



## Consolidated Financial Results for the 1st Quarter of Fiscal Year 2026

Olympus Corporation | Director, Representative Executive Officer, President and Chief Executive Officer, Bob White | Executive Officer and Chief Financial Officer, Tatsuya Izumi | August 8, 2025

- Hello everyone. Thank you for joining us today for our fiscal year 2026 first quarter earnings call.
- My name is Bob White, President and CEO of Olympus. As many of you know, I was appointed as CEO in June, and it is an honor to address you for the first time as the CEO of Olympus.
- I would like to start by expressing my gratitude to our employees, customers, and stakeholders for their continued trust and support during this period of transition.
- That said, I want to share my candid views on our first quarter performance, which fell short of expectations.

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CEO



CFO



01

**Executive  
Summary**



## Executive Summary

### 1Q of Fiscal Year 2026 Consolidated Financial Results

Revenue

¥206.5 billion

-7 % / -12 %

GIS -8 % / -13 %

SIS -5 % / -10 %

Adjusted operating profit

¥13.2 billion

-62 % / -65 %

Adjusted operating margin

6.4 %

-9.5 pt

■ % YoY after FX adjustment  
■ % YoY including FX

- 1 1Q FY2026 was soft vs. a strong 1Q FY2025. In North America, FY2025's strong performance was driven by EVIS X1 and the elimination of backorders following Noto earthquake, while in FY2026, delayed purchases ahead of upcoming new product launches affected results.
- 2 We have revised guidance due mainly to the U.S. tariffs and FDA Import Alerts.
- 3 We are addressing all FDA obligations, including the Import Alerts, with urgency and aims to complete PJ Elevate by the end of FY2026.
- 4 With new leadership, we are trying to change its fundamental cost structure to support margin improvement and finalizing a new strategy for innovation and growth.
- 5 A new joint venture aims to accelerate endoluminal robotic<sup>1</sup> innovation and bring the benefits of advanced endoscopic therapies to more patients.

<sup>1</sup> Robotic technology supporting endoscopic procedures



*This marks a reset. Our performance is not where it should be. We are moving with urgency—to meet FDA obligations, focus on where we lead or have a clear path to leadership, and manage structural costs with discipline. Innovation will drive growth. Execution will deliver results. We will follow through on both.”*



Director, Representative Executive Officer, President and Chief Executive Officer  
**Bob White**

- In the first quarter, consolidated revenue decreased by 12% YoY to ¥206.5 billion. Furthermore, insufficient short-term cost control in the face of revenue declines resulted in a drop in adjusted operating profit to ¥13.2 billion.
- Major markets (excluding APAC) experienced challenging results. In particular, the U.S. faced challenges due to the difficult comparison to prior year's strong performance which was driven by the launch of EVIS X1, and the elimination of backorders following the Noto earthquake. Then in the first quarter this year, we experienced a delay in purchases ahead of upcoming new product launches in this fiscal year. In Japan, the challenging environment surrounding hospital management persists, while in China, the business climate is affected by the ongoing impact of the Buy China policy.
- Regarding the revenue forecast for the balance of this fiscal year, we anticipate positive momentum in the U.S. from new product launches such as EDOF scopes. In Europe, we expect better execution in key markets like the UK and Germany. That said, considering the impact of the recent FDA Import Alerts, continued softness in certain markets (such as China and Japan), we've adjusted our full year revenue forecast.
- Operating profit has also been revised, considering mainly the U.S. tariffs effective from August 7 and the FDA Import Alerts. However, moving forward, we will drive disciplined structural cost management with the goal of ensuring better execution and, for example, that the growth rate of SG&A expenses does not exceed the growth rate of revenue.
- Our quality and regulatory transformation project, "Elevate," continues to progress in line with our commitments to the FDA and remains on track for completion within fiscal year 2026, as previously planned. This comprehensive effort addresses the issues outlined in both the warning letters and the related Import Alerts, reflecting a unified approach to remediation.
- Despite starting the fiscal year under challenging conditions, including U.S. tariffs and the FDA Import Alerts, as CEO, I'm confident that we can significantly improve our disciplined execution to begin delivering healthy, sustainable growth and profitability.
- We are committed to accelerating critical innovation; strategically managing our portfolio; and improving cost efficiency through structural reforms, while advancing the development of a new strategy.
- The recently announced establishment of Swan EndoSurgical is a key milestone in our innovation journey. We are focusing on the development of endoluminal robotic technology, aiming to contribute to the advancement of endoscopic procedures and improve medical outcomes through new products and business expansion in the GI field.
- We are currently updating our new strategy, and I look forward to sharing it with you towards the end of the calendar year. I'm confident in the path we are charting. We have a clear understanding of where we have the right to win; what it will take to grow; and what must change. I have three immediate priorities for this fiscal year:
  1. Successfully completing Project Elevate and preparing for the re-inspection by the FDA;
  2. Protecting our bottom-line through robust cost and operational measures; and
  3. Continuing to invest in innovation to drive future growth.

# 02 Business Topics



## Completing Our Quality Transformation with Urgency

Our highest priority is providing our **customers with safe and effective solutions for patient care.**

### Present

#### Elevate

Olympus continues to be committed to addressing **FDA concerns with urgency** and aims to **complete PJ Elevate by the end of FY2026**. We believe that 96% of commitments made to the FDA have been completed to date.

The resolution of the **Import Alerts** and Warning Letters will require **successful reinspections by the FDA**.

We assume that the cost of PJ Elevate in the FY2026 forecast will not change.

### Future

#### ■ FY2026

**No changes** to the expected timeline for **fulfilling commitments to the FDA**.  
**Complete PJ Elevate** and focus on **execution** and further maturity of the **Quality System**.

#### ■ FY 2027 and beyond

Improvement efforts for a **sustainable quality management system** driving patient safety and innovation will be **reflected in SG&A**.  
(Expenses related to PJ Elevate will decrease)

- Speaking of our quality transformation, Olympus continues to prioritize the importance of providing safe and effective solutions for patient care and improved regulatory compliance. Since 2023, we have focused on strengthening our patient safety and quality culture, improving our Quality Systems, strengthening and maturing our organizational capabilities and working diligently to achieve effective completion of the FDA commitments. Significant progress has been achieved through Project Elevate and as a result, we believe we have completed 96% of our quality commitments to the FDA.
- However, the current FDA Import Alerts highlight the need for further improvement and execution. Our focus on executing with urgency is aligned with Project Elevate deliverables as we work to meet the FDA's expectations.
- For fiscal year 2026, we do not expect to see changes to the expected timeline for fulfilling commitments to the FDA and the associated costs. From fiscal year 2027 and beyond, improvement efforts for a sustainable quality management system driving patient safety and innovation will be reflected in SG&A, with expenses specifically related to Project Elevate expected to decrease.
- We remain committed to continuous improvement to deliver world-class quality, patient safety, regulatory compliance, and innovation.



## Turning to Innovation and Key Products Expected to Drive Sales Growth

- First-time and major-market launches, with contributions expected from Q2 FY2026.
- PJ Elevate has improved the speed of regulatory clearances/approvals, enabling faster market access.



