



## Consolidated Financial Results for the 1<sup>st</sup> Quarter and Full-Year Forecasts for Fiscal 2022

Olympus Corporation | Executive Officer and Chief Financial Officer | Chikashi Takeda | August 5, 2021

(Slide 1)

- Greetings. I am Chikashi Takeda, Chief Financial Officer of Olympus Corporation.
- I would like to thank you all for participating in this financial briefing for the first quarter of fiscal year 2022.
- I would like to provide a review of our consolidated financial results for the first quarter of fiscal year 2022 and also talk about our full-year forecasts.

## 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.
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## Highlights

### 1Q Consolidated Financial Results

- ✓ Revenue: Significant growth of +40% YoY, led by Medical due to market recovery  
Positive growth vs FY2020 and well above pre-pandemic level
- ✓ Operating profit: Record highs in terms of both amount and ratio in 1Q, driven mainly by sales recovery\*

### Full-year Performance Forecasts

- ✓ Both revenue and profit revised upward, following market recovery
- ✓ Revenue: Expected to exceed pre-pandemic level with Medical reaching a record high
- ✓ Operating profit: Expected to achieve ¥140 billion with OPM of about 17%, record highs in terms of both amount and ratio
- ✓ Profit\*\*: Expected to reach a record high of ¥101 billion

\*From FY2009, when Olympus began disclosing the quarterly report.

\*\*Profit attributable to owners of parent. Figures through FY2016 are based on Japanese GAAP (JGAAP) and figures from FY2017 onward are based on IFRS.

(Slide 3)

- Please turn to slide 3.
- This slide highlights our consolidated financial results for the first quarter of fiscal year 2022.
- Let me start with revenue. In response to market recovery, we saw significant revenue growth of over 40%, driven by Medical.
- Even compared with fiscal year 2020, it was 11% growth, well above the pre-pandemic level.
- In addition to higher revenue, we continued to optimize SG&A expenses and achieved an operating margin of 14.4%, leading to record highs in terms of both amount and ratio in the first quarter.
- Next, our full-year forecasts for fiscal year 2022.
- In light of the first quarter performance and market recovery, we have revised upward our forecasts for revenue and operating profit. Compared with fiscal year 2021, we now expect to see a 14% increase in revenue with an operating margin of about 17%, an improvement of 5.7% points.

# 01

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## **Consolidated Financial Results and Business Review for the 1Q of Fiscal 2022 (FY Ending March 31, 2022)**

(Slide 4)

- I will now explain the consolidated financial results and provide a business review for the first quarter of fiscal year 2022.

## 1Q of Fiscal 2022 (1) Consolidated Financial Results

- 1** Revenue: +40% growth, driven by Medical due to market recovery. Significant growth even compared to FY2020 (pre-pandemic)
- 2** Operating profit: Record highs in terms of both amount and ratio in 1Q\*, driven by sales recovery, despite measures such as Transform Olympus

(Billions of yen)	1Q (Apr. to Jun.)		YoY	YoY (After FX adjustment)	vs FY2020	vs FY2020 (After FX adjustment)
	FY2021	FY2022				
Revenue	136.7	<b>1</b> 191.5	+40%	+32%	+11%	+9%
Gross profit (% of revenue)	85.3 (62.4%)	123.3 (64.4%)	+45%	+39%	+10%	+9%
Selling, general and administrative expenses (% of revenue)	80.3 (58.8%)	95.8 (50.0%)	+19%	+14%	0%	-2%
Other income and expenses	-1.2	0.1	-	-	-	-
Operating profit (% of revenue)	3.7 (2.7%)	<b>2</b> 27.6 (14.4%)	+645%	+633%	+67%	+72%
Profit before tax (% of revenue)	2.7 (2.0%)	27.0 (14.1%)	+900%			
Profit(loss) attributable to owners of parent (% of revenue)	-2.7 (-)	18.7 (9.8%)	+¥21.4billion			
EPS	- ¥2	¥15				
Yen/U.S. dollar	¥108	¥109				
Yen/Euro	¥118	¥132				
Yen/CNY	¥15	¥17				

\*From FY2009, when Olympus began disclosing the quarterly report.

### (Slide 5)

- Please turn to slide 5
- Consolidated revenue amounted to ¥191.5 billion.
- In response to market recovery, revenue increased across all businesses, particularly in Medical, resulting in growth of over 40%.
- Even in comparison to fiscal year 2020, revenue was 11% higher, well above the pre-pandemic level.
- Gross profit was ¥123.3 billion, with gross margin improving 2% points, driven by higher revenue and improved factory operation rate.
- SG&A expenses totaled ¥95.8 billion, with SG&A ratio improving 8.8% points. Due to relaxation of restrictions on sales activities, strengthening of our operational infrastructure, and measures to improve profitability, SG&A expenses increased in amount, but we managed to keep SG&A ratio at 50%, with higher revenue strongly contributing.
- Operating profit was ¥27.6 billion, with an operating margin of 14.4%, an improvement of 11.7% points.
- These results represent record-highs in terms of amount and ratio for the first quarter since fiscal year 2009, when we began disclosing the quarterly report.
- Profit attributable to owners of parent was ¥18.7 billion, up ¥21.4 billion YoY.

