



Management Policy for Fiscal 2023

Olympus Corporation | Director, Representative Executive Officer, President and CEO | Yasuo Takeuchi | May 11, 2022

(Slide 1)

- Hello everyone, I am Yasuo Takeuchi, CEO of Olympus Corporation.
- I would like to thank you all for participating in this conference.
- Today, I would like to start by describing our management policy for fiscal 2023. After that, our CFO Chikashi Takeda will provide a review of the financial results for fiscal 2022 and our full-year forecasts for fiscal 2023. Then our COO Nacho Abia will briefly explain the key priorities of our Medical Business

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01 Performance Highlights

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- First, before I go into our management policy, I would like to review the corporate transformation over the past three years since I became CEO.

“Transform Olympus” - Transformation Plan to Become a Truly Global Company

Key Issues in Developing into a Truly Global Company

- Efficient and agile decision making
- Centralized risk management
- Optimal allocation of function and talent globally
- Improve business speed and efficiency in line with global medical technology peers
- Sustainable growth of therapeutics device
- Improve operating profit margin and capital efficiency
- Governance structure in line with global nature of business
- Diversify board of directors

“Transform Olympus”

Shift to Centralized Global Group Management

Globally Integrate HR Management

“Transform Medical”
Optimize and Simplify Medical Device Business

Prioritize Cost Containment and Capital Efficiency

Migrate to Three Committee Board Structure with Diversified Board of Directors

Expected Outcomes

- New Org. Chart and ExCom
- Clear Lines of Accountability
- Rapid Execution
- High Performance Culture
- More Productive Team
- BUs aligned by business model
- New Products Faster
- Quality Patient Outcomes
- Continuous Profit Growth
- Greater Capacity to Invest
- Higher Shareholder Returns
- Faster Management Action
- Board Aligned With Strategic Goals
- Board Focused on Strategy and Long-Term Accountability

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- On this slide, you can see the challenges facing Olympus that were announced during the Transform Olympus corporate transformation plan in January 2019, along with the reform plans to address those challenges and the expected outcomes.
- At the time, Olympus had considerable room for improvement in terms of management foundations, group governance, efficiency, and profitability compared with global medical device companies. We also recognized that the speed at which we can adapt to the external environment was an issue for achieving sustainable growth, and decided to implement Transform Olympus with these points in mind.
- We believed that only after implementing the five measures outlined in Transform Olympus, establishing management foundations and ensuring adequate profitability would we be able to achieve sustainable growth, enabling Olympus to continue to contribute to the health of people around the world.
- Our aim was to pursue a fundamental corporate transformation and to build management foundations and organizations associated with speed and drive in order to acquire the ability to take action which is the most important factor in executing the corporate strategy that awaited us.

Our strategic aspiration and performance metrics



Our aspiration is to **become a globally-leading medtech company** contributing to people's lives by delivering innovative solutions that **benefit patients, healthcare professionals, payors and providers**



Sustain **5-6%** growth annually



Deliver **>20%** consolidated corporate operating margin*



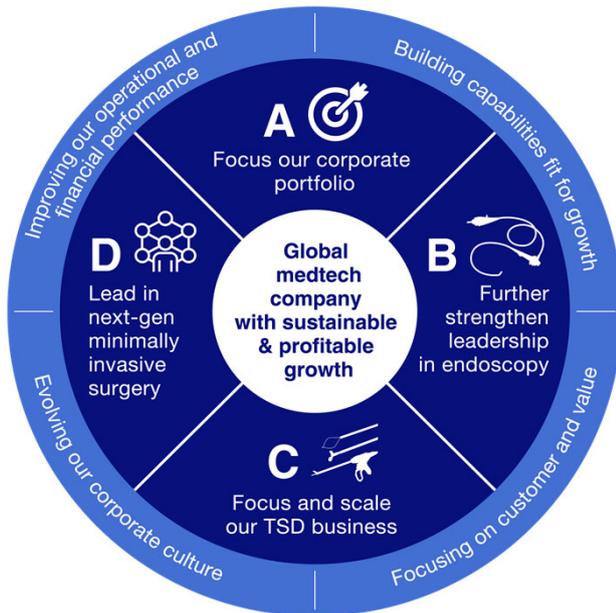
Become **leaders** in the therapeutic areas where we compete (GI, urology and respiratory)

*Adjusted for extraordinary items: Exclude Other income/expenses

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- Through Transform Olympus, we unveiled our corporate strategy in November 2019 as a medium-to-long-term strategy to achieve sustainable growth while establishing management foundations.
- We have set the strategic aspiration to develop into a globally-leading medtech company that delivers benefits to all stakeholders through innovative value and contributes to the health of people around the world. In keeping with this thinking, we declared that we would achieve an annual revenue growth rate of 5-6% combined with an operating margin of over 20%, and that we would achieve sustainable growth by securing a leading position in the therapeutic areas on which we are focused.

Our corporate strategy



A

Focus the corporate portfolio, centering on Medical

B

Maintain leadership in reusable endoscopy
Complement our portfolio with single-use endoscopes to accelerate growth and address unmet needs
Evolve the endoscopy commercial model – shift towards service-based offerings and procedure-based business models

C

Focus and scale prioritized therapeutic areas (GI-ET, urology and respiratory)

D

Develop a leading position in next-generation minimally invasive surgery by **delivering integrated technologies designed to improve clinical and economic outcomes**

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- To realize these goals, we identified four key components for achieving business growth and improving profitability, and four initiatives aimed at enhancing organizational functions.
- The goals set in our corporate strategy seemed ambitious to many stakeholders at the time, but in order to drastically transform employee mindsets and our corporate culture without being bound by the fixed ideas that have long existed at Olympus and to bring out the full potential of Olympus on a groupwide basis, we clarified the areas that needed to be tackled and took the necessary measures.

We have accelerated transformation to a global medtech company

FY2021

Great chance to accelerate transformation to a truly global medtech company for sustainable growth

Prioritize long-term growth and accelerate Transform Olympus executions



Focus the corporate portfolio



Structural reform of fixed costs



Successful launch of next-gen GI endoscopy system EVIS X1



Continued steady investment in product development for future growth



Driving efficiency in our R&D operations

FY2022

Further strengthen our position as a global medtech company

Continue and establish corporate transformation implemented in FY2021



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

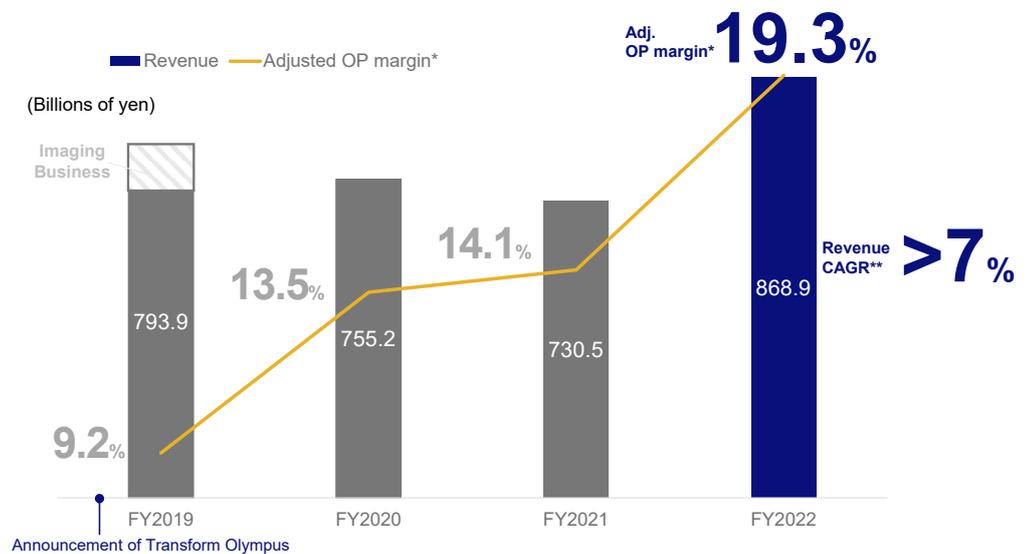
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- After the announcement of the corporate strategy, the unprecedented COVID-19 pandemic developed, but seeing the demand for our products and solutions as constant in the medium-to-long term, we saw this as a good opportunity to accelerate our transformation into a truly global medtech company towards achieving sustainable growth, and we followed through on all of the various measures based on the corporate strategy.