**EDOF Scopes**  
(US)



**EU-ME3**  
(US)



**Slim EBUS scope  
BF-UCP190F**  
(EU, APAC, JP)



**VISERA ELITE III**  
(US, China)



**THUNDERBEAT2**  
(EU, APAC, JP)

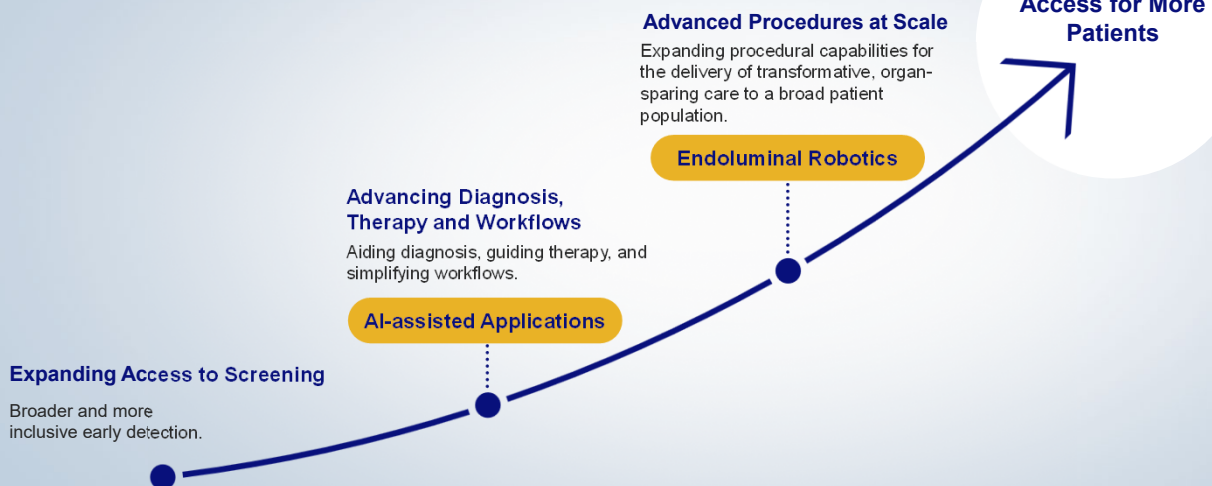
**Accelerating innovation and regulatory access is a priority to support future growth**

- Turning to innovation, while the first quarter results did not meet our expectations, the upcoming launch of products in the U.S. is encouraging. We have high expectations for the impact of new products such as the EDOF scopes, EU-ME3, slim EBUS scope, VISERA ELITE III, and THUNDERBEAT2.
- In particular, the EDOF scope, which was launched in the U.S. in July 2025, is a highly unique product that assists endoscopists in detecting lesions by keeping the entire lesion in focus when examining the mucosa of the GI tract. This innovative product has been eagerly awaited by many doctors, particularly in the U.S. market. It is expected to contribute to improving the quality of endoscopic care and to positively impacting our business results.



# The Power of Advanced Endoscopy, Reaching More Patients

**Growing the ecosystem for endoscopy-based care with innovative technologies.**



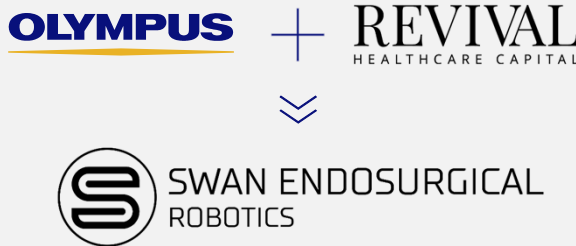
- As we develop our new strategy, we are very focused on innovation, with a desire to enable endoscopy-based care to reach far more patients.
- For millions of patients, endoscopy-based care has meant precise, minimally invasive care—transforming both diagnosis and treatment.
- Olympus drove the last two major innovative shifts in this field: first with fiberscopes, and then video endoscopy, which significantly expanded the procedural ecosystem through advanced visualization and therapeutic solutions.
- Now, a third wave is forming—powered by digital, artificial intelligence, and endoluminal robotic technologies.
- These technologies have the potential to reduce time, skill dependency, and physician burden—enabling higher patient volumes and significantly expanding access—and most important, with the potential for an improved patient experience and better health outcomes.
- To realize this vision, we’re developing our intelligent endoscopy ecosystem: Our first OLYSENSE CAD AI products will launch commercially in the middle of fiscal year 2026.
- And we have also announced a major step toward future innovation in endoluminal robotics last month. These are important steps for our company and for the field of endoscopy.

## Co-founding Swan EndoSurgical to advance endoluminal robotics

Growing market for endoluminal robotic procedures

Over USD **2B**

Market size by 2040 for endoluminal robotic surgery in the U.S.\*



\* Served market projection by Olympus

### Our Vision for the future

- **Accelerating Innovation and Market Entry:** Leveraging both internal and external innovation to fast-track the development and commercialization of an advanced endoluminal robotics platform, with an initial focus on GI treatments. Leveraging Swan's development speed and Olympus' co-creation power with pioneering HCPs.
- **Transforming Patient Outcomes:** Enhancing procedural safety and improving patient outcomes through superior dexterity, precise articulation, and optimized operational efficiency for physicians.
- **Scaling Our Platform for Broader Applications:** Enabling expansion across multiple disease areas and applications with modular intraluminal subsystems built on a shared platform.

- As reported, Olympus has partnered with Revival Healthcare Capital to create a new company, Swan EndoSurgical. This strategic action aims to accelerate the development of endoluminal robotics and deliver innovative medical solutions, with an initial focus on GI treatments.
- We estimate that the market size for endoluminal robotic surgery in the U.S. alone could reach over USD 2 billion by 2040. This partnership is part of Olympus' strategy to strengthen our position as a global MedTech company and expand our presence in important and long-term growth markets. Endoluminal robotics has the potential to contribute to the widespread adoption of minimally invasive endoscopic surgery, improve medical outcomes, and ultimately enhance health and well-being for more patients. Olympus has been actively investing in this field through in-house research and development as well as investments in startups—and this will also continue.
- In summary, our vision for the future is built on three key pillars:
  1. Accelerating Innovation and Market Entry: Leveraging both internal and external innovation to fast-track development and commercialization;
  2. Transforming Patient Outcomes: Enhancing procedural safety and improving patient outcomes through superior dexterity and precise articulation, and optimized operational efficiency for physicians; and
  3. Scaling Our Platform for Broader Applications: Enabling expansion across multiple disease areas and applications with modular intraluminal subsystems built on a shared platform.
- Through this partnership, we are committed to providing safe and effective treatments for patients and helping shape the future of healthcare.

## Building a Stronger, Faster, and More Focused Olympus

- 1** Bringing sharper business discipline and faster decision-making through a simplified divisional structure.
- 2** Raising the bar on leadership accountability with disciplined and data-driven execution.
- 3** Optimizing cost structure and resource allocation to focus on high-value opportunities and improving margins.
- 4** Building a stronger enterprise mindset and investing in talent to drive results and support teams.

