



Consolidated Financial Results for Fiscal 2020

Disclaimer

- This material contains forward-looking statements that reflect management's current views, plans, and expectations based on information available at the time of preparation. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, future business decisions, and other internal and external factors that may cause the Company's actual results, performance, achievements, or financial position to be materially different from any future results expressed or implied by these forward-looking statements.
- Additionally, this information is subject to change without notice. Accordingly, other information should be used in addition to this material when making investment decisions.
- Olympus Corporation assumes no responsibility for any damage resulting from the use of this material.

Highlights

Consolidated Financial Results (FY2020 Full Year)

vs. FY2019

- ✓ Revenue: Grew 4% excluding FX impact
Medical achieved record high revenue for three consecutive years
- ✓ Operating profit: Significantly increased through achieving SG&A streamlining
 - SG&A ratio to revenue improved 4.3pt YoY to 50.8%

vs. Forecasts

- ✓ Revenue / Operating profit: Missed forecasts due to the COVID-19 pandemic
Excluding this impact, both revenue and operating profit were in line with forecasts

01

**Consolidated Financial Results
and Business Review for Fiscal
2020 (FY Ended March 31, 2020)**

Fiscal 2020 (1) Consolidated Financial Results

- 1** Revenue: Medical achieved record high revenue for three consecutive years. Up 4% excluding FX impact
- 2** Operating profit: Significantly increased driven by SG&A reduction

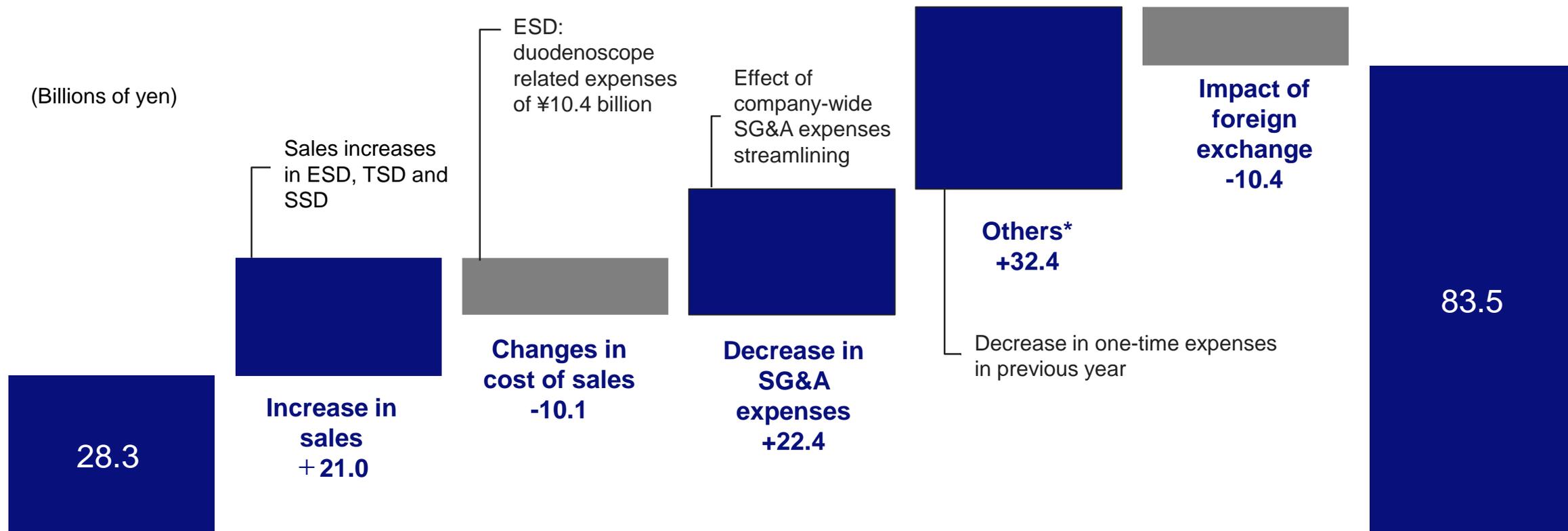
(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data
	FY2019	FY2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 Adjustment
Revenue	793.9	1 797.4	0%	+4%	+5%
Gross profit	509.6	499.6	-2%	+2%	+4%
(% of revenue)	(64.2%)	(62.6%)			
Selling, general and administrative expenses	437.5	2 405.0	-7%	-5%	-5%
(% of revenue)	(55.1%)	(50.8%)			
Other income and expenses	-43.8	-11.1	-	-	-
Operating profit	28.3	2 83.5	+195%	+232%	+259%
(% of revenue)	(3.6%)	(10.5%)			
Profit before tax	20.1	77.8	+287%		
(% of revenue)	(2.5%)	(9.8%)			
Profit attributable to owners of parent	8.1	51.7	+534%		
(% of revenue)	(1.0%)	(6.5%)			
EPS	¥6	¥39			
¥/US\$	¥111	¥109			
¥/Euro	¥128	¥121			
¥/CNY	¥17	¥16			

Dividend forecast for FY2020

Year-end dividend of ¥10 per share

Fiscal 2020 (1) Factors That Affected Consolidated Operating Profit

Full Year (Apr. - Mar.)