Since announcement of Transform Olympus, we have achieved strong growth despite pandemic headwinds



Revenue: Achieved growth to above pre-pandemic level in FY2022 and CAGR of >7% over last two years
Adjusted OP margin*: improved significantly
Right on track to achieve >20% in FY2023



Note: Continuing business base from FY2020 *Adjusted for extraordinary items: Exclude Other income/expenses **2-year CAGR from FY2020

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- I would also like to review our business performance.
- In terms of revenue, thanks to the significant growth of 19% achieved during fiscal 2022, CAGR over the past two years exceeded 7%.
- In our corporate strategy we also set targets for CAGR over the three-year period from fiscal 2021 to fiscal 2023, 6% and 8% for ESD and TSD respectively. Over the past two years, these divisions have both achieved a CAGR of 7% and, despite the COVID-19 pandemic, we have been supported by solid demand and made progress in line with these goals thanks to recovery and remarkable growth.
- In addition, adjusted operating margin, which had been 9.2% as of fiscal 2019 when our corporate transformation began, has improved year after year. In fiscal 2022 it has improved by more than 10% points to 19.3%, marking significant progress towards our financial guidance of an adjusted operating margin of over 20%.

Our Journey to a global medtech company

We have implemented various initiatives from FY2020. Implementation of these initiatives enabled us to change employees' awareness and corporate culture

FY2020

Governance

- Changed our governance system to a company with a Nominating Committee, etc.
- Transferred headquarters of our Therapeutic Solutions Business to the US

FY2021

Portfolio

- Completed transfer of Imaging Business to Japan Industrial Partners
- Conducted multiple M&As to drive medical business

Structural reform

- Implemented "Career Support for the External Opportunity" in Japan

Product launch

- Launched EVIS X1 in Europe, Japan, and some parts of Asia

FY2022

ESG

- Joined DJSI World Index

Strategy

- Formulated strategic direction for Medical Business

Portfolio

- Established Olympus Innovation Ventures, a corporate venture capital fund

FY2023

Portfolio

- Completed split of Scientific Solutions Business, and proceeding with examination regarding a possible transfer of all shares in new company to a third party

Our journey continues...

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- Since the announcement of Transform Olympus in 2019, we have implemented a number of reforms, from the business portfolio to governance and corporate culture, without ever easing our grip.
- In the course of driving the corporate transformation, we believe that we are steadily building a management foundation to transform into a global medtech company.

02 Management Policy for Fiscal 2023

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- Now I would like to explain our management policy for fiscal 2023.

FY2023 Key Initiatives

We aim to achieve financial targets by business growth and increasing efficiency, and to improve patient outcomes by elevating the standard of care



Focus

Focus on the diseases on which we can have a market leading impact



Shape

Shape the future by investing in new ways to elevate the standard of care



Enable

Enable our organization to better execute globally and at pace



ESG

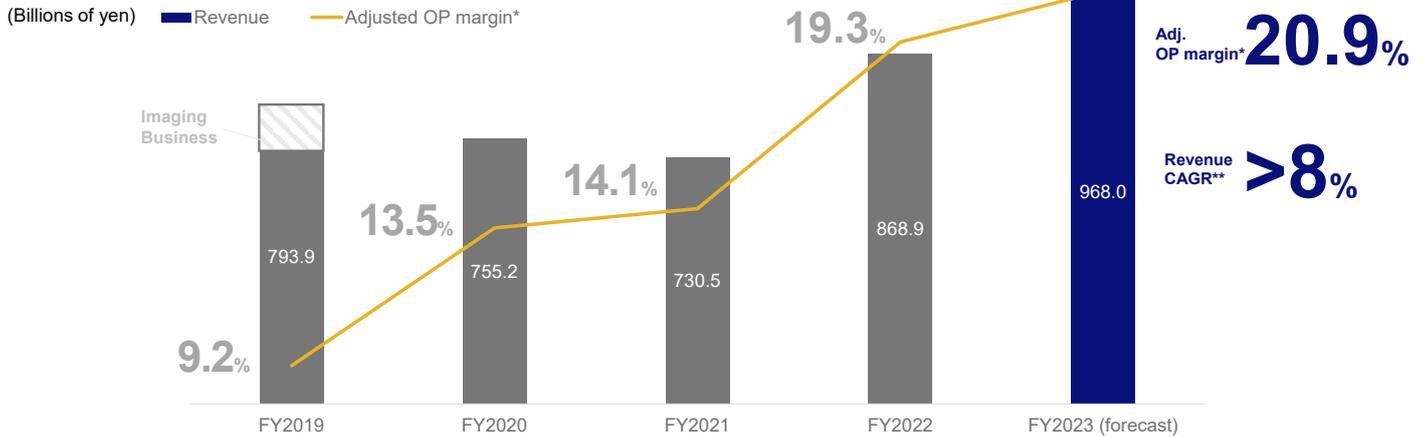
Strengthen ESG initiatives for sustainable growth

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- Fiscal 2023 is positioned as an important year in terms of management, and first we aim to achieve the financial targets for fiscal 2023 that we have set as a milestone by enhancing business growth and efficiency. In the recent management environment, with uncertainty growing day by day, I have a sense that we need to take a medium-to-long term approach and implement management based on flexible decision making that reflects conditions. As I mentioned earlier when reviewing our past performance, through the efforts we have made to date, employees have begun to think of corporate transformation as their own matter, and the mindset of each person has shifted considerably while implementing the transformation. Even in the midst of uncertainty, I believe it is fully possible to achieve our goals, by having the executive team lead the company overall with individual employees responding with flexibility and speed through their abilities to adapt and drive change.
- At Investor Day in December 2021, I mentioned that it is important to focus on the series of care pathways patients experience from prevention to screening, diagnosis, treatment and recovery while supporting and improving appropriate care for each patient, and that we would strengthen the provision of solutions aimed at those pathways. In line with the strategy shown at Investor Day, we focus on diseases where we can demonstrate our capabilities to the fullest, namely GI, urology and respiratory, and the new investments we make will lead to the creation of innovation and value that will improve the standards of care.
- However, we also recognize that there are still some challenges in our organizational foundations on the way to achieving sustainable growth as a global medtech company. As you are aware, Olympus was founded with the aim of achieving domestic production of microscopes, and we are a company that has developed by repurposing those optical technologies for cameras and endoscopic products, and exporting products developed in Japan to the world. Although Medical Business accounts for more than 85% of total sales today, our origins set us apart from those of a pure medtech company. Due to the technology-oriented business style that has been formed over one hundred years since our founding, and the operating model optimized for each region and company, there are challenges such as globally linked product development and quality assurances/regulatory affairs. We will focus on efforts to transform these into systems and operations suitable for a global medtech company. Our improvements to the executive officer structure from April were also in line with this purpose, and I believe it is essential for us to strengthen our global organizational structure and cross-functional coordination to a greater extent than before.
- Additionally, as a global medtech company, in addition to focusing on providing high value to patients, we will also help solve social issues identified as Materiality and contribute to realize a sustainable society.

Toward a milestone of the corporate strategy

3-year Revenue CAGR from FY2020 is expected to reach >8%**
We will make every effort to achieve >20 % adjusted OP margin



Note: Continuing business base from FY2020 *Adjusted for extraordinary items: Exclude Other income/expenses **3-year CAGR from FY2020

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- Fiscal 2023 is positioned as a milestone in the financial guidance of our corporate strategy. We will make a united company-wide effort to achieve an adjusted operating margin of over 20%.
- We have not seen revenue growth as initially expected over the two years since our corporate strategy was announced due to the spread of COVID-19. However, revenue has steadily recovered and achieved significant growth in fiscal 2022, we expect to see high growth in fiscal 2023 as well, and the three-year CAGR using fiscal 2020 as a starting point is expected to exceed 8%.

Shift towards sustainable growth

Culture of corporate transformation has taken root.
We are aiming to secure sufficient profitability and shifting to grow

FY2023 is a milestone, not our goal.



