



Consolidated Financial Results for the 1st Quarter and Full-year Forecasts for Fiscal 2023

Olympus Corporation | Executive Officer and CFO, Chikashi Takeda | Executive Officer and COO, Nacho Abia | August 9, 2022

(Slide 1)

- Hello everyone. I am Chikashi Takeda, CFO of Olympus Corporation.
- I would like to thank you all for participating in this conference.
- I would like to provide a review of our consolidated financial results for the first quarter of fiscal 2023 and talk about our full-year forecasts for fiscal 2023.

Disclaimer

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Highlights

1Q Consolidated Financial Results

- ✓ **Revenue and operating profit grew by minimizing multiple risks identified at start of fiscal year**
 - Revenue: 12% consolidated growth. Record high for Medical business in 1Q
Double-digit growth for both ESD and TSD
 - Operating Profit: Record highs for both amount and ratio in 1Q*

Full-year Performance Forecasts

- ✓ **Unchanged from May forecasts excluding FX impact. With FX assumptions revised, revenue and all profit levels were upwardly revised**
 - Revenue: Expected to achieve ¥1,019 billion, up 5% from previous forecast, with Medical reaching a record high
 - Operating profit: Expected to achieve OPM of >20%, which is our target in corporate strategy
 - Profit**: Expected to reach a record high of ¥172 billion. EPS: Expected to grow 50% to ¥135

*From FY2020, 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.

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- This slide highlights our financial results for the first quarter of fiscal 2023.
- Revenue increased 12% on a consolidated basis. We achieved double-digit growth for both ESD and TSD, and the Medical business set a record high in the first quarter.
- Operating profit hit record highs in terms of both amount and ratio in the first quarter. EPS stood at ¥20, up 34% YoY.
- We took measures to minimize some risks that were identified at the start of the fiscal year and managed to keep them within expectations, while capturing growth.
- Moving on to our full-year forecasts for fiscal 2023, having revised our FX assumptions, we have revised revenue and all profit levels upwardly from the May forecasts.
- We expect revenue to achieve ¥1,019 billion, up 5% from the previous forecast, with Medical reaching a record high.
- We expect to achieve the target adjusted operating margin of over 20% set out in our corporate strategy.
- Profit is also expected to reach a record high of ¥172 billion, with EPS of ¥135, up 50% YoY.
- These forecasts assume business operations while controlling various risks associated with changes to the business environment.

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Consolidated Financial Results and Business Review for the 1Q of Fiscal 2023 (FY Ending March 31, 2023)

(Slide 4)

- I will now explain the consolidated financial results and provide a business review for the first quarter of fiscal 2023.

1Q of Fiscal 2023 (1) Consolidated Financial Results

- ☑ Consolidated performance: Consolidated revenue growth of 12% YoY. Operating profit achieved record highs for both amount and ratio*
- ☑ Compared to internal plan: 1Q progress largely in line with plan despite difficult market environment such as Shanghai lockdown, which was factored in at start of fiscal year

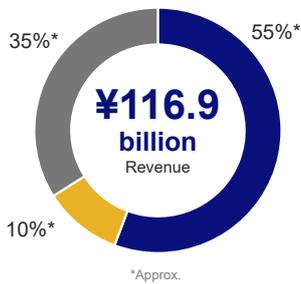
(Billions of yen)	1Q (Apr. to Jun.)		YoY	YoY (After FX adjustment)
	FY2022	FY2023		
Revenue	191.5	214.1	+12%	0%
Gross profit (% of revenue)	123.3 (64.4%)	137.2 (64.1%)	+11%	-2%
Selling, general and administrative expenses (% of revenue)	95.8 (50.0%)	108.9 (50.9%)	+14%	+5%
Other income and expenses	0.1	12.5	-	-
Operating profit (% of revenue)	27.6 (14.4%)	40.8 (19.1%)	+48%	+18%
Adjusted operating profit (% of revenue)	27.6 (14.4%)	28.3 (13.2%)	+3%	
Profit before tax (% of revenue)	27.0 (14.1%)	38.2 (17.9%)	+42%	
Profit** (% of revenue)	18.7 (9.8%)	24.9 (11.6%)	+33%	
EPS	¥15	¥20		
¥/US\$	¥109	¥130		
¥/Euro	¥132	¥138		
¥/CNY	¥17	¥20		

*From FY2009, when Olympus began disclosing the quarterly report.
**Profit attributable to owners of parent.