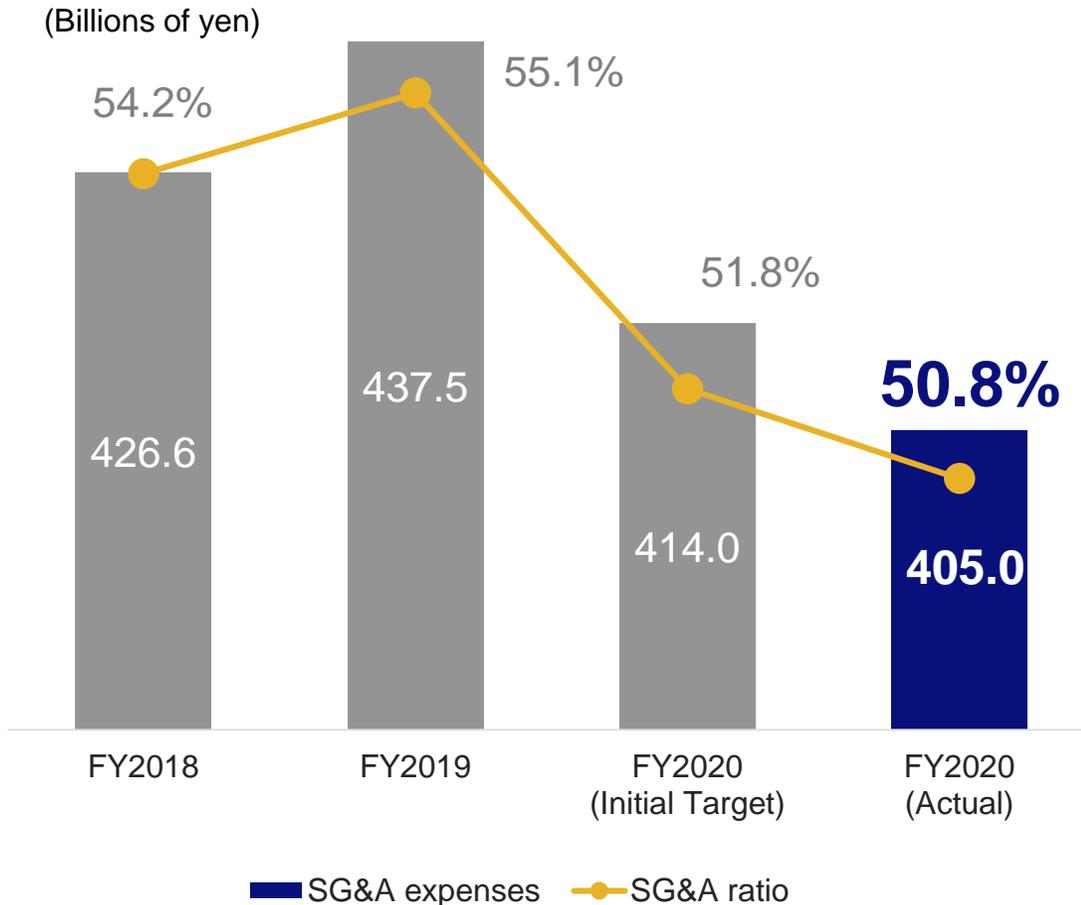


* Major other expenses

FY2019	FY2020
<ul style="list-style-type: none"> • Securities litigation settlements: ¥19.4 billion • Expenses associated with the plea agreement with the U.S. Department of Justice: ¥9.7 billion • Provision for litigation against Chinese manufacturing subsidiary: ¥3.8 billion • Restructuring for Chinese manufacturing subsidiary: ¥ 6.2 billion • Impairment loss of a gynecology product: ¥1.3 billion • Impairment loss of fixed assets in IMD: ¥2.0 billion 	<ul style="list-style-type: none"> • Transform Olympus related: ¥4.0 billion • Impairment loss of duodenoscopes: ¥1.5 billion • Impairment loss of fixed assets in IMD: ¥1.5 billion

SG&A Efficiency

SG&A expenses reduced ¥32.5 billion YoY and SG&A ratio improved 4.3pt YoY, and achieved significant efficiency



Items with large reductions (YoY)

- R&D: - ¥16.0 billion (excl. capitalization)
- Sales promotions: - ¥5.0 billion
- T&E: - ¥3.9 billion

Fiscal 2020 (1) vs. Forecasts

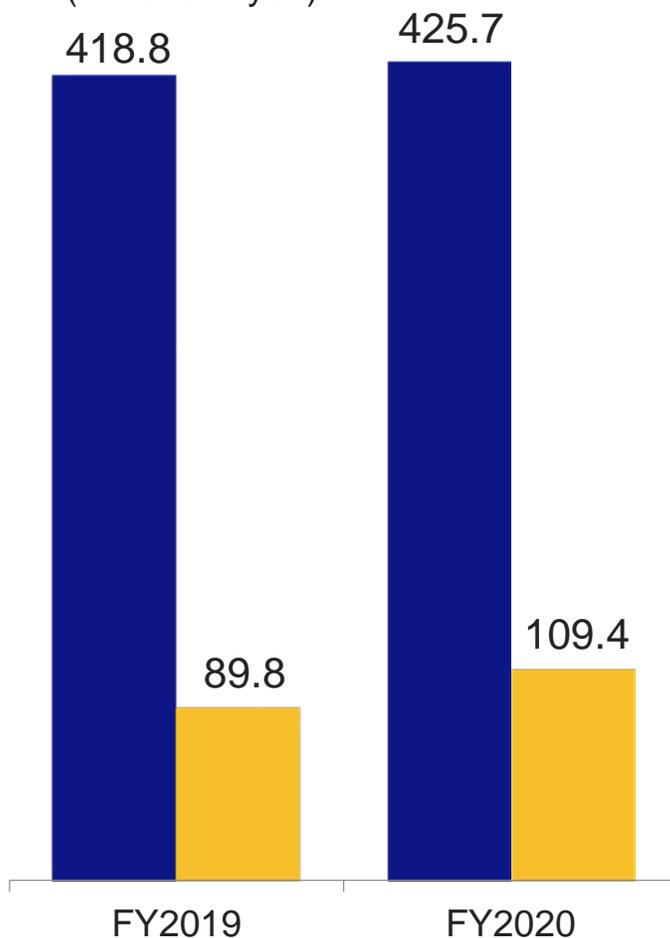
- 1 Revenue: Missed forecasts due to COVID-19 (it was in line with the plan excluding the impact)
- 2 Operating profit: Lower-than-expected result mainly due to decreased gross profit accompanying decreased revenue