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- Lastly, I would like to summarize my thoughts regarding the positioning of this fiscal year once more.
- Since the announcement of Transform Olympus, we have implemented a number of measures with a sense of speed and continued to promote corporate transformation, and I believe that a company-wide transformation culture has taken root as a result.
- Given this, for fiscal 2023 we aim to achieve an adjusted operating margin of over 20% as a milestone, and also make it a year in which we shift from a transformation phase to a growth phase.
- Of course, going forward we continue with the initiatives undertaken in Transform Olympus including the pursuit of efficiency, globalization of functions and development of a healthy corporate culture, but by steering toward growth, we will continually improve revenue and profitability and contribute to our ultimate goal as our purpose: making people's lives healthier, safer and more fulfilling.
- Next, our CFO Chikashi Takeda will provide a review of the financial results for fiscal 2022 and our full-year forecasts for fiscal 2023.



Consolidated Financial Results for Fiscal 2022 and Full-Year Forecasts for Fiscal 2023

Olympus Corporation | Executive Officer and CFO, Chikashi Takeda | Executive Officer and COO, Nacho Abia | May 11, 2022

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- Hello everyone. I am Chikashi Takeda, Chief Financial Officer of Olympus Corporation.
- I would like to provide a review of our consolidated financial results for fiscal 2022 and talk about our full-year forecasts for fiscal 2023.

Highlights

Consolidated Financial Results (FY2022 Full-year)

- ✓ Revenue: Growth of +10% YoY in 4Q and +19% YoY in full-year . Medical and Scientific Solutions achieved record highs.
- ✓ Operating profit: Record highs for both amount and ratio in 4Q* (18.8%) and full-year (17.7%), and adjusted operating margin was 19.3% in full-year
- ✓ Profit**: Record highs for both profit (¥115.7 billion) and EPS (¥90)***

FY2023 Full-year Performance Forecasts

- ✓ Revenue: Expected to grow 11% YoY to ¥968 billion, driven by business growth in Medical and Scientific Solutions
- ✓ Operating profit: Expected to achieve OPM of >20%, which is our target in corporate strategy
- ✓ Profit**: Expected to reach a record high of ¥154 billion. EPS: Expected to grow 34% to ¥121
- ✓ Shareholder returns: Annual dividend plan to increase by ¥2/share YoY to ¥16/share

*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.

***Considering past stock splits

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- This slide highlights our fourth quarter and full-year financial results for fiscal 2022.
- Revenue increased 10% in the fourth quarter and 19% for the full-year. Both Medical and Scientific Solutions businesses achieved record highs.
- Operating profit in the fourth quarter and full-year hit record highs in terms of both amount and ratio, beating our forecasts. Operating margin was 18.8% in the fourth quarter and 17.7% for the full-year. Adjusted operating margin stood at 19.3% for the full-year. This marks steady progress towards achieving our target adjusted operating margin of over 20%.
- We also achieved record highs for both profit and EPS. Profit was ¥115.7 billion and EPS was ¥90.
- Next, our full-year forecasts for fiscal 2023. This is an important year for us to achieve the milestone laid out in our corporate strategy.
- We expect revenue to increase 11% YoY to ¥968 billion, driven by business growth in Medical and SSD.
- We expect to achieve the target adjusted operating margin of over 20% set out in our corporate strategy. We also expect to generate a record ¥154 billion in profit with EPS of ¥121 , up 34% YoY.
- Regarding dividends for fiscal 2023, we plan to pay a dividend of ¥16 per share, up ¥2 from the previous year, in light of financial forecasts under our policy of stable and ongoing dividend increase.

01

Consolidated Financial Results and Business Review for Fiscal 2022 (FY Ended March 31, 2022)

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

Fiscal 2022 (1) Consolidated Financial Results

- 1** Revenue: Growth of +10% YoY in 4Q and +19% YoY in full-year. Medical and Scientific Solutions achieved record highs
- 2** Operating profit: Record highs for both amount and ratio in 4Q* (18.8%) and full-year (17.7%), and adjusted operating margin was 19.3% in full-year
- 3** Profit**: Record highs for both profit (¥115.7 billion) and EPS (¥90)***

(Billions of yen)	Full-year(Apr. to Mar.)								4Q (Jan. to Mar.)							
	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	755.2	730.5	1 868.9	+19%	+12%	+15%	+10%	193.9	217.0	1 239.1	+10%	+4%	+23%	+15%		
Gross profit (% of revenue)	482.8 (63.9%)	459.5 (62.9%)	571.7 (65.8%)	+24%	+16%	+18%	+12%	115.2 (59.4%)	136.0 (62.7%)	159.9 (66.9%)	+18%	+3%	+39%	+23%		
Selling, general and administrative expenses (% of revenue)	381.2 (50.5%)	357.0 (48.9%)	405.4 (46.7%)	+14%	+9%	+6%	+3%	103.0 (53.1%)	106.9 (49.3%)	111.8 (46.8%)	+5%	1%	+9%	+3%		
Other income and expenses	-9.4	-20.5	-12.4	-	-	-	-	-4.7	-11.9	-3.1	-	-	-	-		
Operating profit (% of revenue)	92.2 (12.2%)	82.0 (11.2%)	2 153.9 (17.7%)	+88%	+60%	+67%	+50%	7.5 (3.9%)	17.3 (8.0%)	2 45.0 (18.8%)	+161%	+68%	+498%	+319%		
Adjusted operating profit (% of revenue)	102.1 (13.5%)	103.1 (14.1%)	167.8 (19.3%)	+63%				12.4 (6.4%)	29.6 (13.6%)	49.0 (20.5%)	+66%					
Profit before tax (% of revenue)	86.6 (11.5%)	76.8 (10.5%)	149.9 (17.3%)	+95%				6.1 (3.1%)	14.9 (6.9%)	46.2 (19.3%)	+210%					
Profit(loss)** (% of revenue)	51.7 (6.8%)	12.9 (1.8%)	3 115.7 (13.3%)	+796%				-7.5 (-)	11.3 (5.2%)	28.1 (11.7%)	+149%					
EPS	¥39	¥10	¥90					-	-	-						
¥/US\$	¥109	¥106	¥112					¥109	¥106	¥116						
¥/Euro	¥121	¥124	¥131					¥120	¥128	¥130						
¥/CNY	¥16	¥16	¥18					¥16	¥16	¥18						

*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
 ***Considering past stock splits

Dividend payment for FY2022
 Year-end dividend of ¥14 per share

(Slide 17)

- This is an overview of the consolidated financial results.
- Consolidated full-year revenue amounted to ¥868.9 billion, 19% growth YoY, with record revenues in both Medical and SSD.
- Even in comparison to fiscal 2020, revenue was 15% higher, well above the pre-pandemic level. The two-year CAGR from fiscal 2020 exceeded 7%.
- Global supply chain disruptions for semiconductors and other components, the war in Ukraine, and a resurgence of COVID-19 in China have affected to this difficult business environment. Nonetheless, each of our global employee remained focused on each role and meeting the expectations of all our stakeholders including patients and healthcare providers, worked hard to minimize the impact of those factors, and achieved the full-year forecasts announced back in February. Gross profit was ¥571.7 billion, with gross margin improving 2.9% points, driven by higher revenue and improved factory operation rate. Also contributing to higher gross margin was an approx. ¥4.2 billion reversal of provision for the market response to duodenoscopes recorded in fiscal 2020 and an approx. ¥2.7 billion reversal of provision related to the voluntary recall of bronchoscopes recorded in fiscal 2021, as well as the absence of recall costs for endoscopic and endotherapy products in fiscal 2021. SG&A expenses were ¥405.4 billion, with SG&A ratio improving 2.2% points. Due in part to relaxation of restrictions on activities, strengthening of our operational infrastructure and measures to improve profitability, SG&A expenses increased in amount, but the ratio to revenue improved as a result of strict cost optimization and control.
- In other income and expenses, a loss of ¥12.4 billion was posted. Other income included an approx. ¥3.6 billion reversal for provision related to indirect taxes of consolidated subsidiary and an approx. ¥2.8 billion gain on phased acquisition of Medi-Tate, while other expenses included approx. ¥9.4 billion for the Transform Olympus-related expenses and approx. ¥9.4 billion for the reorganization of SSD.
- Operating profit was ¥153.9 billion, with operating margin significantly improving 6.5% points to 17.7%. We set a target for adjusted operating margin, which excludes other income and expenses, in the corporate strategy announced in 2019. Please note that with adjusted operating margin of 19.3% we have made steady progress towards over 20% in fiscal 2023. Profit was a record ¥115.7 billion, an increase of ¥102.8 billion YoY. In fiscal 2021, there was a loss associated with the transfer of the Imaging business, but this year marked a dramatic improvement. EPS also achieved record high of ¥90.
- We plan to pay a year-end dividend of ¥14 for fiscal 2022, the same amount as announced in February.

