China and other emerging countries• Continuous market growth accompanying rise in case numbers• Move to limit healthcare expenses in developed countries• Intensified competition due to market entry by global MedTech companies and companies from emerging countries	<ul style="list-style-type: none">● Increasingly more rigorous medical equipment application and registration requirements in EU-MDR^{*1} and other countries' regulations● Accelerated drive to tighten reprocessing^{*2} requirements centered on North America <p>^{*1} European Union Medical Devices Regulation ^{*2} Cleaning, disinfection, and sterilization</p>
Scientific Solutions	<ul style="list-style-type: none">• Ongoing growth of aviation, automotive, and other infrastructure maintenance sectors of industrial field fueled by inspection demand	<ul style="list-style-type: none">● Stable growth in emerging countries, but shrinking markets in developed countries due to stagnant government research budget in life science field
Imaging	<ul style="list-style-type: none">• Continuous contraction of digital camera market	<ul style="list-style-type: none">● Growth in mirrorless camera market but rapid changes in operating environment stemming from full-fledged market entry of competitors

Impacts of Operating Environment Changes on Business

Major Business Impacts of Operating Environment Changes	
Medical	<ul style="list-style-type: none">● <u>Delays in the launches of major new products stemming from constraints on development resources as a result of prioritizing response</u> to regulatory, product quality issues and reprocessing requirements for <u>existing products</u>● <u>Slow progress in surgical device operations</u> as a result of delayed supply of new product (VISERA ELITE II) due to production issues at launch as well as delayed introduction of new products in North America following postponement of approval receipt
Scientific Solutions	<ul style="list-style-type: none">● Growth relatively unchanged year on year in life science field, despite noteworthy growth in emerging countries, due to stagnant government research budget in developed countries● Currently strong performance in all regions in industrial field, but <u>sluggish growth in comparison with forecasts</u> due to initial market slump

Review of First Two Years of 16CSP: (3) Consolidated Performance

- First-half of 16CSP positioned as period for investing in second-half growth, investments during first two years of 16CSP conducted accordingly
- Structure promising consistent profit* established



Review of First Two Years of 16CSP: (4) Major Indicators (16CSP Targets)

- ROE and equity ratio as projected
- Operating margin and EBITDA lower than anticipated
- Issues recognized with regard to business growth potential (disparity between outlook and reality)

KPI	2017/3 (JGAAP)	2017/3 (IFRS)	2018/3 (IFRS)	2021/3 (16CSP Management Goals)
ROE (Capital Efficiency)	19%	11%	14%	15%
Operating Margin (Profitability)	10%	9.6%	10.3%	15%
EBITDA (Business Growth)	¥129.8 billion (-16%)	¥124.0 billion	¥133.9 billion (+8%)	¥240.0 billion (Double-digit growth)
Equity Ratio (Financial Soundness)	43%	41%	45%	50%

2. Policies for Pursuing Future Growth

Initiatives for Accomplishing 16CSP Targets

- **Steadily implement priority measures described in 16CSP through efficient management resource use and Business Process Reengineering Project**

Priority Strategies of 16CSP

- 1. Take action to grow businesses**
- 2. Acquire necessary management resources in a timely manner and fully leverage these resources**
- 3. Advance forward-looking preparation to realize continued growth**
- 4. Pursue further business efficiency improvements**
- 5. Enhance management on global and groupwide basis**
- 6. Strengthen Quality/Regulatory Assurance functions and Internal control, promote strict compliance**

Review of 16CSP: Revenue / Operating profit

- Revision to foreign exchange assumptions for 16CSP revenue and operating profit forecasts
- Reviewed forecasts to be accomplished two to three years later than scheduled