(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data	
	FY2020 forecasts (Feb 6)	FY2020 (Actual)	vs. forecasts	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment	
Revenue	810.0	1 797.4	-2%	-2%	0%	
Gross profit (% of revenue)	509.0 (62.8%)	2 499.6 (62.6%)	-2%	-2%	0%	
Selling, general and administrative expenses (% of revenue)	410.0 (50.6%)	405.0 (50.8%)	-1%	-1%	-1%	
Other income and expenses	-7.0	-11.1	-	-	-	
Operating profit (% of revenue)	92.0 (11.4%)	83.5 (10.5%)	-9%	-9%	-1%	
Profit before tax (% of revenue)	87.0 (10.7%)	77.8 (9.8%)	-11%			
Profit attributable to owners of parent (% of revenue)	64.0 (7.9%)	51.7 (6.5%)	-19%			
EPS	¥48	¥39				
¥/US\$	¥109	¥109				
¥/Euro	¥121	¥121				
¥/CNY	¥16	¥16				

Fiscal 2020 (2) Endoscopic Solutions Division (ESD)



■ Revenue ■ Operating profit
(Billions of yen)



- ✓ **Revenue**
 - Full year: Up 5% (excl. FX) due to solid performance overseas, mainly driven by high growth of 28% (excl. FX) in China
 - 4Q: Flat YoY (excl. FX) despite COVID-19

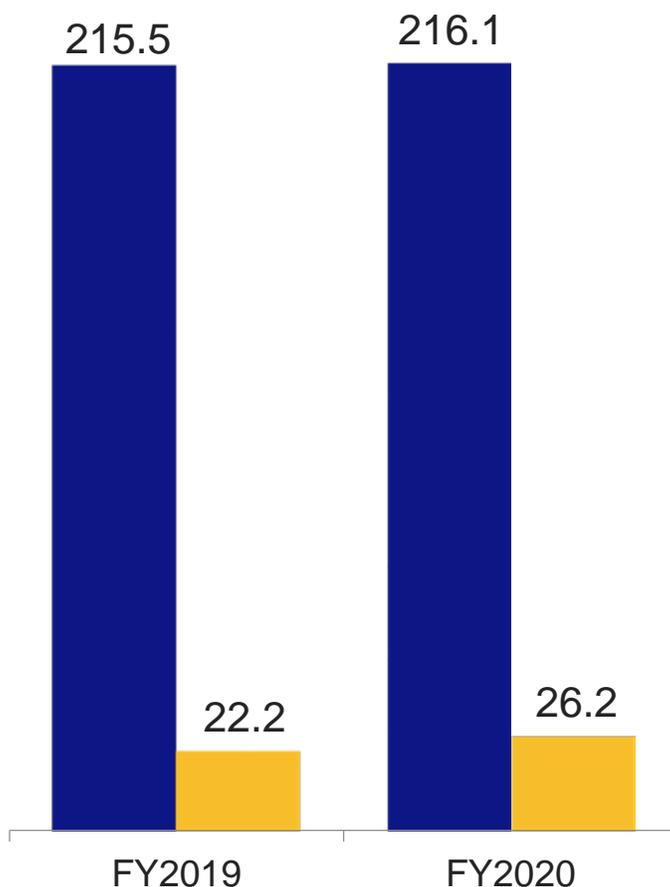
- ✓ **Operating profit**
 - Significantly increased due to sales growth and SG&A streamlining

(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data	4Q (Jan. – Mar.)				Supplemental data
	FY 2019	FY 2020	YoY	After foreign exchange adjustment		FY 2019	FY 2020	YoY	After foreign exchange adjustment	
Revenue	418.8	425.7	+2%	+5%	+6%	115.0	110.6	-4%	-1%	+2%
Operating profit	89.8	109.4	+22%	+30%	+33%	24.0	17.8	-26%	-18%	-7%
Other income / expenses	-9.0	-1.9	-	-	-	-2.1	-1.2	-	-	-
Operating margin	21.4%	25.7%		26.6%	28.1%	20.9%	16.1%		17.4%	20.3%

Fiscal 2020 (3) Therapeutic Solutions Division (TSD)



■ Revenue ■ Operating profit
(Billions of yen)



Revenue

- Full year: Up 4% (excl. FX) due to steady progress in endotherapy devices
- 4Q: Decreased in N. America and China as the number of elective procedures declined to deal with COVID-19



