

# A New Horizon

Olympus Investor Day 2021

Yasuo Takeuchi, President and CEO  
Nacho Abia, COO  
December 7, 2021

- Hello everyone, I am Yasuo Takeuchi, CEO of Olympus Corporation.
- I am very pleased to welcome you to our first virtual Investor Day, to update you on the progress we have made against our 2019 transformation ambition and to share our vision for the future of Olympus.
- We are excited to share our plans with you as we look to a new horizon.

## **Disclaimer**

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Yasuo Takeuchi

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Yasuo Takeuchi

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Nacho Abia

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Yasuo Takeuchi

## **05** Q&A

- Joining me today is our Chief Operating Officer, Nacho Abia.
- As you can see from the agenda, we have a lot to cover.
- We will begin with a look at the goals we set for our transformation to become a global medtech leader and our achievements against these goals.
- We will then look at an overview of the current trends affecting the healthcare landscape, and Olympus' place within that environment.
- We will conclude with an outline of our plans to position Olympus for continued success.
- There is a lot to discuss, so let's get started.

# 01

## Opening Remarks



- As you know, in 2019, Olympus embarked on an ambitious transformation journey.
- In doing so, we set out to build a new foundation for long-term growth and margin expansion.
- We have made considerable progress in transforming our company.
- We are now focused on our medical business and, as our recent results show, we are making steady progress toward achieving the KPIs we outlined in our corporate strategy.
- But, the industry arena of which we are now a part is also undergoing rapid change.
- Macro shifts and micro developments are combining to create a highly dynamic and more globalized healthcare industry than ever before.
- Those who recognize and embrace these changes will be well-placed to lead and make a real difference for patients and healthcare professionals.

A photograph of a woman with long brown hair, wearing a dark blue t-shirt, smiling and laughing while hugging another person. The background is blurred, showing a landscape with hills and a cloudy sky.

“

We will continue to make  
people's lives **healthier, safer,**  
**and more fulfilling.**

”

- Of course, change is not new to Olympus. As an organization that is over 100-years-old we manifest a long history of successful adaptation and focused renewal.
- And once again, we stand on the cusp of our next evolution as we accelerate our journey to become a global medtech leader of the future.
- By the conclusion of today's presentation, I hope that you will have a clear view of how Olympus will stay true to its Purpose of making people's lives healthier, safer, and more fulfilling long into the future.

# 02

## Performance Highlights and Strategic Outlook

- Before we look ahead, I would first like to summarize the steps we have taken and what we have achieved since 2019 by briefly revisiting our actions, our performance and our outlook.

## We set challenging targets

To **become a leading global 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 a **leader** in the therapeutic areas where we compete (GI, Urology and Respiratory)

\* Adjusted for extraordinary items

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- At Olympus, a key element of our success is that we continually challenge ourselves.
- When we revealed our aspiration to you in 2019, we set some tough targets:
- Sustain 5-6 percent growth annually.
- Deliver a consolidated corporate operating margin of over 20 percent
- Attain a leadership position in the areas where we can compete in a meaningful way.
- Achieving these goals enables us to deliver solutions that benefit all facets of the healthcare industry – from patients and the healthcare professionals who care for them, to the payors and infrastructure that support the system.

## We adopted an ambitious timeline out to 2023

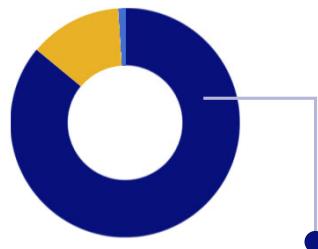
We aim to unleash our potential by developing the organizational focus, operational structure and employee mindset needed for long-term, sustainable growth.

FY2023 is a milestone, not our goal.



- We set an ambitious timeline to achieve over 20% operating margin by 2023, with the understanding that this journey would be a process, not a moment.
- Achieving an operating margin over 20% in a short period of time will significantly change the awareness of colleagues and corporate culture and bring out the potential of Olympus as a whole by fiscal year 2023.
- Let me be clear, 2023 is not the end goal, it is a milestone on our continuing journey.
- For our journey to be successful, it requires a carefully charted path; one that enables Olympus to realize its full potential through a world-class organizational, operational and cultural approach.

## We have become a global medtech company



### Medical Business (86%)

Gastrointestinal Endoscope, Surgical Endoscope, Medical Service, GI-EndoTherapy, Urology, Respiratory, Other Therapeutic Areas

### Scientific Solutions Division (13%):

Life Science, Industrial

### Others (1%)

All data as of March 2021

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**31,653**

Employees  
worldwide

**150**

Countries and regions  
served with our  
solutions\*

\* Approx. as of March 2021

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- Today, with 86 percent of our revenues derived from medical, and 80 percent of revenue generated outside of Japan, we are a global medtech company. And we serve solutions to 150 countries and regions across the world.

## We believe in sustainable operations and sourcing

We prioritized six important ESG areas and identified material topics, which include newly added environmental perspectives



### We will actively engage on six ESG areas

Corporate governance	Economic sustainability	Product sustainability
Environment	People	Society



### Our materiality

- Healthcare access and outcomes
- Compliance, product quality and safety
- Responsible supply chain
- Diversity and inclusion
- Carbon neutral society and circular economy

- It's important to recognize how our contributions to society go beyond our medical contributions.
- Olympus also recognizes that one of its important management activities is to consider the sustainability of the society and actively promote initiatives that incorporate ESG perspectives.
- Therefore, we have committed to this set of materialities and made sure all management initiatives are clearly engaged.