# Composition of Each Division : Sub-segments

Starting from FY2022, disclose information for sub-segments of each division to enhance understanding of our business

## Endoscopic Solutions Division (ESD)

### Gastrointestinal Endoscope



Gastrointestinal endoscopy systems

### Surgical Endoscope



Surgical endoscopy systems

### Medical Service



Maintenance / Service

## Therapeutic Solutions Division (TSD)

### GI-Endotherapy



ERCP and ultrasound products



EMR and ESD products

### Urology



Flexible cystoscopes



Resection electrodes

### Respiratory



Bronchoscopes



Single-use aspiration needles

### Other Therapeutic Areas



Energy devices



ENT products

## Scientific Solutions Division (SSD)

### Life Science



Biological microscopes

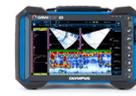
### Industrial



Industrial microscopes



Industrial videoscopes



Non-destructive testing instruments

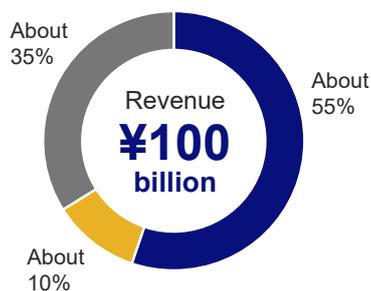


X-Ray fluorescence analyzers

(Slide 6)

- Please turn to slide 6.
- To facilitate a deeper understanding of business conditions, we have been enhancing disclosures on our product pipeline etc. since last fiscal year.
- We have so far shared business division based information such as growth rate and qualitative information with a focus on ESD and TSD. Starting from this fiscal year, we will provide additional information separated into each sub-segment of our three business divisions.
- In addition, starting from this fiscal year, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD, with the aim of strengthening operations in the respiratory field.
- Last fiscal year's actuals have also been restated in the same manner to enable comparisons.

# 1Q of FY2022 (2) Endoscopic Solutions Division (ESD)



	ESD Total					FY2022 1Q
	FY2021					
(Billions of yen)	1Q	2Q	3Q	4Q	1Q-4Q	
Revenue	74.3	97.0	105.4	117.0	393.7	100.0
Operating profit	12.4	29.9	31.6	24.9	98.8	22.7
Other income and expenses	-0.4	-0.2	-0.8	-4.6	-5.9	-2.2
Operating margin (After FX adjustment)	16.7%	30.8%	30.0%	21.2%	25.1%	22.7% (23.7%)

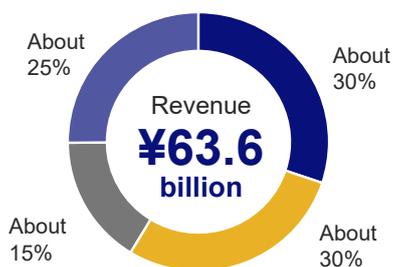
\*From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD. FY2021 actuals have also been restated in the same manner.

FY2022 1Q Growth rate	vs FY2021 1Q	vs FY2021 1Q (after FX adjustment)	
■ Gastrointestinal endoscope	47%	38%	<ul style="list-style-type: none"> <li>Growth across regions, driven by market recovery. Strong performance in Japan, Europe and North America. GI endoscopy system, including EVIS X1, gastroscopes and colonoscopes made a contribution to sales increase.</li> </ul>
■ Surgical endoscope	34%	28%	<ul style="list-style-type: none"> <li>Significant growth, driven by market recovery and "VISERA ELITE II". Strong performance in Japan and in North America, driven by VISERA ELITE II.</li> </ul>
■ Medical service	19%	11%	<ul style="list-style-type: none"> <li>Stable revenue stream based on service contracts including maintenance service. The number of repairs increased across regions, a rebound from pandemic-related decline last year.</li> </ul>
<b>Total</b>	<b>35%</b>	<b>27%</b>	+9% vs FY2020 (Reference: Managerial Basis)

(Slide 7)

- Please turn to slide 7.
- Now we will look at the details about each business segment.
- First is the Endoscopic Solutions Division. Revenue amounted to ¥100 billion, up 35%.
- Compared with the same period of the last fiscal year, which was heavily impacted by COVID-19, we achieved significant revenue growth across all sub-segments due to market recovery.
- Although we do not have the restated figures for ESD and TSD for fiscal 2020 due to the changes in disclosure classification as I described earlier, we achieved 9% growth compared with fiscal year 2020 on a managerial basis for your reference, which significantly exceeded the pre-pandemic level.
- In GI endoscope, revenue grew across all regions, with notable strength in Japan, Europe and North America. By product, GI endoscopy system including EVIS X1, and various scopes such as gastroscopes and colonoscopes made a contribution to sales increase.
- In Surgical endoscope, VISERA ELITE II surgical endoscopy system recorded strong sales, driven by ongoing switch to VISERA ELITE II in Japan and North America.
- In Medical service, we have been enjoying a stable revenue based on service contracts including maintenance service. The number of repairs increased across regions, a rebound from pandemic-related decline last year.
- Operating profit was ¥22.7 billion, with an operating margin of 22.7%.
- There was an increase in expenses due to relaxation of restrictions on sales activities, and we also recorded an impairment loss of ¥1.7 billion associated with the equity method investment in an equity-method affiliate in Europe. However, those expenses were offset by revenue recovery and continuing cost control, resulting in a significant improvement in operating margin.