Operating profit

- Up 26% (excl. FX) due to increased revenue and decreased one-time expenses

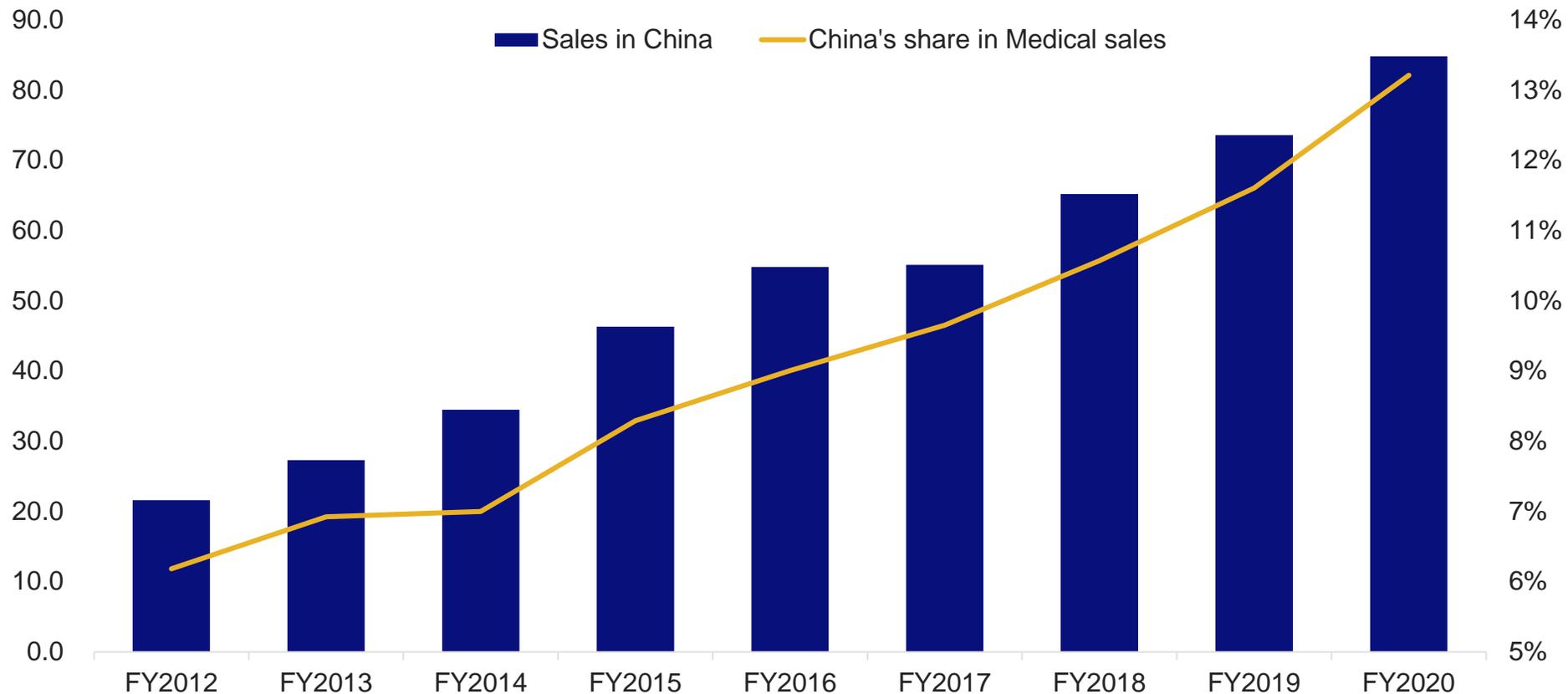
(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data	4Q (Jan. – Mar.)				Supplemental data
	FY 2019	FY 2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment	FY 2019	FY 2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment
Revenue	215.5	216.1	0%	+4%	+5%	54.9	52.5	-4%	-2%	+3%
Operating profit	22.2	26.2	+18%	+26%	+36%	1.4	3.7	+161%	+184%	+347%
Other income / expenses	-3.4	-2.0	-	-	-	-3.4	-0.9	-	-	-
Operating margin	10.3%	12.1%		12.5%	14.0%	2.6%	7.0%		7.4%	12.0%

China drives growth in Medical

Achieved high growth of +22% for FY2020 although 4Q was affected by COVID-19

Sales growth in China in Medical

(Billions of yen)



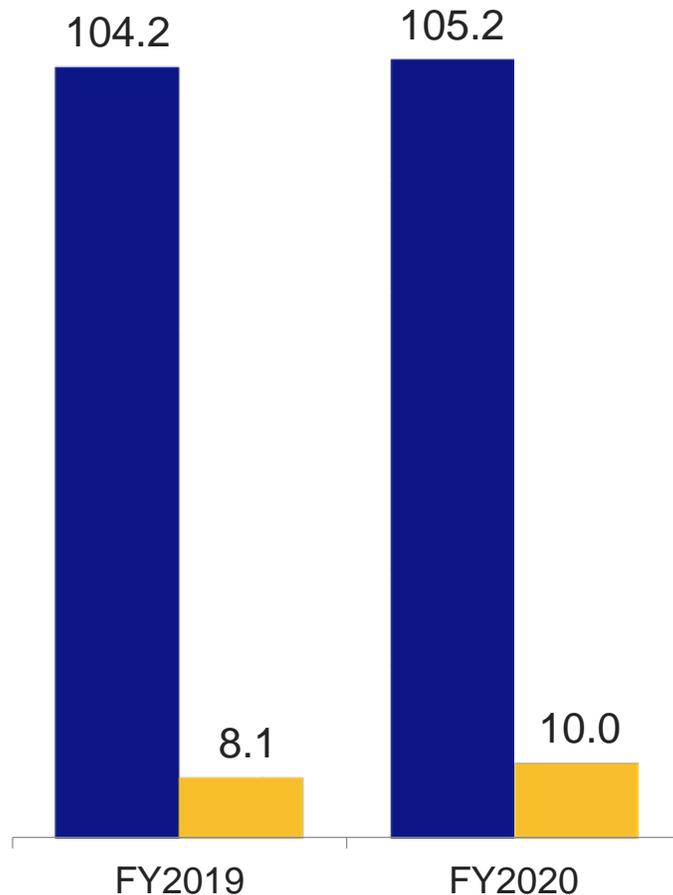
+22%

**Full-year growth rate (excl. FX)
FY2020**

Fiscal 2020 (4) Scientific Solutions Division (SSD)



■ Revenue ■ Operating profit
(Billions of yen)