Fiscal 2022 (2) Endoscopic Solutions Division (ESD)



ESD Total										
	FY2021					FY2022				
(Billions of yen)	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Revenue	74.3	97.0	105.4	117.0	393.7	1,00.0	1,20.6	1,13.1	127.8	461.5
Operating profit	12.4	29.9	31.6	24.9	98.8	22.7	39.0	30.0	41.6	133.2
Other income and expenses	-0.4	-0.2	-0.8	-4.6	-5.9	-2.2	-1.0	-0.9	1.1	-2.9
Operating margin (After FX adjustment)	16.7%	30.8%	30.0%	21.2%	25.1%	22.7% (23.7%)	32.3% (31.9%)	26.5% (27.0%)	32.5% (26.1%)	28.9% (27.3%)

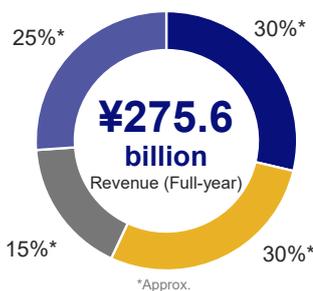
**From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD. FY2021 actuals have also been restated in the same manner.

FY2022 Growth Rate vs FY2021	vs FY2021	vs FY2021 (after FX adjustment)	
■ Gastrointestinal endoscope	18%	11%	<ul style="list-style-type: none"> All regions grew due to market recovery. In particular, strong performance in North America and Europe. In addition to steady sales expansion of EVIS X1 series, old generation scopes also contributed to sales growth.
■ Surgical endoscope	17%	11%	<ul style="list-style-type: none"> Sales grew due to market recovery. In particular, strong performance in North America and Europe, where VISERA ELITE II surgical endoscopy system contributed to sales growth.
■ Medical service	15%	9%	<ul style="list-style-type: none"> Steady growth in all regions due to stable revenue stream based on service contracts including maintenance service and an increase in new accounts and repair service volume.
Total	17%	10%	+8% vs FY2020 (Reference: Managerial Basis)

(Slide 18)

- Now we will look at the details about each business segment.
- First is the Endoscopic Solutions Division. Revenue amounted to ¥461.5 billion, up 17%. Operating profit was ¥133.2 billion, with an operating margin of 28.9%. Gross profit rose due to a significant jump in revenue combined with an approx. ¥4.2 billion reversal of provision for the market response to duodenoscopes. While SG&A expenses rose due to relaxation of restrictions on activities, strengthening of our operational infrastructure and measures to improve profitability, profit increased significantly in fiscal 2022 with the absence of costs associated with the career support for external opportunity program, which were incurred in fiscal 2021.
- I will now give a full-year review for each sub-segment. We saw positive growth across all sub-segments thanks to a recovery from COVID-19 and sales expansion of our products. In comparison to FY2020, it was an increase of 8% on a managerial basis for your reference.
- In GI endoscope, all regions grew, particularly in North America and Europe, driven by sales expansion of EVIS X1 series and previous generation endoscopes. Also note that sales contribution of EVIS X1 series has risen and now accounts for over 10% in the GI endoscope sub-segment.
- In Surgical endoscope, sales grew. In particular, strong performance in North America and Europe thanks to strong sales of the VISERA ELITE II surgical endoscopy system.
- In Medical service, steady growth in all regions due to stable revenue stream based on service contracts including maintenance service and an increase in new accounts and repair service volume.

Fiscal 2022 (3) Therapeutic Solutions Division (TSD)



TSD Total										
(Billions of yen)	FY2021					FY2022				
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Revenue	43.0	58.7	62.3	67.9	231.8	63.6	69.5	70.6	71.9	275.6
Operating profit	3.7	6.3	13.2	7.4	30.6	14.1	16.2	13.6	17.0	60.8
Other income and expenses	-0.3	-0.1	-0.3	-2.2	-3.0	2.5	-0.4	-0.8	1.7	3.0
Operating margin (After FX adjustment)	8.5%	10.7%	21.3%	10.9%	13.2%	22.1% (23.1%)	23.3% (23.0%)	19.2% (19.5%)	23.6% (19.4%)	22.1% (21.2%)

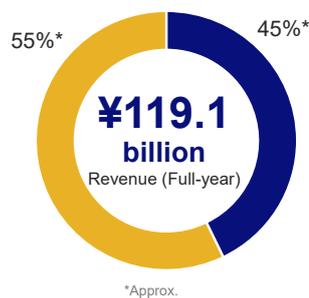
**From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD. FY2021 actuals have also been restated in the same manner.

FY2022 Growth Rate vs FY2021	vs FY2021	vs FY2021 (after FX adjustment)	
■ GI-endothorapy	15%	10%	<ul style="list-style-type: none"> Sales grew in all regions and product categories with the number of procedures recovering. In particular, strong performance in Europe and North America. Notable momentum in Sampling (biopsy forceps, etc), ERCP and ESD/EMR products.
■ Urology	25%	18%	<ul style="list-style-type: none"> The number of procedures is recovering. Strong performance in North America and Europe, led by resection electrodes for BPH and "SOLTIVE SuperPulsed Laser System" for stone lithotripsy.
■ Respiratory	19%	12%	<ul style="list-style-type: none"> Solid growth centered on North America and Europe 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.
■ Other therapeutic areas	16%	10%	<ul style="list-style-type: none"> Strong performance in ENT, led by ENT endoscopes, and energy devices, led by "THUNDERBEAT".
Total	19%	12%	+9% vs FY2020 (Reference: Managerial Basis)

(Slide 19)

- Therapeutic Solutions Division.
- Revenue amounted to ¥275.6 billion, up 19%. Operating profit was ¥60.8 billion, with an operating margin of 22.1%. There was a considerable increase in gross profit due to a significant increase in revenue and an approx. ¥2.7 billion reversal of provision related to the voluntary recall of bronchoscopes. Also contributing to higher gross margin was the absence of recall costs for bronchoscopes and endotherapy products posted in fiscal 2021. While SG&A expenses rose, profit increased significantly in fiscal 2022 with the absence of costs associated with the career support for external opportunity program, which were incurred in fiscal 2021, as well as a gain of approx. ¥2.8 billion in other income associated with the phased acquisition of Medi-Tate.
- I will now give a full-year review for each sub-segment. We saw positive growth across all sub-segments thanks to a recovery of procedure volume and sales expansion of our products. In comparison to FY2020, it was an increase of 9% on a managerial basis for your reference, which is above the pre-pandemic level.
- In GI-endothorapy, sales grew in all regions and product categories with the number of procedures recovering. In particular, strong performance in Europe and North America. Notable momentum in Sampling (biopsy forceps, etc.), ERCP and ESD/EMR products.
- In Urology, strong performance in North America and Europe, led by resection electrodes for BPH and "SOLTIVE SuperPulsed Laser System" for stone lithotripsy.
- In Respiratory, solid growth centered on North America and Europe 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.
- In Other therapeutic areas, strong performance in ENT, led by ENT endoscopes, and energy devices, led by "THUNDERBEAT".

Fiscal 2022 (4) Scientific Solutions Division (SSD)



SSD Total										
(Billions of yen)	FY2021					FY2022				
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Revenue	17.8	22.6	26.6	28.9	95.9	24.8	28.3	29.7	36.3	119.1
Operating profit	-1.6	1.8	2.7	2.0	4.9	1.9	4.6	4.9	6.2	17.5
Other income and expenses	-0.3	0.3	0	-1.3	-1.2	-0.2	-0.1	-0.2	0.1	-0.4
Operating margin (After FX adjustment)	-	8.1%	10.3%	6.9%	5.2%	7.5% (8.1%)	16.3% (15.4%)	16.4% (15.6%)	17.0% (12.5%)	14.7% (13.0%)

FY2022 Growth Rate vs FY2021

vs FY2021

vs FY2021 (after FX adjustment)

■ Life science

21%

14%

■ Sales growth was supported by market recovery and improved budget execution at research institutions and universities. Biological microscopes made a contribution in APAC and North America due to market recovery, led by fewer marketing restrictions.