# 1Q of FY2022 (3) Therapeutic Solutions Division (TSD)



	TSD Total					FY2022 1Q
	FY2021					
(Billions of yen)	1Q	2Q	3Q	4Q	1Q-4Q	
Revenue	43.0	58.7	62.3	67.9	231.8	63.6
Operating profit	3.7	6.3	13.2	7.4	30.6	14.1
Other income and expenses	-0.3	-0.1	-0.3	-2.2	-3.0	2.5
Operating margin (After FX adjustment)	8.5%	10.7%	21.3%	10.9%	13.2%	22.1% (23.1%)

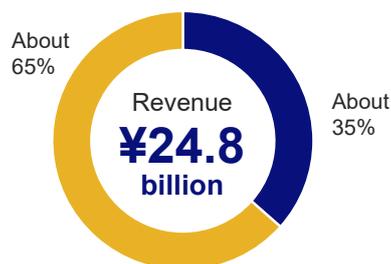
\*From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD. FY2021 actuals have also been restated in the same manner.

FY2022 1Q Growth rate	vs FY2021 1Q	vs FY2021 1Q (after FX adjustment)	
■ GI-Endotherapy	40%	32%	<ul style="list-style-type: none"> <li>Growth across all regions and product groups. Strong performance in North America, where vaccination is progressing and the number of procedures is recovering. Notable momentum in Sampling (biopsy forceps, etc) and ESD/EMR products.</li> </ul>
■ Urology	69%	60%	<ul style="list-style-type: none"> <li>Significant growth, driven by North America and Europe with the number of procedures recovering. Particularly in North America, led by resection electrodes for BPH and "SOLTIVE SuperPulsed Laser System" for stone lithotripsy.</li> </ul>
■ Respiratory	42%	33%	<ul style="list-style-type: none"> <li>Significant growth in North America due to market recovery and acquisition of Veran Medical Technologies. Strong performance in respiratory-endotherapy products for EBUS-TBNA(Endobronchial ultrasound-guided transbronchial needle aspiration) and bronchoscopes including new EBUS bronchoscopes.</li> </ul>
■ Other therapeutic areas	43%	34%	<ul style="list-style-type: none"> <li>Strong performance in energy devices, ENT and gynecology. "THUNDERBEAT" and ENT endoscopes made a contribution.</li> </ul>
<b>Total</b>	<b>48%</b>	<b>40%</b>	+8% vs FY2020 (Reference: Managerial Basis)

(Slide 8)

- Please turn to slide 8 for the Therapeutic Solutions Division.
- Revenue amounted to ¥63.6 billion, up 48%.
- In the same period of the last fiscal year, the number of procedures declined significantly due to COVID-19, but the number has been recovering this fiscal year, resulting in significant growth across all sub-segments. Compared with fiscal year 2020, we achieved 8% growth on a managerial basis, exceeding the pre-pandemic level.
- In GI-endotherapy, recovery in the number of procedures resulted in growth across all regions and product groups. Performance was particularly strong in North America, where vaccination has progressed and the number of procedures is on the rise, with notable momentum in sampling products such as biopsy forceps for tissue sampling in screening endoscopy, as well as products for ESD (Endoscopic Submucosal Dissection) and EMR (Endoscopic Mucosal Resection) procedures.
- In Urology, significant growth was achieved, driven by North America and Europe, where the number of procedures has recovered. Performance was particularly strong in North America, where the number of procedures has returned to pre-pandemic levels, led by resection electrodes for BPH (Benign Prostatic Hyperplasia) and SOLTIVE SuperPulsed Laser System, a lithotripsy solution for urinary stones.
- In Respiratory, growth was driven by North America due to market recovery, revenue from Veran Medical Technologies, and strong momentum in bronchoscopes and endotherapy products for EBUS-TBNA (Endobronchial ultrasound-guided transbronchial needle aspiration).
- In Other therapeutic areas, we saw strong performance in energy devices, gynecology and ENT. In particular, THUNDERBEAT, a surgical tissue management system, and ENT scopes made a contribution to sales increase.
- Operating profit was ¥14.1 billion, with an operating margin of 22.1%. Despite an increase in expenses due to relaxation of restrictions on sales activities, the operating margin improved substantially due to significant sales increase, coupled with ongoing cost control, as well as a gain of ¥2.8 billion in other income associated with the phased acquisition of Medi-Tate.

