



Consolidated Financial Results for the 2nd Quarter and Full-Year Forecasts for Fiscal 2022

Olympus Corporation | Executive Officer and Chief Financial Officer | Chikashi Takeda | November 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 second quarter of fiscal year 2022.
- I would like to provide a review of our consolidated financial results for the second quarter of fiscal year 2022, and also talk about our full-year forecasts.

Disclaimer

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Highlights

2Q and 6M Consolidated Financial Results

- ✓ Revenue: Significant growth of +31% YoY, led by Medical. Double-digit growth vs FY2020 and well above pre-pandemic level
- ✓ Operating profit: Record highs for both amount and ratio in 2Q and 6M, driven mainly by sales recovery.* 2Q OPM was 22%, making steady progress toward achieving KPIs in corporate strategy

Full-year Performance Forecasts

- ✓ Revenue: Expected to exceed pre-pandemic levels with Medical reaching a record high
- ✓ Operating profit: Expected to achieve ¥144 billion with OPM of about 17%, record highs in terms of both amount and ratio, despite expenses for reorganization of SSD, etc.
- ✓ Profit**: Expected to reach a record high of ¥109 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 second quarter of fiscal year 2022.
- Let me start with revenue.
- We achieved significant growth of 31% in the first six months, driven by Medical.
- Even compared with fiscal year 2020, it was double-digit growth of 12%, well above the pre-pandemic level. In addition to higher revenue, we continued to optimize SG&A expenses and achieved an operating margin of 18.5%, record highs for both amount and ratio in the second quarter and the first six months.
- Looking only at the second quarter, operating margin was 22%, making steady progress toward achieving KPIs we set forth in our corporate strategy.
- Next our full-year forecasts for fiscal year 2022.
- In light of the first six months performance and market recovery, we have revised upward our revenue forecast. Even after factoring in the expenses for the reorganization of SSD etc., we expect to continue to achieve record-high operating profit in terms of both amount and ratio. We now forecast 17% YoY growth in revenue, and an operating margin of 16.8%, 5.6% point improvement YoY.

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Consolidated Financial Results and Business Review for the 2Q 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 second quarter of fiscal year 2022.

2Q of Fiscal 2022 (1) Consolidated Financial Results

- 1** Revenue: +31% 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 2Q and 6M*. 2Q OPM was 22%, making steady progress toward achieving KPIs in corporate strategy

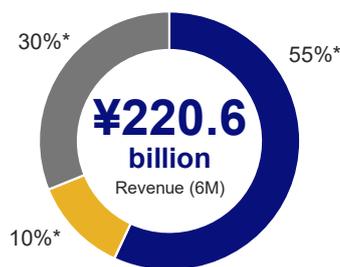
(Billions of yen)	6 Months (Apr. to Sep.)							2Q (Jul. to Sep.)						
	FY2020	FY2021	FY2022	YoY	YoY (After FX adjustment)	vs FY2020	vs FY2020 (After FX adjustment)	FY2020	FY2021	FY2022	YoY	YoY (After FX adjustment)	vs FY2020	vs FY2020 (After FX adjustment)
Revenue	368.4	316.5	1 413.1	+31%	+24%	+12%	+8%	196.6	179.9	1 221.5	+23%	+18%	+13%	+8%
Gross profit (% of revenue)	242.8 (65.9%)	196.0 (61.9%)	270.3 (65.4%)	+38%	+32%	+11%	+9%	130.3 (66.3%)	110.7 (61.6%)	146.9 (66.3%)	+33%	+27%	+13%	+9%
Selling, general and administrative expenses (% of revenue)	185.0 (50.2%)	161.5 (51.0%)	191.5 (46.4%)	+19%	+14%	+4%	+1%	89.4 (45.5%)	81.1 (45.1%)	95.7 (43.2%)	+18%	+14%	+7%	+3%
Other income and expenses	-2.0	-4.2	-2.5	-	-	-	-	-1.6	-3.0	-2.6	-	-	-	-
Operating profit (% of revenue)	55.8 (15.2%)	30.3 (9.6%)	2 76.3 (18.5%)	+152%	+138%	+37%	+36%	39.3 (20.0%)	26.6 (14.8%)	2 48.6 (22.0%)	+83%	+69%	+24%	+21%
Profit before tax (% of revenue)	53.5 (14.5%)	28.3 (9.0%)	73.8 (17.9%)	+161%				38.0 (19.3%)	25.6 (14.3%)	46.9 (21.2%)	+83%			
Profit(loss)** (% of revenue)	36.1 (-)	-22.7 (-)	62.4 (15.1%)	+¥85.1 billion				27.4 (14.0%)	-20.0 (-)	43.7 (19.7%)	+¥63.7 billion			
EPS	¥27	-¥18	¥49					-	-	-				
Yen/U.S. dollar	¥109	¥107	¥110					¥107	¥106	¥110				
Yen/Euro	¥121	¥121	¥131					¥119	¥124	¥130				
Yen/CNY	¥16	¥15	¥17					¥15	¥15	¥17				