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- This is an overview of our consolidated financial results.
- Consolidated revenue amounted to ¥214.1 billion, up 12% YoY, with record revenue for Medical in the first quarter. We achieved double-digit growth for both ESD and TSD. Despite a significant drop in sales in China due to the Shanghai lockdown and delays in shipments due to shortages of parts such as semiconductors, revenue increased significantly against a backdrop of sales growth in regions other than China and contributions from new products.
- Gross profit was ¥137.2 billion, the gross profit margin was slightly below the previous year. The cost of sales ratio increased due to a change in regional sales mix caused by a significant drop in sales in China due to the Shanghai lockdown, as well as rising material costs etc.
- SG&A expenses were ¥108.9 billion, with SG&A ratio deteriorating 0.9 points. The expenses increased in both amount and ratio, due in part to an increase in expenses associated with sales growth in Medical and strengthening of our operational infrastructure such as the QARA function, coupled with an increase in personnel costs for strengthening of operational infrastructure associated with the reorganization of SSD.
- In other income and expenses, a gain of ¥12.5 billion was posted. Other expenses included approx. ¥2.4 billion as the expenses for the reorganization of SSD. Other income included approx. ¥16.4 billion as a gain on the sale of land in Tokyo.
- Operating profit amounted to ¥40.8 billion, an increase of ¥13.2 billion, or 48% YoY, with operating margin improving 4.7 points to 19.1%.
- Please note that the adjusted operating margin excluding other income and expenses, which is a milestone in our corporate strategy, was 13.2%.
- Profit was ¥24.9 billion, an increase of ¥6.2 billion YoY. EPS stood at ¥20, up 34%.
- Under the severe business environment given the COVID-related lockdown in Shanghai, global supply shortages of semiconductors and other components, and the war in Ukraine, we worked to minimize these impacts by having each employee fulfill their roles on a global scale in order to meet the expectations of all our stakeholders especially patients and medical professionals. Despite the tough market environment, this was factored in at the start of the fiscal year, and the first quarter progress was largely in line with expectations.

1Q of Fiscal 2023 (2) Endoscopic Solutions Division (ESD)



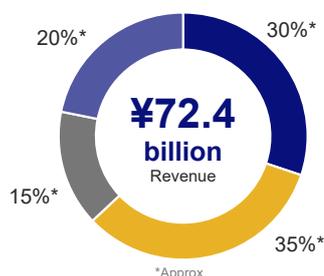
(Billions of yen)	FY2022	FY2023
		1Q
Revenue		116.9
Operating profit	22.7	24.8
Other income and expenses	-2.2	-1.2
Operating margin (After FX adjustment)	22.7%	21.3% (18.3%)

Growth Rate FY2023 1Q vs FY2022 1Q	vs FY2022		vs FY2022 (after FX adjustment)
Gastrointestinal endoscope	18%	<ul style="list-style-type: none"> All regions grew except China, where COVID-related activity restrictions were implemented. In addition to steady sales expansion of EVIS X1 series, old generation scopes contributed to sales growth. North America, where yen depreciation had a significant effect, also contributed to revenue increase. 	5%
Surgical endoscope	11%	<ul style="list-style-type: none"> All regions grew except China, where COVID-related activity restrictions were implemented. In particular, strong performance in Europe, where VISERA ELITE II surgical endoscopy system contributed to sales growth. North America, where yen depreciation had a significant effect, also contributed to revenue increase. 	-1%
Medical service	17%	<ul style="list-style-type: none"> Steady growth in all regions due to stable revenue stream based on service contracts including maintenance service and an increase in new accounts. 	5%
Total	17%		5%

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- Now we will look at the details about each business segment.
- First, the Endoscopic Solutions Division. Revenue amounted to ¥116.9 billion, up 17%. Adjusted operating profit was ¥26.0 billion, with an adjusted operating margin of 22.3%.
- Despite the Shanghai lockdown, revenue increased against a backdrop of sales growth in regions other than China and contributions from new products.
- Higher revenue drove increased profit, despite a deteriorating COGS ratio due to rising material costs, a change in regional sales mix caused by a significant drop in sales in China, and an increase in SG&A expenses associated with sales growth such as sales promotions for EVIS X1 and expenses for strengthening of operational infrastructure.
- I will now give a review for each sub-segment.
- In GI endoscope, all regions grew except China, which was impacted by the Shanghai lockdown. In addition to steady sales expansion of EVIS X1 series, old generation scopes contributed to sales growth.
- Also note that sales contribution of EVIS X1 series has risen and now accounts for over 10% in the GI endoscope sub-segment in the first quarter. Additionally, in regions where EVIS X1 has already been launched, the EVIS X1 sales almost doubled YoY, reflecting strong momentum.
- In Surgical endoscope, all regions grew except China. In particular, strong performance in Europe, where VISERA ELITE II surgical endoscopy system contributed to sales growth.
- In Medical service, we saw steady growth in all regions due to stable revenue stream based on service contracts including maintenance service and an increase in new accounts.

1Q of Fiscal 2023 (3) Therapeutic Solutions Division (TSD)



	FY2022	FY2023
(Billions of yen)		1Q 1Q
Revenue		63.6 72.4
Operating profit		14.1 13.4
Other income and expenses		2.5 -0.2
Operating margin (After FX adjustment)	22.1%	18.5% (16.5%)

**From FY2023, Gynecology products classified in Other therapeutic areas in TSD are included in Urology in TSD. FY2022 results have been reclassified in the same manner.