# 1Q of FY2022 (4) Scientific Solutions Division (SSD)



SSD Total						
(Billions of yen)	FY2021				FY2022	
	1Q	2Q	3Q	4Q	1Q-4Q	1Q
Revenue	17.8	22.6	26.6	28.9	95.9	24.8
Operating profit(loss)	-1.6	1.8	2.7	2.0	4.9	1.9
Other income and expenses	-0.3	0.3	0	-1.3	-1.2	-0.2
Operating margin (After FX adjustment)	-	8.1%	10.3%	6.9%	5.2%	7.5% (8.1%)

FY2022 1Q Growth rate	vs FY2021 1Q	vs FY2021 1Q (after FX adjustment)	
■ Life Science	29%	22%	<ul style="list-style-type: none"> <li>Growth across all regions, driven by market recovery and improved budget execution at research institutions and universities. Notable recovery in North America, where market conditions remarkably rebounded due to relaxation of restrictions on sales activities, led by biological microscopes.</li> </ul>
■ Industrial	47%	39%	<ul style="list-style-type: none"> <li>Growth in all fields, driven by market recovery, led by improved CAPEX sentiment. Notable strength in industrial microscopes in China, driven by 5G-related electronic components and semiconductor markets. Non-destructive testing instruments, driven by market recovery, and X-Ray fluorescence analyzers, boosted by high gold prices and strong recycling market of precious metals, made a contribution.</li> </ul>
<b>Total</b>	<b>40%</b>	<b>32%</b>	+8% vs FY2020 (Reference: Managerial Basis)

(Slide 9)

- Please turn to slide 9 for the Scientific Solutions Division.
- Revenue was ¥24.8 billion, up 40%.
- Compared with fiscal year 2020, we achieved 8% growth on a managerial basis, exceeding the pre-pandemic level.
- In Life science, we achieved growth across all regions due to market recovery and improved budget execution at research institutions and universities.
- In particular, biological microscopes in North America, where market conditions remarkably rebounded due to relaxation of restrictions on sales activities, contributed to growth.
- In Industrial, we achieved growth in all fields driven by market recovery, led by improved CAPEX sentiment.
- In China, there was strong momentum in industrial microscopes due to 5G-related electronic component and semiconductor markets. Increased sales of non-destructive testing instruments also contributed to growth in relation to market recovery. X-ray fluorescence analyzers were also strong, boosted by high gold prices and strong recycling market of precious metals.
- Operating profit was ¥1.9 billion, with an operating margin of 7.5%.
- It was a considerable improvement from last fiscal year's operating loss, due mainly to revenue recovery and improved factory operation rate.

## Statement of Financial Position

- ☑ Goodwill and intangible assets increased due to acquisition of Medi-Tate, etc.
- ☑ Approx. 72 million treasury shares were canceled

(Billions of yen)	End of Mar.* 2021	End of Jun. 2021	Change		End of Mar.* 2021	End of Jun. 2021	Change
Current assets	580.2	513.4	-66.8	Current liabilities	328.4	282.7	-45.7
Inventories	159.0	164.1	+5.1	Bonds/loans payable	31.5	11.2	-20.3
Non-current assets	603.0	631.2	+28.2	Non current liabilities	459.3	460.6	+1.3
Property, plant and equipment	239.0	238.7	-0.3	Bonds/loans payable	323.7	323.9	+0.1
Intangible assets and others	236.6	243.6	+6.9	Equity	395.5	401.4	+5.9
Goodwill	127.4	148.9	+21.6	(Equity ratio)	33.3%	35.0%	+1.7pt
<b>Total assets</b>	<b>1,183.1</b>	<b>1,144.6</b>	<b>-38.5</b>	<b>Total liabilities and equity</b>	<b>1,183.1</b>	<b>1,144.6</b>	<b>-38.5</b>

\*Regarding acquisitions with Veran Medical Technologies and Quest Photonic Devices B.V. that occurred in FY2021, there were temporary revisions in amounts during 1Q of FY2022. In line with this, FY2021 figures have been retroactively revised.

**Interest-bearing debt: 335.1 (-20.1 from March 2021)**

(Slide 10)

- Please turn to slide 10 for our financial position as of June 30, 2021.
- Goodwill and intangible assets increased due to the acquisition of Medi-Tate, etc.
- The equity ratio rose 1.7% points to 35% from March, 2021 due to a decline in interest-bearing debt.
- Also, please note that we canceled approximately 72 million treasury shares in June.

## Consolidated Cash Flows

- ☑ FCF: Considering expenditures for acquisition of Medi-Tate (approx. ¥21.0 billion) and for reversal of provision for career support for external opportunity program (approx. ¥9.0 billion), FCF was positive
- ☑ Financing CF: Minus ¥39.0 billion due to borrowing repayments and dividend payments

Q1 (Apr. to Jun.)