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

(Slide 5)

- Please turn to slide 5.
- Consolidated revenue amounted to ¥413.1 billion in the first six months.
- In response to market recovery, revenue increased across all businesses, particularly in Medical, resulting in growth of 31%. Even in comparison to fiscal year 2020, revenue was 12% higher, well above the pre-pandemic level.
- Gross profit was ¥270.3 billion, with gross margin improving 3.5% points, driven by higher revenue, improved factory operation rate, and the absence of voluntary recall costs for endoscopic products, which were recorded in the previous year.
- SG&A expenses totaled ¥191.5 billion, with SG&A ratio improving 4.6% 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 46.4%, with higher revenue strongly contributed.
- Operating profit was ¥76.3 billion, with an operating margin of 18.5%, an improvement of 8.9% points. We have been disclosing quarterly financial reports since fiscal year 2009, and these results represent record-highs in terms of both amount and ratio in the second quarter and the first six months.
- In addition, looking only at the second quarter, operating margin was 22.0%, making steady progress toward achieving KPIs we set forth in our corporate strategy.
- Profit attributable to owners of parent was ¥62.4 billion, up ¥85.1 billion YoY. In the previous year, a loss associated with the transfer of the Imaging business was included, but this year marked a dramatic improvement.

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



*Approx. Due to rounding, the total may not add up to 100%.

ESD Total									
(Billions of yen)	FY2021			FY2022					
	1Q	2Q	6M	3Q	4Q	Full year	1Q	2Q	6M
Revenue	74.3	97.0	171.3	105.4	117.0	393.7	100.0	120.6	220.6
Operating profit	12.4	29.9	42.3	31.6	24.9	98.8	22.7	39.0	61.6
Other income and expenses	-0.4	-0.2	-0.5	-0.8	-4.6	-5.9	-2.2	-1.0	-3.1
Operating margin (After FX adjustment)	16.7%	30.8%	24.7%	30.0%	21.2%	25.1%	22.7% (23.7%)	32.3% (31.9%)	27.9% (28.2%)

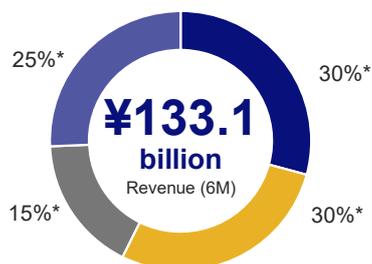
**From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD. FY2021 actuals have also been restated in the same manner.

FY2022 2Q (Jul-Sep) Growth Rate vs FY2021 2Q	vs FY2021 2Q	vs FY2021 2Q (after FX adjustment)	
■ Gastrointestinal endoscope	30%	23%	<ul style="list-style-type: none"> Growth across regions, driven by market recovery. Strong performance in North America, Europe and China. In addition to steady sales of the new product "EVIS X1" series, sales of gastroscopes and colonoscopes, which are one generation ago, made a contribution to sales increase.
■ Surgical endoscope	22%	17%	<ul style="list-style-type: none"> Growth across regions, driven by market recovery. Strong performance in Japan and in North America, driven by surgical endoscopy system VISERA ELITE II.
■ Medical service	16%	10%	<ul style="list-style-type: none"> Growth across regions due to stable revenue stream based on service contracts including maintenance service, an increase in new accounts, and a recovery in the number of repairs from pandemic-related decline.
Total	24%	18%	+8% vs FY2020 (Reference: Managerial Basis)

(Slide 6)