- Before I turn it over to our CFO, Tatsuya Izumi, I want to offer you a perspective on the opportunity we have at Olympus to build new strength in how we operate our company.
- At Olympus, we see an opportunity to build new muscles in how we manage the business—muscles that will strengthen our foundation and accelerate our trajectory. This is not just about incremental improvement; it's about fundamentally elevating our discipline, speed, and impact.
- We are focused on bringing sharper business discipline and faster decision-making into the organization. That starts with simplifying how we operate—moving to a divisional structure that clarifies accountability, reduces complexity, and enables more decisive execution.
- We are going to raise the bar on leadership accountability and ensure that decision-makers are empowered and responsible for outcomes. Execution must be disciplined and data driven. We are committed to understanding where and why we are challenged in the market, and then to using those insights to be more agile in our actions.
- We also see significant opportunities in how we manage our P&L and allocate resources. We are reshaping our cost structure to be leaner and more agile, while improving margins through productivity and prioritization. Every investment we make must deliver impact—whether through innovation, market expansion, or operational efficiency.
- We are strengthening our ability to assess, allocate, and track resources, so that our resources fuel the highest-value opportunities.
- This change is also about leadership. We are building a stronger enterprise mindset across divisions, supported by clear governance and aligned incentives. We are investing in talent—focusing on developing leaders who set high expectations, deliver results, and support their teams to succeed.
- This is the opportunity ahead of us: to build a stronger, faster, and more focused Olympus. And we are all in.
- With that brief introduction, I'll hand it over to our CFO, Tatsuya Izumi, who will lead you through our detailed financials for the first quarter.

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## 1Q of Fiscal Year 2026 Consolidated Financial Results



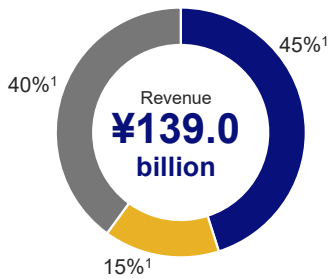
# 1Q of Fiscal Year 2026 Consolidated Financial Results

- 1 Revenue: Decreased in major regions, except APAC. In particular, North America's 1Q FY2026 was soft vs. a strong 1Q FY2025, due to the previous fiscal year's strong performance driven by EVIS X1, elimination of backorders following Noto earthquake, and delayed purchases ahead of upcoming new product launches in this fiscal year.
- 2 Operating profit and Adjusted operating profit: Decreased due to a decrease in gross profit resulting from lower revenue and an increase in SG&A expenses such as R&D expenses. Adjusted operating margin was approx. 6%.

1Q (Apr. to Jun.)					
(Billions of yen)	FY2025	FY2026	YoY	After FX adjustment	
Revenue	234.8	206.5	-12%	-7%	
Gross profit	156.2	135.1	-13%	-9%	
(% of revenue)	(66.5%)	(65.4%)	(-1.1%)		
Selling, general and administrative expenses	118.8	122.2	+3%	+7%	
(% of revenue)	(50.6%)	(59.2%)	(+8.6%)		
Other income and expenses	-9.9	3.7	-	-	
Operating profit	27.5	16.6	-40%	-36%	
(% of revenue)	(11.7%)	(8.0%)	(-3.7%)		
<b>Adjusted operating profit</b>	<b>37.2</b>	<b>13.2</b>	<b>-65%</b>	<b>-62%</b>	
(% of revenue)	<b>(15.9%)</b>	<b>(6.4%)</b>	<b>(-9.5%)</b>		
Profit before tax	26.4	16.9	-36%		
(% of revenue)	(11.2%)	(8.2%)	(-3.1%)		
Profit	14.6	9.0	-38%		
Profit attributable to owners of parent	14.6	9.0	-38%		

- Hello everyone. I am Tatsuya Izumi, CFO.
- I would like to provide our consolidated financial results and a business review for the first quarter of fiscal year 2026.
- As Bob White explained earlier, we had a very slow start in the first quarter.
- Consolidated revenue decreased by 12% YoY to ¥206.5 billion. In major markets, except APAC, revenue decreased. In particular, North America saw a slow start due to the previous fiscal year's strong performance driven by EVIS X1, the elimination of backorders following the Noto earthquake, and delayed purchases ahead of upcoming new product launches in this fiscal year.
- Operating profit significantly decreased YoY to ¥16.6 billion due to a decrease in gross profit resulting from lower revenue and an increase in SG&A expenses such as R&D expenses.
- Adjusted operating profit decreased by 65% YoY to ¥13.2 billion, with an adjusted operating margin deteriorating 9.5 points to 6.4%.

## 1Q of Fiscal Year 2026 Gastrointestinal Solutions Division



Growth Rate FY2026 1Q vs FY2025 1Q

Incl. FX

After FX adjustment

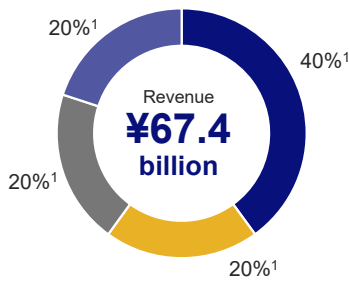
	Incl. FX		After FX adjustment
■ GI Endoscopy	-22%	Revenue increased in APAC, driven by strong performance in Australia. On the other hand, revenue decreased in North America due to strong performance in the previous fiscal year driven by EVIS X1 GI endoscopy system, elimination of backorders following Noto earthquake, and delayed purchases ahead of upcoming new product launches in this fiscal year. Revenue also decreased in China with its intensifying competitive environment due to Buy China policy and other factors.	-17%
■ GI EndoTherapy	-6%	Revenue decreased in China due to impact of the volume based procurement (VBP) <sup>2</sup> and in Japan due to an intensifying competitive environment. While revenue in HPB <sup>3</sup> area (e.g. ERCP) increased, revenue decreased in metal stent products.	-2%
■ Medical Service	-3%	In addition to a decrease in revenue in North America, yen appreciation resulted in an overall decrease in revenue. After FX adjustment, revenue increased in Europe, driven by a steady increase in service contracts and repair volume.	2%
<b>Total</b>	<b>-13%</b>		<b>-8%</b>

<sup>1</sup> Approx. <sup>2</sup> A type of centralized purchasing procurement program initiated by provinces, cities, and other regions with the initial goal of reducing medical costs for high-value medical devices. <sup>3</sup> HPB = hepato-pancreato-biliary

- Next, let's take a look at the business situation in each segment.
- First is the Gastrointestinal Solutions Division. Revenue decreased 13% YoY. Adjusted operating profit significantly decreased YoY to ¥20.1 billion, with an adjusted operating margin of 14.5%. Major reasons for this is an increase in SG&A expenses such as R&D expenses for the next-generation endoscopy system, coupled with a decrease in gross margin by revenue decrease.
- I will now give a review for each sub-segment. In GI Endoscopy, revenue increased in APAC, driven by strong performance in Australia. On the other hand, revenue decreased in North America due to strong performance in the previous fiscal year driven by EVIS X1 GI endoscopy system, the elimination of backorders following the Noto earthquake, and delayed purchases ahead of upcoming new product launches in this fiscal year. Revenue also decreased in China with its intensifying competitive environment due to the Buy China policy and other factors.
- In GI EndoTherapy, revenue decreased in China due to the impact of volume based procurement (VBP) and in Japan due to intensifying competitive environment. While revenue in the HPB area (e.g. ERCP) increased, revenue decreased in metal stent products.
- In Medical Service, in addition to a decrease in revenue in North America, yen appreciation resulted in an overall decrease in revenue. After FX adjustment, revenue increased in Europe, driven by a steady increase in service contracts and repair volume.