(Billions of yen)	FY2021	FY2022	Change
Profit before tax	2.7	27.0	+24.3
CF from operating activities	8.4	23.7	+15.3
CF from investing activities	-12.3	-33.5	-21.2
Free cash flow	-3.9	-9.8	-5.9
CF from financing activities	111.8	-39.0	-150.8
Cash and cash equivalents at end of period	270.7	168.7	-102.0

#### Major one-off items for FY2022 Q1 (Apr. to Jun.)

Operating CF: Reversal of provision for career support for external opportunity program	¥8.8 billion
Investing CF: Acquisition and integration-related payments	¥21.3 billion

(Slide 11)

- Please turn to slide 11 for the status of cash flows.
- Cash flow from operating activities was ¥23.7 billion, up 182% YoY. While operating cash flow increased significantly due to improved profit, there was a one-off expenditure of about ¥9 billion on the reversal of provision for the career support for external opportunity program.
- Cash flow from investing activities declined ¥21.2 billion YoY to minus ¥33.5 billion, due in part to an expenditure of about ¥21.0 billion associated with the acquisition of Medi-Tate.
- Free cash flow remained positive if the expenditures for the reversal of provision for the career support for external opportunity program and for the acquisition of Medi-Tate are added back.
- Cash flow from financing activities declined ¥150.8 billion to minus ¥39.0 billion, due mainly to borrowing repayments and dividend payments. In the last fiscal year, there was a large amount of financing to deal with COVID-19.
- As a result, cash and cash equivalents as of June 30, 2021 stood at ¥168.7 billion, a decrease of ¥102.0 billion.

# 02 **Forecasts for Fiscal 2022**

(Slide 12)

- Next, I would like to explain our full-year forecasts for fiscal year 2022.

## Fiscal 2022 Consolidated Forecasts

- 1** Revenue: Revised upward in response to market recovery. Expected to exceed pre-pandemic FY2020 level
- 2** Operating profit: Expected to achieve ¥140 billion with OPM of about 17%, record highs in terms of both amount and ratio
- 3** Profit\*: Expected to reach a record high of ¥101 billion

(Billions of yen)	FY2022 Forecasts as of May 7	FY2022 Latest Forecasts	Change	vs May 7	vs May 7 (After FX adjustment)	vs FY2021	vs FY2020	FY2021** (Actual)	FY2020** (Actual)
Revenue	806.0	<b>1</b> 830.0	+24.0	+3%	+2%	+14%	+10%	730.5	755.2
Gross profit (% of revenue)	529.0 (65.6%)	546.0 (65.8%)	+17.0	+3%	+2%	+19%	+13%	459.5 (62.9%)	482.8 (63.9%)
Selling, general and administrative expenses (% of revenue)	400.0 (49.6%)	401.0 (48.3%)	+1.0	0%	0%	+12%	+5%	357.0 (48.9%)	381.2 (50.5%)
Other income and expenses	-3.0	-5.0	-	-	-	-	-	-20.5	-9.4
Operating profit (% of revenue)	126.0 (15.6%)	<b>2</b> 140.0 (16.9%)	+14.0	+11%	+8%	+71%	+52%	82.0 (11.2%)	92.2 (12.2%)
Profit before tax (% of revenue)	121.0 (15.0%)	135.0 (16.3%)						76.8 (10.5%)	86.6 (11.5%)
Profit attributable to owners of parent (% of revenue)	89.0 (11.0%)	<b>3</b> 101.0 (12.2%)						65.7 (9.0%)	60.6 (8.0%)
EPS	¥69	¥79						¥10	¥39

Dividend forecast for FY2022

Year-end dividend of ¥14 per share

\*Profit attributable to owners of parent. Figures through FY2016 are based on Japanese GAAP (JGAAP) and figures from FY2017 onward are based on IFRS.  
\*\*From "revenue" to "profit" in the table are amounts related to continuing operation only.

(Slide 13)

- Please turn to slide 13.
- Our full-year forecasts for fiscal year 2022, which were originally announced in May, have been revised upward in light of our first quarter performance and market recovery.
- Revenue was revised by ¥24 billion and operating profit by ¥14 billion. We now forecast revenue to grow 14% YoY to ¥830 billion, and expect operating profit of ¥140 billion with an operating margin of 16.9%, an improvement of 5.7% points.
- We also forecast profit attributable to owners of parent of ¥101 billion. Please note that each of these figures will represent record highs for us.
- Compared with pre-pandemic fiscal year 2020, these forecasts represent 10% growth in revenue, 52% growth in operating profit, and a 4.7% points improvement in operating margin.
- We plan to pay a dividend of ¥14 per share for this fiscal year, unchanged since announced in May.
- The forex assumptions are ¥108 per dollar and ¥130 per euro.
- The intra-group reorganization of the Scientific Solutions Business is currently under consideration, and the expenditures related to reorganization are not included in this forecast.

## Fiscal 2022 Forecasts by Business Segment

- 1** ESD and TSD: Both revenue and operating profit revised upward. Medical revenue expected to reach a record high, exceeding pre-pandemic level
- 2** SSD: Both revenue and operating profit revised upward in response to market recovery
- 3** Elimination and Corporate: Expected to improve due to SG&A expense control