- Please turn to slide 6.
- Now we will look at the details about each business segment.
- First is the Endoscopic Solutions Division. Revenue amounted to ¥220.6 billion, up 29%, in the first six months.
- Operating profit was ¥61.6 billion, with an operating margin of 27.9%. There was an increase in expenses due to relaxation of restrictions on sales activities, and we also recorded an impairment loss of ¥1.6 billion associated with the equity method investment in an equity-method affiliate in Europe. However, those expenses were offset by revenue growth, led by an increase in sales contribution from GI endoscope, resulting in a significant improvement in operating profit.
- For the business review, I would like to focus on the second quarter (July to September). Compared with the same period of the previous year, which was impacted by COVID-19, the market environment improved and we grew across all sub-segments this year. We achieved 8% growth compared with fiscal year 2020 on a managerial basis for your reference, which exceeded the pre-pandemic level.
- In GI endoscope, revenue grew across all regions, with strong performance in North America, Europe and China. By product, EVIS X1, our new GI endoscopy system, as well as previous generation gastroscopes and colonoscopes, made a contribution to sales increase. Also, note that sales contribution of EVIS X1 has steadily increased and now accounts for approx. 10% in the GI endoscope sub-segment.
- In Surgical endoscope, we saw strong performance in Japan and in North America, driven by surgical endoscopy system VISERA ELITE II.
- In Medical service, revenue grew across regions due to stable revenue stream based on service contracts including maintenance service, an increase in new contracts, and a recovery in the number of repairs from pandemic-related decline.

2Q of FY2022 (3) Therapeutic Solutions Division (TSD)



TSD Total										
(Billions of yen)	FY2021			FY2022						
	1Q	2Q	6M	3Q	4Q	Full year	1Q	2Q	6M	
Revenue	43.0	58.7	101.6	62.3	67.9	231.8	63.6	69.5	133.1	
Operating profit	3.7	6.3	9.9	13.2	7.4	30.6	14.1	16.2	30.3	
Other income and expenses	-0.3	-0.1	-0.4	-0.3	-2.2	-3.0	2.5	-0.4	2.1	
Operating margin (After FX adjustment)	8.5%	10.7%	9.8%	21.3%	10.9%	13.2%	22.1% (23.1%)	23.3% (23.0%)	22.7% (23.0%)	

*Approx. Due to rounding, the total may not add up to 100%.

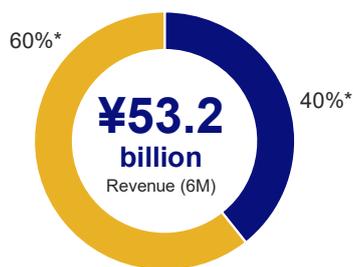
**From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD. FY2021 actuals have also been restated in the same manner.

	FY2022 2Q (Jul-Sep) Growth Rate vs FY2021 2Q	vs FY2021 2Q	vs FY2021 2Q (after FX adjustment)	
GI-Endotherapy	13%	9%	9%	<ul style="list-style-type: none"> Growth across all regions with the number of procedures recovering. Strong performance in Europe and China. Notable momentum in ERCP, Sampling (biopsy forceps, etc) and ESD/EMR products.
Urology	18%	13%	13%	<ul style="list-style-type: none"> Growth continued with the number of procedures recovering. In particular, robust momentum in North America, led by resection electrodes for BPH and "SOLTIVE SuperPulsed Laser System" for stone lithotripsy.
Respiratory	36%	29%	29%	<ul style="list-style-type: none"> Significant growth in North America due to market recovery, Veran Medical Technologies, and strong performance in respiratory-endotherapy products for EBUS-TBNA (Endobronchial ultrasound-guided transbronchial needle aspiration) and bronchoscopes including new EBUS bronchoscopes.
Other therapeutic areas	15%	9%	9%	<ul style="list-style-type: none"> Strong performance in ENT and gynecology. In particular, ENT endoscopes made a contribution.
Total	18%	13%	13%	+5% vs FY2020 (Reference: Managerial Basis)

(Slide 7)

- Please turn to slide 7 for the Therapeutic Solutions Division.
- Revenue amounted to ¥133.1 billion, up 31%, in the first six months. Operating profit was ¥30.3 billion, with an operating margin of 22.7%.
- Despite an increase in expenses due to relaxation of restrictions on sales activities, both operating profit and margin improved substantially due to revenue growth, coupled with improved gross margin due to the absence of voluntary recall costs of ¥5.9 billion for bronchoscopes that were recorded in the previous year, as well as a gain of ¥2.8 billion in other income associated with the phased acquisition of Medi-Tate.
- For the business review, I would like to focus on the second quarter (July to September). We grew across all sub-segments thanks to market recovery from COVID-19. We achieved 5% growth compared with fiscal year 2020 on a managerial basis for your reference, which exceeded the pre-pandemic level.
- In GI endotherapy, we saw growth across all regions with the number of procedures recovering. Strong performance in Europe and China. Notable momentum in products for ERCP (Endoscopic Retrograde Cholangio Pancreatography) used in endoscopic diagnosis and treatment of pancreatic ducts and bile ducts, Sampling (biopsy forceps, etc.), and ESD (Endoscopic Submucosal Dissection)/EMR (Endoscopic Mucosal Resection).
- In Urology, growth continued, particularly in North America, where the number of procedures is on the recovery, led by strong momentum in 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, there was strong performance in gynecology and ENT. In particular, ENT endoscopes made a contribution.