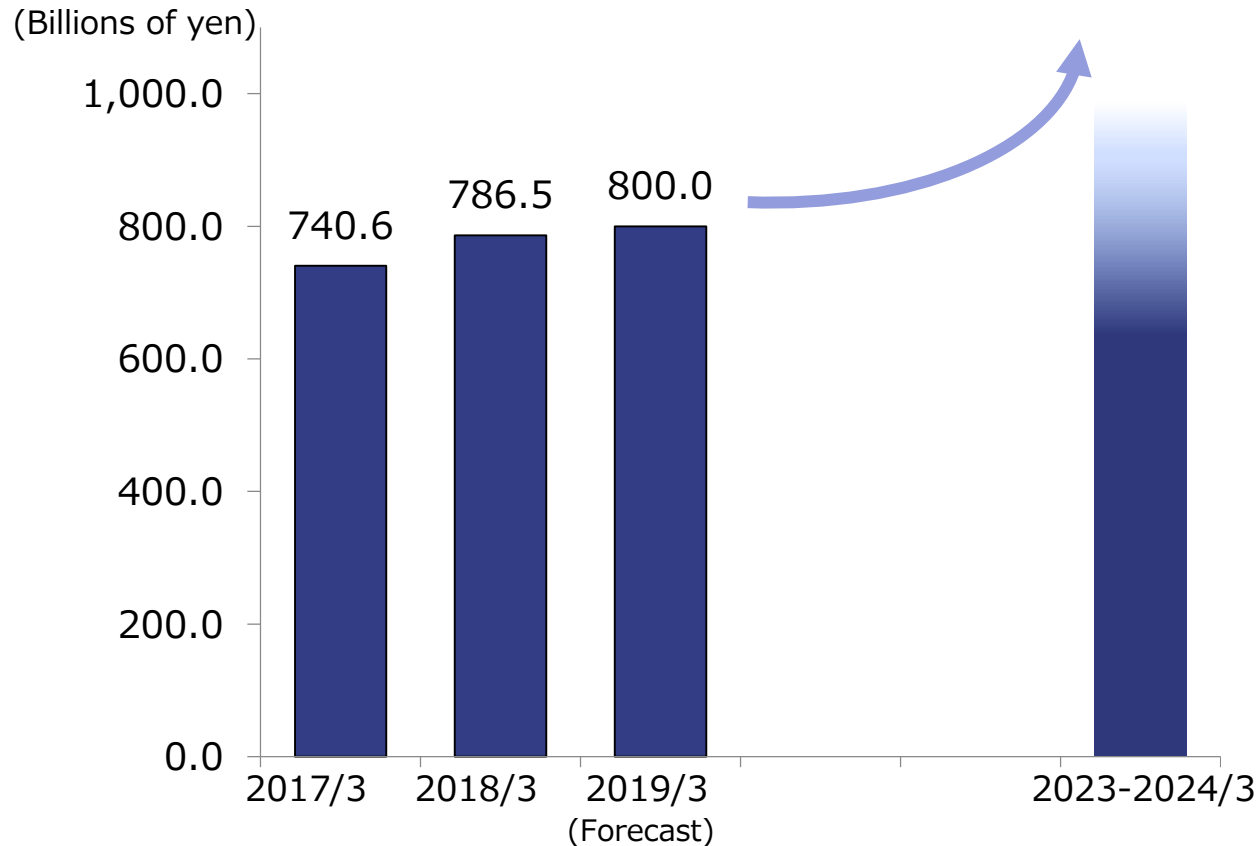
【At time of 16CSP formulation】

¥/USD: ¥115
¥/EUR: ¥130

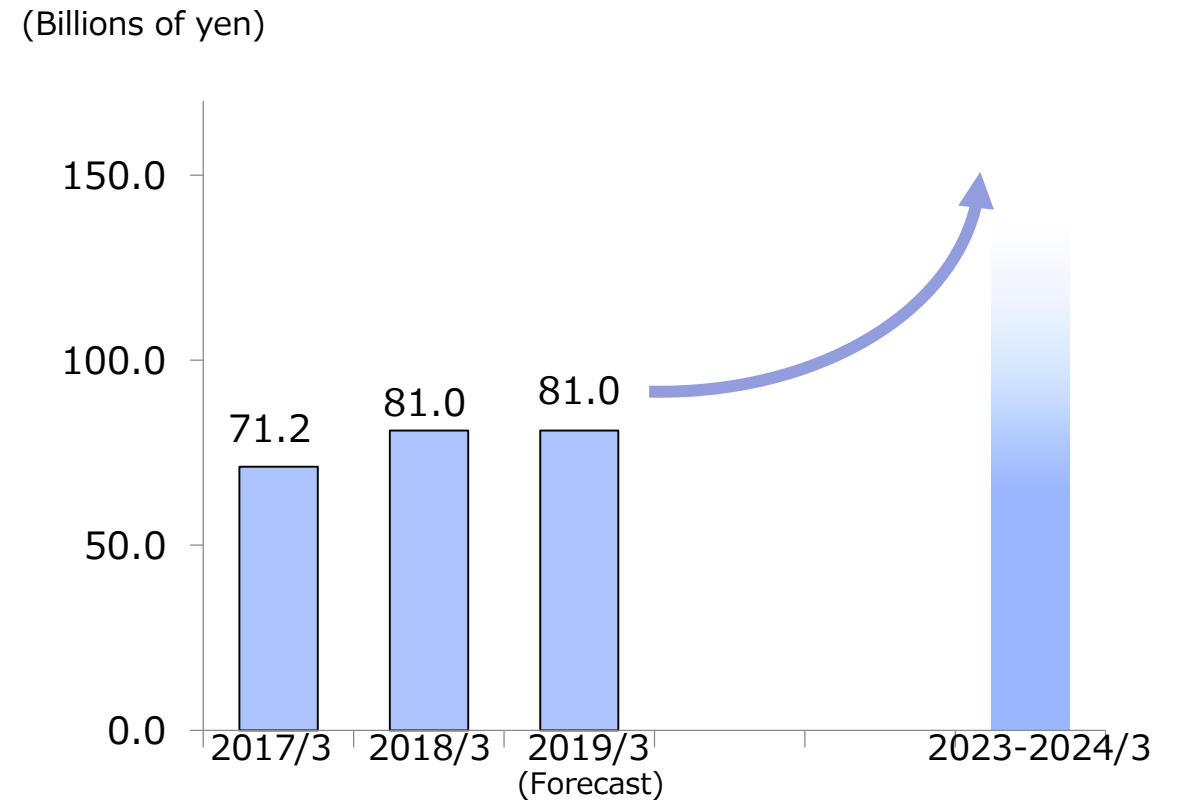
【Foreign exchange rate assumptions for FY2019】

¥/USD: ¥105
¥/EUR: ¥130

Revenue



Operating profit



Policies for Pursuing Future Growth: (1) Medical Business

- No major changes planned for strategies or numeric targets as growth is anticipated to be in line with forecasts following introduction of new mainstay products

Basic Policies (Main Points)

Gastrointestinal (GI) Endoscopes

- Steadily develop and commercialize new products
- Bolster sales promotion programs prior to introduction of next-generation systems
- Step up response to regulatory and reprocessing requirements
- Secure earnings through business process reengineering and streamlining

Surgical Devices

- Quickly address new product launch delays and supply issues
- Achieve growth rates higher than those of the market by soliciting value of strategic products
- Growing sales of single-use devices
- Improve profitability

Endotherapy Devices

- Continuously bolster product lineups and reinforce sales organizations and systems to promote sales of single-use devices

Products for Pursuing Future Growth*



Next-generation endoscopy system



Next-generation endoscope cleaning device



Next-generation Endobronchial ultrasound scope



Motor-driven enteroscope



Ultrawide angle colonoscope



Infrared (IR) observation



New 3D scopes



surgical endoscopy system VISERA ELITE II



operating room system integrator (ISM: IP image management)



THUNDERBEAT Type-S



4K surgical endoscopy system

Policies for Pursuing Future Growth: (2) Scientific Solutions and Imaging Businesses

Scientific Solutions Business

- Plan to revise our strategies for the life science field
- Steady implementation of priority measures to achieve initial profitability improvement target (operating margin of 10%)
- ✓ changing our focus to boosting profitability rather than pursuing sales scale
- ✓ Accelerate expansion of portfolios targeting focus customer segments (manufacturing, infrastructure maintenance, and environment and natural resource) with the aim of achieving profitable growth in industrial field

LS Research



FV3000
(laser scanning confocal microscope)

Manufacturing



IPLEX NX
(Industrial endoscope)

Infrastructure Maintenance



VANTA
(X-ray fluorescence (XRF) analyzer)

Environment & Natural Resource



Imaging Business

- Progress as initially forecast
- No changes to strategies or numeric targets (generate steady profits without concern for sales scale)
- ✓ Continue promoting structural reforms to ensure enduring profitability
- ✓ Bolster production capacity and efficiency after transferring production for Shenzhen, China to Vietnam plant
- ✓ Continue to strengthen lineup of high-margin mirrorless cameras and interchangeable lenses and advance sales strategies matched to needs of specialists



OM-D E-M1 Mark II



PEN E-PL9



f/1.2 prime lens series

Notification: Investor Day 2018

Date:

September 5, 2018

Major Topics:

Business progress centered on 16CSP, medium-term management plan (Presentation, Q&A session, and product exhibition)

Presenters:

President and Representative Director: Hiroyuki Sasa

Director, Vice President and CFO: Yasuo Takeuchi

Representatives from the Medical Business, regional representative officer of Americas, etc.

To be the greatest “Business to Specialist” Company

Pursue business growth and profitability improvements based
the most fundamental elements of customers’ demands and
needs as a “Business to Specialist” Company

Consolidated Financial Results for Fiscal 2018 Full-Year Forecasts for Fiscal 2019

