



Consolidated Financial Results for the 3rd Quarter and Full-Year Forecasts for Fiscal 2022

Olympus Corporation | Executive Officer and Chief Financial Officer | Chikashi Takeda | February 4, 2022

(Slide 1)

- Hello everyone. 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 third quarter of fiscal 2022.
- I would like to provide a review of our consolidated financial results for the third quarter of fiscal 2022 and talk about our full-year forecasts.

Disclaimer

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Highlights

3Q and 9M Consolidated Financial Results

- ✓ Revenue: Growth of +23% YoY in 9 months, led by Medical. Double-digit growth vs FY2020, well above pre-pandemic level
- ✓ Operating profit: Record highs for both amount and ratio in 9 months, driven by sales recovery and SG&A efficiency*

Full-year Performance Forecasts

- ✓ Revenue: Expected to exceed pre-pandemic level with Medical reaching a record high
- ✓ Operating profit: Expected to achieve ¥144 billion with OPM of about 17%, both record highs
- ✓ Profit**: Expected to reach a record high of ¥109 billion
- ✓ Shareholder returns: Annual dividend plan to increase by ¥2/share YoY to ¥14/share with share repurchase of approximately ¥30 billion expected

*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 financial results for the third quarter of fiscal 2022.
- First, let's start with revenue.
- We achieved significant growth of 23% in the first nine months, driven by Medical.
- Even compared with fiscal 2020, it was double-digit growth of 12%, well above the pre-pandemic level.
- For operating profit, we achieved record highs for both amount and ratio in the first nine months, driven by sales recovery and SG&A efficiency.
- Next, our full-year forecasts for fiscal 2022.
- There are no major changes to what we announced last time. We expect revenue to exceed pre-pandemic level, with Medical reaching a record-high.
- We expect to achieve operating profit of ¥144 billion with an operating margin of around 17%, both record-highs.
- We also expect record profit attributable to owners of parent of ¥109 billion.
- In terms of shareholder returns, we plan to increase an annual dividend by ¥2/share over the previous year to ¥14/share with share repurchase of approximately ¥30 billion expected.

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Consolidated Financial Results and Business Review for the 3Q 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 third quarter of fiscal 2022.

3Q of Fiscal 2022 (1) Consolidated Financial Results

- 1 Revenue: +23% growth, led by Medical. Significant growth even compared to FY2020 (pre-pandemic)
- 2 Operating profit: Record highs in terms of both amount and ratio in 9M, driven by sales recovery and SG&A efficiency*

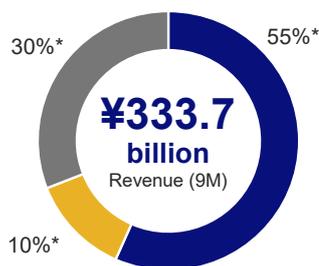
(Billions of yen)	9 Months (Apr. to Dec.)				3Q (Oct. to Dec.)									
	FY2020	FY2021	FY2022	YoY	YoY (After FX adjustment)	vs FY2020	vs FY2020 (After FX adjustment)	FY2020	FY2021	FY2022	YoY	YoY (After FX adjustment)	vs FY2020	vs FY2020 (After FX adjustment)
Revenue	561.3	513.6	629.8	+23%	+16%	+12%	+8%	192.9	197.1	216.7	+10%	+3%	+12%	+6%
Gross profit (% of revenue)	367.6 (65.5%)	323.5 (63.0%)	411.8 (65.4%)	+27%	+22%	+12%	+9%	124.8 (64.7%)	127.5 (64.7%)	141.6 (65.3%)	+11%	+5%	+13%	+9%
Selling, general and administrative expenses (% of revenue)	278.2 (49.6%)	250.2 (48.7%)	293.6 (46.6%)	+17%	+13%	+6%	+2%	93.2 (48.3%)	88.7 (45.0%)	102.2 (47.1%)	+15%	+10%	+10%	+5%
Other income and expenses	-4.7	-8.6	-9.3	-	-	-	-	-2.8	-4.4	-6.8	-	-	-	-
Operating profit (% of revenue)	84.7 (15.1%)	64.7 (12.6%)	108.9 (17.3%)	+68%	+58%	+29%	+26%	28.9 (15.0%)	34.4 (17.5%)	32.7 (15.1%)	-5%	-13%	+13%	+6%
Adjusted operating profit (% of revenue)	89.7 (16.0%)	73.5 (14.3%)	118.8 (18.9%)	-	-	-	-	31.8 (16.5%)	38.9 (19.8%)	39.6 (18.3%)	-	-	-	-
Profit before tax (% of revenue)	80.5 (14.3%)	61.9 (12.1%)	103.6 (16.5%)	+67%				27.1 (14.0%)	33.6 (17.0%)	29.8 (13.7%)	-11%			
Profit(loss)** (% of revenue)	59.1 (10.5%)	1.6 (0.3%)	87.7 (13.9%)	+5,298%				23.1 (12.0%)	24.3 (12.3%)	25.3 (11.7%)	+4%			
EPS	¥45	¥1	¥68					-	-	-				