## 1Q of Fiscal Year 2026 Surgical & Interventional Solutions Division



Growth Rate FY2026 1Q vs FY2025 1Q

Incl. FX

After FX adjustment

	Incl. FX		After FX adjustment
■ Urology	-9%	Revenue decreased in North America, where elimination of backorders had a positive impact in the prior fiscal year. While resection electrodes for benign prostatic hyperplasia (BPH) remained steady, revenue decreased in ureteroscopes and products related to lithotripsy for stone treatment.	-4%
■ Respiratory	-2%	Revenue decreased in Europe, where elimination of backorders had a positive impact in the prior fiscal year, and in China with its intensifying competitive environment due to Buy China policy and other factors. Yen appreciation also resulted in an overall decrease in revenue. After FX adjustment, revenue increased primarily in North America, driven by strong performance in EBUS scopes and therapeutic devices for endobronchial ultrasound-guided transbronchial needle aspiration (EBUS-TBNA).	3%
■ Surgical Endoscopy	-19%	Revenue decreased in Europe, where large orders had a positive impact in the prior fiscal year. While VISERA ELITE III surgical endoscopy system performed well, revenue decreased in GI endoscopic products for OR.	-15%
■ Other therapeutic areas	-10%	Revenue decreased specifically in ENT due to suspension of shipments of some products.	-6%
<b>Total</b>	<b>-10%</b>		<b>-5%</b>

<sup>1</sup> Approx.

- Next, in the Surgical & Interventional Solutions Division, revenue decreased 10% YoY. Adjusted operating loss was ¥1.3 billion. Major reasons for this is an increase in SG&A expenses such as R&D expenses, coupled with a decrease in gross margin by revenue decline.
- Moving on to the performance for each sub-segment, in Urology, revenue decreased in North America, where the elimination of backorders had a positive impact in the prior fiscal year. While resection electrodes for benign prostatic hyperplasia (BPH) remained steady, revenue decreased in ureteroscopes, and products related to lithotripsy for stone treatment.
- In Respiratory, revenue decreased in Europe, where the elimination of backorders had a positive impact in the prior fiscal year, and China with its intensifying competitive environment due to the Buy China policy and other factors. Yen appreciation also resulted in an overall decrease in revenue. After FX adjustment, revenue increased, primarily in North America, driven by strong performance in EBUS scopes and therapeutic devices for endobronchial ultrasound-guided transbronchial needle aspiration (EBUS-TBNA).
- In Surgical Endoscopy, revenue decreased in Europe, where large orders had a positive impact in the prior fiscal year. While VISERA ELITE III surgical endoscopy system performed well, revenue decreased in GI endoscopic products for operating rooms.



## Consolidated Statement of Financial Position

- 1** Assets: Increased due mainly to an increase in inventories, while cash and cash equivalents decreased.  
**2** Liabilities: Increased due mainly to fundraising through corporate bonds and debts (¥100 billion), while debts (¥50 billion) were repaid.

(Billions of yen)	End of Mar. 2025	End of Jun. 2025	Change		End of Mar. 2025	End of Jun. 2025	Change
Current assets	679.4	684.0	+4.6	Current liabilities	425.4	351.9	-73.4
Cash and cash equivalents	252.5	241.2	<b>1</b> -11.3	Bonds/loans payable	95.0	45.0	<b>2</b> -50.0
Inventories	187.1	203.5	+16.4	Non current liabilities	255.7	356.3	+100.6
Non-current assets	753.4	756.9	+3.5	Bonds/loans payable	134.1	231.7	<b>2</b> +97.6
Property, plant and equipment	263.4	268.9	+5.5	Equity	751.7	732.7	-19.1
Intangible assets	94.0	94.7	+0.7	(Equity ratio)	52.5%	50.8%	-1.7pt
Goodwill	180.2	176.4	-3.8	<b>Total liabilities and equity</b>	1,432.8	1,440.9	+8.1
<b>Total assets</b>	1,432.8	1,440.9	+8.1				

- This is our financial position as of the end of June 2025.
- Total assets increased ¥8.1 billion from the end of the previous fiscal year. Cash and cash equivalents decreased due to the repayment of debts and the payment of corporate income tax, while fundraising. In the meantime, inventories increased due to the buildup of inventory that had decreased at the end of the previous fiscal year and the impact of U.S. tariffs.
- Liabilities increased due mainly to fundraising through corporate bonds and debts (¥100 billion), while debts (¥50 billion) were repaid.
- The equity ratio at the end of the first quarter decreased to 50.8%, down 1.7 points from the end of the previous fiscal year.

## Consolidated Cash Flows

**1** FCF: Negative ¥32.7 billion due mainly to a decrease in profit before tax and payment of corporate income tax. Adjusted FCF<sup>1</sup> was negative ¥17.5 billion.

**2** Financing CF: Positive ¥22.5 billion due mainly to fundraising through corporate bonds and debts, while repayment of debts and dividend payouts were posted as negative factors.

(Billions of yen)	FY2025 1Q	FY2026 1Q	Change
Profit before tax	26.4	16.9	-9.5
CF from operating activities (Operating CF)	23.3	-15.2	-38.5
CF from investing activities (Investing CF)	-15.2	-17.5	-2.3
Free cash flow (FCF)	8.1	-32.7	-40.8
<b>Adjusted Free cash flow (Adjusted FCF)</b>	<b>14.8</b>	<b>-17.5</b>	<b>-32.2</b>
CF from financing activities (Financing CF)	-77.5	22.5	+99.9
Cash and cash equivalents at end of period	276.0	241.2	-34.7

### Major adjusted items for FY2025 1Q

Operating CF: Outflow of reversal of provision for "Career support for external opportunity" program	-¥1.8 billion
Operating CF: Expenditures related to withdrawal from Veran Medical Technologies, Inc.	-¥1.1 billion
Investing CF: Purchase of investment securities	-¥6.7 billion
Investing CF: Refund associated with rescission of acquisition of Korean company	+¥3.0 billion

### Major adjusted items for FY2026 1Q

Operating CF: Tax payment on gains from transfer of Evident by overseas subsidiary	-¥14.7 billion
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<sup>1</sup> Adjusted for extraordinary factors such as "Cash inflows and outflows of other income and expenses", "M&A-related expenditure", and "Business restructuring-related expenditure".