Yasuo Takeuchi
Director, Vice President and CFO
Olympus Corporation
May 11, 2018

Fiscal 2018 (1) Consolidated Financial Results

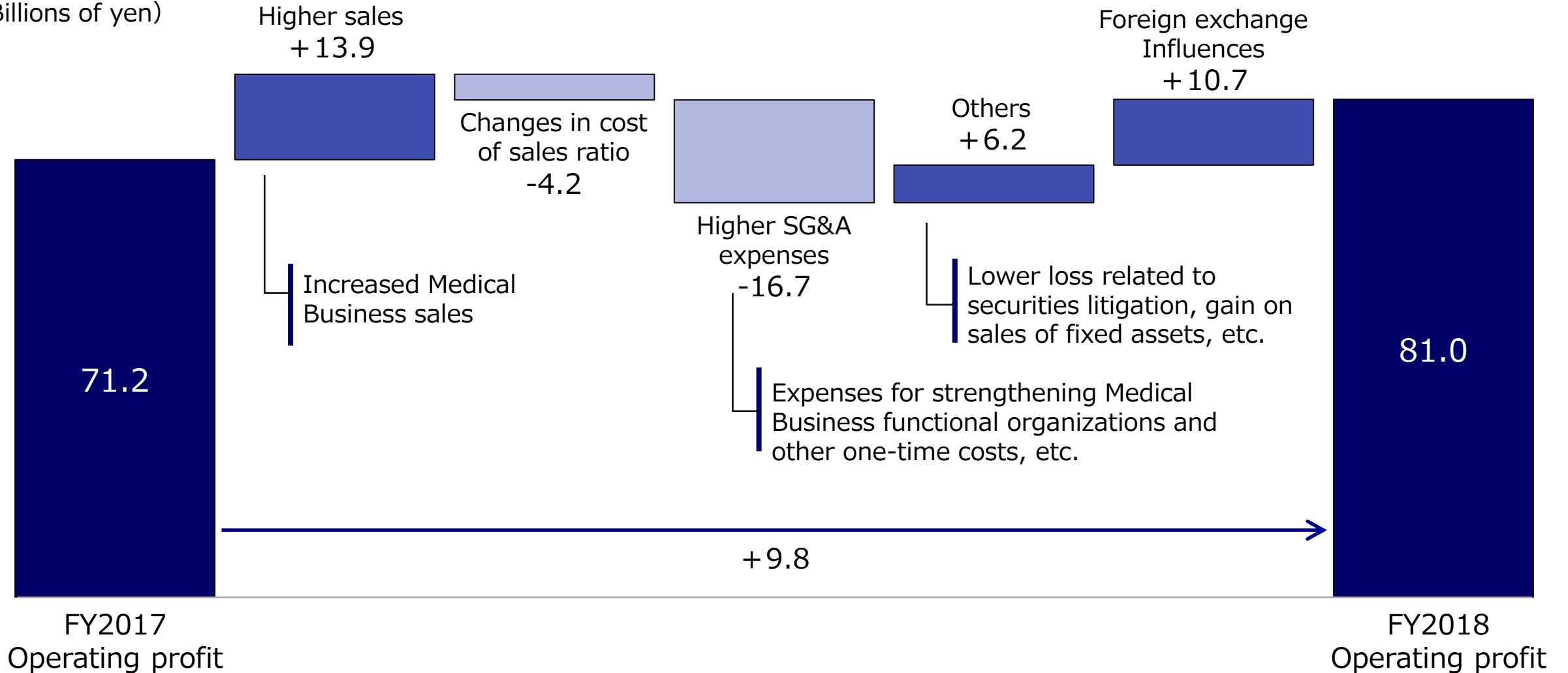
- ① Revenue: Up 6% YoY driven by strong performance centered on the mainstay Medical Business
- ② Profit: Double-digit YoY growth in all profit figures

		Full Year (Apr.-Mar.)					
(Billions of yen)	FY2017	FY2018	YoY	After foreign exchange adjustment	FY2018 Forecasts (Feb. 9)	vs. forecasts YoY Change	vs. forecasts (%)
Revenue	740.6	786.5	+ 6%	+ 2%	784.0	+2.5	0%
Gross profit (% of revenue)	478.5 (64.6%)	510.5 (64.9%)	+ 7%	+ 2%	520.0 (66.3%)	-9.5	-2%
Selling, general and administrative expenses (% of revenue)	397.7 (53.7%)	426.6 (54.2%)	+ 7%	+ 4%	430.0 (54.8%)	-3.4	-1%
Other income and expenses etc.	-9.6	-2.9	-	-	-4.0	-	-
Operating profit (% of revenue)	71.2 (9.6%)	81.0 (10.3%)	+ 14%	-1%	86.0 (11.0%)	-5.0	-6%
Profit before tax (% of revenue)	62.5 (8.4%)	76.7 (9.8%)	+ 23%		79.0 (10.2%)	-2.3	-3%
Profit attributable to owners of parent (% of revenue)	42.8 (5.8%)	57.1 (7.3%)	+ 33%		63.0 (8.0%)	-5.9	-9%
¥/US\$	¥108	¥111			¥111	Dividend Payments in Fiscal 2018 Year-end dividend of ¥28 per share	
¥/Euro	¥119	¥130			¥128		

Fiscal 2018 (1) Factors Influences Consolidated Operating Profit

Full Year (Apr.-Mar.)

(Billions of yen)



Fiscal 2018 (2) Results by Business Segment

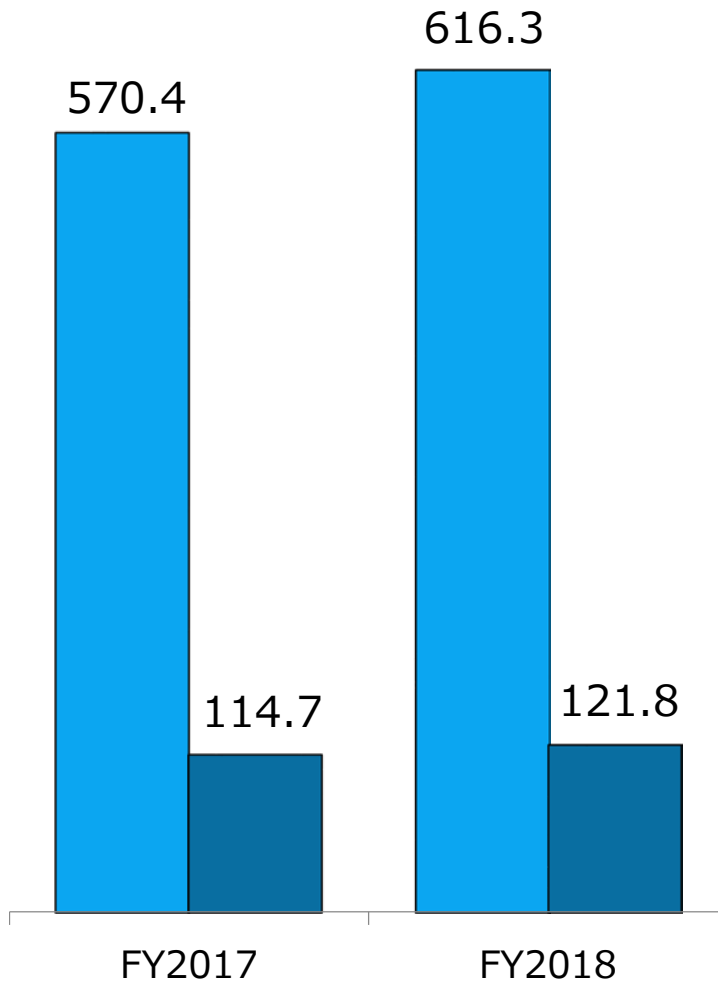
- Medical: Record-breaking 4Q and full-year revenue in the Medical Business as it drives consolidated performance
- Scientific Solutions: Revenue up 7% YoY due to favorable market
- Imaging: Operating loss posted due to expenses incurred in relation to the ceased operation of a Chinese manufacturing subsidiary (operating profit of ¥0.3 billion was recorded when excluding these expenses)

(Billions of yen)		Full Year (Apr.-Mar.)				4Q (Jan.-Mar.)			
		FY2017	FY2018	YoY	After foreign exchange adjustment	FY2017	FY2018	YoY	After foreign exchange adjustment
Medical	Revenue	570.4	616.3	+8%	+4%	160.1	169.1	+ 6 %	+4%
	Operating profit	114.7	121.8	+6%	-1%	26.7	34.0	+28%	+22%
Scientific Solutions	Revenue	93.4	100.0	+7%	+3%	29.8	30.0	+1%	0%
	Operating profit	5.9	6.4	+8%	-10%	4.1	2.9	-28%	-29%
Imaging	Revenue	62.8	60.3	-4%	-8%	16.0	13.0	-19%	-20%
	Operating profit	0.2	-1.2	-¥1.4 billion	-¥2.1 billion	-0.7	-2.7	-¥2.0 billion	-¥2.4 billion
Others	Revenue	14.0	9.9	-29%	-30%	2.8	2.4	-16%	-15%
	Operating profit	-1.1	-5.0	-¥3.8 billion	-¥3.8 billion	-1.9	-2.1	-¥0.3 billion	-¥0.3 billion
Elimination and corporate	Revenue	-	-	-	-	-	-	-	-
	Operating profit	-48.5	-41.0	+¥7.4 billion	+¥6.9 billion	-12.9	-10.9	+¥2.1 billion	+¥1.7 billion
Consolidated Total	Revenue	740.6	786.5	+6%	+2%	208.8	214.4	+3%	+1%
	Operating profit	71.2	81.0	+14%	-1%	15.2	21.2	+39%	+25%