*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 ¥629.8 billion in the first nine months. Revenue increased across all businesses, particularly in Medical, resulting in growth of 23%. Even in comparison to fiscal 2020, revenue was 12% higher, well above the pre-pandemic level.
- Regarding COVID-19 and the supply chain disruptions, including semiconductors, despite certain impact in some parts, there was no significant impact on consolidated results.
- Gross profit was ¥411.8 billion, with gross margin improving 2.4% points, driven by higher revenue, improved factory operation rate, and the absence of voluntary recall costs for endoscopic and endotherapy products, which were recorded in the previous year.
- SG&A expenses were ¥293.6 billion, with SG&A ratio improving 2.1% 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 in the 46% range, with higher revenue strongly contributed.
- Operating profit was ¥108.9 billion, with operating margin improving 4.7% points to 17.3%, despite recording expenses associated with Transform Olympus and the reorganization of the Scientific Solutions Division, which are included in "Other expenses".
- Also note that the adjusted operating profit margin, which we explained on Investor Day, was 18.9%, making steady progress toward our target operating margin of over 20% for fiscal 2023.
- Profit attributable to owners of parent was ¥87.7 billion, up ¥86.0 billion YoY. In the previous year there was a loss associated with the transfer of the Imaging business, but this year marked a dramatic improvement.
- Now, I would like to give a review for the third quarter from October to December.
- Revenue increased primarily in the Therapeutic Solutions Division and Scientific Solutions Division, but due to higher SG&A expenses and Other expenses, including for the reorganization of the Scientific Solutions Division, profit declined.
- Regarding SG&A expenses, expenses were returning slowly in the previous year, but this year we saw relaxation of restrictions on sales activities and undertook measures to strengthen our operational infrastructure and improve profitability, leading to higher SG&A expenses.

3Q of Fiscal 2022 (2) Endoscopic Solutions Division (ESD)



ESD Total										
(Billions of yen)	FY2021					FY2022				
	1Q	2Q	3Q	9M	4Q	Full-year	1Q	2Q	3Q	9M
Revenue	74.3	97.0	105.4	276.7	117.0	393.7	100.0	120.6	113.1	333.7
Operating profit	12.4	29.9	31.6	73.9	24.9	98.8	22.7	39.0	30.0	91.6
Other income and expenses	-0.4	-0.2	-0.8	-1.3	-4.6	-5.9	-2.2	-1.0	-0.9	-4.0
Operating margin (After FX adjustment)	16.7%	30.8%	30.0%	26.7%	21.2%	25.1%	22.7% (23.7%)	32.3% (31.9%)	26.5% (27.0%)	27.4% (27.8%)

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

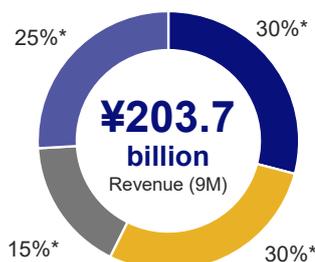
**From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD. FY2021 actuals have also been restated in the same manner.

FY2022 3Q (Oct-Dec) Growth Rate vs FY2021 3Q	vs FY2021 3Q	vs FY2021 3Q (after FX adjustment)	
■ Gastrointestinal endoscope	4%	-3%	<ul style="list-style-type: none"> Strong performance in Japan and APAC including Australia and S. Korea. In addition to steady sales of EVIS X1 series, old generation scopes also contributed to sales growth. In the meantime, sales declined in China and Europe. In China, stagnation of budget execution etc. and advance delivery in 2Q made an impact. In Europe, sales declined due to impact of large-scale tender projects in UK and other countries in previous year.
■ Surgical endoscope	17%	9%	<ul style="list-style-type: none"> Sales declined in China due to tough competitive environment etc., while strong performance in Europe, North America and Japan. In Europe, there were large-scale tender projects in Russia. In North America, we are promoting switch to VISERA ELITE II.
■ Medical service	10%	2%	<ul style="list-style-type: none"> Steady growth, centered in China and Europe, due to stable revenue stream based on service contracts including maintenance service, an increase in new accounts and market recovery.
Total	7%	0%	+5% 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 ¥333.7 billion, up 21%, in the first nine months. Operating profit was ¥91.6 billion, with an operating margin of 27.4%.
- 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 development assets in ESD. However, we posted an increase in profit thanks to sales growth.
- For the business review, I would like to focus on the third quarter (October to December).
- In the previous year, we already turned to growth thanks to a recovery from COVID-19, but this year we had a regional variation, and revenue was flat YoY.
- In GI endoscope, we saw strong performance in Japan and APAC including Australia and South Korea. In addition to steady sales of EVIS X1 series, old generation scopes also contributed to sales growth. In the meantime, sales declined in China and Europe. In China, stagnation of budget execution etc. and advance delivery in 2Q made an impact. In Europe, sales declined due to impact of large-scale tender projects in UK and other countries in the previous year. Also, note that sales contribution of EVIS X1 series has steadily increased and now accounts for more than 10% in the GI endoscope sub-segment in the third quarter (October to December).
- In Surgical endoscope, sales declined in China due to tough competitive environment, while strong performance in Europe, North America and Japan. In Europe, there were large-scale tender projects in Russia. In North America, we are promoting switch to VISERA ELITE II.
- In Medical service, we saw steady growth, centered in China and Europe, due to stable revenue stream based on service contracts including maintenance service, an increase in new accounts and market recovery.