- Next, the status of cash flows.
- Cash flow from operating activities was negative ¥15.2 billion. It decreased YoY due mainly to a decrease in profit before tax and the payment of corporate income tax.
- Payment of corporate income tax increased significantly YoY, including tax payment by overseas subsidiary on gains from the transfer of Evident.
- Cash flow from investing activities was negative ¥17.5 billion due mainly to expenditures associated with the acquisition of tangible fixed assets.
- Free cash flow stood at negative ¥32.7 billion. Adjusted free cash flow was negative ¥17.5 billion, excluding extraordinary factors such as acquisitions, transfers, and reorganizations of businesses. However, we believe that it will return to positive with revenue recovery and expense control from the second quarter onwards.
- Cash flow from financing activities was positive ¥22.5 billion due mainly to fundraising through corporate bonds and debts, while the repayment of debts and dividend payouts were posted as negative factors.
- As a result, cash and cash equivalents stood at ¥241.2 billion as of the end of June 2025.

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**Fiscal Year  
2026  
Consolidated  
Forecasts**



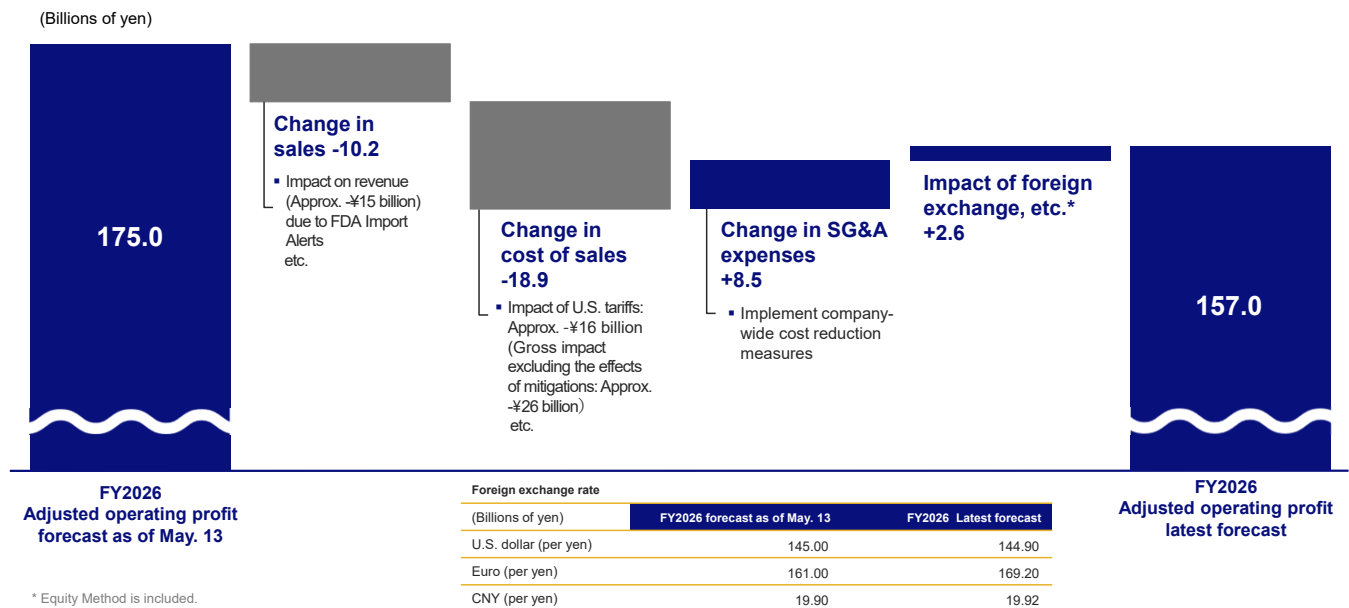
## Fiscal Year 2026 Consolidated Forecasts (vs. Previous Forecasts)

- ✓ Revised full-year forecasts due mainly to U.S. tariffs and FDA Import Alerts. The management team is committed to tightly managing SG&A expenses to be their growth remains below the revenue growth rate, and to driving business operations to achieve the new guidance.

(Billions of yen)	FY2026 Forecasts as of May 13	FY2026 Latest Forecasts	Change	vs May 13	After FX adjustment
Revenue	999.0	998.0	-1.0	0%	-2%
Gross profit (% of revenue)	679.5 (68.0%)	659.5 (66.1%)	-20.0	-3%	-4%
Selling, general and administrative expenses (% of revenue)	500.5 (50.1%)	498.5 (49.9%)	-2.0	0%	-2%
Other income and expenses	-29.0	-25.0	-	-	-
Operating profit (% of revenue)	150.0 (15.0%)	136.0 (13.6%)	-14.0	-9%	-11%
<b>Adjusted operating profit (% of revenue)</b>	<b>175.0 (17.5%)</b>	<b>157.0 (15.7%)</b>	<b>-18.0</b>	<b>-10%</b>	<b>-12%</b>
Profit before tax (% of revenue)	145.0 (14.5%)	131.0 (13.1%)			
Profit	105.0	94.0			
Profit attributable to owners of parent	105.0	94.0			
EPS	¥94	¥85			

- Moving on to our full-year forecasts for fiscal year 2026.
- First, I would like to explain the key points of the revisions to the forecasts announced in May.
- The FX assumptions that are the premise for the forecasts are ¥145 for the U.S. dollar and ¥169 for the euro, based on the average rates in the past one month.
- We have revised full-year forecasts due mainly to the impact of U.S. tariffs and FDA Import Alerts. Under the strong leadership of the management team, we are committed to tightly managing SG&A expenses to be their growth remains below the revenue growth rate, and to driving business operations to achieve the new guidance.
- Further details will be provided on the next slide.

## Fiscal Year 2026 Forecast Factors that Affected Adjusted Consolidated Operating Profit (vs. Previous Forecasts)



- This slide represents the major factors that affected the adjusted consolidated operating profit forecast compared to the one announced in May.
- We have newly factored in a decrease in revenue due to the impact of FDA Import Alerts and a deterioration in cost of sales ratio due primarily to the U.S. tariffs, resulting in a decrease in adjusted operating profit. Note that we currently estimate the gross impact of the U.S. tariffs to be approximately ¥26 billion on cost of sales. Considering the effects of various mitigation measures, the net impact is estimated to be approximately ¥16 billion, which is included in the forecasts. We will consider additional measures to further mitigate the impact.
- We will deploy various initiatives across businesses and regions, and implement company-wide cost reductions to address these impacts, and we forecast adjusted operating profit to be ¥157 billion.

## Fiscal Year 2026 Consolidated Forecasts (vs. Previous Fiscal Year)

- 1 Revenue: ¥998.0 billion on a par with previous fiscal year. Expecting steady growth of 3% after FX adjustment.
- 2 Adjusted operating profit: ¥157.0 billion, with an adjusted operating margin of 15.7%. Embarking on cost structure reforms while making long-term strategic investments for future growth.
- 3 Profit attributable to owners of parent: ¥94.0 billion. EPS: ¥85.
- 4 Shareholder returns: Annual dividend: ¥30/share, up ¥10/share. Buyback of ¥50 billion.