■ Industrial

27%

20%

■ CAPEX sentiment continued to improve, driven by overall market recovery. Notable strength in industrial microscopes, driven by 5G-related electronic components and semiconductor markets. Non-destructive testing equipment also contributed to sales growth.

Total

24%

17%

+8% vs FY2020 (Reference: Managerial Basis)

(Slide 20)

- Scientific Solutions Division.
- Revenue amounted to ¥119.1 billion, up 24%.
- Operating profit was ¥17.5 billion, with an operating margin of 14.7% due mainly to increased revenue, coupled with improved factory operation rate.
- I will now give a full-year review for each sub-segment.
- In comparison to FY2020, it was an increase of 8% on a managerial basis for your reference.
- In Life science, sales growth was supported by market recovery and improved budget execution at research institutions and universities.
- Biological microscopes made a contribution in APAC and North America due to market recovery, led by fewer marketing restrictions.
- In Industrial, CAPEX sentiment continued to improve, driven by overall market recovery.
- Notable strength in industrial microscopes, driven by 5G-related electronic components and semiconductor markets. Non-destructive testing equipment also contributed to sales growth.

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 were canceled in Jun 2021 (¥82.3 billion)
- ☑ Approx. 12.7 million treasury shares were repurchased from Dec 2021 to Feb 2022 (approx. ¥30 billion)
- ☑ USD corporate bond (\$500M) was issued in Dec 2021

(Billions of yen)	End of Mar.* 2021	End of Mar. 2022	Change		End of Mar.* 2021	End of Mar. 2022	Change
Current assets	580.1	694.6	+114.5	Current liabilities	328.4	376.3	+47.9
Inventories	158.9	167.4	+8.5	Bonds/loans payable	31.5	52.3	+20.8
Non-current assets	603.4	663.4	+60.0	Non current liabilities	459.6	470.4	+10.8
Property, plant and equipment	239.2	247.1	+7.9	Bonds/loans payable	323.7	333.8	+10.1
Intangible assets and others	236.8	251.8	+15.0	Equity	395.5	511.4	+115.9
Goodwill	127.4	164.5	+37.1	(Equity ratio)	33.3%	37.6%	+4.3pt
Total assets	1,183.5	1,358.0	+174.5	Total liabilities and equity	1,183.5	1,358.0	+174.5

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

(Slide 21)

- Our financial position at the end of March 2022.
- Cash and deposits rose due to an increase in operating cash flow.
- Investment securities decreased by ¥8.7 billion. We are currently working to optimize our holdings of investment securities, based on our policy of holding listed stocks which will contribute to our medium-to-long-term corporate value.
- Goodwill and intangible assets increased due to the acquisition of Medi-Tate, etc.
- We canceled approx. 72 million treasury shares in June 2021. In the meantime, we repurchased approx. 12.7 million treasury shares totaling about ¥30 billion from December 2021 to February 2022.
- We issued USD corporate bond of US\$500 million in December 2021.
- Equity ratio rose 4.3 points YoY to 37.6%.

Consolidated Cash Flows

- ☑ FCF: Positive ¥98.7 billion. Considering expenditures for acquisition of Medi-Tate (¥21.8 billion) and for reversal of provision for career support for external opportunity program (¥11.2 billion) etc., FCF was positive ¥131.3 billion
- ☑ Adj. FCF growth rate: +65% YoY. 2-yr CAGR from FY2020 is 36%, exceeding our target in corporate strategy
- ☑ Financing CF: Minus ¥40.7 billion due to debt repayments, repurchase of treasury shares and dividend payments, while financing through issuance of USD corporate bond

Full-year(Apr. to Mar.)

(Billions of yen)	FY2021	FY2022	Change
Profit before tax	76.8	149.9	+73.1
CF from operating activities	124.1	169.7	+45.6
CF from investing activities	-118.9	-71.0	+47.9
Free cash flow	5.2	98.7	+93.5
CF from financing activities	40.8	-40.7	-81.5
Cash and cash equivalents at end of period	217.5	302.6	+85.1
Major one-off items for FY2021		Major one-off items for FY2022	
Operating CF: Outflow of reversal of provision for career support for external opportunity program	¥0.7 billion	Operating CF: Outflow of reversal of provision for career support for external opportunity program	¥11.2 billion
Investing CF: Outflow for acquisition of businesses and subsidiaries	¥45.6 billion	Investing CF: Outflow for acquisition of businesses and subsidiaries	¥23.5 billion
Investing CF: Outflow for transfer of businesses	¥27.8 billion	Investing CF: Inflow from transfer of fixed assets (land)	¥2.2 billion

(Slide 22)

- The status of cash flows.
- Cash flow from operating activities was ¥169.7 billion, up 37% YoY. While operating cash flow increased significantly due to improved business performance and profit levels, 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 ¥47.9 billion, but if we excluded the expenditures for M&As and business transfers in fiscal 2021 and 2022, cash flow from investing activities decreased by ¥4.2 billion (FY2021: -¥45.5 billion, FY2022: -¥49.7 billion).
- Free cash flow stood at ¥98.7 billion. Adjusted free cash flow, which has been identified as a reference indicator for corporate strategy, was ¥131.3 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 excluded.
- As a result, the growth rate for adjusted free cash flow was 65% YoY. A two-year CAGR of 36% from fiscal 2020, representing steady progress towards achieving target.
- Cash flow from financing activities declined by ¥81.5 billion to minus ¥40.7 billion, due mainly to the debt repayments and repurchase of treasury shares, while financing through the issuance of USD corporate bond.
- As a result, cash and cash equivalents at the end of March 2022 stood at ¥302.6 billion, an increase of ¥85.1 billion.

02 **Forecasts for Fiscal 2023**

(Slide 23)

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

Fiscal 2023 Consolidated Forecasts

- 1** Revenue: Expected to grow 11% YoY to ¥968 billion, driven by business growth of Medical and Scientific Solutions
- 2** Operating profit: Expected to achieve OPM of >20%, which is our target in corporate strategy. Record highs for both amount and ratio
- 3** Profit*: Expected to reach a record high of ¥154 billion. EPS: Expected to grow 34% to ¥121
- 4** Shareholder returns: Annual dividend plan to increase by ¥2/share YoY to ¥16/share. Approx. 13.4 million treasury shares plan to be canceled in June

(Billions of yen)	FY2022	FY2023 Forecasts	Change	vs FY2022	vs FY2022 (After FX adjustment)
Revenue	868.9	1 968.0	+99.1	+11%	+5%
Gross profit	571.7	646.5	+74.8	+13%	+4%
(% of revenue)	(65.8%)	(66.8%)			
Selling, general and administrative expenses	405.4	445.5	+40.1	+10%	+5%
(% of revenue)	(46.7%)	(46.0%)			
Other income and expenses	-12.4	5.0	-	-	-
Operating profit	153.9	2 206.0	+52.1	+34%	+14%
(% of revenue)	(17.7%)	(21.3%)			
Adjusted operating profit	167.8	202.0	+34.2	+20%	
(% of revenue)	(19.3%)	(20.9%)			
Profit before tax	149.9	200.0			
(% of revenue)	(17.3%)	(20.7%)			
Profit attributable to owners of parent	115.7	154.0			
(% of revenue)	(13.3%)	(15.9%)			
EPS	¥90	¥121			

Dividend forecast for FY2023

4 Year-end dividend of ¥16 per share

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

(Slide 24)

- Our full-year forecasts for fiscal year 2023.
- We expect revenue to increase 11% YoY to ¥968 billion.
- We continue to promote cost optimization while at the same time implementing strategic investments for the future, Adjusted operating margin is expected to improve to approx. 21%.
- We expect to post record operating profit and margin, along with record profit of ¥154 billion. We also expect to achieve EPS of ¥121, an increase of 34% YoY.
- Regarding dividends for fiscal 2023, we plan to pay a dividend of ¥16 per share, up ¥2 from the previous year, in light of financial forecasts under our policy of stable and ongoing dividend increase.
- The forecast assumptions are ¥123 per dollar and ¥135 per euro.
- Needless to say, fiscal 2023 is an important year for us to achieve the target adjusted operating margin of over 20% set out in our corporate strategy. While we have made steady progress up to this point, there are some risks in the business environment that need to be addressed. For those risks, including supply shortages for semiconductors and other components, the war in Ukraine and the resurgence of COVID-19 in China, the amounts that we deem appropriate at this moment have been factored into the forecasts, considering various risk mitigation measures. As we have done up to this point, we will continue to manage business operations while keeping a close eye on trends in business performance.