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



TSD Total										
FY2021						FY2022				
(Billions of yen)	1Q	2Q	3Q	9M	4Q	Full-year	1Q	2Q	3Q	9M
Revenue	43.0	58.7	62.3	164.0	67.9	231.8	63.6	69.5	70.6	203.7
Operating profit	3.7	6.3	13.2	23.2	7.4	30.6	14.1	16.2	13.6	43.8
Other income and expenses	-0.3	-0.1	-0.3	-0.7	-2.2	-3.0	2.5	-0.4	-0.8	1.3
Operating margin (After FX adjustment)	8.5%	10.7%	21.3%	14.1%	10.9%	13.2%	22.1% (23.1%)	23.3% (23.0%)	19.2% (19.5%)	21.5% (21.8%)

*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 3Q (Oct-Dec) Growth Rate vs FY2021 3Q	vs FY2021 3Q	vs FY2021 3Q (after FX adjustment)	
■ GI-endothorapy	11%	6%	<ul style="list-style-type: none"> Strong performance in Europe and North America with the number of procedures recovering. Notable momentum in ERCP, Sampling (biopsy forceps, etc) and ESD/EMR products.
■ Urology	20%	11%	<ul style="list-style-type: none"> The number of procedures is recovering. Strong performance in North America, led by resection electrodes for BPH and "SOLTIVE SuperPulsed Laser System" for stone lithotripsy. Also, strong performance in Europe, partially supported by large-scale projects in Russia.
■ Respiratory	13%	4%	<ul style="list-style-type: none"> Significant growth in North America due to market recovery, Veran Medical Technologies, and strong performance in respiratory-endothorapy products for EBUS-TBNA (Endobronchial ultrasound-guided transbronchial needle aspiration) and bronchoscopes including new EBUS bronchoscopes. Sales in China declined due to stagnation of budget execution etc.
■ Other therapeutic areas	9%	3%	<ul style="list-style-type: none"> Strong performance in ENT, led by ENT endoscopes.
Total	13%	6%	+8% vs FY2020 (Reference: Managerial Basis)

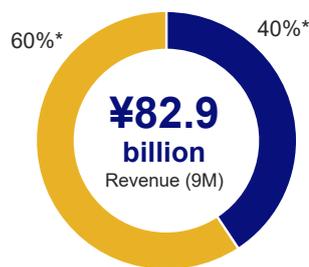
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(Slide 7)

- Please turn to slide 7 for the Therapeutic Solutions Division.
- Revenue amounted to ¥203.7 billion, up 24%, in the first nine months. Operating profit was ¥43.8 billion, with an operating margin of 21.5%. 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 for bronchoscopes (¥5.6 billion) and endotherapy products (¥2.0 billion) 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 third quarter (October to December). In the previous year, performance already rebounded to the fiscal 2020 levels, and this year we saw a gradual recovery continuing, resulting in growth across all sub-segments. We achieved 8% growth compared with fiscal 2020 on a managerial basis for your reference, which exceeded the pre-pandemic level. In China, revenue declined on an operational basis due to stagnation of budget execution etc.
- In GI endotherapy, we saw strong performance in Europe and North America. Notable momentum in products for ERCP (Endoscopic Retrograde Cholangio Pancreatography) used in endoscopic diagnosis and treatment of pancreatic duct and bile duct, Sampling (biopsy forceps, etc.), and ESD (Endoscopic Submucosal Dissection)/EMR (Endoscopic Mucosal Resection).
- In Urology, we saw strong performance in North America, led by resection electrodes for BPH (Benign Prostatic Hyperplasia) and "SOLTIVE SuperPulsed Laser System" for stone lithotripsy. Also, strong performance in Europe, partially supported by large-scale projects in Russia.
- In Respiratory, sales in China declined due to stagnation of budget execution etc., while growth was driven by North America due to revenue from Veran Medical Technologies and strong momentum in bronchoscopes and endotherapy products for EBUS-TBNA (Endobronchial ultrasound-guided transbronchial needle aspiration). In Other therapeutic areas, we saw strong performance in ENT, led by ENT endoscopes.

3Q of FY2022 (4) Scientific Solutions Division (SSD)



SSD Total										
	FY2021					FY2022				
(Billions of yen)	1Q	2Q	3Q	9M	4Q	Full-year	1Q	2Q	3Q	9M
Revenue	17.8	22.6	26.6	66.9	28.9	95.9	24.8	28.3	29.7	82.9
Operating profit	-1.6	1.8	2.7	3.0	2.0	4.9	1.9	4.6	4.9	11.4
Other income and expenses	-0.3	0.3	0	0	-1.3	-1.2	-0.2	-0.1	-0.2	-0.5
Operating margin (After FX adjustment)	-	8.1%	10.3%	4.4%	6.9%	5.2%	7.5% (8.1%)	16.3% (15.4%)	16.4% (15.6%)	13.7% (13.3%)

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

FY2022 3Q (Oct-Dec) Growth Rate vs FY2021 3Q	vs FY2021 3Q	vs FY2021 3Q (after FX adjustment)	
■ Life science	7%	0%	<ul style="list-style-type: none"> Sales were flat due in part to strong performance in China in previous year, despite market recovery and improved budget execution at research institutions and universities.
■ Industrial	15%	7%	<ul style="list-style-type: none"> CAPEX sentiment continued to improve, driven by overall market recovery. Notable strength in industrial microscopes, driven by 5G-related electronic components and semiconductor markets. Industrial videoscopes and non-destructive testing equipment also contributed to sales growth, showing a sign of market recovery.
Total	12%	4%	+6% vs FY2020 (Reference: Managerial Basis)