Fiscal 2018 (3) Medical Business

■ Revenue
 ■ Operating profit

(Billions of yen)



	Full Year (Apr.-Mar.)				4Q (Jan.-Mar.)			
(Billions of yen)	FY2017	FY2018	YOY	After foreign exchange adjustment	FY2017	FY2018	YoY	After foreign exchange adjustment
Revenue	570.4	616.3	+8%	+4%	160.1	169.1	+6%	+4%
Gastrointestinal Endoscopes (GI)	318.7	336.8	+6%	+2%	89.7	94.7	+6%	+5%
Surgical Devices	182.1	200.4	+10%	+6%	52.4	54.9	+5%	+4%
Endotherapy Devices	69.5	79.1	+14%	+7%	18.0	19.5	+8%	+3%
Operating profit	114.7	121.8	+6%	-1%	26.7	34.0	+28%	+22%
Operating profit margin	20.1%	19.8%		19.1%	16.7%	20.1%		19.6%

Revenue

Operating profit

- ✓ GI: Positive growth achieved, despite products in developed countries being in the later stages of their product cycles, due to favorable performance in emerging countries
- ✓ Surgical devices: Favorable sales of new surgical endoscopes and solid performance of energy devices
- ✓ Endotherapy devices: Robust growth continues on the back of strong sales of products for ERCP and other strategic products
- ✓ Full-year operating profit up 6% YoY, operating margin relatively unchanged YoY
- ✓ Gross profit margin down due to product mix changes
- ✓ Higher SG&A expenses due to incurring expenses for strengthening manufacturing and service systems and other costs

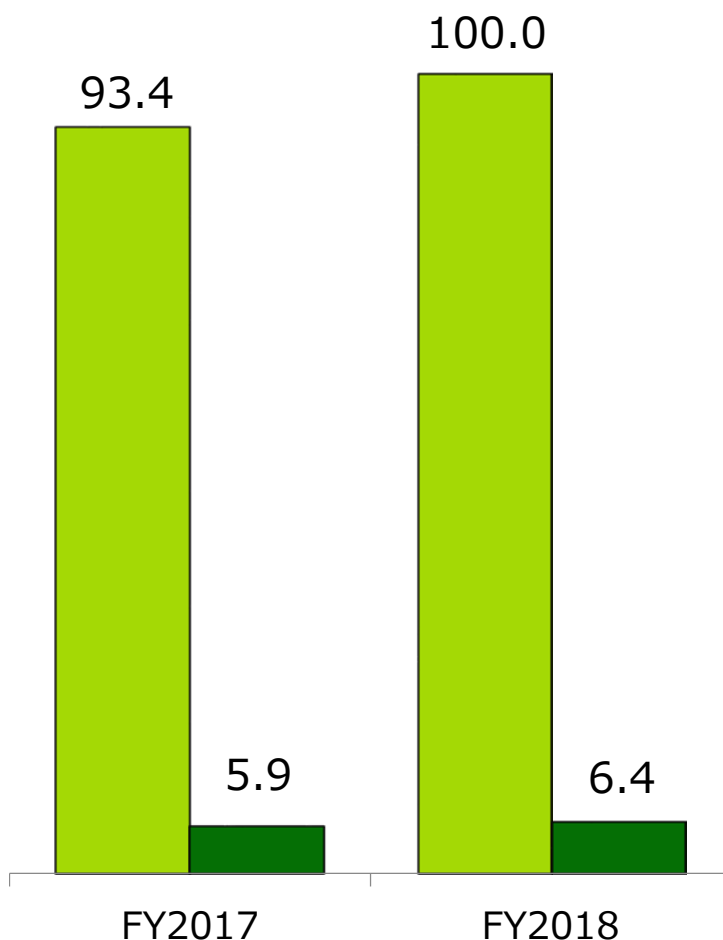
Fiscal 2018 (3) Medical Business

Field	Region	Local currency basis growth rates				Conditions by field
		FY2017		FY2018		
		4Q	Full Year	4Q	Full Year	
GI Endoscopes	Japan	0%	-2%	-3%	-2%	<ul style="list-style-type: none">Japan, North America, and Europe: Growth in line with previous fiscal year due in part to mainstay products being in the later stages of their product cyclesAsia/Oceania: Exceptionally strong performance in China
	N. America	0%	0%	+7%	+1%	
	Europe	+8%	+6%	+7%	-1%	
	Asia/Oceania	+14%	+18%	+6%	+10%	
	All Regions	+4%	+4%	+5%	+2%	
Surgical Devices	Japan	-7%	-2%	+12%	+9%	<ul style="list-style-type: none">Japan: Solid growth fueled by benefits of new VISERA ELITE II and favorable performance of energy devicesNorth America: Positive growth, despite mainstay products being in the later stages of their product cycles, due to the achievement of successful business negotiations through effective coordination with ISMEurope: Negative 4Q growth due to rebound from high growth seen in previous fiscal year
	N. America	-1%	+2%	+6%	+2%	
	Europe	+35%	+10%	-6%	+6%	
	Asia/Oceania	+7%	+10%	+3%	+10%	
	All Regions	+6%	+4%	+4%	+6%	
Endotherapy Devices	Japan	+4%	+7%	+3%	+7%	<ul style="list-style-type: none">Positive growth in all regions as a result of solid sales of products for ERCP*.Particularly strong performance in Asia/Oceania <p>* ERCP: Endoscopic Retrograde Cholangio Pancreatography</p>
	N. America	+7%	+10%	0%	+4%	
	Europe	+5%	+6%	+3%	+3%	
	Asia/Oceania	+7%	+9%	+8%	+16%	
	All Regions	+5%	+7%	+3%	+7%	

Fiscal 2018 (4) Scientific Solutions Business

■ Revenue ■ Operating profit

(Billions of yen)



	Full Year (Apr.-Mar.)				4Q (Jan.-Mar.)			
(Billions of yen)	FY2017	FY2018	YOY	After foreign exchange adjustment	FY2017	FY2018	YOY	After foreign exchange adjustment
Revenue	93.4	100.0	+ 7%	+ 3%	29.8	30.0	+ 1%	0%
Operating profit (loss)	5.9	6.4	+ 8%	-10%	4.1	2.9	-28%	-29%
Operating profit margin	6.3%	6.4%		5.6%	13.6%	9.7%		9.7%