2Q of FY2022 (4) Scientific Solutions Division (SSD)



*Approx. Due to rounding, the total may not add up to 100%.

SSD Total									
(Billions of yen)	FY2021			FY2022			FY2022		
	1Q	2Q	6M	3Q	4Q	Full year	1Q	2Q	6M
Revenue	17.8	22.6	40.3	26.6	28.9	95.9	24.8	28.3	53.2
Operating profit (loss)	-1.6	1.8	0.2	2.7	2.0	4.9	1.9	4.6	6.5
Other income and expenses	-0.3	0.3	0	0	-1.3	-1.2	-0.2	-0.1	-0.3
Operating margin (After FX adjustment)	-	8.1%	0.6%	10.3%	6.9%	5.2%	7.5% (8.1%)	16.3% (15.4%)	12.2% (12.0%)

FY2022 2Q (Jul-Sep) Growth Rate vs FY2021 2Q	vs FY2021 2Q	vs FY2021 2Q (after FX adjustment)	
■ Life science	18%	13%	<ul style="list-style-type: none"> Growth driven by market recovery and improved budget execution at research institutions and universities. Notable strength in Japan, where supplementary budgets were executed and large orders were received.
■ Industrial	32%	26%	<ul style="list-style-type: none"> 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.
Total	26%	20%	-2% vs FY2020 (Reference: Managerial Basis)

(Slide 8)

- Please turn to slide 8 for the Scientific Solutions Division.
- Revenue amounted to ¥53.2 billion, up 32%, in the first six months.
- Operating profit was ¥6.5 billion, with an operating margin of 12.2%.
- Operating profit made a considerable improvement due mainly to revenue recovery, coupled with improved factory operation rate and cost control.
- For the business review, I would like to focus on the second quarter (July to September).
- We grew both sub-segments thanks to market recovery from COVID-19.
- Compared with fiscal year 2020 on a managerial basis for your reference, revenue declined 2%, still under the pre-pandemic level due in part to a slow recovery in demand for industrial videoscopes and non-destructive testing equipment used in the aircraft industry, etc.
- In Life science, growth was driven by market recovery and improved budget execution at research institutions and universities, with notable strength in Japan, where supplementary budgets were executed and large orders were received.
- In Industrial, we grew 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.

Statement of Financial Position

- ☑ Goodwill and intangible assets etc. increased due to acquisition of Medi-Tate, etc.
- ☑ Approx. 72 million treasury shares were cancelled in June 2021

(Billions of yen)	End of Mar.* 2021	End of Sep. 2021	Change		End of Mar.* 2021	End of Sep. 2021	Change
Current assets	580.1	552.3	-27.8	Current liabilities	328.4	288.2	-40.2
Inventories	158.9	166.0	+7.2	Bonds/loans payable	31.5	21.2	-10.3
Non-current assets	603.3	633.0	+29.7	Non current liabilities	459.5	449.8	-9.6
Property, plant and equipment	239.2	237.1	-2.1	Bonds/loans payable	323.7	314.1	-9.6
Intangible assets and others	236.7	245.4	+8.7	Equity	395.5	447.2	+51.8
Goodwill	127.4	150.5	+23.1	(Equity ratio)	33.3%	37.6%	+4.3pt
Total assets	1,183.3	1,185.3	+2.0	Total liabilities and equity	1,183.3	1,185.3	+2.0

*Regarding acquisitions with Veran Medical Technologies and Quest Photonic Devices B.V. that occurred in FY2021, there were temporary revisions in amounts during 1Q and 2Q of FY2022. In line with this, FY2021 figures have been retroactively revised.

Interest-bearing debt: 335.4 (-19.9 from March 2021)

(Slide 9)

- Please turn to slide 9 for our financial position at the end of September 2021.
- There was no major change compared to the end of June.
- Goodwill and intangible assets etc. increased compared to the end of the previous year due to the acquisition of Medi-Tate, etc.
- The equity ratio rose 4.3% points to 37.6% compared to the end of the previous year due to a decline in interest-bearing debt.
- Also, note that we canceled approximately 72 million treasury shares in June.