Growth Rate FY2023 1Q vs FY2022 1Q	vs FY2022		vs FY2022 (after FX adjustment)
■ GI-endothecopy	14%	<ul style="list-style-type: none"> Sales grew in all regions and product categories. In particular, strong performance in North America and Europe with the number of procedures recovering. Notable momentum in Sampling (biopsy forceps, etc), ERCP and ESD/EMR products. 	5%
■ Urology**	18%	<ul style="list-style-type: none"> The number of procedures is recovering. Strong performance in North America and Europe, led by resection electrodes for BPH and "SOLTIVE SuperPulsed Laser System" for stone lithotripsy. 	4%
■ Respiratory	7%	<ul style="list-style-type: none"> Solid growth centered on Europe due to procedure volume recovery. In addition, North America, where yen depreciation had a significant effect, also contributed to revenue increase. Strong performance in respiratory-endothecopy products for EBUS-TBNA (Endobronchial ultrasound-guided transbronchial needle aspiration). 	-5%
■ Other therapeutic areas	12%	<ul style="list-style-type: none"> Strong performance in energy devices, led by "THUNDERBEAT". 	2%
Total	14%		2%

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- Next, the Therapeutic Solutions Division.
- Revenue was ¥72.4 billion, up 14%. Adjusted operating profit was ¥13.6 billion, with an adjusted operating margin of 18.8%.
- Growth continued across all segments in all regions except China. Although SG&A expenses increased due to the recovery of business activities, adjusted operating profit increased. In the previous fiscal year, a gain of approx. ¥2.8 billion on the phased acquisition of Medi-Tate recorded in other income. This is the major difference between adjusted operating profit and operating profit.
- I will now give a review for each sub-segment.
- In GI-endothecopy, sales grew in all regions and product categories. In particular, strong performance in North America, Europe, and Japan with the number of procedures recovering. Notable momentum in Sampling (biopsy forceps, etc), ERCP and ESD/EMR products.
- In Urology, the number of procedures is recovering. Strong performance in North America and Europe, led by resection electrodes for BPH and "SOLTIVE SuperPulsed Laser System" for stone lithotripsy. Please note that from this fiscal year, gynecological products, which had been classified in Other therapeutic areas in TSD, are included in Urology in TSD.
- In Respiratory, solid growth centered in Europe due to procedure volume recovery. Strong performance in respiratory-endothecopy products for EBUS-TBNA.
- In Other therapeutic areas, we saw strong performance in energy devices, led by "THUNDERBEAT".

1Q of Fiscal 2023 (4) Scientific Solutions Division (SSD)



	FY2022	FY2023
(Billions of yen)	1Q	
Revenue	24.8	21.9
Operating profit(loss)	1.9	-1.6
Other income and expenses	-0.2	-0.2
Operating margin (After FX adjustment)	7.5%	-

Growth Rate FY2023 1Q vs FY2022 1Q	vs FY2022		vs FY2022 (after FX adjustment)
■ Life science	-17%	<ul style="list-style-type: none"> Sales decreased due to impact of prolonged delivery time caused by parts shortages including semiconductors, as well as COVID-related activity restrictions in China, although budget execution at research institutions and universities remained steady. 	-26%
■ Industrial	-9%	<ul style="list-style-type: none"> Sales decreased due to impact of prolonged delivery time caused by parts shortages including semiconductors, as well as COVID-related activity restrictions in China, although customers' CAPEX sentiment continued to improve. 	-19%
Total	-12%		-21%

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- Next, the Scientific Solutions Division.
- Revenue fell 12% to ¥21.9 billion.
- The decline was due to an increasing number of shipping delays caused by supply shortages of semiconductors and other components, coupled with the Shanghai lockdown. Please note that there is very high demand for our products, and the order backlog at the end of June was at a record high.
- An operating loss was recorded for this quarter. In addition to a decline in revenue, profit declined due in part to an increase in expenses centered on personnel costs for strengthening of corporate functions associated with the reorganization of the division.
- I will now give a review for each sub-segment.
- In Life science, sales decreased due to impact of prolonged delivery time caused by parts shortages including semiconductors, as well as the Shanghai lockdown, although budget execution at research institutions and universities remained steady.
- In Industrial, sales decreased due to impact of prolonged delivery time caused by parts shortages including semiconductors, as well as the Shanghai lockdown, although customers' CAPEX sentiment continued to improve.

Statement of Financial Position

☑ Overall balance sheet increased due to foreign exchange effects

(Billions of yen)	End of Mar. 2022	End of Jun. 2022	Change		End of Mar. 2022	End of Jun. 2022	Change
Current assets	694.6	723.1	+28.5	Current liabilities	376.3	362.9	-13.4
Inventories	167.4	186.9	+19.5	Bonds/loans payable	52.3	53.6	+1.4
Non-current assets	663.4	710.4	+47.0	Non current liabilities	470.4	488.5	+18.1
Property, plant and equipment	247.1	259.3	+12.1	Bonds/loans payable	333.8	341.2	+7.3
Intangible assets and others	251.8	268.9	+17.1	Equity	511.4	582.2	+70.8
Goodwill	164.5	182.2	+17.7	(Equity ratio)	37.6%	40.5%	+2.9pt
Total assets	1,358.0	1,433.5	+75.5	Total liabilities and equity	1,358.0	1,433.5	+75.5

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- This is our financial position at the end of June 2022.
- Overall balance sheet increased due to FX effects.
- Inventories were heavily impacted by FX, with the Shanghai lockdown and prolonged delivery time also having an impact.
- The equity ratio rose to 40.5%, up 2.9 points from the end of March.