Revenue

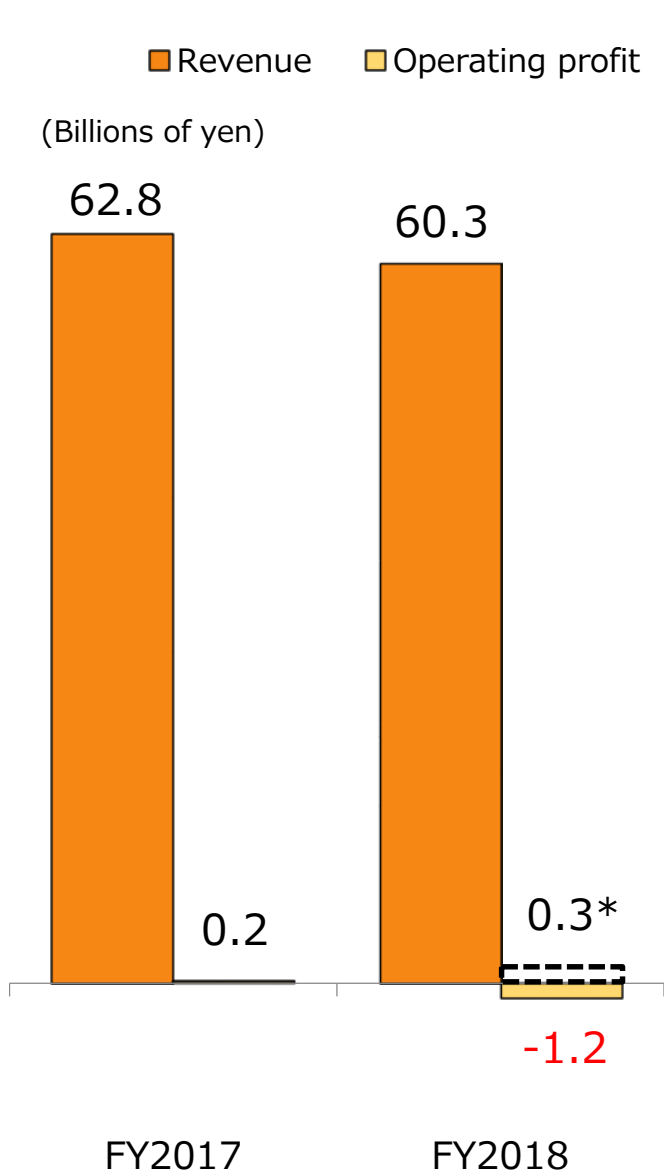
- ✓ Full-year revenue up 7% YoY following favorable sales in industrial field supported by firm resource prices and beneficial conditions in semiconductor and electronic component markets

- Japan: Favorable sales of new industrial endoscopes
- North America: Sales contributions from non-destructive testing equipment
- Europe: Large-scale orders received for XRF analyzers contributed to revenue increase
- China: Higher sales of biological and industrial microscopes

Operating profit

- ✓ Full-year operating profit up 8% YoY thanks to beneficial foreign exchange rates and higher revenue

Fiscal 2018 (5) Imaging Business



	Full Year (Apr.-Mar.)				4Q (Jan.-Mar.)			
(Billions of yen)	FY2017	FY2018	YOY	After foreign exchange adjustment	FY2017	FY2018	YoY	After foreign exchange adjustment
Revenue	62.8	60.3	-4%	-8%	16.0	13.0	-19%	-20%
Mirrorless	47.4	46.8	-1%	-5%	13.3	10.2	-23%	-25%
Compact	10.2	8.6	-15%	-18%	1.6	1.7	+6%	+6%
Others	5.3	4.9	-7%	-10%	1.2	1.1	-6%	-6%
Operating profit (loss)	0.2	-1.2	-¥1.4 bil.	-¥2.1 bil.	-0.7	-2.7	-¥2.0 bil.	-¥2.4 bil.
Operating profit margin	0.2%	-		-	-	-		-
Operating profit (loss)*	-	0.3	+¥0.1 bil.	-	-	-1.2	-¥0.5 bil.	-
Operating profit margin*	-	0.5%		-	-	-		-

* Figures exclude impacts of ceased operations of Chinese manufacturing subsidiary

Revenue

- ✓ Full-year revenue down 4% YoY as a result of reduced sales of compact cameras and voice recorders as well as mirrorless camera sales remaining flat from the previous fiscal year

Operating profit

- ✓ Full-year and 4Q operating losses posted due to recording of expenses in relation to production system reforms (ceased operations of Chinese manufacturing subsidiary)
- ✓ Operating profit recorded for second consecutive year when excluding impacts of ceased operations of Chinese manufacturing subsidiary

Statement of Financial Position

- Total equity: Higher retained earnings due to the recording of profit attributable to owners of parent of ¥57.1 billion
- Equity ratio: Rose to 45.2% as a result of higher retained earnings and reduced interest-bearing debt

(Billions of yen)	End Mar. 2017	End Mar. 2018	Change
Current assets	505.7	514.3	+8.5
Inventories	125.3	139.3	+14.0
Non-current assets	454.3	464.4	+10.1
Property, plant and equipment	159.7	168.2	+8.5
Intangible assets	75.9	73.4	-2.5
Goodwill	95.6	97.2	+1.6
Total assets	960.0	978.7	+18.6

	End Mar. 2017	End Mar. 2018	Change
Current liabilities	286.5	305.9	+19.5
bonds/long-term loans payable	68.8	88.8	+20.0
Non-current liabilities	277.4	228.5	-48.9
bonds/long-term loans payable	217.2	159.2	-58.0
Total equity	396.2	444.3	+48.0
(Equity ratio)	41.1%	45.2%	+4.1pt
Total liabilities and equity	960.0	978.7	+18.6

Interest-bearing debt: ¥248.0 billion(-¥38.0 billion from March 31, 2017)

Consolidated Cash Flows

- Free cash flow: Came to a positive ¥41.8 billion due to profit generated by business activities, which offset capital expenditures for augmenting European manufacturing and service bases and outflows related to the acquisition of ISM*

(Billions of yen)	Full Year		Change
	FY2017	FY2018	
Revenue	740.6	786.5	+45.9
Operating profit	71.2	81.0	+9.8
(% of revenue)	9.6%	10.3%	+0.7pt
CF from operating activities	102.1	93.5	-8.5
CF from investing activities	-20.8	-51.7	-30.9
Free cash Flow	81.2	41.8	-39.4
CF from financing activities	-43.6	-51.1	-7.4
Cash and cash equivalents at end of period	199.5	191.2	-8.2
Depreciation and amortization	52.9	52.9	0
Capital expenditures	60.7	65.3	+4.6

Forecast for Fiscal 2019

Forecasts of Consolidated Financial Results for Fiscal 2019

- Revenue projected to increase 2% YoY due to strong performance in the Medical Business
- Operating profit to rise 9% YoY when excluding foreign exchange influences despite impacts of additional expenses related to ceased operations of Chinese manufacturing subsidiary in Imaging Business

(Billions of yen)	FY2018 (Results)	FY2019 (Forecasts)	Change	YoY	YoY (After foreign exchange adjustment)
Revenue	786.5	800.0	+13.5	+2%	+4%
Gross profit (% of revenue)	510.5 (64.9%)	527.0 (65.9%)	+16.5	+3%	+6%
Selling, general and administrative expenses (% of revenue)	426.6 (54.2%)	438.0 (54.8%)	+11.4	+3%	+5%
Other income and expenses, etc.	-2.9	-8.0	-5.1	-	-
Operating profit (% of revenue)	81.0 (10.3%)	81.0 (10.1%)	0	0%	+9%
Profit before tax (% of revenue)	76.7 (9.7%)	76.0 (9.5%)	-0.7	-1%	
Profit attributable to owners of parent (% of revenue)	57.1 (7.3%)	59.0 (7.4%)	+1.9	+3%	
EPS	¥167	¥173			
¥/US\$	¥111	¥105	-¥6 (yen appreciation)		
¥/Euro	¥130	¥130	-		

Dividend Forecast in Fiscal 2019

Annual dividend of ¥30 per share

Segment Forecasts for Fiscal 2019

- Medical: Double-digit operating profit growth expected owing to enhanced earnings capacity
- Scientific Solutions: Higher revenue and profit when excluding foreign exchange influences
- Imaging: Operating loss to be posted due to recording of expenses related to ceased operations of Chinese manufacturing subsidiary (operating profit of ¥2.5 billion projected when excluding these expenses)