Revenue

- Full year: Biological microscopes performed well in all regions, while sales increased driven by the new product effects for industrial videoscopes and steady growth of non-destructive testing equipment mainly in North America
- 4Q: Decreased due to postponement of deliveries in some areas



Operating profit

- Revenue growth, coupled with efficient SG&A expenses control, led to record-high operating profit

(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data	4Q (Jan. – Mar.)				Supplemental data
	FY 2019	FY 2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment	FY 2019	FY 2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment
Revenue	104.2	105.2	+1%	+4%	+8%	31.0	28.6	-8%	-6%	+6%
Operating profit	8.1	10.0	+23%	+37%	+60%	3.2	2.0	-37%	-28%	+29%
Other income / expenses	-0.7	-0.5	-	-	-	-0.6	-0.1	-	-	-
Operating margin	7.8%	9.5%		10.3%	12.4%	10.3%	7.0%		7.8%	14.3%

Fiscal 2020 (5) Imaging Division (IMD)

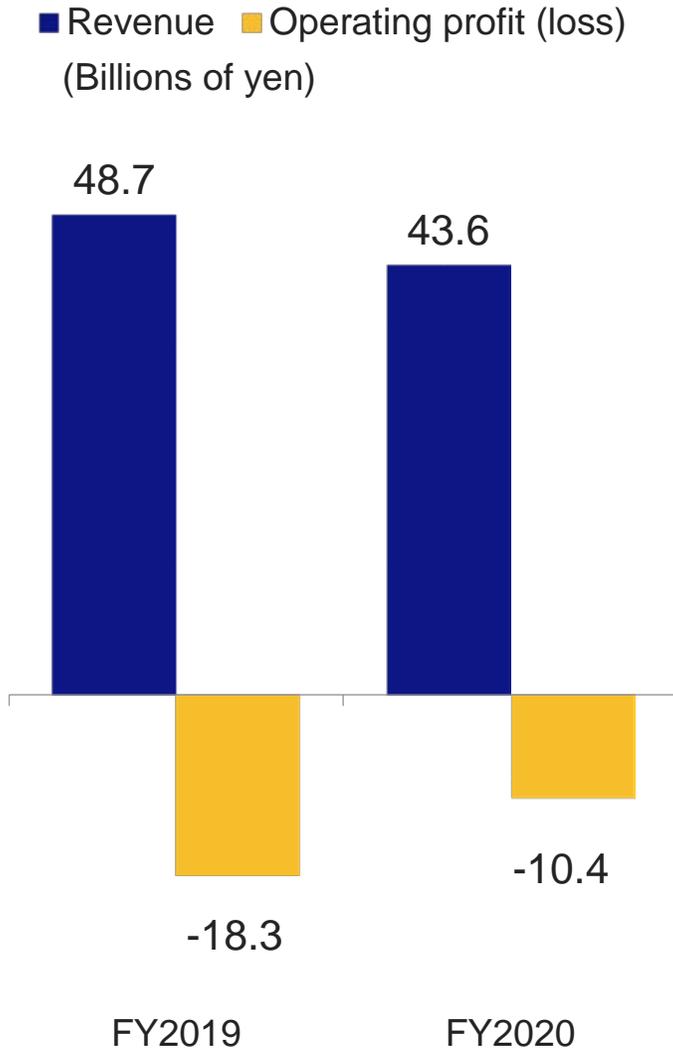


✓ Revenue

- Full year: Declined due to difficult business environment, lack of new products in 1H caused by the restructuring of manufacturing bases, and COVID-19 impact in 4Q
- 4Q: Declined partly due to COVID-19 impact, while seeing a solid start of new product "OM-D E-M1 Mark III" introduced in 4Q

✓ Operating profit(loss)

- Operating loss decreased due to absence of restructuring expenses recorded last year and improved SG&A efficiency.



(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data	4Q (Jan. – Mar.)				Supplemental data
	FY 2019	FY 2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment	FY 2019	FY 2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment
Revenue	48.7	43.6	-10%	-8%	-2%	10.3	8.9	-14%	-13%	+12%
Mirrorless	36.0	32.4	-10%	-7%	-	7.8	6.4	-17%	-16%	-
Compact	7.1	6.2	-12%	-9%	-	1.2	1.2	0%	+2%	-
Others	5.6	4.9	-12%	-9%	-	1.3	1.2	-9%	-7%	-
Operating profit (loss)	-18.3	-10.4	+¥7.9 billion	+¥8.1 billion	+¥9.0 billion	-5.1	-3.0	+¥2.1 billion	+¥2.0 billion	+¥2.9 billion
Other income / expenses	-7.9	-1.6	-	-	-	-1.1	-0.2	-	-	-
Operating margin	-	-	-	-	-	-	-	-	-	-

Statement of Financial Position

- ✓ Assets and liabilities increased due to the impact of adopting new lease standards under (IFRS No. 16)
- ✓ Cash balance increased for stable business operation and Bonds/loans increased due to issuance of corporate bonds and CP
- ✓ Total equity decreased due to share buy-back

(Billions of yen)	End of Mar. 2019	End of Mar. 2020	Change		End of Mar. 2019	End of Mar. 2020	Change
Current assets	456.0	506.7	+50.7	Current liabilities	287.5	333.8	+46.3
Inventories	153.6	167.6	+14.0	Bonds/loans payable	59.7	81.0	+21.3
Non-current assets	476.0	509.0	+33.0	Non-current liabilities	202.1	309.9	+107.8
Property, plant and equipment	176.9	202.1	+25.2	Bonds/loans payable	121.6	199.9	+78.3
Intangible assets and others	197.9	208.5	+10.6	Total equity	442.4	372.0	-70.4
Goodwill	101.2	98.3	-2.9	(Equity ratio)	47.3%	36.5%	-10.8pt
Total assets	932.0	1,015.7	+83.6	Total liabilities and equity	932.0	1,015.7	+83.6