Consolidated Cash Flows

- ☑ FCF: Minus ¥21.7 billion due to corporate tax payments etc. Considering adjusted factors, adjusted FCF was minus ¥20.3 billion
- ☑ Financing CF: Minus ¥21.7 billion due mainly to dividend payments

1Q (Apr. to Jun.)

	FY2022	FY2023	Change
Profit before tax	27.0	38.2	+11.3
CF from operating activities	23.7	-26.9	-50.5
CF from investing activities	-33.5	5.2	+38.7
Free cash flow	-9.8	-21.7	-11.8
Adjusted Free cash flow	20.3	-20.3	-40.6
CF from financing activities	-39.0	-21.7	-17.2
Cash and cash equivalents at end of period	168.7	286.4	+117.7
Major adjusted 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		
Major adjusted items for FY2023 Q1 (Apr. to Jun.)			
Operating CF: Tax payments for reorganization of SSD		¥17.8 billion	
Investing CF: Proceeds from sale of fixed assets (land)		¥19.1 billion	
Investing CF: Investments and temporary financial burden associated with start of Evident		¥2.7 billion	

(Slide 10)

- This slide shows the status of cash flows.
- Cash flow from operating activities was minus ¥26.9 billion due mainly to an increase in corporate tax payments and working capital.
- Corporate tax payments increased due to tax payments for the reorganization of SSD, the lump-sum tax payments in May in Japan without making interim payments in November 2021 and increased corporate tax payments due to the used up the carried-forward tax loss, etc. Working capital increased against a backdrop of the retention of parts caused by the inability to combine products for a system due to the difficulty in procuring some parts.
- Cash flow from investing activities was plus ¥5.2 billion due mainly to an increase of the proceeds from the sale of land in Tokyo.
- Free cash flow was minus ¥21.7 billion. Considering adjusted factors, adjusted free cash flow was minus ¥20.3 billion.
- Cash flow from financing activities was minus ¥21.7 billion due mainly to dividend payments.
- As a result, cash and cash equivalents at the end of June 2022 stood at ¥286.4 billion, an increase of ¥117.7 billion.

02 **Forecasts for Fiscal 2023**

(Slide 11)

- Next, I would like to explain our full-year forecasts for fiscal 2023.

Fiscal 2023 Consolidated Forecasts

✓ Unchanged from the May forecasts excluding FX impact. With FX assumptions revised, revenue and all profit levels were upwardly revised

- 1 Revenue: Expected to achieve ¥1,019 billion, up 5% from previous forecast
- 2 Operating profit: Expected to achieve OPM of >20%, which is our target in corporate strategy. Record highs for both amount and ratio
- 3 Profit*: Expected to reach a record high of ¥172 billion. EPS: Expected to grow 50% to ¥135

(Billions of yen)	FY2023 Forecasts as of May 11	FY2023 Latest Forecasts	Change	vs May 11	vs May 11 (After FX adjustment)
Revenue	968.0	1,019.0	+51.0	+5%	0%
Gross profit (% of revenue)	646.5 (66.8%)	688.0 (67.5%)	+41.5	+6%	0%
Selling, general and administrative expenses (% of revenue)	445.5 (46.0%)	461.0 (45.2%)	+15.5	+3%	-1%
Other income and expenses	5.0	4.0	-	-	-
Operating profit (% of revenue)	206.0 (21.3%)	231.0 (22.7%)	+25.0	+12%	0%
Adjusted operating profit (% of revenue)	202.0 (20.9%)	228.0 (22.4%)	+26.0	+13%	
Profit before tax (% of revenue)	200.0 (20.7%)	225.0 (22.1%)			
Profit attributable to owners of parent (% of revenue)	154.0 (15.9%)	172.0 (16.9%)			
EPS	¥121	¥135			

Dividend forecast for FY2023
Year-end dividend of ¥16 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.

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- I explained in May that some growth inhibitors due to changes in the external environment had been factored into the full-year forecasts. Having taken these factors into account, our financial results in the first quarter proceeded in line with the plan. We think we don't need to change for the remaining three quarters. However, having revised our FX assumptions, we have revised our full-year forecasts for fiscal 2023 upwardly.
- The forecast assumptions for FX are ¥134 to dollar and ¥140 to euro. For more details and FX sensitivity, please refer to page 27 in Appendix.
- We expect revenue to achieve ¥1,019 billion, up ¥51 billion from the previous forecast.
- We also revised operating profit upwardly by ¥25 billion. We expect adjusted operating margin to reach approx. 22% by continuously promoting cost optimization while at the same time implementing strategic investments for the future.
- Operating profit is expected to achieve record highs for both amount and ratio. Profit is also expected to reach a record high of ¥172 billion, with EPS of ¥135, up 50% YoY.
- Regarding dividends for fiscal 2023, we plan to pay a dividend of ¥16 per share, unchanged from the announcement in May.
- We will continue to manage business operations while keeping a close eye on some risks anticipated in May, including supply shortages of semiconductors and other components, the aftermath of the Shanghai lockdown, and the war in Ukraine.