(Billions of yen)	FY2025	FY2026 Latest Forecasts	Change	vs FY2025	After FX adjustment
Revenue	997.3	1 998.0	+0.7	0%	+3%
Gross profit (% of revenue)	683.7 (68.6%)	659.5 (66.1%)	-24.2	-4%	0%
Selling, general and administrative expenses (% of revenue)	495.7 (49.7%)	498.5 (49.9%)	+2.8	+1%	+2%
Other income and expenses	-25.6	-25.0	-	-	-
Operating profit (% of revenue)	162.5 (16.3%)	136.0 (13.6%)	-26.5	-16%	-8%
<b>Adjusted operating profit</b> (% of revenue)	<b>188.5</b> <b>(18.9%)</b>	<b>2 157.0</b> <b>(15.7%)</b>	<b>-31.5</b>	<b>-17%</b>	<b>-9%</b>
Profit before tax (% of revenue)	159.1 (16.0%)	131.0 (13.1%)			
Profit	117.9	94.0			
Profit attributable to owners of parent	117.9	3 94.0			
EPS	¥103	¥85			

### Dividend forecast for FY2026

- 4 Year-end dividend of ¥30 per share

- Next, I would like to explain the revised forecasts compared to the previous fiscal year.
- Revenue is expected to be ¥998.0 billion, on a par with the previous fiscal year, expecting steady growth of 3% after FX adjustment. In GIS, we will promote new products in EVIS X1 in North America. In SIS, revenue is expected to increase, centered on focus areas such as Urology.
- Adjusted operating profit is expected to be ¥157.0 billion with an adjusted operating margin of 15.7%. While we expect to see an increase in long-term strategic investments such as R&D expenses for future growth, as well as the impact of U.S. tariffs, we will undertake cost structure reforms. In both GIS and SIS, while revenue is expected to increase YoY, profit is expected to decrease after FX adjustment.
- Profit attributable to owners of parent is expected to be ¥94.0 billion, with EPS of ¥85.
- Regarding shareholder returns, there is no change from the previous announcement in May. We plan to issue a year-end dividend of ¥30 per share, an increase of ¥10 per share. We are also in the process of buyback of ¥50 billion.



- In closing, the first quarter started off very slow. But we expect to see the launch of several new products that will contribute to sales growth going forward. Also, we plan on the start of operations at a factory in China for the local production of gastrointestinal endoscopes.
- While we will need to manage through various challenges such as U.S. tariff policies and FDA Import Alerts going forward, under the strong leadership of management team, we are committed to drive business operations forward to achieve the new guidance we presented today.
- This concludes my presentation. Thank you for your attention.



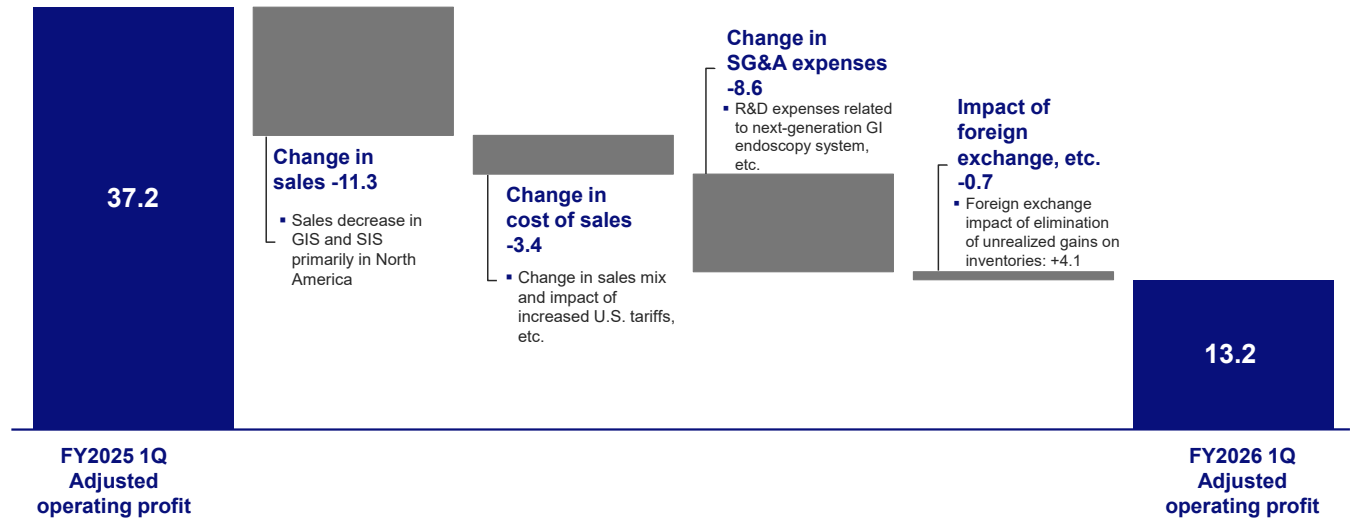
# 05 Appendix



## 1Q of Fiscal Year 2026 Factors that Affected Consolidated Adjusted Operating Profit

1Q (Apr. to Jun.)

(Billions of yen)



## 1Q of Fiscal Year 2026 Results by Segment

(Billions of yen)		FY2025 1Q	FY2026 1Q	YoY	After FX adjustment	FY2026 Latest Forecasts
GIS	Revenue	159.6	139.0	-13%	-8%	679.5
	Operating profit	35.1	18.1	-48%	-45%	149.5
SIS	Revenue	75.1	67.4	-10%	-5%	318.0
	Operating profit	-2.1	-1.9	-	-	4.0
Elimination and Corporate	Operating profit(loss)	-5.3	0.4	-	-	-17.0
Consolidated Total	Revenue	234.8	206.5	-12%	-7%	998.0
	Operating profit	27.5	16.6	-40%	-36%	136.0

## Key Product Catalysts: Gastrointestinal Solutions Division (As of August 8, 2025)

### GIS Key Strategy for FY2026

#### GI Endoscopy

- Start Phase 2 of EVIS X1 U.S. launch with differentiated "Extended Depth of Field" EDOF scope line, providing high magnification and broad focus for easier tissue identification
- Continue targeted approach of expanding market share in emerging markets
- Expedite go-to-market execution for localized GI Endoscopy production in China
- Drive coordinated launch of expanded Endoscopic Ultrasound platforms with the Aplio (Canon Medical Systems partnership) and EU-ME3 systems
- Launch of initial OLYSENSE<sup>1</sup> products in Europe and U.S. in FY2026

#### GI EndoTherapy

- Expanding clinically differentiated product offerings in ERCP, ESD, Luminal Patency (Metal Stent), and Hemostasis
- 10+ product launches regionally including key markets: U.S., Europe, and Japan

#### Medical Service

- Industry-leading Services built around customer needs of Uptime, Budget Security and Operational Support
- Tight Integration of Service and Repair for highly efficient, customer-focused delivery