Interest-bearing debt: 280.9 (up 99.6 from March 31, 2019)

Consolidated Cash Flows

- ☑ FCF: ¥71.1 billion of free cash flow driven by operating profit increase in Medical
- ☑ Financial CF: Minus ¥19.5 billion due to share buy-back (¥93.4 billion) and repayment of loans, while issuing CP and corporate bonds

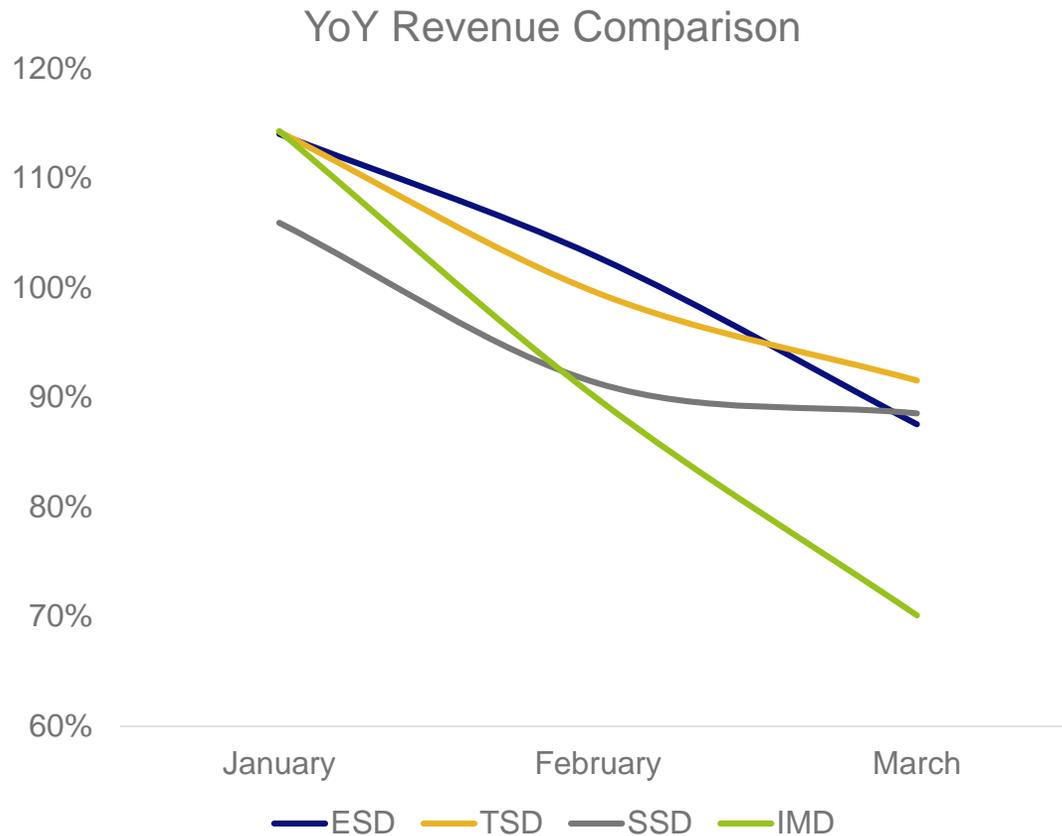
(Billions of yen)	Full Year (Apr. - Mar.)		Change
	FY2019	FY2020	
Revenue	793.9	797.4	+3.5
Operating profit	28.3	83.5	+55.2
(% of revenue)	3.6%	10.5%	+6.9pt
CF from operating activities	66.9	133.5	+66.6
CF from investing activities	-60.3	-62.4	-2.1
Free cash flow	6.6	71.1	+64.5
CF from financing activities	-82.9	-19.5	+63.5
Cash and cash equivalents at end of period	114.6	162.7	+48.2

02

**COVID-19 Impact and
Upcoming Investor Events**

COVID-19 Impact (Jan. – Mar.)

Revenue gradually decreased after February due to the spread of COVID-19



ESD
TSD

- The number of procedures declined as GI endoscopies and surgeries were postponed or suspended depending on urgency
- Hospital visits were kept to a minimum necessary, and sales promotion activities were restricted

SSD

- Postponement of some deliveries
- Online demonstrations and sales promotion activities were implemented
- Seeing signs of recovery in electric components and semi in China after March

IMD

- Many stores around the world were closed from February/March
- Business talks and events were canceled

FY2021 Outlook

Assumptions for FY2021 Outlook

- COVID-19 impact will gradually settle down by the end of 2Q (China is recovering)
- The operations of customers/hospitals will be gradually normalized and ours will be followed from 3Q. But a sharp economic recovery cannot be expected
(Recognize the possibility of the second wave of COVID-19 as a risk scenario, and plan to update the outlook according to the situation)

ESD TSD

- Expect continued restrictions on hospital visits to prevent the spread of infection
- Expect demand recovery to take time as the postponement and suspension of less urgent treatments and procedures is established in guidelines by academic societies in many countries
- Expect demand to gradually recover with deferred inspections and procedures coming back toward the end of FY2021

SSD

- Biological microscope: Expect demand recovery to take time depending on the situation in hospitals and educational institutions such as universities
- Industrial: Expect postponement of investment centered on aerospace and auto industries

IMD

- Some dealers are moving toward resuming business but still many regions are under severe outing restrictions. Online marketing (such as utilizing SNS) will need to be strengthened
- Expect demand in end consumer market to take more time