Fiscal 2023 Forecasts by Business Segment

1 Medical: Revenue is expected to reach a record high

2 SSD: Expected to achieve full-year outlook with proceeding with product shipments as parts shortages are resolved from 2Q onward

(Billions of yen)		FY2023 Forecasts as of May 11	FY2023 Latest Forecasts	Change	vs May 11	vs May 11 (After FX adjustment)
ESD	Revenue	509.0	1 536.0	+27.0	+5%	0%
	Operating profit	156.0	174.0	+18.0	+12%	+1%
TSD	Revenue	310.0	1 327.0	+17.0	+5%	0%
	Operating profit	69.5	75.5	+6.0	+9%	0%
SSD	Revenue	138.0	2 145.0	+7.0	+5%	0%
	Operating profit	24.5	26.5	+2.0	+8%	-6%
Others	Revenue	11.0	11.0	-	-	-2%
	Operating profit (loss)	-1.5	-1.5	-	-	-
Elimination and corporate	Operating profit (loss)	-42.5	-43.5	-¥1.0 billion	-¥1.0 billion	-¥0.3 billion
Consolidated Total	Revenue	968.0	1,019.0	+51.0	+5%	0%
	Operating profit	206.0	231.0	+25.0	+12%	0%

(Slide 13)

- Moving on to forecasts by segment, we have revised our forecasts for both revenue and operating profit upwardly in Medical, including ESD and TSD. We expect to continue recording record highs.
- We have also revised our forecasts for both revenue and operating profit upwardly in SSD. In the first quarter, manufacturing and shipments were affected by parts supply shortages (such as semiconductors) and the Shanghai lockdown, but the order backlog at the end of June was at a record high and demand remains strong. From the second quarter onward, the order backlog is expected to lead to an increase in shipments as parts shortages will be resolved, and therefore we believe that we will be able to achieve the full-year forecasts.

03 TSD Growth Story

(Slide 14)

- Thank you, Chikashi.
- My name is Nacho Abia, Chief Operating Officer of Olympus Corporation and today I would like to provide you some information about our TSD business current and future growth drivers.

TSD aims to grow by focusing on targeted diseases



Therapeutic Area

Targeted Diseases

 GI ENDOTHERAPY	<ul style="list-style-type: none"> Colorectal Cancer Pancreaticobiliary Diseases Gastric Cancer Metabolic Disorders
 UROLOGY	<ul style="list-style-type: none"> BPH Stone Management Bladder Cancer
 RESPIRATORY	<ul style="list-style-type: none"> Lung Cancer COPD

We will **target attractive and growing targeted diseases** in which we have a **strong market presence with differentiated offerings**, market expertise, strong **relationships with key stakeholders**, and ultimately can **elevate the standard of care** (e.g., by addressing a significant unmet need, introducing a game-changing solution that can replace the gold standard)

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- Following our established strategy, TSD aims to grow by focusing on targeted diseases in “targeted” clinical areas where Olympus can help elevate the standard of care.
- The most relevant targeted diseases we are focused on are in the area of GI-Endotherapy -namely colorectal cancer, pancreaticobiliary diseases, and gastric cancer, in Urology -BPH, stone management and bladder cancer; and in lung cancer in the Respiratory area.

GI Endotherapy leverages its strong market position to derive high profits while improving the standard of care




¥300 - 350B
 5% - 7% CAGR
GI Endotherapy
 addressable market

#2 Market Position	Strong Foundation	Driving Growth Now	Future Growth Drivers
Leading Solutions 	  Guidewires Sphincterotomes	 Dual Knife J™	  EndoCuff™ Adenoma detection Single-use cholangioscope³ Under development
Clinical procedure	ERCP ¹	ESD ²	Colonoscopy Cholangioscopy
Leverage #1 market position in GI endoscopes			

Note: Served market scale and growth forecast information comes from Olympus research and pertains to data for the USA, Germany, UK, Italy, France, Spain, Japan and China, Market scale is as of March 31, 2021, Respiratory includes the impact of the Veran Medical acquisition. Growth forecasts are projected for fiscal year 2022 to fiscal year 2024, starting from fiscal year 2021. This also applies to market data shown on the two slides that follow.
 Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.
¹ ERCP: endoscopic retrograde cholangiopancreatography
² ESD: endoscopic submucosal dissection
³ The product under development has not been submitted to FDA for formal review and is not available for the US Market

(Slide 16)

- GI-Endotherapy business competes in a total addressable market of ¥300-350B growing at 5% - 7% CAGR. This is a market where Olympus continues to leverage its strong market position across the gastroenterology suite and looks to introduce new offerings that improve the standard of care and drive future growth.
- We are in a very strong position as the #2 player in the Endotherapy market, and we will continue building on our #1 position in the GI endoscope market.
- Today, I'd like to highlight today two examples of business success, the first establishes a strong foundation for current predictable growth, while the second highlights a very high growth rate opportunity.
- First one, in the ERCP market which has a single digit growth rate. Olympus is highly differentiated with two products in this space: guidewires and sphincterotomes. These products provide significant revenue for Olympus and are both growing faster than the market with high single digit growth rates.
- Second, the Endoscopy Submucosal Dissection (ESD) procedure is another exciting opportunity growing at double digit rate. Olympus is #1 in this segment highlighted by its Dual Knife J where we have been growing at double digit rate.
- Finally, Olympus is also preparing products to drive significant additional future growth in future with, for example, its recently introduced EndoCuff which is off to a great start, and a Single-use cholangioscope, which is under development.
- In summary, in GI-Endotherapy, we are well positioned for growth due to its market leading products across the various GI clinical procedures.