Consolidated Cash Flows

- ☑ FCF: Positive ¥18.4 billion. Considering expenditures for acquisition of Medi-Tate (¥21.3 billion) and for reversal of provision for career support for external opportunity program (¥10.0 billion), FCF was positive ¥ 49.7 billion
- ☑ Financing CF: Minus ¥44.1 billion due to debt repayments and dividend payments

6 Months (Apr. to Sep.)

(Billions of yen)	FY2021	FY2022	Change
Profit before tax	28.3	73.8	+45.5
CF from operating activities	37.4	68.8	+31.4
CF from investing activities	-70.2	-50.5	+19.8
Free cash flow	-32.8	18.4	+51.1
CF from financing activities	81.2	-44.1	-125.3
Cash and cash equivalents at end of period	210.5	193.4	-17.1

Major one-off items for FY2022 6M (Apr. to Sep.)

Operating CF: Reversal of provision for career support for external opportunity program	¥10.0 billion
Investing CF: Acquisition of businesses and subsidiaries	¥21.3 billion

(Slide 10)

- Please turn to slide 10 for the status of cash flows.
- Cash flow from operating activities was ¥68.8 billion, up 84% YoY. While operating cash flow increased significantly due to improved profit, there was a one-off expenditure of ¥10 billion on the reversal of provision for the career support for external opportunity program.
- Cash flow from investing activities increased by ¥19.8 billion. Considering time deposits of ¥40.0 which was included in the previous year, it decreased ¥20.2 billion due in part to an expenditure of ¥21.3 billion associated with the acquisition of Medi-Tate.
- Free cash flow stood at ¥18.4 billion. It was ¥49.7 billion if the expenditures for the reversal of provision for the career support for external opportunity program and for the acquisition of Medi-Tate were added back.
- Cash flow from financing activities declined ¥125.3 billion to minus ¥44.1 billion, due mainly to the debt repayment and dividend payments. In the previous year, there was a large amount of financing to deal with COVID-19, but there is no such funding this year.
- As a result, cash and cash equivalents at the end of September stood at ¥193.4 billion, a decrease of ¥17.1 billion.

02 **Forecasts for Fiscal 2022**

(Slide 11)

- 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 results in 6M and market recovery. Expected to exceed pre-pandemic FY2020 level
- 2** Operating profit: Expected to achieve ¥144 billion with OPM of about 17%, record highs in terms of both amount and ratio, despite expenses for reorganization of SSD, etc.
- 3** Profit*: Expected to reach a record high of ¥109 billion

(Billions of yen)	FY2022 Forecasts as of Aug 5	FY2022 Latest Forecasts	Change	vs Aug 5	vs Aug 5 (After FX adjustment)	vs FY2021	vs FY2020	FY2021** (Actual)	FY2020** (Actual)
Revenue	830.0	1 856.0	+26.0	+3%	+2%	+17%	+13%	730.5	755.2
Gross profit (% of revenue)	546.0 (65.8%)	561.0 (65.5%)	+15.0	+3%	+2%	+22%	+16%	459.5 (62.9%)	482.8 (63.9%)
Selling, general and administrative expenses (% of revenue)	401.0 (48.3%)	400.0 (46.7%)	-1.0	0%	-1%	+12%	+5%	357.0 (48.9%)	381.2 (50.5%)
Other income and expenses	-5.0	-17.0	-	-	-	-	-	-20.5	-9.4
Operating profit (% of revenue)	140.0 (16.9%)	2 144.0 (16.8%)	+4.0	+3%	0%	+76%	+56%	82.0 (11.2%)	92.2 (12.2%)
Profit before tax (% of revenue)	135.0 (16.3%)	139.0 (16.2%)						76.8 (10.5%)	86.6 (11.5%)
Profit attributable to owners of parent (% of revenue)	101.0 (12.2%)	3 109.0 (12.7%)						65.7 (9.0%)	60.6 (8.0%)
EPS	¥79	¥85						¥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 12)

- Please turn to slide 12.
- In light of the results in the first six months and market recovery, we revised upward our full-year revenue and operating profit forecasts for fiscal 2022 by ¥26 billion and ¥4 billion, respectively, from our last announcement in August.
- We now forecast revenue to grow 17% YoY to ¥856 billion.
- Although we expect the expenses for the reorganization of SSD etc., we forecast operating profit of ¥144 billion with an operating margin of 16.8%, driven by continued cost control and efforts to increase SG&A efficiency.
- We also forecast profit attributable to owners of parent of ¥109 billion, record high for us.
- Compared with pre-pandemic fiscal year 2020, these forecasts represent 13% growth in revenue, 56% growth in operating profit with a 4.6% point 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 ¥110 per dollar and ¥130 per euro.

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 results in 6M and market recovery
- 3** Elimination and Corporate: Revised to include expenses for reorganization of SSD, etc.