(Billions of yen)		FY2022 Forecasts as of May 7	FY2022 Latest Forecasts	Change	vs May 7	vs May 7 (After FX adjustment)	vs FY2021	FY2021 (Actual)
ESD	Revenue	419.0	<b>1</b> 438.0	+19.0	+5%	+3%	+11%	393.7
	Operating profit	112.0	118.0	+6.0	+5%	+3%	+19%	98.8
TSD	Revenue	265.0	<b>1</b> 270.0	+5.0	+2%	+1%	+16%	231.8
	Operating profit	48.0	52.0	+4.0	+8%	+6%	+70%	30.6
SSD	Revenue	108.0	<b>2</b> 109.0	+1.0	+1%	0%	+14%	95.9
	Operating profit	11.0	13.0	+2.0	+18%	+14%	+163%	4.9
Others	Revenue	14.0	13.0	-1.0	-7%	-7%	+41%	9.2
	Operating profit	-4.0	-4.0	0	0	0	-¥3.3 billion	-0.7
Elimination and corporate	Operating profit	-41.0	<b>3</b> -39.0	+2.0	+¥2.0 billion	+¥1.9 billion	+¥12.6 billion	-51.6
Consolidated Total	Revenue	806.0	830.0	+24.0	+3%	+2%	+14%	730.5
	Operating profit	126.0	140.0	+14.0	+11%	+7%	+71%	82.0

\*From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD. FY2022 forecasts as of May 7 have also been restated in the same manner.

(Slide 14)

- Please turn to slide 14 for forecasts by business segment.
- Our forecasts for both revenue and operating profit have been revised upward across all business segments.
- In particular, Medical business, including ESD and TSD, is expected to grow 10% in revenue and 25% in operating profit compared with pre-pandemic fiscal year 2020, and is expected to achieve record-highs in revenue and operating profit.
- We are pleased to announce that we resumed shipments of the EVIS X1 EDof scope from July, for which we voluntarily suspended shipments last October.
- As the resumption of shipments is in line with our original schedule, there is no significant impact on business performance forecasts. However, we believe that expanding sales of EVIS X1 will help us achieve revised forecasts.

# 03 Transforming into a Truly Global Medtech Company

(Slide 15)

- Lastly, I would like to highlight some of the initiatives we are pursuing to become a truly global medtech company.

## Key Product Catalysts: Endoscopic Solutions Division (As of Aug 5, 2021)



### Corporate Strategy of ESD : Further strengthen leadership in endoscopy



**Maintain leadership in conventional endoscopy** through continued innovation and commercial excellence



**Complement our portfolio with single-use endoscopes** to provide a comprehensive set of product offerings

Growth driver now	Just launched / Coming soon	Beyond
<p><b>GI endoscopy</b></p> <ul style="list-style-type: none"> <li>EVIS LUCERA ELITE (Japan, China)</li> <li>EVIS EXERA III (US, EU)</li> </ul> <p><b>Surgical endoscopy</b></p> <ul style="list-style-type: none"> <li>VISERA ELITE II 2D/3D/IR (EU, Japan)</li> <li>VISERA ELITE II 2D (US)</li> <li>VISERA ELITE (China)</li> <li>VISERA 4K UHD (US, EU, Japan, China)</li> </ul>	<p><b>GI endoscopy</b></p> <ul style="list-style-type: none"> <li>EVIS X1 (EU, Japan)</li> <li>TJF-Q190V, duodenoscope (US)</li> <li>ENDO-AID, endoscopy CAD platform for EVIS X1 (EU)</li> </ul> <p><b>Surgical endoscopy</b></p> <ul style="list-style-type: none"> <li>VISERA ELITE II 3D/IR (US)</li> <li>VISERA ELITE II 2D/3D (China)</li> </ul>	<p><b>GI endoscopy</b></p> <ul style="list-style-type: none"> <li>EVIS X1 (US, China)</li> <li>3D function for EVIS X1</li> <li>Single-use duodenoscope</li> </ul> <p><b>Surgical endoscopy</b></p> <ul style="list-style-type: none"> <li>VISERA ELITE II IR (China)</li> <li>New generation surgical endoscopy system (EU, Japan)</li> </ul>

~6%

revenue growth CAGR in ESD\*

\*CAGR for FY2021 to FY2023, starting from FY2020

(Slide 16)

- Please turn to slide 16 for the product pipeline for ESD.
- While there are no major changes from the previous quarter, in response to relaxation of restrictions on sales activities, as well as the resumption of EDOF scope shipments, we will focus on expanding sales of EVIS X1 in Europe, Japan and some parts of Asia, where we have already launched the product.
- We will also aim to launch it in regions where we haven't launched yet.
- Regarding VISERA ELITE II surgical endoscopy system, we will actively promote 3D/IR system through demonstrations in North America to further expand sales.

## Key Product Catalysts: Therapeutic Solutions Division (As of Aug 5, 2021)



### Corporate Strategy of TSD : Focus and scale our TSD business



#### GI endotherapy

Expand and accelerate portfolio in existing product categories and explore growth opportunities in adjacent areas



#### Urology

Establish leadership in BPH and enhance position in stone management through portfolio expansion



#### Respiratory

Strengthen leadership and expansion of lung cancer portfolio by executing Olympus/Veran synergies while also expanding the BLVR\* market