Growth drivers now	Just launched / Coming soon	Beyond
<b>GI Endoscopy</b> <ul style="list-style-type: none"> <li>EVIS X1 system and scopes</li> <li>EVIS EXERA III system and scopes (US, EU)</li> <li>EVIS LUCERA ELITE system and scopes (China)</li> <li>EU-ME3, Endoscopic Ultrasound Processor (EU, Japan, APAC)</li> </ul> <b>GI EndoTherapy</b> <ul style="list-style-type: none"> <li>VisiGlide, Guidewires and ERCP products</li> <li>ESD Knife</li> <li>EndoJaw, Biopsy Forceps</li> </ul>	<b>GI Endoscopy</b> <ul style="list-style-type: none"> <li>EVIS X1 EDOF Video Gastroscope (US)</li> <li>EVIS X1 EDOF Video Colonoscope (US)</li> <li>OLYSENSE, Intelligent Endoscopy Ecosystem (US, EU)</li> <li>EU-ME3, Endoscopic Ultrasound Processor (US, China)</li> </ul> <b>GI EndoTherapy</b> <ul style="list-style-type: none"> <li>Retentia, Hemostasis Clip (US, EU, APAC)</li> <li>EUS Needle (EU, Japan, APAC)</li> <li>Foreign Body Retrieval Net (EU)</li> <li>Electrosurgical Snare (EU)</li> <li>EndoCuff Vision, Colonoscope distal end attachment (Japan)</li> <li>EndoClot, Hemostasis Solution (APAC)</li> </ul>	<b>GI Endoscopy</b> <ul style="list-style-type: none"> <li>EVIS X1 scopes (China)</li> <li>OLYSENSE, Intelligent Endoscopy Ecosystem</li> <li>Single-use duodenoscope</li> </ul> <b>GI EndoTherapy</b> <ul style="list-style-type: none"> <li>EUS Needle (US, China)</li> <li>New Hemostasis Clip</li> <li>Single-use cholangioscope</li> <li>Plastic stent</li> </ul>

#### Expected Growth Rates in FY2026

3%

After FX adjustment

1%

YoY

<sup>1</sup> OLYSENSE is a trademark of Olympus Corporation and/or its affiliated entities. All trademarks, logos and brand names are the property of their respective owners.

## Key Product Catalysts: Surgical & Interventional Solutions Division (As of August 8, 2025)

### ☑ SIS Key Strategy for FY2026

#### Urology

- Expand leadership in BPH through iTind market development while increasing penetration of the core Visualization and Plasma technologies
- Drive lithotripsy growth through SOLTIVE SuperPulsed Laser System

#### Respiratory

- Drive growth in lung cancer diagnosis and staging with stronger emphasis around updated EBUS-TBNA offering
- Reinforce strength in respiratory endoscopy through continued focus on driving adoption of EVIS X1 bronchoscopy platform

#### Surgical Endoscopy

- Introduce VISERA ELITE III surgical endoscopy system in the U.S. and China (FY2026 1Q) to improve market competitiveness

### Expected Growth Rates in FY2026

1%

After FX adjustment

-1%

YoY

Growth driver now	Just launched / Coming soon	Beyond
<b>Urology</b> <ul style="list-style-type: none"> <li>Resection electrodes with ESG-410</li> <li>SOLTIVE SuperPulsed Laser System for stone + soft tissue (US, EU, APAC)</li> </ul> <b>Respiratory</b> <ul style="list-style-type: none"> <li>Single-use bronchoscope (US)</li> <li>Bronchoscope, EBUS scope</li> <li>ViziShot series, EBUS-TBNA needles</li> <li>Spiration Valve System</li> <li>EVIS X1 bronchoscope (EU, Japan, APAC)</li> <li>EU-ME3, Endoscopic Ultrasound Processor (EU, Japan, APAC)</li> </ul> <b>Surgical Endoscopy</b> <ul style="list-style-type: none"> <li>VISERA ELITE II 2D/3D/IR (US, China)</li> <li>VISERA 4K UHD (US, China)</li> <li>VISERA ELITE III (EU, Japan, APAC)</li> </ul>	<b>Urology</b> <ul style="list-style-type: none"> <li>Single-use ureteroscope (US)</li> <li>SOLTIVE SuperPulsed Laser System for stone + soft tissue (Japan)</li> <li>iTind, minimally invasive treatment device for BPH (US, EU, APAC)</li> <li>4K Camera Head (US, EU, Japan, APAC)</li> <li>VISERA S (US, EU, Japan, APAC)</li> <li>OES ELITE Cystoscope (EU)</li> </ul> <b>Respiratory</b> <ul style="list-style-type: none"> <li>EVIS X1 bronchoscope (US)</li> <li>Slim EBUS scope (US, EU, Japan, APAC)</li> <li>EU-ME3, Endoscopic Ultrasound Processor (US, China)</li> </ul> <b>Surgical Endoscopy</b> <ul style="list-style-type: none"> <li>VISERA ELITE III (US, China)</li> </ul>	<b>Urology</b> <ul style="list-style-type: none"> <li>OES ELITE Cystoscope</li> <li>Laser system</li> </ul> <b>Respiratory</b> <ul style="list-style-type: none"> <li>EVIS X1 bronchoscope (China)</li> <li>Slim EBUS scope (China)</li> </ul> <b>Surgical Endoscopy</b> <ul style="list-style-type: none"> <li>New generation surgical endoscopy system</li> </ul>

## 1Q of Fiscal Year 2026 Other Income and Expenses

(Billions of yen)	FY2025 1Q	FY2026 1Q	Change
<b>Other income</b>	0.6	7.0	+6.4
Major items	<ul style="list-style-type: none"> <li>Consideration based on agreement regarding license usage rights, etc. with Evident 6.0 (Elimination and Corporate)</li> </ul>		
<b>Other expenses</b>	10.4	3.6	-6.8
Major items	<ul style="list-style-type: none"> <li>Expenses related to quality and regulatory transformation project "Elevate" 6.0 (ESD, TSD)</li> <li>Expenses related to "Career support for external opportunity" program 2.6 (ESD, TSD, Elimination and Corporate)</li> <li>Expenses related to quality and regulatory transformation project "Elevate" 2.4 (GIS, SIS)</li> </ul>		

## Capital Allocation

### Policy

- ☑ Prioritize allocation to business investment
- ☑ Stable and gradual dividend increase
- ☑ Flexible buyback of company shares