(Billions of yen)		FY2018 (Results)	FY2019 (Forecasts)	Change	YoY	YoY (After foreign exchange adjustment)
Medical	Revenue	616.3	634.0	+17.7	+3%	+6%
	Operating profit	121.8	135.0	+13.2	+11%	+17%
Scientific Solutions	Revenue	100.0	100.0	0	0%	+3%
	Operating profit	6.4	7.0	+0.6	+9%	+31%
Imaging	Revenue	60.3	60.0	-0.3	0%	+1%
	Operating profit	-1.2	-7.0	-5.8	-	-
Others	Revenue	9.9	6.0	-3.9	-39%	-39%
	Operating profit	-5.0	-6.0	-1.0	-	-
Elimination and corporate	Revenue	-	-	-	-	-
	Operating profit	-41.0	-48.0	-7.0	-	-
Consolidated Total	Revenue	786.5	800.0	+13.5	+2%	+4%
	Operating profit	81.0	81.0	0	0%	+9%

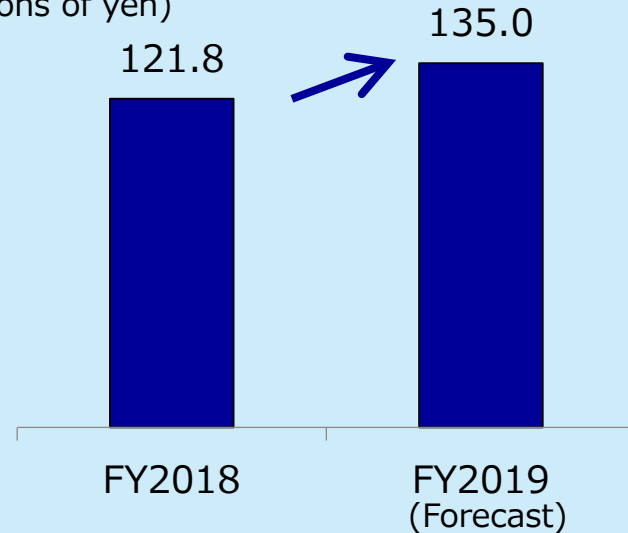
Details of Performance by Segment

Medical

■ Improved profitability stemming from new product sales promotions

- ✓ Introduction of new scopes continuing on from the previous fiscal year in gastrointestinal endoscope field
- ✓ Promotion of VISERA ELITE II sales and growth in energy device sales in all regions in surgical device field
- ✓ Higher sales in endotherapy device field due to enhanced product lineup

(Billions of yen)

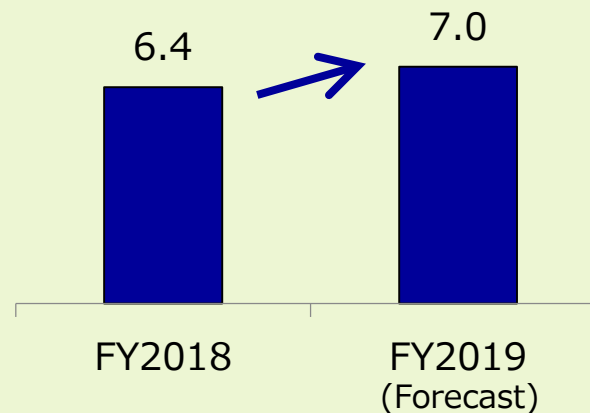


Scientific Solutions

■ Higher operating profit following accelerated growth in industrial field

- ✓ Solid performance in industrial field supported by improved market conditions
- ✓ Higher profitability in life science field to be achieved by bringing costs to appropriate level

(Billions of yen)

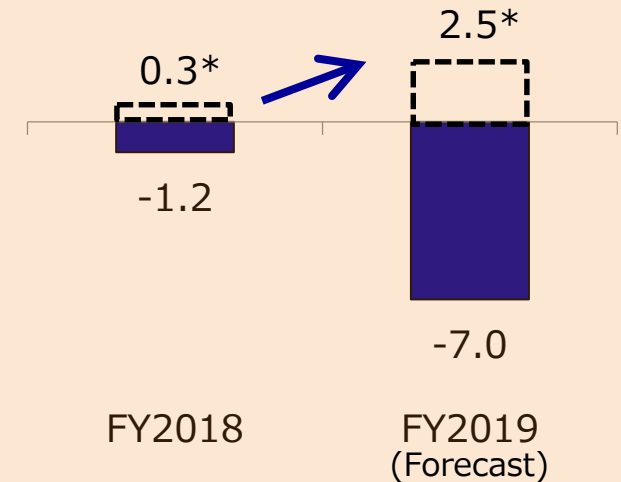


Imaging

■ Establishment of structure promising consistent profits through structural reforms

- ✓ Ongoing focus on high-margin mirrorless cameras
- ✓ Third consecutive year of operating profit when excluding impacts of expenses related to production system reforms (ceased operations of Chinese manufacturing subsidiary)

(Billions of yen)

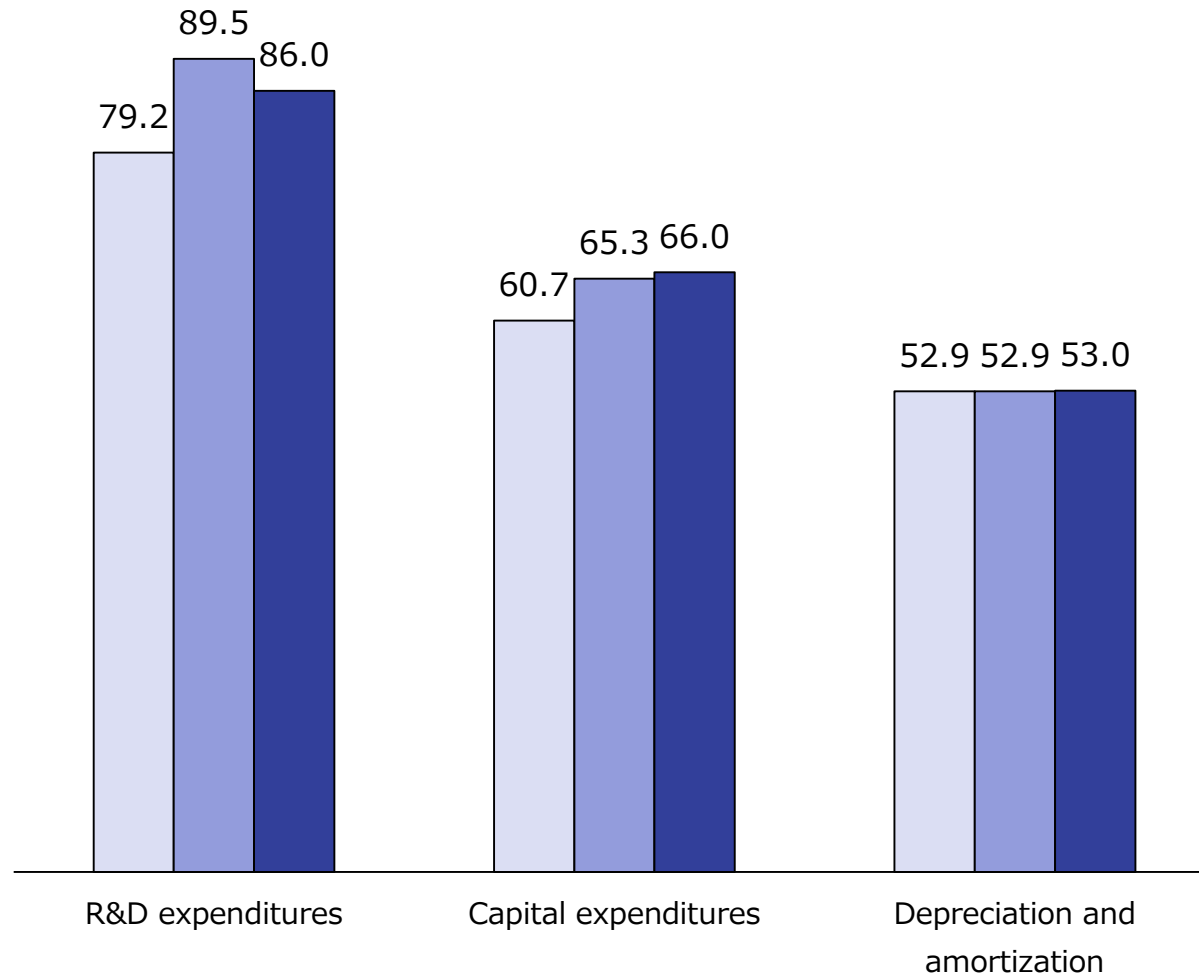


* Figures exclude impacts of ceased operations of Chinese manufacturing subsidiary