(Billions of yen)		FY2022 Forecasts as of Aug 5	FY2022 Latest Forecasts	Change	vs Aug 5	vs Aug 5 (After FX adjustment)	vs FY2021	FY2021 (Actual)
ESD	Revenue	438.0	1 453.0	+15.0	+3%	+3%	+15%	393.7
	Operating profit	118.0	127.0	+9.0	+8%	+6%	+29%	98.8
TSD	Revenue	270.0	1 276.0	+6.0	+2%	+1%	+19%	231.8
	Operating profit	52.0	55.0	+3.0	+6%	+4%	+80%	30.6
SSD	Revenue	109.0	2 114.0	+5.0	+5%	+4%	+19%	95.9
	Operating profit	13.0	15.5	+2.5	+19%	+14%	+216%	4.9
Others	Revenue	13.0	13.0	0	0	0	+41%	9.2
	Operating profit	-4.0	-2.5	+1.5	+¥1.5 billion	+¥1.5 billion	- ¥1.8 billion	-0.7
Elimination and corporate	Operating profit	-39.0	3 -51.0	-12.0	-¥12.0 billion	- ¥11.9 billion	+¥0.6 billion	-51.6
Consolidated Total	Revenue	830.0	856.0	+26.0	+3%	+2%	+17%	730.5
	Operating profit	140.0	144.0	+4.0	+3%	0%	+76%	82.0

(Slide 13)

- Please turn to slide 13 for forecasts by business segment.
- In light of the results in the first six months and market recovery, our forecasts have been revised upward in ESD, TSD and SSD.
- In particular, Medical business, including ESD and TSD, is expected to grow 14% in revenue and 34% in operating profit, even compared with pre-pandemic fiscal year 2020, and is expected to achieve record-highs in revenue and operating profit.
- In terms of Elimination and corporate, we have made revisions by newly factoring in expenses for the reorganization of SSD, etc.

03 Transforming into a Truly Global Medtech Company

(Slide 14)

- 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 Nov 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

GI endoscopy

- EVIS LUCERA ELITE (Japan, China)
- EVIS EXERA III (US, EU)

Surgical endoscopy

- VISERA ELITE II 2D/3D/IR (EU, Japan)
- VISERA ELITE II 2D (US)
- VISERA ELITE (China)
- VISERA 4K UHD (US, EU, Japan, China)

Just launched / Coming soon

GI endoscopy

- EVIS X1 (EU, Japan)
- TJF-Q190V, duodenoscope (US)
- ENDO-AID, endoscopy CAD platform for EVIS X1 (EU)

Surgical endoscopy

- VISERA ELITE II 3D/IR (US)
- VISERA ELITE II 2D/3D (China)

Beyond

GI endoscopy

- EVIS X1 (US, China)
- 3D function for EVIS X1
- Single-use duodenoscope

Surgical endoscopy

- VISERA ELITE II IR (China)
- New generation surgical endoscopy system (EU, Japan)

~6%

revenue growth CAGR in ESD*

*CAGR for FY2021 to FY2023, starting from FY2020

(Slide 15)

- Please turn to slide 15 for the product pipeline for ESD.
- While there are no major changes from the previous quarter, EVIS X1 has steadily gained momentum in Europe, Japan and some parts of Asia.
- We are making every effort to obtain approvals and launch soon in regions where we haven't launched yet.
- In the meantime, in the U.S. we are seeing solid performance in duodenoscope with detachable end-cap, which we are actively promoting to switch from old models.

Key Product Catalysts: Therapeutic Solutions Division (As of Nov 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>GI endotherapy</p> <ul style="list-style-type: none"> Visiglide series ESD Knife EZ Clip / QuickClip Pro EndoJaw <p>Urology</p> <ul style="list-style-type: none"> Resection electrode SOLTIVE SuperPulsed Laser System, for stone + soft tissue (US, EU) <p>Respiratory***</p> <ul style="list-style-type: none"> Bronchoscope EBUS scope ViziShot series Spiration Valve System 	<p>GI endotherapy</p> <ul style="list-style-type: none"> 5 products (US) 5 products (EU) 6 products (Japan) 3 products (China) <p>Urology</p> <ul style="list-style-type: none"> iTind, non-surgical device for Benign Prostatic Hyperplasia (US, EU) <p>Respiratory***</p> <ul style="list-style-type: none"> Veran Electromagnetic Navigation system (US) Single-use bronchoscope (US) EBUS scope (US) 	<p>GI endotherapy</p> <ul style="list-style-type: none"> Single-use cholangioscope <p>Urology</p> <ul style="list-style-type: none"> Single-use ureteroscope <p>Respiratory***</p> <ul style="list-style-type: none"> Veran Electromagnetic Navigation system (EU) EVIS X1 bronchoscope (US) Single-use bronchoscope

