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News Release

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Notice Concerning Loss from Discontinued Operations, Forecast of Consolidated Financial Results, and Expected Dividends for the Fiscal Year Ending March 2021

Olympus Corporation ("Olympus") hereby announces that: (i) as stated in Item 1 below, the loss and related business structural reform costs pertaining to its imaging business, which Olympus has classified as discontinued operation as from the second quarter of the fiscal year ending March 2021, will be recorded as other costs; and that (ii) the forecast of consolidated financial results and expected dividends for the fiscal year ending March 2021, undetermined in the "Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2021 (under IFRS)" published on August 5, 2020, is as described in Item 2.

1. Recording of Losses for Discontinued Operations

As Olympus announced in its press releases titled the "Signing of Memorandum of Understanding for Divestiture of Imaging Business" dated June 24, 2020 and the "Signing of Definitive Agreement for Divestiture of Imaging Business" dated September 30, 2020, Olympus has executed a definitive agreement with Japan Industrial Partners, Inc. ("JIP") on September 30 in connection with the divestiture of its imaging business, under which (i) Olympus' imaging business will be succeeded through an absorption-type split ("Company Split") to a wholly-owned subsidiary ("New Imaging Company") newly established by Olympus; and (ii) 95% of the shares of the New Imaging Company will be transferred ("Share Transfer"; and the Company Split and the Share Transfer, collectively, "Transaction") to OJ Holdings, Ltd., a special purpose company established by JIP. The agreement for the Company Split has already been signed on November 6, 2020, and the Company Split and the Share Transfer are scheduled to become effective on January 1, 2021.

In this connection, Olympus has classified its imaging business as a discontinued operation as from the second quarter of ongoing fiscal year, and has recorded the loss of approximately JPY47 billion from this Transaction and related business structural reform costs as other costs. The total loss and costs are expected to be approximately JPY50.5 billion for the full fiscal year.

For details, please refer to the "Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2021 (under IFRS)" which Olympus disclosed today.

2. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021

Olympus has classified its imaging business as a discontinued operation as from the second quarter of the ongoing fiscal year. Accordingly, the sales, operating profit, and profit before tax in the forecast of financial results for the period ending March 2021 only include those amounts generated from continuing operations, without taking into consideration any amounts generated from the discontinued operation. The amount for basic earnings per share for the current period and current profit attributable to owners of parent company shares, on the other hand, include the loss generated from the discontinued operations.

(Millions of yen)

	Sales	Operating profit	Profit before tax	Current profit attributable to owners of parent	Basic earnings per share for the current period
Previous projection (A)	-	-	-	-	-
Current projection (B)	697,000	60,500	58,500	(5,500)	(¥) (4.28)
Difference (B - A)	-	-	-	-	-
Difference (%)	-	-	-	-	-
(For Reference) Results for the previous fiscal year (ended March 2020)	755,231	92,200	86,617	51,670	(¥) 39.37

*the figures for the FY2020 (total) are before the audit.

Reason for forecast of financial results announcement

The forecast of consolidated financial results for the fiscal year ending March 31, 2021 had not been determined due to the difficulties of making a reasonable calculation because of the ongoing uncertainties, including countermeasures to be implemented in each region, over COVID-19, as well as their impacts on market and economic trends. The above calculations are made based on current performance projections and the information currently available.

Sales are expected to decrease for all businesses owing to the effects of COVID-19, but a gradual recovery is projected to continue toward the end of the fiscal year. Operating profit and profit before tax are expected to decrease primarily due to the fall in the revenue, despite ongoing efforts to reduce selling, general and administrative expenses. Current profit attributable to owners of the parent company is expected to be at a loss, mainly owing to the recording of approximately JPY50.5 billion of losses and related business structural reform costs from the Transaction for the discontinuation of the imaging business.

The exchange rates the forecast is based on are JPY 106 to USD 1, JPY 122 to EUR 1, and JPY 15 to RMB 1.

3. Expected Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
Fiscal year ending March 2021	(¥) -	(¥) 0.00	(¥) -	(¥) 10.00	(¥) 10.00
(For Reference) Results for the previous fiscal year (ended March 2020)	-	0.00	-	10.00	10.00

Reason for expected dividends announcement

Olympus' policy is to maintain steady returns to shareholders that match their expectations, and accordingly we have prioritized investment in growth fields focusing on the medical sector on the premise of securing a stable financial base to enhance our corporate value.

While reduced profit is expected due to the effects of COVID-19, requiring us to pinpoint a balance between internal reserves and ready liquidity owing to the uncertainty of when the disease will be resolved, we set the expected year-end dividend for this period at JPY10 in order to maintain a steady return to shareholders.