Urology delivering strong growth at high profitability through innovative solutions that improve workflow and clinical outcomes




¥280 - 350B
 5% - 7% CAGR
Urology
 addressable
 market

#2 Market Position	Strong Foundation	Driving Growth Now	Future Growth Drivers
Upper tract (Kidney, Ureter, + Bladder)  Stone Management ¥ 180B market CAGR +4%	 Ureterscopes and lithotripsy generators	 Soltive™ lithotripsy generator and lithotripsy consumables	 Under development Single-use ureteroscope ²
Lower tract (Bladder + Prostate)  BPH¹ + Bladder Cancer ¥ 125B market CAGR +10%	 Cystoscopy and legacy resection consumables	 PLASMA+™ resection generator and bipolar consumables	 iTind™ Minimally Invasive BPH device

Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.
¹ BPH: benign prostatic hyperplasia ² The product under development has not been submitted to FDA for formal review and is not available for the US Market

(Slide 17)

- In Urology business, Olympus competes in a market of approximately ¥280B – 350B which is growing at 5% - 7% annual rate. For discussion purposes, we can think of urology having two areas of anatomical focus: upper tract and lower tract.
- Stone management is a condition of the upper tract and represents a market opportunity of ¥180B growing at about 4% annually.
- Olympus has a broad portfolio of ureterscopes and lithotripsy generators for stone management. These products together provide a solid revenue foundation with steady, single-digit growth.
- Additionally, in the last years, we have been enjoying high growth in stone management with our new Soltive laser lithotripsy systems and lithotripsy consumables which are growing at double digit rates, and we are also preparing the market for its future Single-use ureteroscope which will drive additional future growth.
- Moving to the lower urology tract, there are two clinical conditions, BPH and bladder cancer, which together comprise a ¥ 125B market which is growing at a 10% annual rate.
- Here again, Olympus has been present for many years and generates a strong revenue stream from cystoscopy and resection consumables.
- High growth in this area comes from Olympus latest PLASMA+ resection system and the accompanying bipolar electrodes.
- And for future growth, Olympus is developing the market for its iTind minimally invasive BPH treatment which is showing very encouraging clinical feedback.

Respiratory EBUS scopes and needles are highly profitable, market leading solutions for lung cancer staging and diagnosis




¥60 - 80B
 6% - 7% CAGR
Respiratory
 addressable
 market

#1 Market Position	Strong Foundation	Driving Growth Now	Future Growth Drivers
<p>Lung Cancer Staging + Diagnosis</p>  Procedure growth Single digit #1 cancer deaths	 Bronchoscopy platform including EVIS X1	 EBUS ¹ : bronchoscope and VizisHot™ EBUS-TBNA ⁴ needles	 SPIN™ EMN ² system Broad portfolio of SU ³ bronchoscopes

Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.
¹ EBUS: endoscopic bronchial ultrasound
² EMN: electromagnetic navigation
³ SU: single use
⁴ TBNA – transbronchial needle aspiration

(Slide 18)

- Finally, our Respiratory business is also well positioned to deliver strong growth due to the value it brings to the Pulmonary Lab and the high growth area of lung cancer diagnosis and staging.
- Olympus is the global leader in the reusable bronchoscope market with a market leading portfolio of bronchoscopes and devices to diagnose and treat pulmonary diseases. This portfolio, along with the new EVIS X1 bronchoscopy platform continues to drive sales growth.
- Our products also hold a premium position in the growing field of lung cancer staging and diagnosis. Lung cancer is the leading cause of cancer deaths in the world today and Olympus has been a pioneer and leader in staging and diagnosis since 2004 when it introduced the world's first endobronchial ultrasound bronchoscope (EBUS) and associated Transbronchial Needle Aspiration needles (EBUS-TBNA) for direct sampling of suspected cancerous tissue.
- EBUS bronchoscopes and EBUS-TBNA together are growing at double digit rates.
- Looking towards future growth, Olympus continues developing the market with its thoracic electromagnetic navigation platform from our Veran Medical Technologies acquisition, as well as its broad portfolio of Single-use bronchoscopes.
- We feel confident that our leadership in the Pulmonary Lab and the growing field of lung cancer diagnosis and staging provides a significant market opportunity that underpins current and future growth.
- I hope this information has been helpful to clarify a bit better our potential in the TSD.
- Thank you and this concludes my presentation.