Investments (R&D Expenditures, Capital Expenditures, Depreciation and Amortization)

Full-Year Results and Forecasts

(Billions of yen) □ FY2017 ■ FY2018 ■ FY2019 (Forecast)



Details of R&D Expenditures

(Billions of yen)	FY2017	FY2018*1	FY2019 (Forecast)
R&D expenditures (% of revenue)	79.2 (10.7%)	89.5 (11.4%)	86.0 (10.8%)

Reference

(Billions of yen)	FY2017	FY2018	FY2019 (Forecast)
Capitalization of R&D expenditures*2	7.0	10.3	12.0
Amortization	4.8	7.0	

End Mar. 2017 End Mar. 2018

R&D assets	28.3	32.5
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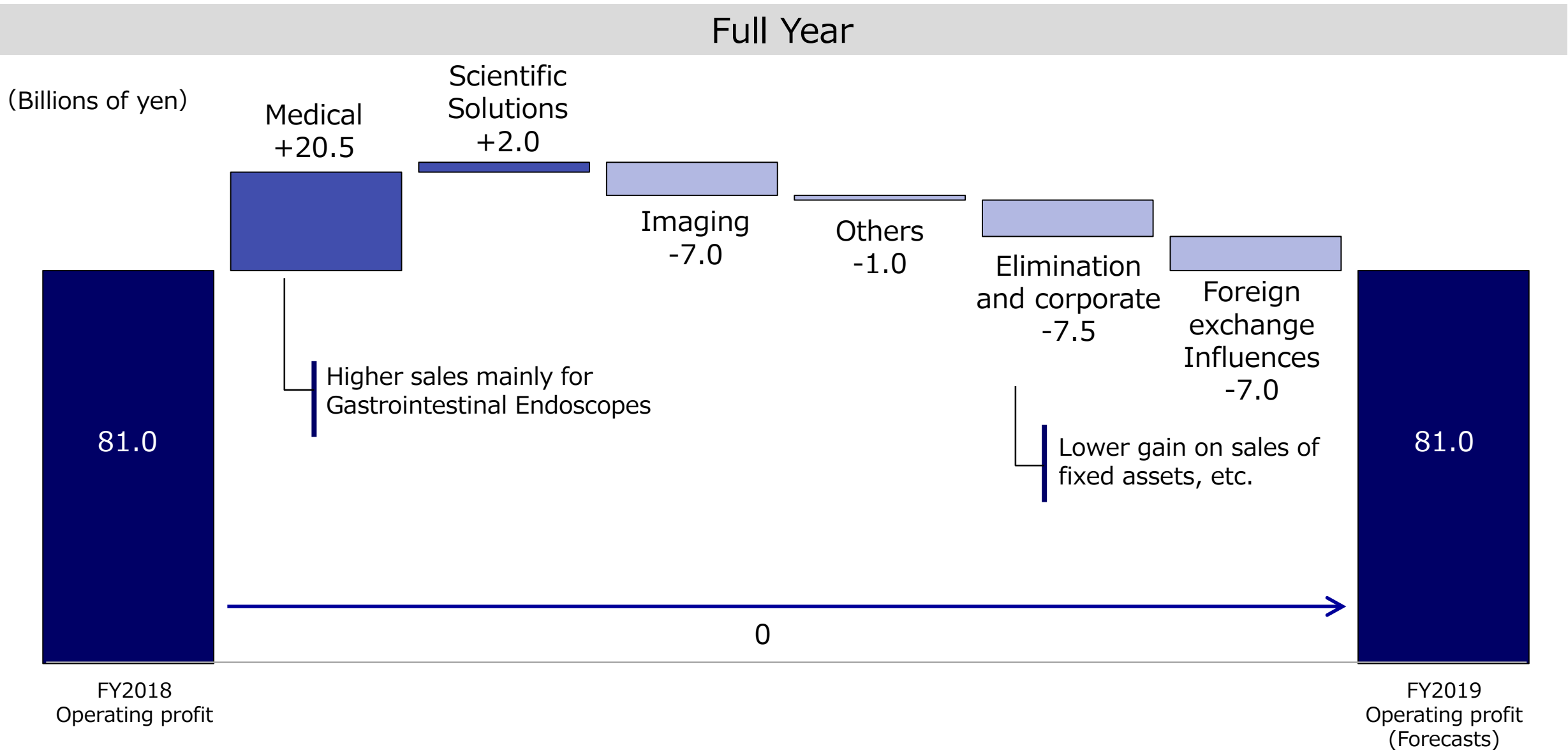
*1. R&D expenditures are calculated by applying the same standards to all subsidiaries as used by the Company.

*2. The amount for capitalization of R&D expenditures is included in the above amount for R&D expenditures.

Appendix

【Supplementary Materials】 Forecasts of Consolidated Financial Results for Fiscal 2019(Full-year basis)

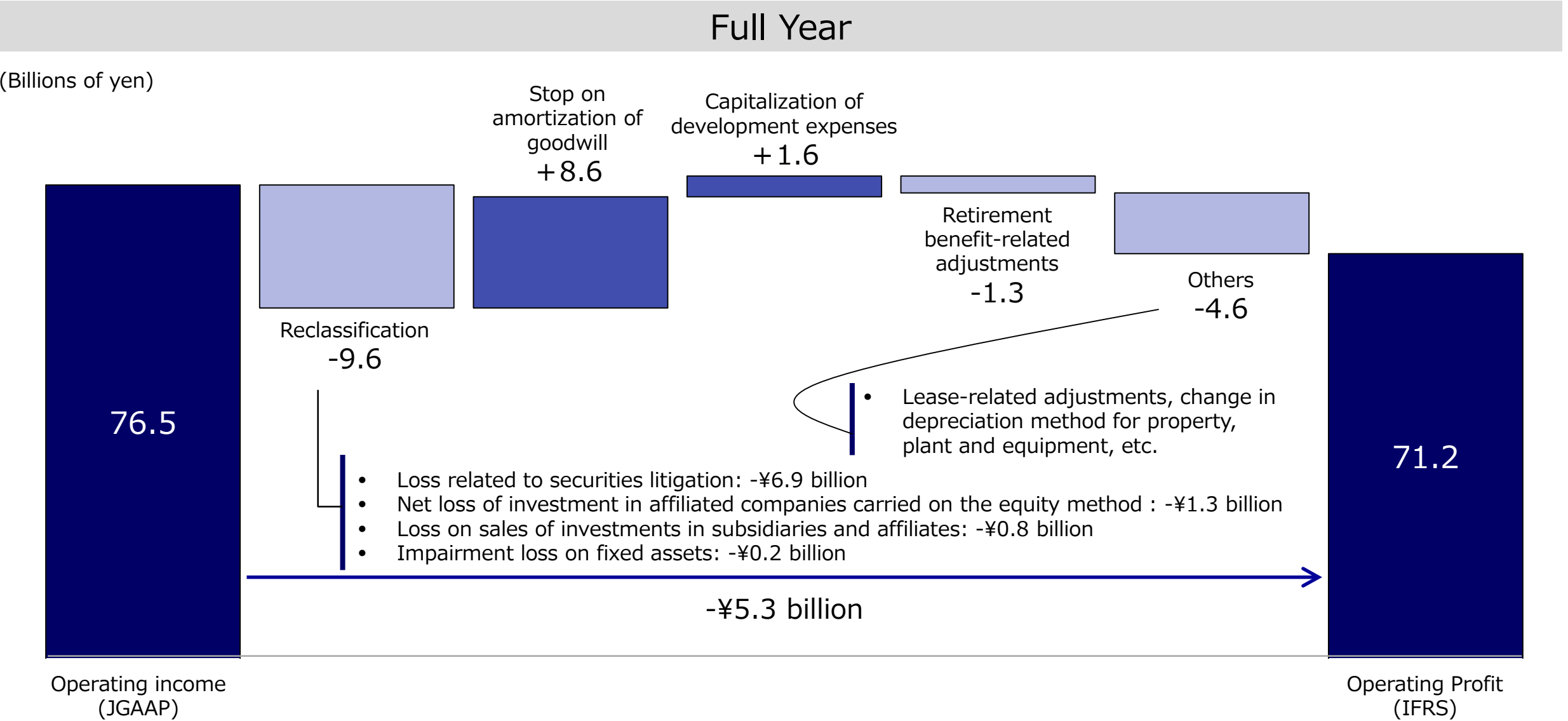
Factors Influences Consolidated Operating Profit (YoY)