Fiscal 2023 Forecasts by Business Segment

1 Medical and SSD: Revenue expected to reach record highs

2 Elimination and Corporate: Expected to improve due to a decrease in other expenses and a gain of ¥16.4 billion on transfer of fixed assets in other income

(Billions of yen)		FY2022	FY2023 Forecasts	Change	vs FY2022	vs FY2022 (After FX adjustment)
ESD	Revenue	461.5	1 509.0	+47.5	+10%	+4%
	Operating profit	133.2	156.0	+22.8	+17%	+2%
TSD	Revenue	275.6	1 310.0	+34.4	+12%	+6%
	Operating profit	60.8	69.5	+8.7	+14%	+2%
SSD	Revenue	119.1	1 138.0	+18.9	+16%	+9%
	Operating profit	17.5	24.5	+7.0	+40%	+16%
Others	Revenue	12.6	11.0	-1.6	-13%	-14%
	Operating profit (loss)	-2.0	-1.5	+0.5	+¥0.5 billion	+¥0.5 billion
Elimination and corporate	Operating profit (loss)	-55.6	2 -42.5	+13.1	+¥13.1 billion	+¥14.0 billion
Consolidated Total	Revenue	868.9	968.0	+99.1	+11%	+5%
	Operating profit	153.9	206.0	+52.1	+34%	+14%

(Slide 25)

- Our forecasts by business segment.
- We expect to post record revenues in Medical, including ESD and TSD, and in SSD.
- In terms of Elimination and corporate, we expect it to improve due to a decrease in other expenses incurred in the previous year, and a gain of ¥16.4 billion on the transfer of fixed assets under other income.
- Next, Nacho Abia, our COO, will describe the key priorities of our Medical Business.

03

ESD/TSD Key Priorities, Key Product Catalysts and Chinese Market

(Slide 26)

- Thank you, Chikashi. My name is Nacho Abia, Chief Operating Officer of Olympus Corporation and I would like to briefly explain the key priorities of our Medical Business to achieve fiscal 2023 targets but also to prepare ourselves for continuous above market growth in future.

Key Product Catalysts: Endoscopic Solutions Division (As of May 11, 2022)



ESD Key priorities for FY2023

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

10%

Growth rate in FY2023

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

(Slide 27)

- Let me start with Endoscopic Solutions Division.
- For this fiscal year, we have set 5 key priorities.
- First, we will continue expanding the sales of our state-of-the-art endoscopy platform EVIS X1. Although the platform was launched in the middle of the COVID-19 pandemic, sales momentum has been ramping up in the regions where it is already marketed due to continuous promotion activities and great product acceptance from our customers, and it has already become the main growth driver for ESD.
- We will continue to expand sales and accelerate the replacement of previous generations systems to EVIS X1 by working closely with medical professionals and through these efforts, we will ensure that patients receive more reliable, safe, and accurate endoscopic examinations and treatments.
- At same time, we will steadily work to prepare for the introduction of EVIS X1 in the regions where we have not yet launched it, and specifically in the U.S. we are making every necessary effort to obtain regulatory approval with the aim of launching the platform during the second half of this fiscal year.
- In addition, we plan to launch next-generation ultrasound endoscopy system and next-generation surgical endoscopy system in Europe and Japan while preparing its launch in other regions as these product lines will help drive our future growth as well.
- And finally, we will maximize the market potential of China and other emerging countries and I will explain more about China later in this presentation.

Key Product Catalysts: Therapeutic Solutions Division (As of May 11, 2022)



TSD Key priorities for FY2023

GI-Endotherapy

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

Urology

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

Respiratory

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

Growth driver now

GI endotherapy

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

Urology

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

Respiratory*

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

Just launched / Coming soon

GI endotherapy

- 5 products (US)
- 5 products (EU)
- 6 products (Japan)
- 3 products (China)

Urology

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

Respiratory*

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

Beyond

GI endotherapy

- Single-use cholangioscope

Urology

- Single-use ureteroscope

Respiratory*

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

12%

Growth rate in FY2023

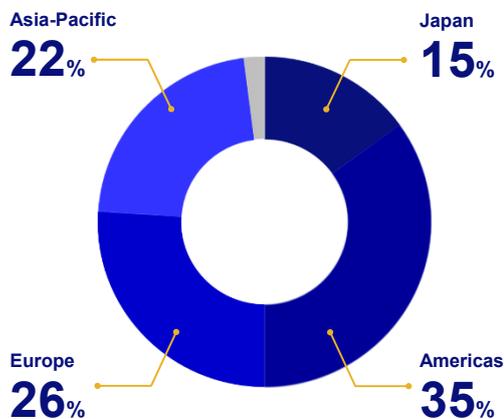
*From FY2022, bronchoscopes, which were classified in the gastrointestinal endoscope segment of ESD, have been transferred into the respiratory segment of TSD.

(Slide 28)

- Please turn to next slide to talk about Therapeutics Solutions Division.
- As explained last December during Investors day presentation, our medical business strategy intends to elevate the standard of care in targeted diseases where we can bring to the market differentiated products and solutions that will improve clinical and economic value for healthcare providers.
- In ESD, this is already the case in a number of GI diseases, and we are working to expand our impact in other areas.
- In TSD, we are already market leader in the diagnosis and treatment of very critical diseases through our diversified portfolio.
- For example, our Endotherapy leading portfolio help physicians to succeed in complex GI procedures like ERCP (Endoscopic Retrograde Cholangiopancreatography) or ESD (Endoscopic Submucosal Dissection). In Urology we lead in BPH and in no-muscle-invasive-bladder cancer treatment. And in Respiratory we are the leaders in lung cancer staging and diagnosis.
- These are some of the areas where we currently have the greatest impact, and we will continue working to expand our influence in those and other diseases, and through it, to continue grow our business above market levels in the years to come.
- Based on this strategy, in FY2023 we intend to expand the provision of value to new growth areas where we can differentiate ourselves by leveraging our strengths, centered on our strong foothold around core products with high competitiveness, excellent clinical value and strong market position and distribution channels.
- In GI endotherapy, we will continue to aggressively expand our clinically differentiated product portfolio in key categories such as ERCP, ESD, metal stents and hemostasis devices.
- In Urology, in addition to continue expanding sales from our mainstay product, TURis system, which supports transurethral resection of the prostate, we will continue leading the industry in the field of BPH by developing a less invasive procedure more adequate for certain patients through the introduction of the iTind device in several markets. In addition, we aim to further grow in the treatment of kidney stones by expanding sales of the very well accepted SOLTIVE SuperPulsed Laser System, which sales have been in very strong momentum in recent years and the opportunity remains large.
- Finally in Respiratory, we first aim to launch EVIS X1 and its corresponding bronchoscopes line up in the United States. Furthermore, we will maximize the benefits of integrating Veran Medical electromagnetic navigation technologies and accelerate growth by developing and expanding our impact in the field of lung cancer.