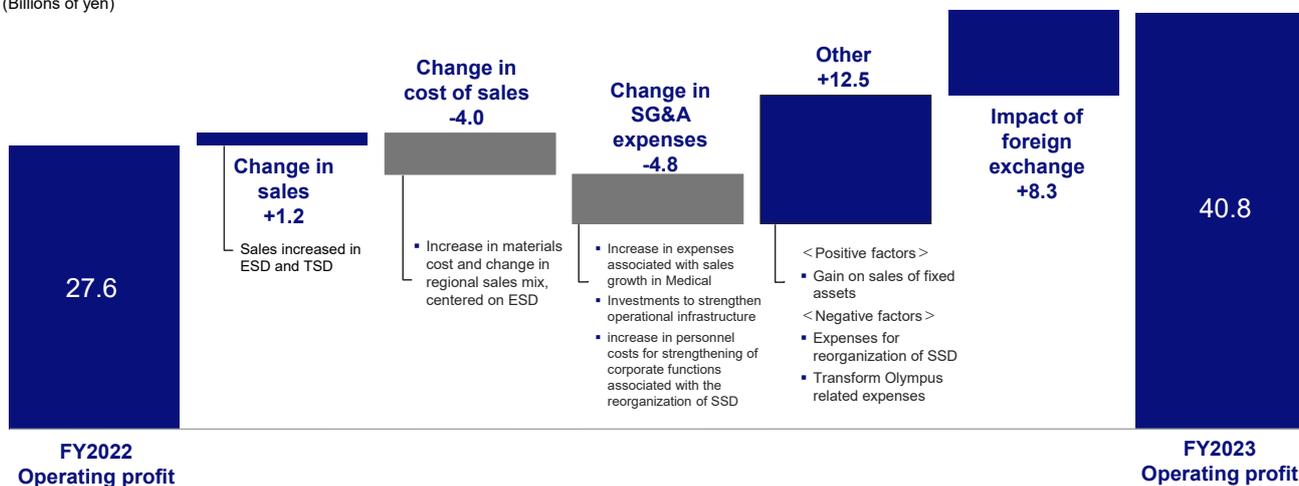
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Appendix

1Q of Fiscal 2023 Factors that Affected Consolidated Operating Profit

1Q (Apr. to Jun.)

(Billions of yen)

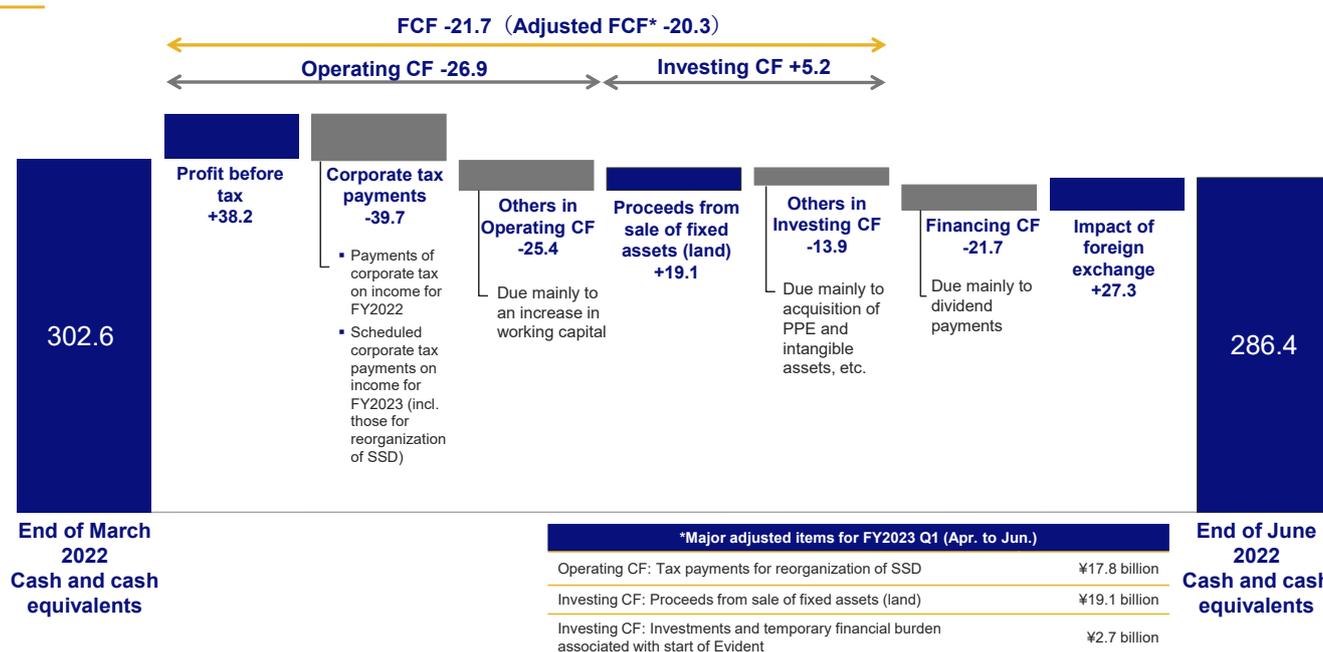


1Q of Fiscal 2023 Results by Segment

1Q (Apr. to Jun.)