Cash Management for Stable Business Operations



Securing liquidity of approx. ¥300 billion*

- Issued ¥80 billion of commercial paper additionally and secured ¥210 billion of consolidated cash balance
- In addition to the above, maintain unused commitment lines (approx. ¥100 billion)



Global cash management system

Enable us to carry out centralized and efficient currency management of the dollar, euro and yen on hand

*as of the end of April 2020

Reviewing all costs/investments on a zero-basis to control SG&A



**Hiring freeze
in principle**



**Postpone new
projects**



**Review all planned
expenses**

Olympus launched EVIS X1

EVIS X1

Olympus launched EVIS X1 in Europe and some parts of Asia, its most advanced endoscopy system to date

- Improve outcomes from disorders of the stomach, colon, and esophagus, as well as from bronchial diseases, by providing every endoscopist with innovative and proven tools
- A globally unified platform with broad compatibility
- AI under development as the next upcoming feature for this system

Aim to introduce in respective markets as we obtain approval from the regulatory authorities



Upcoming Investor Events

Conference Call for FY2021 Forecasts

Date: June 24, 2020 (Wed)

Speaker: Yasuo Takeuchi, President and CEO

General Meeting of Shareholders

Date: July 30, 2020 (Thu)

Change of Record Date (Announced on Apr 30, 2020)

Record date: May 31, 2020 (Sun)

Date of public notice: May 15, 2020 (Fri)

Method of public notice: Electric public notice (to be posted on our website)
(<https://www.olympus-global.com/ir/>)

OLYMPUS

A thick, yellow, brushstroke-style underline that tapers at both ends, positioned directly beneath the word "OLYMPUS".

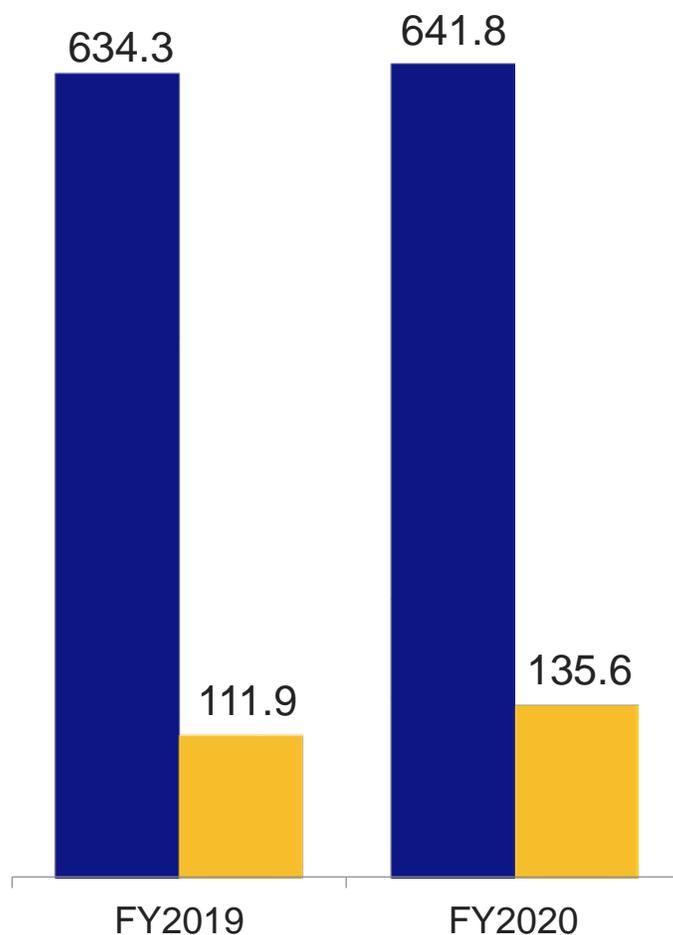
03 Appendix

Supplementary Materials: Fiscal 2020 by Business Segment

		Full Year (Apr. – Mar.)				Supplemental data		4Q (Jan. – Mar.)				Supplemental data	
Billions of yen		FY2019	FY2020	YoY	After foreign exchange adjustment			FY2019	FY2020	YoY	After foreign exchange adjustment		After foreign exchange and Covid-19 adjustment
ESD	Revenue	418.8	425.7	+2%	+5%		+6%	115.0	110.6	-4%	-1%		+2%
	Operating profit	89.8	109.4	+22%	+30%		+33%	24.0	17.8	-26%	-18%		-7%
TSD	Revenue	215.5	216.1	0%	+4%		+5%	54.9	52.5	-4%	-2%		+3%
	Operating profit	22.2	26.2	+18%	+26%		+36%	1.4	3.7	+161%	+184%		+347%
SSD	Revenue	104.2	105.2	+1%	+4%		+8%	31.0	28.6	-8%	-6%		+6%
	Operating profit	8.1	10.0	+23%	+37%		+60%	3.2	2.0	-37%	-28%		+29%
IMD	Revenue	48.7	43.6	-10%	-8%		-2%	10.3	8.9	-14%	-13%		+12%
	Operating profit(loss)	-18.3	-10.4	+¥7.9 billion	+¥8.1 billion		+¥9.0 billion	-5.1	-3.0	+¥2.1 billion	+¥2.0 billion		+2.9 billion
Others	Revenue	6.7	6.8	+2%	+2%		+2%	1.6	1.8	+12%	+12%		+12%
	Operating profit(loss)	-3.5	-2.7	+¥0.7 billion	+¥0.7 billion		+¥0.7 billion	-1.3	-0.9	+¥0.4 billion	+¥0.4 billion		+¥0.4 billion
Elimination and Corporate	Operating profit	-70.0	-49.0	+¥21.0 billion	+¥20.8 billion		+¥20.7 billion	-14.4	-14.5	-¥0.1 billion	-¥0.4 billion		-¥0.4 billion
Consolidated Total	Revenue	793.9	797.4	0%	+4%		+5%	212.8	202.3	-5%	-3%		+3%
	Operating profit	28.3	83.5	+195%	+232%		+259%	7.7	5.0	-35%	-8%		+92%