(Slide 8)

- Please turn to slide 8 for the Scientific Solutions Division.
- Revenue was ¥82.9 billion, up 24%, in the first nine months.
- Operating profit was ¥11.4 billion, with an operating margin of 13.7%.
- Operating profit increased substantially 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 third quarter (October to December).
- Revenue increased thanks to market recovery from COVID-19. Compared with fiscal 2020 on a managerial basis for your reference, revenue increased 6%
- In Life science, revenue was flat due in part to strong performance in China in the previous year, despite market recovery and improved budget execution at research institutions and universities.
- In Industrial, CAPEX sentiment of the global economy continued to improve, driven by overall market recovery.
- Notable strength in industrial microscopes, driven by 5G-related electronic components and semiconductor markets. Industrial videoscopes and non-destructive testing equipment also contributed to sales growth, showing a sign of market recovery.

Statement of Financial Position

- ☑ Cash and deposits increased due to an increase in Operating CF
- ☑ Goodwill and intangible assets, etc. increased due to acquisition of Medi-Tate, etc.
- ☑ Approx. 72 million treasury shares (¥82.3 billion) were cancelled in June 2021
- ☑ USD corporate bond (USD500M) was issued in December 2021

(Billions of yen)	End of Mar.* 2021	End of Dec. 2021	Change		End of Mar.* 2021	End of Dec. 2021	Change
Current assets	580.1	657.3	+77.3	Current liabilities	328.4	333.3	+4.9
Inventories	158.9	167.0	+8.1	Bonds/loans payable	31.5	51.6	+20.1
Non-current assets	603.4	635.6	+32.3	Non current liabilities	459.6	479.4	+19.8
Property, plant and equipment	239.2	238.2	-1.0	Bonds/loans payable	323.7	341.5	+17.8
Intangible assets and others	236.8	242.8	+6.0	Equity	395.5	480.3	+84.8
Goodwill	127.4	154.6	+27.3	(Equity ratio)	33.3%	37.1%	+3.8pt
Total assets	1,183.5	1,293.0	+109.5	Total liabilities and equity	1,183.5	1,293.0	+109.5
				Interest-bearing debt:		393.1 (+37.8 from March 2021)	
				Cash and cash equivalents:		275.1 (+57.6 from March 2021)	
				Net debt:		118.0	

*Regarding acquisitions with Veran Medical Technologies and Quest Photonic Devices B.V. that occurred in FY2021, there were temporary revisions in amounts during 1Q, 2Q and 3Q of FY2022. In line with this, FY2021 figures have been retroactively revised.

(Slide 9)

- Please turn to slide 9 for our financial position at the end of December 2021.
- Cash and deposits increased due to an increase in operating cash flow.
- Investment securities decreased by ¥8 billion. We are optimizing investment securities under the policy of holding listed stocks will contribute to increase the corporate value over the medium to long term.
- There were no other major changes affecting our financial position.
- Goodwill and intangible assets etc. increased compared to the end of the previous fiscal year due to the acquisition of Medi-Tate, etc.
- The equity ratio rose 3.8 points to 37.1% compared to the end of the previous fiscal year.
- We canceled approx. 72 million treasury shares in June and issued USD corporate bond of \$500 million in December.

Consolidated Cash Flows

- ☑ FCF: Positive ¥58.1 billion. Considering expenditures for acquisition of Medi-Tate (¥21.6 billion) and for reversal of provision for career support for external opportunity program (¥11.2 billion), FCF was positive ¥90.9 billion
- ☑ Financing CF: Minus ¥9.3 billion due to debt repayments and dividend payments, while financing through issuance of USD corporate bond

9 Months (Apr. to Dec.)

(Billions of yen)	FY2021	FY2022	Change
Profit before tax	61.9	103.6	+41.7
CF from operating activities	89.0	115.3	+26.2
CF from investing activities	-115.0	-57.1	+57.9
Free cash flow	-26.0	58.1	+84.1
CF from financing activities	52.0	-9.3	-61.3
Cash and cash equivalents at end of period	187.7	275.1	+87.4

Major one-off items for FY2022 9M (Apr. to Dec.)

Operating CF: Outflow of reversal of provision for career support for external opportunity program	¥11.2 billion
Investing CF: Outflow of acquisition of businesses and subsidiaries	¥21.6 billion

(Slide 10)

- Please turn to slide 10 for the status of cash flows.
- Cash flow from operating activities was ¥115.3 billion, up 29% YoY. While operating cash flow increased significantly due to improved profit, there was a one-off expenditure of ¥11.2 billion on the reversal of provision for the career support for external opportunity program.
- Cash flow from investing activities increased by ¥57.9 billion YoY. Considering expenditures of ¥40.0 billion for multiple M&As and time deposits of ¥40.0 billion in the previous year, and M&A in this fiscal year, it was almost flat.
- Free cash flow stood at ¥58.1 billion. Free cash flow would have been ¥90.9 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 by ¥61.3 billion to minus ¥9.3 billion, due mainly to the debt repayments and dividend payments, while financing through the issuance of USD corporate bond.
- As a result, cash and cash equivalents at the end of December stood at ¥275.1 billion, an increase of ¥87.4 billion.