Growth driver now	Just launched / Coming soon	Beyond
<p><b>GI endotherapy</b></p> <ul style="list-style-type: none"> <li>Visiglide series</li> <li>ESD Knife</li> <li>EZ Clip / QuickClip Pro</li> <li>EndoJaw</li> </ul> <p><b>Urology</b></p> <ul style="list-style-type: none"> <li>Resection electrode</li> </ul> <p><b>Respiratory***</b></p> <ul style="list-style-type: none"> <li><b>EBUS scope</b></li> <li>ViziShot series</li> <li>Spiration Valve System</li> </ul>	<p><b>GI Endotherapy</b></p> <ul style="list-style-type: none"> <li>5 products (US)</li> <li>6 products (EU)</li> <li>6 products (Japan)</li> <li>3 products (China)</li> </ul> <p><b>Urology</b></p> <ul style="list-style-type: none"> <li>iTind, non-surgical device for Benign Prostatic Hyperplasia (US, EU)</li> <li>SOLTIVE SuperPulsed Laser System, stone lithotripsy system (US, EU)</li> </ul> <p><b>Respiratory***</b></p> <ul style="list-style-type: none"> <li>Veran Electromagnetic Navigation system (US)</li> <li>Single-use bronchoscope (US)</li> <li><b>EBUS scope (US)</b></li> </ul>	<p><b>GI endotherapy</b></p> <ul style="list-style-type: none"> <li>Single-use cholangioscope</li> </ul> <p><b>Urology</b></p> <ul style="list-style-type: none"> <li>Single-use ureteroscope</li> </ul> <p><b>Respiratory***</b></p> <ul style="list-style-type: none"> <li>Veran Electromagnetic Navigation system (EU)</li> <li><b>EVIS X1 bronchoscope (US)</b></li> <li>Single-use bronchoscope</li> </ul>

~8%

revenue growth CAGR in TSD\*\*

\*Bronchoscopic Lung Volume Reduction  
 \*\*CAGR for FY2021 to FY2023, starting from FY2020  
 \*\*\*From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD.

(Slide 17)

- Please turn to slide 17 for the product pipeline for TSD.
- In GI endotherapy, we are committed to steadily expanding and growing our product lineup, including products developed in-house and those procured externally.
- In Urology, as I mentioned in the page for TSD results, we are seeing strong momentum in SOLTIVE SuperPulsed Laser System, a new lithotripsy solution for urinary stones.
- We will also strengthen our solutions for BPH, by promoting resection electrodes, a growth driver, and iTind, a minimally invasive therapeutic device from Medi-Tate, for which we just completed the acquisition.
- In Respiratory, we have transferred bronchoscopes, which were previously classified under the GI endoscope segment in ESD, to the Respiratory segment in TSD, adding the lineup of bronchoscopes and ultrasound bronchoscopes to the pipeline.
- We aim to create synergies between the product portfolios of Olympus and Veran Medical and expand our lung cancer portfolio.

## FY2022 Key Initiatives

# FY2022

### Further strengthen our position as a global medtech company



Deepening profitable growth strategy in Medical business



Further improvement of efficiency and effectiveness through Transform Olympus



Continued steady investment in product development for future growth



ESG initiatives that contribute to a sustainable society



- Commencement of consideration on intra-group reorganization of Scientific Solutions Business
- Promoting Global Business Services

(Slide 18)

- Please turn to slide 18.
- Our theme for fiscal year 2022 is to further strengthen our position as a global medtech company. We are working to continue and establish the corporate transformation we carried out last year.
- We are steadily promoting measures to transform into become a global medtech company, such as commencement of consideration on intra-group reorganization of SSD, promoting Global Business Services in each region, and making Medi-Tate a subsidiary.
- Regarding GBS, we established Olympus Asia Pacific Business Management Services (Dalian) Co., Ltd. in Dailan, China, and have begun to integrate and transfer some indirect operations in Japan, China and some parts of Asia.
- We will continue to pursue these initiatives and plan to roll them out globally.

Upcoming Investor Events

# OLYMPUS

## INVESTOR DAY 2021

Date: December 7, 2021

Presenters: Yasuo Takeuchi,

CEO & Nacho Abia, COO

Q&A: CEO, COO, CTO, CFO, CAO



(Slide 19)