Supplementary Materials: Fiscal 2020 Medical Business

■ Revenue ■ Operating profit
(Billions of yen)



✓ **Revenue**

Record high revenue for three consecutive years, mainly driven by strong sales momentum in China

✓ **Operating profit**

Significant increase in OP due to increased revenue and improved SG&A efficiency in ESD

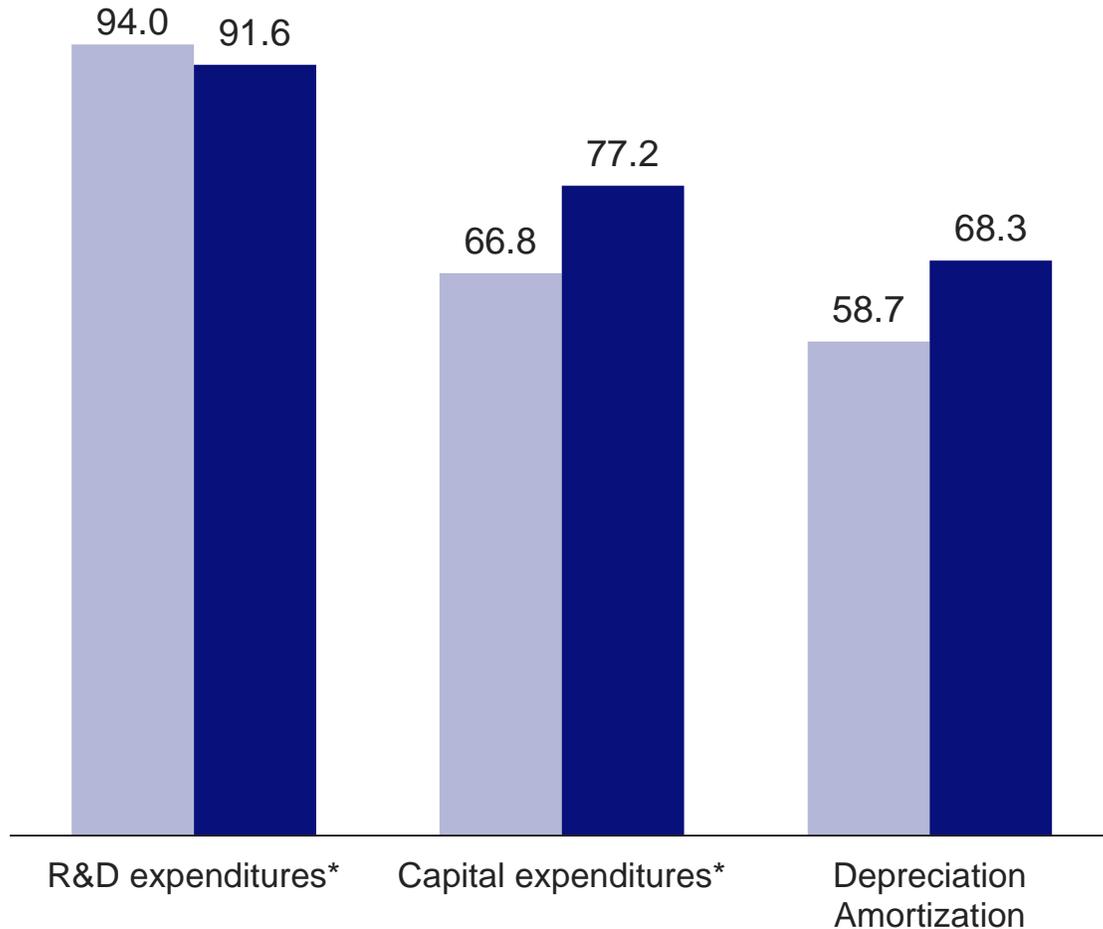
(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data	4Q (Jan. – Mar.)				Supplemental data
	FY 2019	FY 2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment	FY 2019	FY 2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment
Revenue	634.3	641.8	+1%	+5%	+6%	169.9	163.1	-4%	-2%	+2%
Gastrointestinal Endoscopes (GI)	340.9	346.4	+2%	+6%	-	93.2	88.3	-5%	-3%	-
Surgical Devices	211.1	210.4	0%	+3%	-	56.3	54.7	-3%	-1%	-
Endotherapy Devices	82.2	85.0	+2%	+5%	-	20.4	20.2	-3%	-1%	-
Operating profit	111.9	135.6	+21%	+29%	+34%	25.4	21.5	-15%	-7%	+13%
Other income / expenses	-12.4	-3.8	-	-	-	-5.5	-2.1	-	-	-
Operating margin	17.6%	21.1%		21.8%	23.3%	15.0%	13.2%		14.2%	17.5%

Supplementary Materials: Expenditures etc.

Full-Year

(Billions of yen)

■ FY2019 ■ FY2020



(Billions of yen)

FY2019

FY2020

R&D expenditures* (a)	94.0	91.6
Capitalization of R&D expenditures (b)	9.4	23.0
R&D expenses in P/L (a-b)	84.6	68.6

(Billions of yen)

FY2019

FY2020

Amortization	7.6	7.2
	End of Dec, 2019	End of Mar, 2020
R&D assets	42.2	47.7

*Capitalization of R&D expenditures (b) are included in R&D and expenditures and capital expenditures.