02 **Forecasts for Fiscal 2022**

(Slide 11)

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

Fiscal 2022 Consolidated Forecasts

- 1** Revenue: Expected to exceed pre-pandemic level with Medical reaching a record high
- 2** Operating profit: Expected to achieve ¥144 billion with OPM of about 17%, both record highs
- 3** Profit*: Expected to reach a record high of ¥109 billion

(Billions of yen)	FY2022 Forecasts as of Nov 5	FY2022 Latest Forecasts	Change	vs Nov 5	vs Nov 5 (After FX adjustment)	vs FY2021	vs FY2020	FY2021** (Actual)	FY2020** (Actual)
Revenue	856.0	1 862.0	+6.0	+1%	0%	+18%	+14%	730.5	755.2
Gross profit (% of revenue)	561.0 (65.5%)	567.0 (65.8%)	+6.0	+1%	0%	+23%	+17%	459.5 (62.9%)	482.8 (63.9%)
Selling, general and administrative expenses (% of revenue)	400.0 (46.7%)	405.0 (47.0%)	+5.0	+1%	+1%	+13%	+6%	357.0 (48.9%)	381.2 (50.5%)
Other income and expenses	-17.0	-18.0	-	-	-	-	-	-20.5	-9.4
Operating profit (% of revenue)	144.0 (16.8%)	2 144.0 (16.7%)	0	0%	-3%	+76%	+56%	82.0 (11.2%)	92.2 (12.2%)
Adjusted operating profit (% of revenue)	161.5 (18.9%)	162.5 (18.9%)	-	-	-	-	-	102.1 (13.5%)	103.1 (14.1%)
Profit before tax (% of revenue)	139.0 (16.2%)	139.0 (16.1%)						76.8 (10.5%)	86.6 (11.5%)
Profit attributable to owners of parent (% of revenue)	109.0 (12.7%)	3 109.0 (12.6%)						65.7 (9.0%)	60.6 (8.0%)
EPS	¥85	¥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.
- There are no major changes to the previous forecasts.
- We expect revenue to exceed pre-pandemic level, with Medical reaching a record high.
- Regarding COVID-19, there will be no significant impact on consolidated results, although we will continue to monitor the situation closely.
- In addition, regarding the supply chain disruptions, including semiconductors, the situation is changing day by day and delivery might delay for some products toward the end of the fiscal year, but we will continue to take all measures to minimize the impact of this risk.
- We expect operating profit of ¥144 billion with an operating margin of around 17%, both record highs.
- We also expect record profit of ¥109 billion.
- We plan to pay a dividend of ¥14 per share for this fiscal year, unchanged since announced in May.
- The forecast assumptions are ¥112 per dollar and ¥130 per euro.

Fiscal 2022 Forecasts by Business Segment

- 1 ESD and TSD: Medical revenue and operating profit expected to reach record highs, exceeding pre-pandemic levels
- 2 Elimination and Corporate: Revised to strengthen operational infrastructure such as QA/RA and IT and to implement measures to improve operational efficiency

(Billions of yen)		FY2022 Forecasts as of Nov 5	FY2022 Latest Forecasts	Change	vs Nov 5	vs Nov 5 (After FX adjustment)	vs FY2021	FY2021 (Actual)	
ESD	Revenue	453.0	1	459.0	+6.0	+1%	0%	+17%	393.7
	Operating profit	127.0		131.0	+4.0	+3%	+1%	+33%	98.8
TSD	Revenue	276.0		277.0	+1.0	0%	-1%	+19%	231.8
	Operating profit	55.0		57.0	+2.0	+4%	2%	+87%	30.6
SSD	Revenue	114.0		114.0	0	0%	-1%	+19%	95.9
	Operating profit	15.5		15.5	0	0%	-4%	+213%	4.9
Others	Revenue	13.0		12.0	-1.0	-8%	-8%	+31%	9.2
	Operating profit	-2.5		-2.5	0	0%	¥0 billion	-¥1.8 billion	-0.7
Elimination and corporate	Operating profit	-51.0	2	-57.0	-6.0	-¥6 billion	-¥5.8 billion	-¥5.4 billion	-51.6
Consolidated Total	Revenue	856.0		862.0	6.0	1%	0%	+18%	730.5
	Operating profit	144.0		144.0	0	0%	-3%	+76%	82.0

(Slide 13)

- Please turn to slide 13 for forecasts by business segment.
- There are some changes by segment from the previous forecasts.
- In Medical business, including ESD and TSD, both revenue and operating profit are expected to reach record highs.
- In terms of Elimination and corporate, we have made revisions in order to implement measures to strengthen our operational infrastructure such as QA/RA and IT and improve operational efficiency.