(Billions of yen)		FY2022	FY2023	YoY	After FX adjustment
ESD	Revenue	100.0	116.9	+17%	+5%
	Operating profit	22.7	24.8	+10%	-16%
TSD	Revenue	63.6	72.4	+14%	+2%
	Operating profit	14.1	13.4	-5%	-24%
SSD	Revenue	24.8	21.9	-12%	-21%
	Operating profit(loss)	1.9	-1.6	-¥3.5 billion	-¥3.9 billion
Others	Revenue	3.0	2.9	-4%	-6%
	Operating profit(loss)	-0.6	-0.3	+¥0.3 billion	+¥0.3 billion
Elimination and Corporate	Operating profit(loss)	-10.4	4.5	+¥14.9 billion	+¥15.3 billion
Consolidated Total	Revenue	191.5	214.1	+12%	0%
	Operating profit	27.6	40.8	+48%	+18%

Factors that Affected Consolidated Cash Flows



Key Product Catalysts: Endoscopic Solutions Division (As of Aug 9, 2022)



ESD Key priorities for FY2023

- Accelerate EVIS X1 sales growth in Europe, Japan and Asia Pacific
- Launch EVIS X1 in US successfully and prepare for launch in China
- Launch next generation EUS system in Europe and Japan successfully
- Maximize market potential in emerging countries and further expansion in China
- Introduce new generation surgical endoscopy system and improve profitability

16%
Growth rate¹ in
FY2023

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

¹ YoY including FX

Key Product Catalysts: Therapeutic Solutions Division (As of Aug 9, 2022)



TSD Key priorities for FY2023

GI endotherapy

- Expand clinically differentiated product offerings in key areas of focus: ERCP , ESD , Luminal Patency and Hemostasis devices

Urology

- Expand leadership in BPH through iTind market development while maintaining resection as a primary revenue and profit growth
- Drive lithotripsy growth through SOLTIVE SuperPulsed Laser System

Respiratory

- Launch EVIS X1, our next generation bronchoscopy platform, in the US market
- Accelerate growth through expansion of lung cancer solutions leveraging acquisition of Veran Medical Technologies

19%

Growth rate¹ in FY2023

Growth driver now

GI endotherapy

- Visiglide series
- ESD Knife
- EZ Clip / QuickClip Pro
- EndoJaw

Urology

- Resection electrode
- SOLTIVE SuperPulsed Laser System for stone + soft tissue (US, EU)

Respiratory

- Bronchoscope, EBUS scope
- ViziShot series
- Spiration Valve System

Just launched / Coming soon

GI endotherapy

- 4 products (US)
- 4 products (EU)
- 4 products (Japan)
- 3 products (China)

Urology

- iTind, non-surgical device for Benign Prostatic Hyperplasia (US, EU)

Respiratory

- Veran Electromagnetic Navigation system (US)
- Single-use bronchoscope (US)
- EBUS scope (US)
- EVIS X1 bronchoscope (US)

Beyond

GI endotherapy

- Single-use cholangioscope

Urology

- Single-use ureteroscope

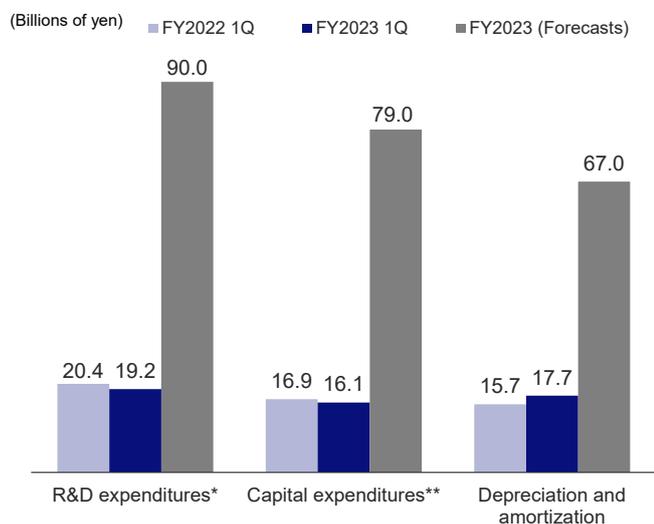
Respiratory

- Veran Electromagnetic Navigation system (EU)
- Single-use bronchoscope

¹ YoY including FX

Expenditures, etc.

1Q Results and Forecasts



(Billions of yen)	FY2022	FY2023
R&D expenditures* (a)	20.4	19.2
Capitalization of R&D expenditures (b)	3.8	2.4
R&D expenses in P/L (a-b)	16.6	16.8

(Billions of yen)	FY2022	FY2023
Amortization	2.2	2.3
	End of Mar. 2022	End of Jun. 2022
R&D assets	62.0	63.4

*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.
 (FY2022 1Q: ¥3.8 billion, FY2023 1Q: ¥5.0 billion, FY2023 Forecast: ¥7.0 billion)

Foreign Exchange and Sensitivity

- As a general rule, we use average value for latest month as exchange rates for full-year forecasts

Foreign exchange rate

(Yen)	FY2022 1Q	FY2023 1Q	FY2023 Forecasts as of May 11	FY2023 Latest Forecasts
Yen/U.S. dollar	109.49	129.57	123	134
Yen/Euro	131.96	138.12	135	140
Yen/CNY	16.96	19.58	19	20

Forex sensitivity (annual)

(Billions of yen)	Revenue	Operating profit
U.S. dollar (per yen)	3.0	1.5
Euro (per yen)	1.8	0.8
CNY (per yen)	7.0	4.8