Worldwide Growth in Medical in Fiscal 2022

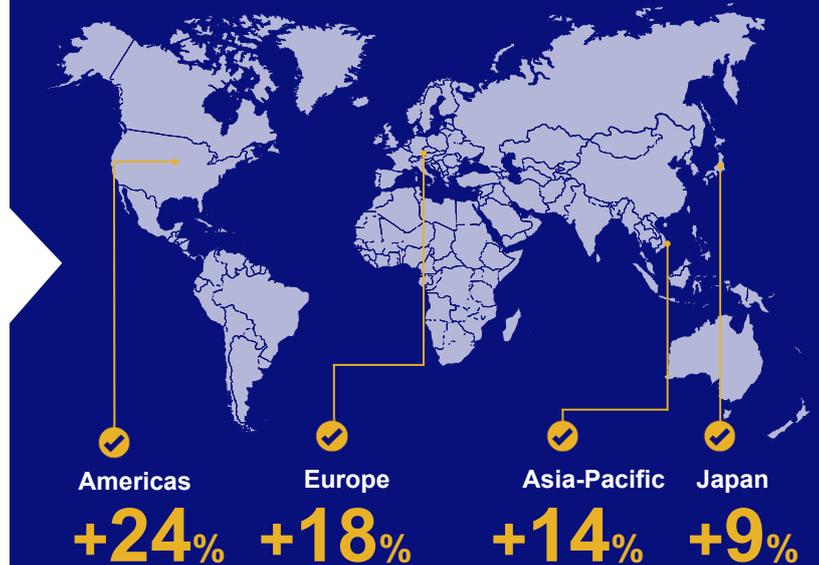
Revenue by Region in Medical in FY2022



Worldwide Solid business foundations

- Strong relationship of trust with physicians
- Global service network
- Supporting endoscopist training

Growth Rate of Medical in FY2022



(Slide 29)

- Next topic, I would like to mention is about the solid revenue growth by region that we experienced in fiscal 2022 and that talks about our well-established and well-balanced commercial presence all over the world.
- We believe this broad presence will allow us to better serve medical professionals and the patients they serve across geographies with the right products and technologies they need, and through it, to continue expanding our business as the worldwide healthcare demand will evolve and grow.
- The slide shows the sales ratio and growth rate by region for fiscal 2022. You can see that Americas and Europe, which account for more than 60% of revenue, drove high growth in the previous fiscal year, also well above before pre-pandemic levels.
- We believe that this growth trend will continue in future, and we aim to achieve growth by continuously introducing new products and expanding sales in all regions.

Growth Potential in China Remains Unchanged

We will continue to expand business by contributing to promoting diagnosis and reducing mortality rate as an important market

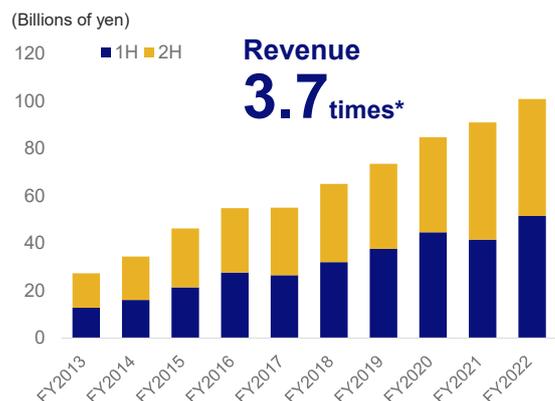
Growth potential of Chinese market backed by national policies

- Expand early cancer screening in line with "Healthy China 2030" policy
- Increase investments in class II hospitals (approx. 7,900 facilities) based on "Working plan for overall improvement of comprehensive capabilities of county-level hospitals" released in 2019

Solid business foothold and our initiatives

- Relationships of trust in Chinese market for about **50 years**
- Providing total solutions, including products, services and training
- Supporting Endoscopist Training→Approximately **25,000** doctors participated in our training program over past five years**
- Strengthen efforts to address respiratory diseases with high incidence / prevalence
- Further development of minimally invasive treatments with endoscopy

Despite short-term fluctuations in business performance, sales will grow over long-term on backdrop of strong demand for endoscopies in China



*Comparing revenues in China between FY2013 and FY2022 **From FY2017 to FY2021

(Slide 30)

- Finally, I would like to explain our long-term views and strategic position of the Chinese market.
- In China, hospital revenue declined significantly in 2020 due to COVID-19, and we saw a decline in hospital budgets in 2021. As a result, our business performance for fiscal 2022 was also affected and we did not grow as much as we would have liked.
- On the other hand, China hospital budgets are expected to increase in 2022, following an increase in hospital revenue in 2021 and therefore we will advance sales promotion activities for products and services, centered on GI solutions, with the aim of capturing increased budgets and grow at high rate again.
- Our sales in China have grown significantly over last 10 years and the revenue for fiscal 2022 was about 3.7 times higher than that the one for fiscal 2013. We recognize that the Chinese market continues to be an important market for us and has further growth potential.
- Through the past 50 years, we have built a solid business foothold in the Chinese market with very solid foundation of relations of trust and commitment.
- We have also contributed to the medical field in China by supporting continuous endoscopy training and providing excellent products and services. The Chinese government is actively promoting national medical policies, centered on two key areas – "improvement of local medical standards centered on county-level hospitals" and "strengthening preventive medical care." In line with these policies, early cancer screening is expected to expand, and capital investments are being actively deployed in class II hospitals.
- Respiratory diseases, which are one of our three focus areas, have also high unmet needs and room for growth in China, so we will strengthen as well our efforts in this area.
- We believe that by providing the value of our strengths of early detection, early diagnosis and minimally invasive treatment, we can contribute to promoting diagnosis and reducing mortality rate. We will continue to make optimal investments to capture this growth potential.
- In closing, the business environment continues to be uncertain this year, but the direction we will take is clear. We will concentrate our resources on GI, Urology, and Respiratory, where we can maximize our strengths, and contribute to improving the medical standards for target diseases and the outcomes of patients.
- Thank you.

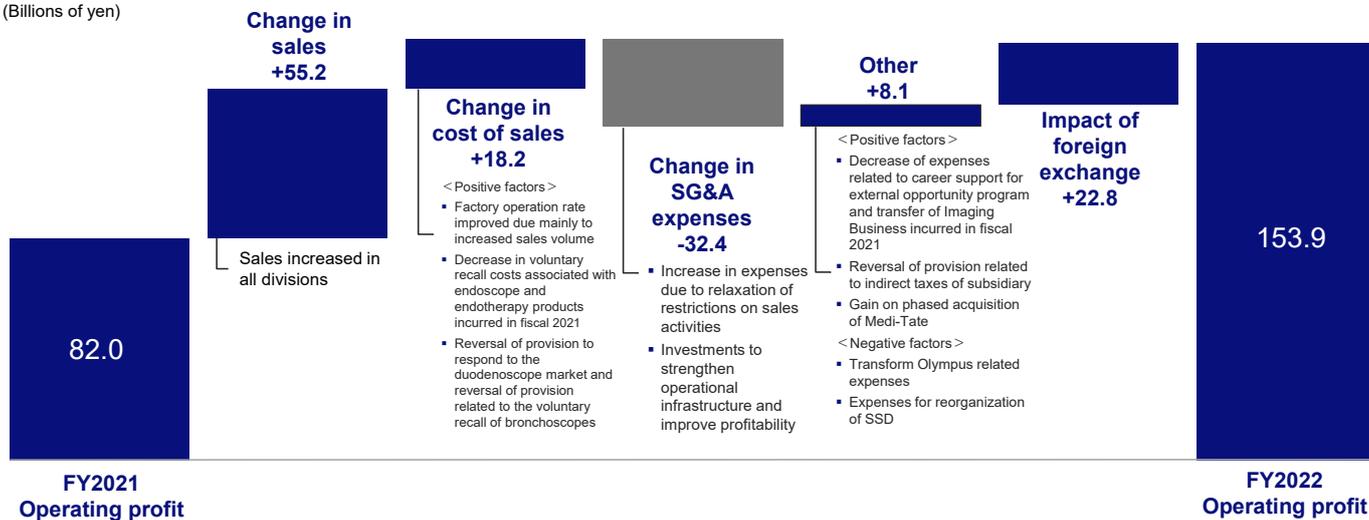
OLYMPUS

Appendix

Fiscal 2022 Factors that Affected Consolidated Operating Profit

Full-year(Apr. to Mar.)