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 Feb 4, 2022)



Corporate Strategy of ESD : Further strengthen leadership in endoscopy



Maintain leadership in conventional endoscopy through continued innovation and commercial excellence



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

Growth driver now	Just launched / Coming soon	Beyond
<p>GI endoscopy</p> <ul style="list-style-type: none"> EVIS LUCERA ELITE (Japan, China) EVIS EXERA III (US, EU) <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 (EU, Japan) TJF-Q190V, duodenoscope (US) ENDO-AID, endoscopy CAD platform for EVIS X1 (EU) <p>Surgical endoscopy</p> <ul style="list-style-type: none"> VISERA ELITE II 3D/IR (US) VISERA ELITE II 2D/3D/IR (China) 	<p>GI endoscopy</p> <ul style="list-style-type: none"> EVIS X1 (US, China) 3D function for EVIS X1 Single-use duodenoscope <p>Surgical endoscopy</p> <ul style="list-style-type: none"> 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.
- EVIS X1 is already on sale in Europe, Japan and some parts of Asia, and has steadily gained momentum.
- In regions where it has not yet been launched, we are making every effort to obtain approvals and launch soon.
- In the meantime, in China we have launched the IR system for the VISERA ELITE II surgical endoscopy system.

Key Product Catalysts: Therapeutic Solutions Division (As of Feb 4, 2022)



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.
- There are no changes from the second quarter. We will continue to enhance and upgrade our product lineup by expanding sales and introducing new products.

TSD: Growth drivers in Urology

SOLTIVE™ SuperPulsed Laser System¹

Innovative laser platform for treatment of kidney stones

- Procedure:** Laser lithotripsy for kidney stone patients
- Market:** Overall Urology Stone Management ¥180B (4% CAGR)²
- Product:**
- Olympus pioneered the use of Thulium Fiber Laser (TFL) technology for kidney stone treatment through the Soltive launch. Clinical research indicates that **Soltive may offer the potential for shorter procedure times, better patient outcomes and lower procedure costs** than those performed with Ho:YAG lasers.³
 - Driving strong above-market revenue growth with FY22 Revenue ahead of plan by almost 20%.
 - **We expect double-digit growth over next 3 years** driven by continued market share capture, increased utilization in existing accounts, and continued portfolio enhancements.

Already launched in the US, Canada, Europe, and Asia



PLASMA+™ Advanced Energy System¹

Advanced bipolar platform for treatment of BPH

- Procedure:** Soft tissue resection for BPH
- Market:** Overall BPH ¥95B (12% CAGR)²
- Product:**
- **Olympus has a long history of leadership with differentiated PLASMA technology in Urology**, offering an integrated platform of resectoscopes, electrodes and energy generators.
 - **As a product leader, we differentiate with our complete suite of procedural solutions and electrodes designed to treat BPH**, a platform which can also be used to treat bladder cancer patients.
 - **We expect mid single-digit growth over next 3 years** driven by population/procedure growth and launch of 3rd-generation PLASMA+ system.

Already launched in Europe, Australia. US and Asia to follow in FY2022



¹ Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.

² Overall Stone Management & BPH market size & growth include procedures and product categories beyond those specifically applicable to Soltive & PLASMA+ (such as minimally invasive BPH treatment).

³ Ryan, JR; Nguyen, MH; Linscott, JA; Nowicki, SW; Jumper, BM; Ingimarsson, JP; *PD54-07: Thulium Fiber Laser Results in Shorter Operating Times During Ureteroscopy and Laser Lithotripsy.* The Journal of Urology, September 2021; accessed Nov. 2, 2021.

⁴ Disclaimer: These abstract study findings are early analysis and may change with further, more complete analysis. Generalizability of economic impact to other institutions is not specific and is limited.

(Slide 17)

- Please turn to slide 17.
- I would like to introduce two growth drivers in Urology, one of our focused areas.
- First, the SOLTIVE SuperPulsed Laser System for stone lithotripsy.
- In the first nine months, sales of the product was 20% higher than planned, and we will continue to promote it as a growth driver in Urology.
- Clinical research indicates that in the treatment of kidney stones Soltive may offer the potential for shorter procedure times, better patient outcomes and lower procedure costs than those performed with Holmium:YAG lasers. For further details, please refer to the press release issued by Olympus America on January 18, 2022.
- Next, PLASMA+.
- Since we developed the world's first electrodes and energy generators for TURis, we have boasted an overwhelming market share in this field and led the market.
- Our PLASMA+ has integrated third-generation bipolar technology. The newest generation continues to set new standards across the board – in terms of performance, treatment options, safety, cost, and time efficiency, and we expect continued growth as we launch the product in more regions.
- In this way, we will continue to provide solutions that meet the needs of the market by focusing on patient care pathways and delivering innovative technologies.

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

- Promoting Global Business Services
- Completed share transfer of Olympus Systems Corporation to Accenture
- Established Olympus Innovation Ventures, a corporate venture capital fund
- Selected as "Dow Jones Sustainability World Index (DJSI World)"
- Formulated strategic initiatives for Medical business (Olympus Investor Day 2021)
- Officially decided to split Scientific Solutions Division, and proceeding with examination regarding a possible transfer of all shares in new company to a third party

(Slide 18)

- Please turn to slide 18.
- Our theme for fiscal 2022 is to further strengthen our position as a global medtech company, and we are continuing to work and establish the corporate transformation we implemented previous fiscal year.
- Now allow me to share the progress we made during the third quarter.
- First, we were selected as a component of the Dow Jones Sustainability World Index (DJSI World), the world's leading corporate sustainability index, for the first time.
- We will continue to contribute to the development of a sustainable society by actively incorporating ESG perspectives into our activities and will fulfill our corporate social responsibilities on a global scale.
- Next, we have formulated strategic initiatives for the Medical business and announced them on Investor Day on December 7, 2021.
- We have clarified focus areas and disease states where we can maximize our values and set the goals of elevating the standard of care in targeted disease states, through which we can achieve further growth and improve profitability.
- In the next slide, I will touch upon the progress regarding the reorganization of Scientific Solutions Division