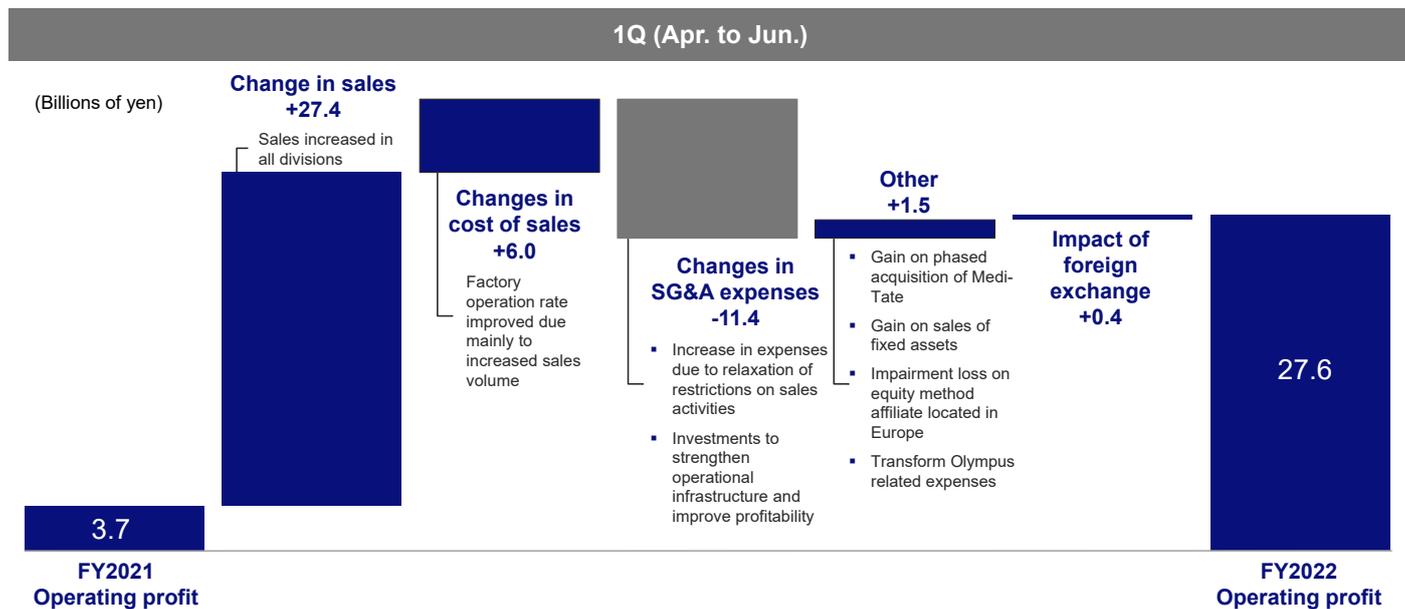
- Please turn to slide 19.
- We plan to hold Investor Day 2021 on December 7 for the first time in three years.
- Details, including topics and how to participate, will be provided once finalized. We look forward to your participation in this event.
- That concludes my presentation. Thank you kindly for your attention.

**OLYMPUS**

# Appendix

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# 1Q of Fiscal 2022 Factors that Affected Consolidated Operating Profit



# 1Q of Fiscal 2022 by Segment

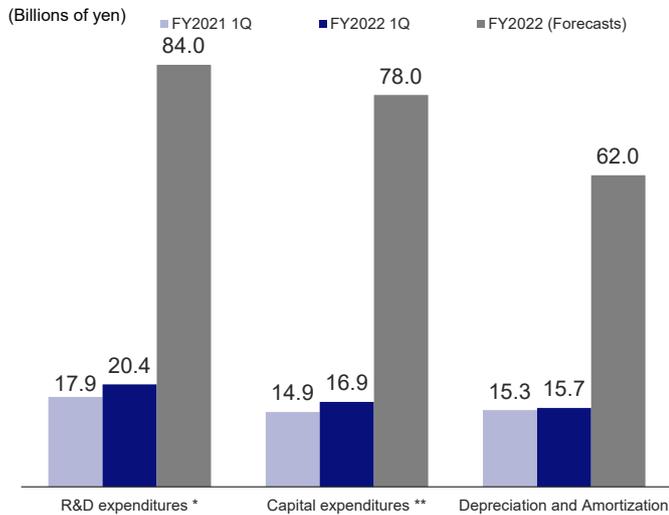
1Q (Apr. to Jun.)

(Billions of yen)		FY2021	FY2022	YoY	After FX adjustment
ESD	Revenue	74.3	100.0	+35%	+27%
	Operating profit	12.4	22.7	+82%	+80%
TSD	Revenue	43.0	63.6	+48%	+40%
	Operating profit	3.7	14.1	+284%	+278%
SSD	Revenue	17.8	24.8	+40%	+32%
	Operating profit(loss)	-1.6	1.9	+¥3.5 billion	+¥3.5 billion
Others	Revenue	1.6	3.0	+90%	+83%
	Operating profit(loss)	-0.5	-0.6	¥0	¥0
Elimination and Corporate	Operating profit(loss)	-10.2	-10.4	- ¥0.2 billion	- ¥0.1 billion
<b>Consolidated Total</b>	Revenue	136.7	191.5	+40%	+32%
	Operating profit	3.7	27.6	+645%	+633%

\*From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD. FY2021 actuals have also been restated in the same manner.

# Expenditures, etc.

## 1Q (Apr. to Jun.) and Full-year Forecasts



(Billions of yen)	FY2021	FY2022
R&D expenditures* (a)	17.9	20.4
Capitalization of R&D expenditures (b)	3.4	3.8
R&D expenses in P/L (a-b)	14.5	16.6

(Billions of yen)	FY2021	FY2022
Amortization	2.0	2.2
	End of Mar. 2021	End of Jun. 2021
R&D assets	56.2	58.0

\*Capitalization of R&D expenditures (b) is included in R&D expenditures.  
 \*\*Capitalization of R&D expenditures (b) is included in capital expenditures.  
 In addition, the Olympus Group has adopted IFRS #16 "Leases" from FY2020, and right-of use assets below are included in capital expenditures.  
 (FY2021 1Q: ¥4.3 billion, FY2022 1Q: ¥3.8 billion, FY2022 Forecast: ¥10.0 billion)