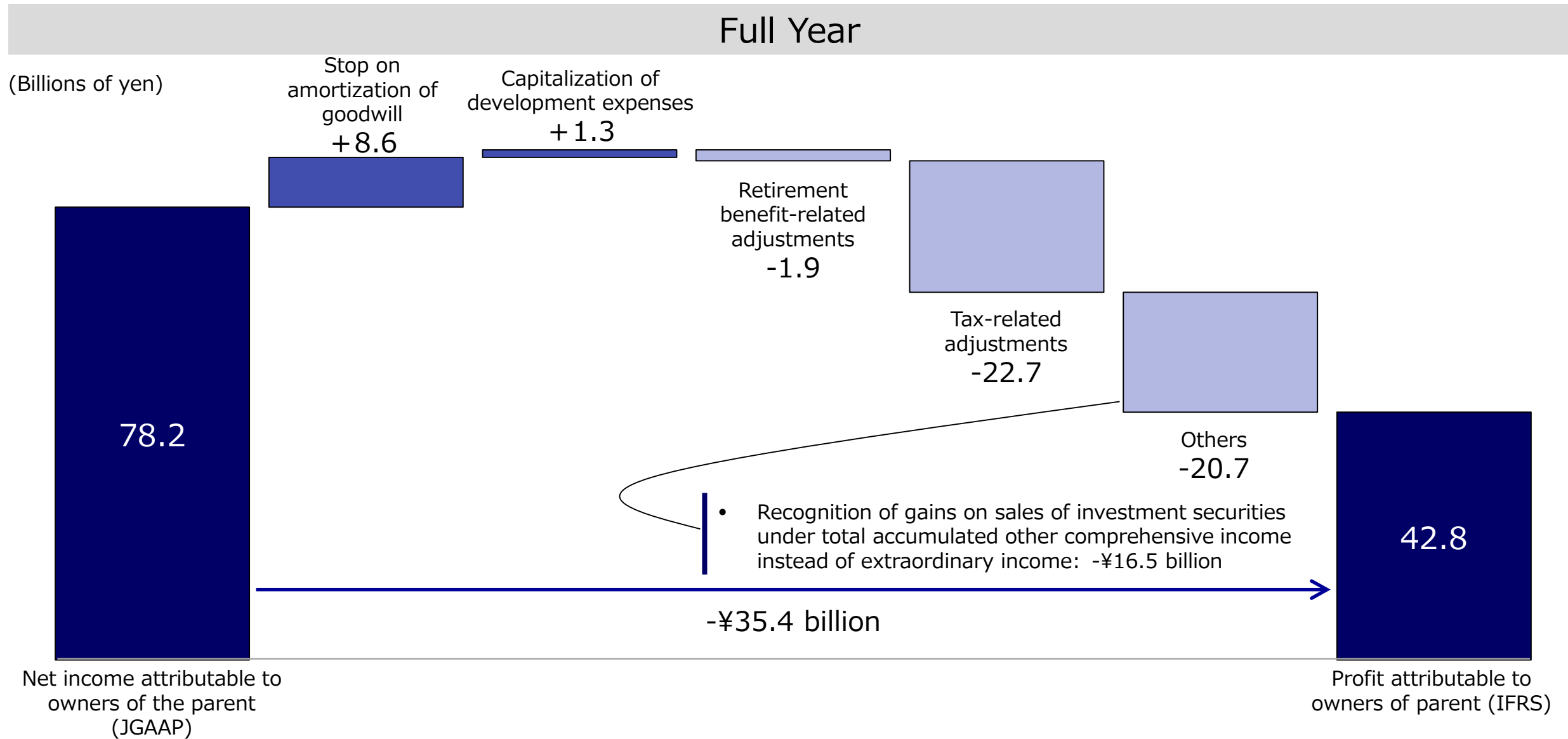
【Supplementary Materials (JGAAP/IFRS) 】 FY2017 Full Year Results (1) Consolidated

(Billions of yen)	Full Year		Change
	FY2017 Results (JGAAP)	FY2017 Results (IFRS)	
Revenue (IFRS) / Net sales (JGAAP)	748.1	740.6	-7.5
Operating Profit (IFRS) / Operating income (JGAAP)	76.5	71.2	-5.3
Profit before tax (IFRS) / Income before provision for income taxes (JGAAP)	81.7	62.5	-19.2
Profit attributable to owners of parent (IFRS) / Net income attributable to owners of the parent (JGAAP)	78.2	42.8	-35.4

【Supplementary Materials (JGAAP/IFRS) 】 FY2017 Full Year Results (2) Factors Influencing Operating Profit



【Supplementary Materials (JGAAP/IFRS)】FY2017 Full Year Results (3) Factors Influencing Profit



【Supplementary Materials (JGAAP/IFRS)】FY2017 Full Year Results (4) By segment

		Full Year		Change
(Billions of yen)		FY2017 Results (JGAAP)	FY2017 Results (IFRS)	
Medical	Revenue (IFRS) / Net sales (JGAAP)	575.3	570.4	-4.9
	Operating Profit (IFRS) / Operating income (JGAAP)	115.5	114.7	-0.8
Scientific Solutions	Revenue (IFRS) / Net sales (JGAAP)	93.2	93.4	+0.2
	Operating Profit (IFRS) / Operating income (JGAAP)	5.3	5.9	+0.6
Imaging	Revenue (IFRS) / Net sales (JGAAP)	65.6	62.8	-2.8
	Operating Profit (IFRS) / Operating income (JGAAP)	0.5	0.2	-0.3
Others	Revenue (IFRS) / Net sales (JGAAP)	14.0	14.0	0
	Operating Profit (IFRS) / Operating income (JGAAP)	-4.6	-1.1	+3.5
Elimination and corporate	Revenue (IFRS) / Net sales (JGAAP)	-	-	-
	Operating Profit (IFRS) / Operating income (JGAAP)	-40.2	-48.5	-8.3
Consolidated Total	Revenue (IFRS) / Net sales (JGAAP)	748.1	740.6	-7.5
	Operating Profit (IFRS) / Operating income (JGAAP)	76.5	71.2	-5.3

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