### FY2026

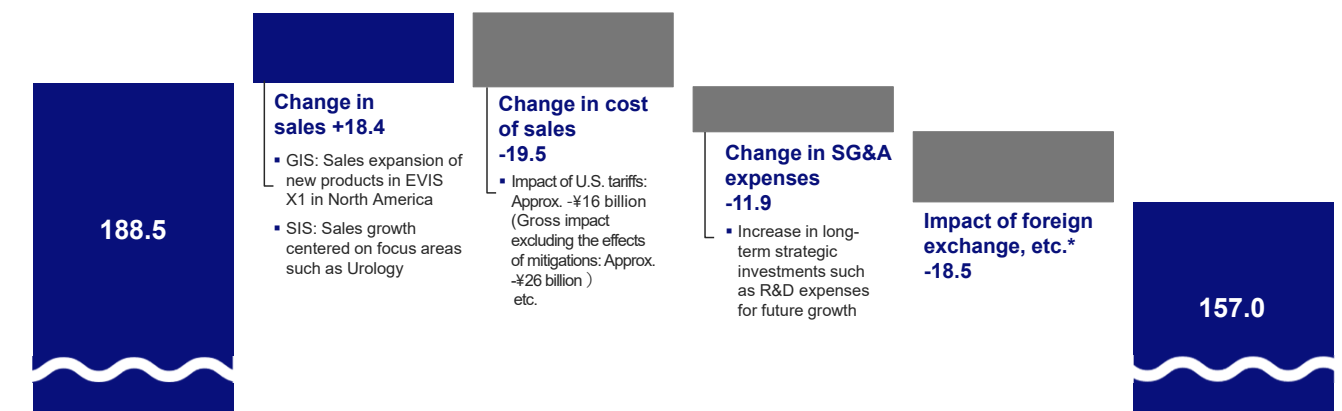
- ☑ Active investment in three focus areas
- ☑ Plan to increase annual dividend by ¥10/share YoY to ¥30/share
- ☑ Share buyback of ¥50 billion is in progress





## Fiscal Year 2026 Forecast Factors that Affect Adjusted Consolidated Operating Profit (vs. Previous Fiscal Year)

(Billions of yen)



**FY2025  
Adjusted operating profit**

Foreign exchange rate

(Billions of yen)	FY2025 Actual	FY2026 Latest forecast
U.S. dollar (per yen)	152.58	144.90
Euro (per yen)	163.75	169.20
CNY (per yen)	21.10	19.92

**FY2026  
Adjusted operating profit**

\* Equity Method is included

## Fiscal Year 2026 Forecasts by Business Segment

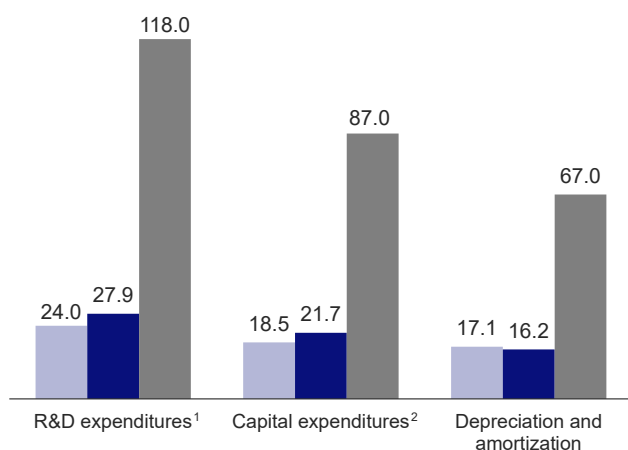
- 1** GIS: After FX adjustment, while revenue expected to increase, driven by new products in EVIS X1 in North America, profit expected to decrease due to an increase in long-term strategic investments such as R&D expenses for future growth, as well as impact of U.S. tariffs and FDA Import Alerts.
- 2** SIS: After FX adjustment, while revenue expected to increase, centered on focus areas such as Urology, profit expected to decrease due to impact of U.S. tariffs and FDA Import Alerts.

(Billions of yen)		FY2026 Forecasts as of May 13	FY2026 Latest Forecasts	Change	vs May 13	After FX adjustment	FY2025	vs FY2025	After FX adjustment
GIS	Revenue	678.5	<b>1</b> 679.5	+1.0	0%	-1%	674.0	+1%	+3%
	Operating profit (% of revenue)	161.0 (23.7%)	149.5 (22.0%)	-11.5	-7%	-9%	168.4 (25.0%)	-11%	-5%
	<b>Adjusted operating profit (% of revenue)</b>	<b>173.5 (25.6%)</b>	<b>162.0 (23.8%)</b>	<b>-11.5</b>	<b>-7%</b>	<b>-8%</b>	<b>1,865 (27.7%)</b>	<b>-13%</b>	<b>-7%</b>
SIS	Revenue	320.0	<b>2</b> 318.0	-2.0	-1%	-2%	322.8	-1%	+1%
	Operating profit (loss) (% of revenue)	14.0 (4.4%)	4.0 (1.3%)	-10.0	-71%	-71%	14.2 (4.4%)	-72%	-46%
	<b>Adjusted operating profit (% of revenue)</b>	<b>22.0 (6.9%)</b>	<b>14.5 (4.6%)</b>	<b>-7.5</b>	<b>-34%</b>	<b>-34%</b>	<b>225 (7.0%)</b>	<b>-36%</b>	<b>-19%</b>
Elimination and Corporate	Operating profit (loss)	-24.5	-17.0	+7.5	-	-	-19.6	-	-
Consolidated Total	Revenue	999.0	998.0	-1.0	0%	-2%	997.3	0%	+3%
	Operating profit (% of revenue)	150.0 (15.0%)	136.0 (13.6%)	-14.0	-9%	-11%	162.5 (16.3%)	-16%	-8%
	<b>Adjusted operating profit (% of revenue)</b>	<b>175.0 (17.5%)</b>	<b>157.0 (15.7%)</b>	<b>-18.0</b>	<b>-10%</b>	<b>-12%</b>	<b>188.5 (18.9%)</b>	<b>-17%</b>	<b>-9%</b>

## Expenditures: 1Q of Fiscal Year 2026 Actuals and Fiscal Year 2026 Forecasts

### 1Q results and Forecasts

(Billions of yen) ■ FY2025 1Q ■ FY2026 1Q ■ FY2026 (Forecasts)



(Billions of yen) FY2025 FY2026

R&D expenditures <sup>1</sup> (a)	24.0	27.9
Capitalization of R&D expenditures (b)	3.1	4.2
R&D expenses in P/L (a-b)	20.9	23.7

(Billions of yen) FY2025 FY2026

Amortization	2.0	2.0
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End of Mar. 2025 End of Jun. 2025

R&D assets	62.9	65.2
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<sup>1</sup> Capitalization of R&D expenditures (b) is included in R&D expenditures.

<sup>2</sup> 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.

(FY2025 1Q: ¥5.4 billion, FY2026 1Q: ¥4.1 billion, FY2026 Forecast: ¥10 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)	FY2025 1Q	FY2026 1Q	FY2026 Forecasts
Yen/U.S.dollar	155.88	144.59	144.90
Yen/Euro	167.88	163.80	169.20
Yen/CNY	21.48	19.99	19.92

### Forex sensitivity (annualized impact)

(Billions of yen)	Revenue	Operating profit
U.S. dollar (per yen)	2.8	0.7
Euro (per yen)	1.6	0.6
CNY (per yen)	4.5	2.1

\* Amounts in the above table are related to the continuing operations only. Forex sensitivity (annualized impact) is calculated based on the FY2025 Q4 results.

## Acronyms

Acronyms	Term
APAC	Asia Pacific
BPH	Benign Prostatic Hyperplasia
EBUS-TBNA	Endobronchial Ultrasound-guided Transbronchial Fine Needle Aspiration
ERCP	Endoscopic Retrograde Cholangio Pancreatography
ESD	Endoscopic Submucosal Dissection
HPB	Hepato-Pancreato-Biliary