~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 16)

- Please turn to slide 16 for the product pipeline for TSD.
- In GI endotherapy, we are committed to steadily expanding our product lineup for various procedures in each market.
- In Urology, we are seeing strong momentum in SOLTIVE SuperPulsed Laser System, a new lithotripsy solution for urinary stones, and it is now a growth driver.
- In Respiratory, the lineup of bronchoscopes and EBUS scopes, including new products, is a driver. We are also aiming to expand our lung cancer portfolio by introducing a new software for electromagnetic navigation system, which could improve the workflow of bronchoscopy by designing complex bronchoscopy procedures and optimal routes to peripheral pulmonary lesions.

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



- Continued consideration on intra-group reorganization of Scientific Solutions Business
- Promoting Global Business Services
- Completed share transfer of Olympus Systems Corporation to Accenture
- Established Olympus Innovation Ventures, a corporate venture capital fund

(Slide 17)

- Please turn to slide 17.
- Our theme for fiscal year 2022 is to further strengthen our position as a global medtech company. We continue to work and establish the corporate transformation we carried out last year.
- I would like to explain the progress we made during the second quarter.
- First, reorganization of SSD. As we made a timely disclosure today, with regard to the reorganization, we are considering all options, including potential business transfer.
- Next, GBS (Global Business Services). We are rolling out GBS by shifting our unique and high confidentiality functions to captive shared service centers in China, Poland and the US, and routine and standardized functions to China, India and Malaysia through business process outsourcing (BPO). In Europe, the transfer to shared service center has been largely done. In Japan, China and some parts of Asia, the transfer of some finance and procurement functions was completed by September to kick off BPO from Japan to Dalian. Olympus Asia Pacific Business Management Services (Dalian) Co., Ltd., our own captive shared service center, was established in Dalian, China, and we are working for the official opening of the center in December.
- Next, transfer of Olympus Systems Corporation to Accenture. Based on an agreement signed on June 1, the transfer of all shares was completed at the end of August. As part of the transfer contract, we signed an outsourcing agreement, covering application development, maintenance and operation of the core business system. This is part of our efforts to build a global IT infrastructure and bolster our organizational strength while optimizing long-term IT costs.
- Lastly, establishment of a corporate venture capital fund. Through recently established Olympus Innovation Ventures, we will invest a total of \$50 million over the next five years in early-stage promising companies with differentiating technologies across the globe.

Upcoming Event

OLYMPUS

INVESTOR DAY 2021

- Date:** December 7, 2021
- Presenters:** Yasuo Takeuchi, CEO & Nacho Abia, COO
- Q&A:** CEO, COO, CTO, CFO, CAO
- Content:**
- Review on progress since announcement of Transform Olympus
 - Deepening growth strategy for medical business based on corporate strategy

(Slide 18)

- Please turn to slide 18.
- Now I would like to invite you to Investor Day 2021, which will be held in December.
- We plan to review on the progress since Transform Olympus was announced back in 2019 and talk about the future direction of the medical business that delves into our current corporate strategy.
- That concludes my presentation. Thank you for your attention.

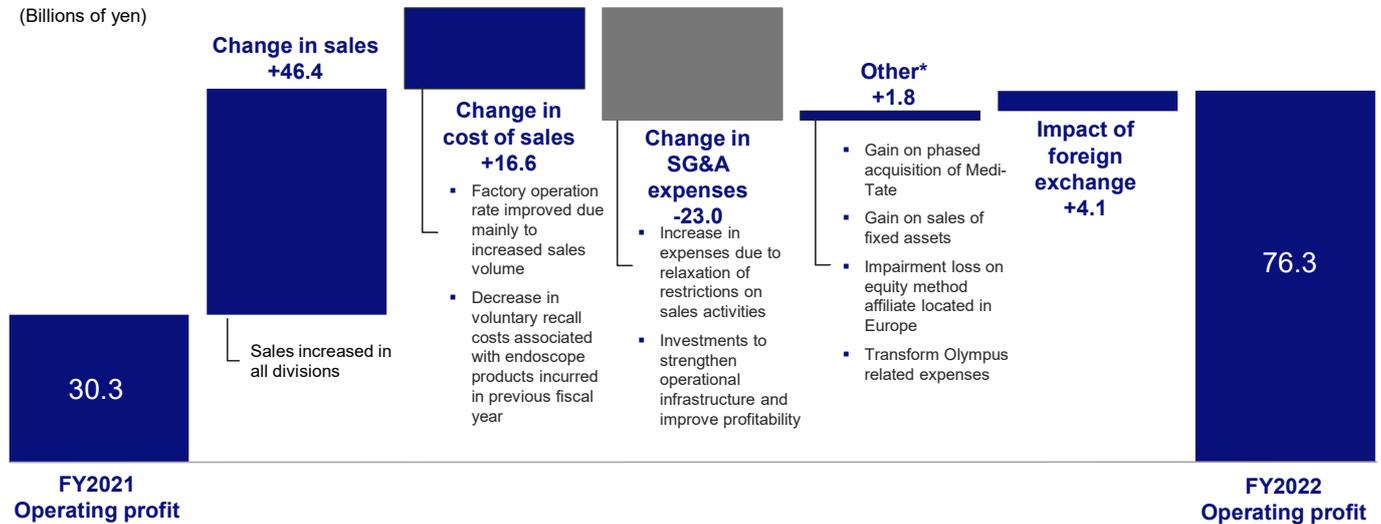
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Appendix