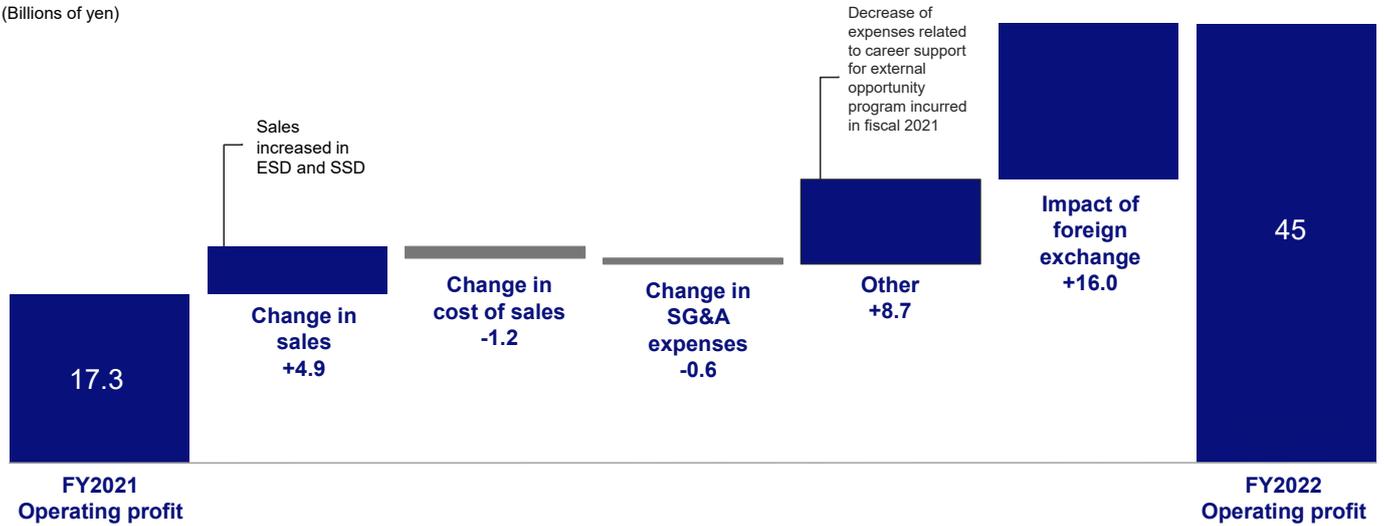
(Billions of yen)



4Q of Fiscal 2022 Factors that Affected Consolidated Operating Profit

4Q (Jan. to Mar.)

(Billions of yen)



Fiscal 2022 Results vs. February Forecasts

(Billions of yen)	FY2022 Forecasts as of February	FY2022 Full-year results	Change	vs February	vs February (After FX adjustment)
Revenue	862.0	868.9	+6.9	+1%	0%
Gross profit (% of revenue)	567.0 (65.8%)	571.7 (65.8%)	+4.7	+1%	0%
Selling, general and administrative expenses (% of revenue)	405.0 (47.0%)	405.4 (46.7%)	+0.4	0%	0%
Other income and expenses	-18.0	-12.4	-	-	-
Operating profit (% of revenue)	144.0 (16.7%)	153.9 (17.7%)	+9.9	+7%	+5%
Adjusted operating profit (% of revenue)	162.5 (18.9%)	167.8 (19.3%)	+5.3	+3%	
Profit before tax (% of revenue)	139.0 (16.1%)	149.9 (17.2%)	+10.9		
Profit attributable to owners of parent (% of revenue)	109.0 (12.6%)	115.7 (13.3%)	+6.7		
EPS	¥85	¥90			

Fiscal 2022 Results by Segment

		Full-year(Apr. to Mar.)				4Q (Jan. to Mar.)			
		FY2021	FY2022	YoY	After FX adjustment	FY2021	FY2022	YoY	After FX adjustment
ESD	Revenue	393.7	461.5	+17%	+10%	117.0	127.8	+9%	+3%
	Operating profit	98.8	133.2	+35%	+20%	24.9	41.6	+67%	+27%
TSD	Revenue	231.8	275.6	+19%	+12%	67.9	71.9	+6%	0%
	Operating profit	30.6	60.8	+99%	+81%	7.4	17.0	+129%	+78%
SSD	Revenue	95.9	119.1	+24%	+17%	28.9	36.3	+25%	+18%
	Operating profit	4.9	17.5	+254%	+197%	2.0	6.2	+209%	+114%
Others	Revenue	9.2	12.6	+38%	+35%	3.2	3.1	-1%	-2%
	Operating profit(loss)	-0.7	-2.0	¥1.3 billion	¥1.3 billion	0.8	-0.5	¥1.4 billion	¥1.4 billion
Elimination and Corporate	Operating profit(loss)	-51.6	-55.6	¥4.0 billion	¥4.0 billion	-17.8	-19.2	¥1.4 billion	¥1.6 billion
	Consolidated Total								
	Revenue	730.5	868.9	+19%	+12%	217.0	239.1	+10%	+4%
	Operating profit	82.0	153.9	+88%	+60%	17.3	45.0	+161%	+68%

*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.

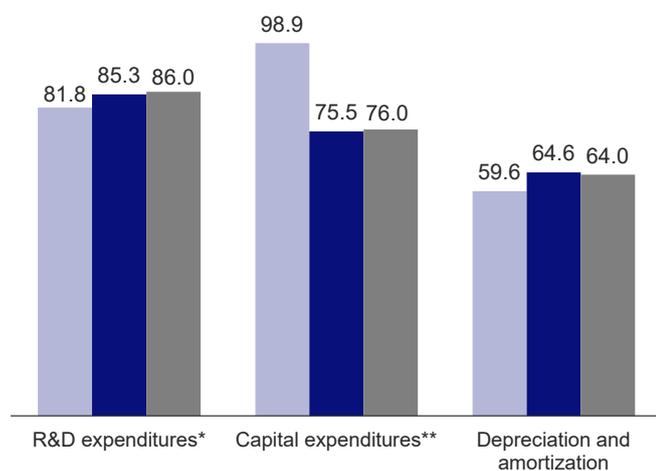
Fiscal 2022 Growth Rate by Sub-segment

	1Q		2Q		3Q		4Q	
	YoY	After FX adjustment						
Gastrointestinal endoscope	47%	38%	30%	23%	4%	-3%	6%	0%
Surgical endoscope	34%	28%	22%	17%	17%	9%	5%	0%
Medical service	19%	11%	16%	10%	10%	2%	18%	11%
ESD Total	35%	27%	24%	18%	7%	0%	9%	3%
GI-endotherapy	40%	32%	13%	9%	11%	6%	4%	0%
Urology	69%	60%	18%	13%	20%	11%	10%	3%
Respiratory	42%	33%	36%	29%	13%	4%	-1%	-7%
Other therapeutic areas	43%	34%	15%	9%	9%	3%	8%	2%
TSD Total	48%	40%	18%	13%	13%	6%	6%	0%
Life science	29%	22%	18%	13%	7%	0%	31%	24%
Industrial	47%	39%	32%	26%	15%	7%	20%	13%
SSD Total	40%	32%	26%	20%	12%	4%	25%	18%

Expenditures, etc.

Full-year Results and Forecasts

(Billions of yen) ■ FY2021 ■ FY2022 ■ FY2023 (Forecasts)



(Billions of yen)	FY2021	FY2022
R&D expenditures* (a)	81.8	85.3
Capitalization of R&D expenditures (b)	16.1	15.5
R&D expenses in P/L (a-b)	65.7	69.8

(Billions of yen)	FY2021	FY2022
Amortization	8.6	9.0
	End of Dec. 2021	End of Mar. 2022
R&D assets	60.1	62.0

*Capitalization of R&D expenditures (b) is included in R&D expenditures.
 **Capitalization of R&D expenditures (b) is included in capital expenditures.
 In addition, the Olympus Group has adopted IFRS #16 "Leases" from FY2020, and right-of use assets below are included in capital expenditures.
 (FY2021: ¥39.4 billion, FY2022: ¥16.1 billion, FY2023 Forecast: ¥7.0 billion)

Financial guidance and supporting financial indicators

		FY 2023 TARGET	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 FORECAST
 Financial guidance	Adj. OP margin*	>20%	13.5% ¥102.1 Billion	→ 14.1% ¥103.1 Billion	→ 19.3% ¥167.8 Billion	→ 20.9% ¥202.0 Billion
	Adj. FCF growth	>20% CAGR from FY2020/3	-% ¥71.1 Billion	→ +11.6%** ¥79.4 Billion	→ +35.9%** ¥131.3 Billion	→ -
 Supporting financial indicators	Adj. ROIC	>20%	10.7%	→ 10.3%	→ 17.1%	→ -
	Adj. EPS growth*	>25% CAGR from FY2020/3	-% ¥45.49	→ +37.2%** ¥62.42	→ +46.6%** ¥97.73	→ +37.7%** ¥118.79

Note: Adjusted for extraordinary items *Continuing business base **CAGR from FY2020