Progress of Reorganization of Scientific Solutions Division

- ☑ Inked absorption-type company split contract on Jan 14, 2022, to transfer Scientific Solutions Business to Evident Corporation, which is newly established wholly owned subsidiary of Olympus, effective April 1, 2022 (planned)
- ☑ Proceeding with examination regarding a possible transfer of all shares in Evident to a third party after split



Biological microscopes



Industrial microscopes



Non-destructive testing instruments



Industrial videoscopes



X-ray fluorescence (XRF) analyzers

Establishment of a management structure suited to respective business characteristics of medical and scientific business will accelerate our efforts to achieve sustainable growth and improve profitability, and will contribute to enhancement of corporate value of our entire group

(Slide 19)

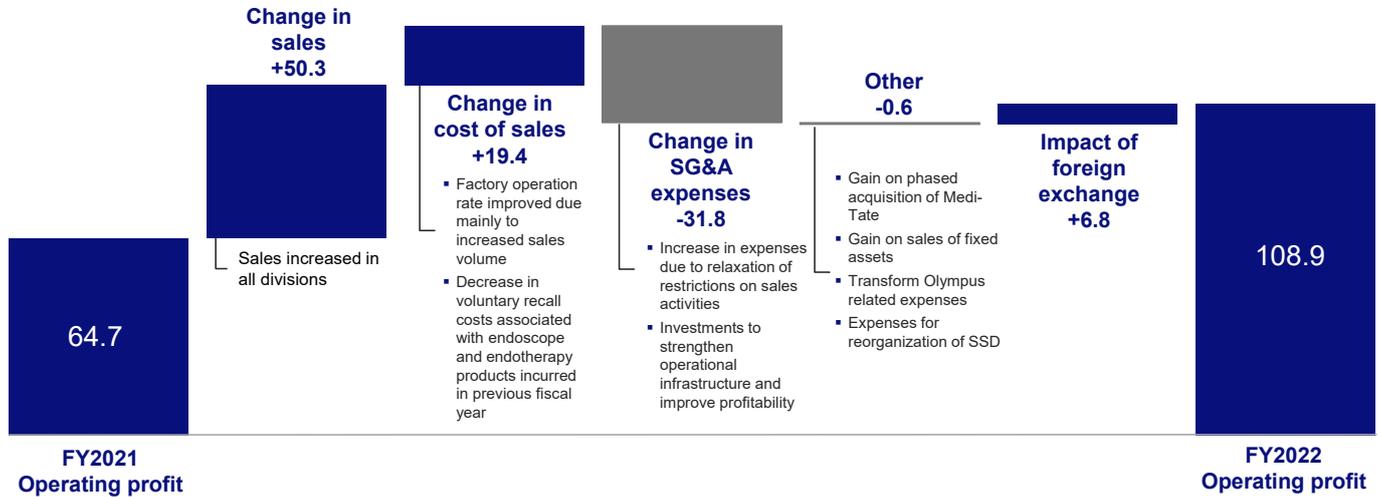
- Please turn to slide 19.
- We inked the absorption-type company split contract on Jan 14, 2022, to transfer Scientific Solutions Business to Evident Corporation, which is a newly established wholly owned subsidiary of Olympus, effective on April 1, 2022.
- We are also proceeding with examination regarding a possible transfer of all shares in Evident to a third party after the split.
- We aim to establish a management structure suited to respective business characteristics of medical and scientific business that will accelerate our efforts to achieve sustainable growth and improve profitability and will contribute to enhancement of corporate value of our entire group.
- That concludes my presentation. Thank you for your attention.

OLYMPUS

Appendix

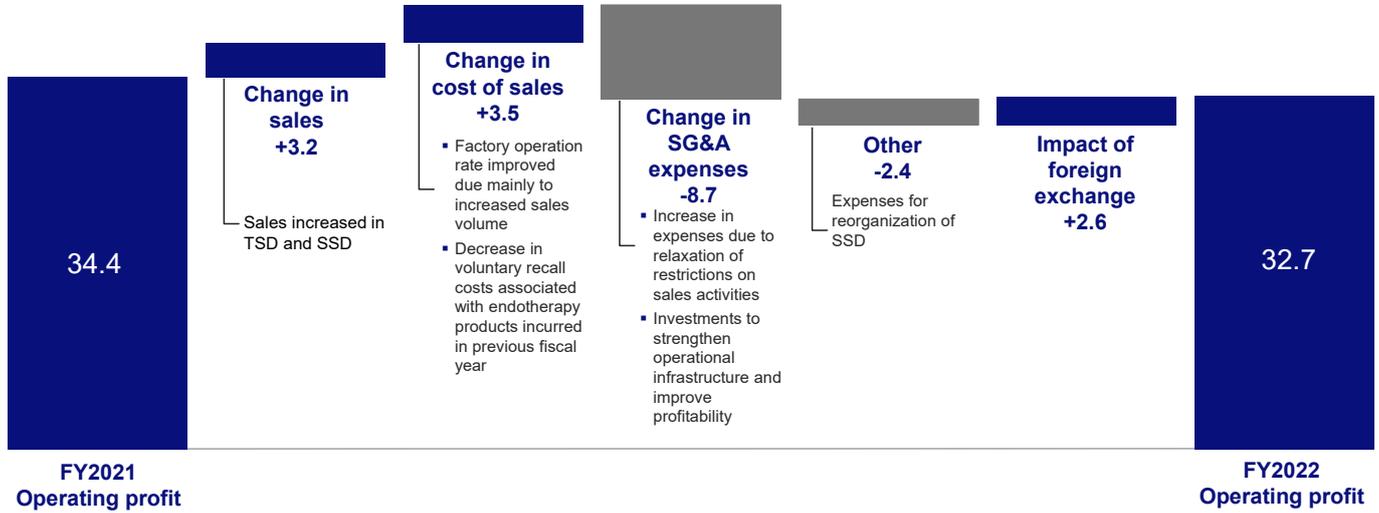
3Q of Fiscal 2022 Factors that Affected Consolidated Operating Profit