2Q of Fiscal 2022 Factors that Affected Consolidated Operating Profit

6 Months (Apr. to Sep.)

(Billions of yen)



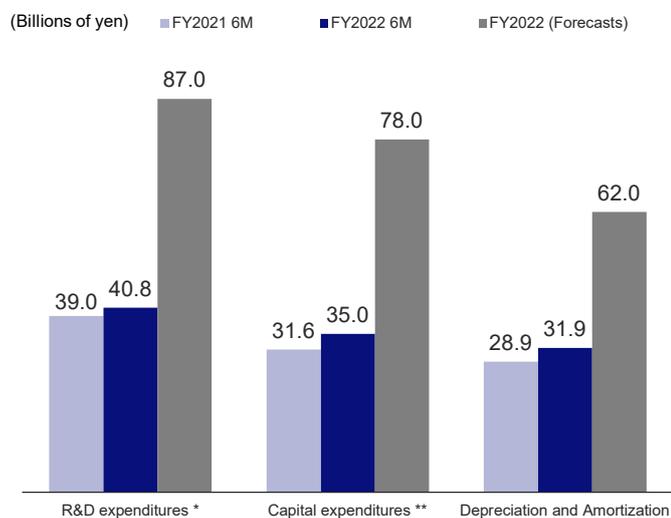
2Q of Fiscal 2022 by Segment

		6 Months (Apr. to Sep.)				2Q (Jul. to Sep.)			
(Billions of yen)		FY2021	FY2022	YoY	After FX adjustment	FY2021	FY2022	YoY	After FX adjustment
ESD	Revenue	171.3	220.6	+29%	+22%	97.0	120.6	+24%	+18%
	Operating profit	42.3	61.6	+46%	+39%	29.9	39.0	+30%	+22%
TSD	Revenue	101.6	133.1	+31%	+24%	58.7	69.5	+18%	+13%
	Operating profit	9.9	30.3	+205%	+194%	6.3	16.2	+159%	+144%
SSD	Revenue	40.3	53.2	+32%	+25%	22.6	28.3	+26%	+20%
	Operating profit	0.2	6.5	2,808%	2,629%	1.8	4.6	+152%	+129%
Others	Revenue	3.2	6.2	+93%	+88%	1.6	3.2	+96%	+93%
	Operating profit(loss)	-1.0	-1.1	- ¥0.2 billion	- ¥0.1 billion	-0.4	-0.6	- ¥0.1 billion	- ¥0.1 billion
Elimination and Corporate	Operating profit(loss)	-21.2	-21.0	+¥0.2 billion	+¥0.3 billion	-11.0	-10.6	+¥0.4 billion	+¥0.5 billion
Consolidated Total	Revenue	316.5	413.1	+31%	+24%	179.9	221.5	+23%	+18%
	Operating profit	30.3	76.3	+152%	+138%	26.6	48.6	+83%	+69%

*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.

6 Months (Apr. to Sep.) and Full-year Forecasts



(Billions of yen)	FY2021	FY2022
R&D expenditures* (a)	39.0	40.8
Capitalization of R&D expenditures (b)	7.4	8.2
R&D expenses in P/L (a-b)	31.6	32.6

(Billions of yen)	FY2021	FY2022
Amortization	3.9	4.5
	End of Jun. 2021	End of Sep. 2021
R&D assets	58.0	59.9

*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 2Q: ¥ 8.4 billion, FY2022 2Q: ¥ 6.1 billion, FY2022 Forecast: ¥ 9.0 billion)