9 Months (Apr. to Dec.)



3Q of Fiscal 2022 Factors that Affected Consolidated Operating Profit

3Q (Oct. to Dec.)



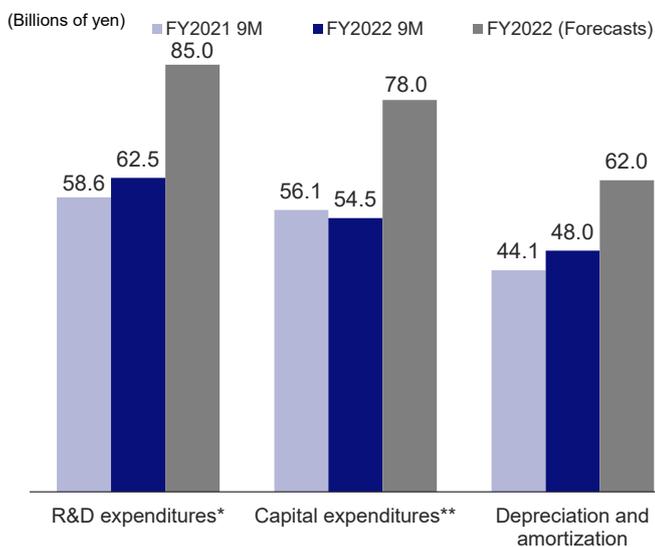
3Q of Fiscal 2022 by Segment

		9 Months (Apr. to Dec.)				3Q (Oct. to Dec.)			
		FY2021	FY2022	YoY	After FX adjustment	FY2021	FY2022	YoY	After FX adjustment
ESD	Revenue	276.7	333.7	+21%	+14%	105.4	113.1	+7%	0%
	Operating profit	73.9	91.6	+24%	+18%	31.6	30.0	-5%	-10%
TSD	Revenue	164.0	203.7	+24%	+17%	62.3	70.6	+13%	+6%
	Operating profit	23.2	43.8	+89%	+82%	13.2	13.6	+3%	-2%
SSD	Revenue	66.9	82.9	+24%	+17%	26.6	29.7	+12%	+4%
	Operating profit	3.0	11.4	+284%	+252%	2.7	4.9	+78%	+58%
Others	Revenue	6.0	9.5	+58%	+54%	2.8	3.3	+17%	+15%
	Operating profit(loss)	-1.5	-1.5	¥0	+¥0.1 billion	-0.6	-0.3	+¥0.2 billion	+¥0.2 billion
Elimination and Corporate	Operating profit(loss)	-33.8	-36.4	-¥2.6 billion	-¥2.5 billion	-12.5	-15.4	-¥2.9 billion	-¥2.7 billion
Consolidated Total	Revenue	513.6	629.8	+23%	+16%	197.1	216.7	+10%	+3%
	Operating profit	64.7	108.9	+68%	+58%	34.4	32.7	-5%	-13%

*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.

9 Months (Apr. to Dec.) and Full-year Forecasts



(Billions of yen)	FY2021	FY2022
R&D expenditures* (a)	58.6	62.5
Capitalization of R&D expenditures (b)	11.6	12.4
R&D expenses in P/L (a-b)	47.0	50.2

(Billions of yen)	FY2021	FY2022
Amortization	6.4	6.8
	End of Sep. 2021	End of Dec. 2021
R&D assets	59.9	60.1

*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 9M: ¥17.8 billion, FY2022 9M: ¥11.3 billion, FY2022 Full-year Forecast: ¥13.0 billion)

Foreign Exchange and Sensitivity

Foreign exchange rate

(Yen)	FY2020 3Q	FY2020 9M	FY2021 3Q	FY2021 9M	FY2022 3Q	FY2022 9M	FY2022 Annual Forecasts
Yen/U.S. dollar	109	109	105	106	114	111	112
Yen/U.S. Euro	120	121	125	122	130	131	130
Yen/CNY	15	16	16	15	18	17	17

Forex sensitivity (annual)

(Billions of yen)	Revenue	Operating profit
U.S. dollars (per yen)	2.3	1.0
Euro (per yen)	1.6	0.7
CNY (per yen)	6.8	4.5