## We continue to reform and have achieved much

 ESG	<ul style="list-style-type: none"><li>▪ Joined Task Force on Climate-Related Financial Disclosures (TCFD) in May 2021</li><li>▪ Ranked in DJSI World Index since November 2021</li></ul>
 Portfolio	<ul style="list-style-type: none"><li>▪ Completed transfer of the Imaging business</li><li>▪ Invested resources in Therapeutic Solutions Division</li><li>▪ Engaged in M&amp;A in focus areas, including:<ul style="list-style-type: none"><li>– GI-Endotherapy: Arc Medical Design</li><li>– Urology: Medi-Tate</li><li>– Respiratory: Veran Medical Technologies</li><li>– Surgical: Quest Photonic Devices</li></ul></li><li>▪ Established a CVC for early-stage investment</li></ul>
 Operational model innovation	<ul style="list-style-type: none"><li>▪ Launched working culture-related initiatives to support transformation efforts</li><li>▪ Established a globally integrated HR management system</li><li>▪ Implemented “Career Support for External Opportunity” in Japan</li><li>▪ Made progress in establishing our GBS (Global Business Services) structure<ul style="list-style-type: none"><li>– Captive shared service centers* were established in EMEA (Poland), the U.S. (Center Valley, PA) and in Asia (Dalian, China). Most operations transfers have finished in EMEA and US. The transfer is ongoing in Asia.</li><li>– Both captive shared service centers and business process outsourcing** are now in progress.</li></ul></li></ul>
 Capability	<ul style="list-style-type: none"><li>▪ Introduced a company with a Nominating Committee, etc.</li><li>▪ Diversified the Board of Directors</li></ul>
 Governance	

\* Captive Shared Service Center: Outsourcing of proprietary and highly confidential operations to in-house center (located in Poland, the U.S. and China)

\*\* Business Process Outsourcing: Routine and standardized operations are outsourced to external vendors.

- While there remains much to do, we have made substantial progress in a relatively short time.
- One of the key initiatives was the portfolio management. We transferred the Imaging business in January 2021 and some businesses in the U.S. and Japan. We acquired 5 medical companies since last year to grow our medical business.
- We have increased our attention on improving our operational model and capability. We established a globally integrated HR management system to utilize our talents globally and set up the Global Business Service structure.
- The “Career Support for External Opportunity” initiative implemented in Japan has shifted our employees’ mind-set in a globally aligned way, especially in Japan. I am proud of our work in improving our corporate culture and making the best use of our organizational strengths.
- I am confident that Olympus is steadily transforming into what we want to be: a leading global medtech company. We have implemented a variety of measures since the first fiscal year of the corporate strategy, and we are enthusiastic to accomplish the goals set forth in that strategy.

## Financial guidance and supporting financial indicators

		2020/3	TARGET 2023/3
 Financial guidance	Operating margin*	Approx. 11%	→ <b>&gt;20%</b>
	Free cash flow growth*	¥50 Billion	→ <b>&gt;20%</b> CAGR from FY2020/3
 Supporting financial indicators	ROIC*	Approx. 10%	→ <b>&gt;20%</b>
	EPS growth*	¥47	→ <b>&gt;25%</b> CAGR from FY2020/3

\* Adjusted for extraordinary items

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- These are the financial KPIs we published in our Corporate Strategy.
- We have set the operating margin as the most important KPI and have set three supporting indicators.

## Our operating margin improved significantly

- Operating margin significantly improved due to execution of various transformations
- Right on track to achieve >20% in FY2023

	FY 2023 TARGET	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 FORECAST
Adjusted OP margin*	>20%	13.5% ¥102.1 Billion	14.1% ¥103.1 Billion	18.9% ¥161.5 Billion

**Adjusted for extraordinary items:** Exclude Other income/expenses

Note: Please refer to the appendix for details of adjusted items and actual figures (no adjustment).  
\* Continuing business base

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- As I mentioned earlier, we have implemented a number of important initiatives in a short time period. As a result, despite Covid-19, we have been able to significantly improve our operating margin and are right on track to achieve over 20% in FY2023.
- The figures are on an adjusted basis and we define the extraordinary items.

## Adjusted supporting financial indicators

	FY 2023 TARGET	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 FORECAST
Adj. FCF growth	>20% CAGR from FY2020/3	-% ¥71.1 Billion	+11.6% ¥79.4 Billion	+6.1% ¥80.0 Billion
Adj. ROIC	>20%	10.7%	10.3%	16.0%
Adj. EPS growth*	>25% CAGR from FY 2020/3	-% ¥45.49	+37.2% ¥62.42	+43.9% ¥94.23

Note: Please refer to the appendix for the details of adjusted items (no adjustment).

\* Continuing business base

- The supporting financial indicators are also improving along with the operating margin. In particular, EPS is currently progressing ahead of schedule, and we expect further improvement in the next fiscal year.
- On the other hand, free cash flow and ROIC are a little bit behind. We will continue to make efforts to improve them in order to maximize cash flow, which is the source of corporate value.

## We have a stable and sustainable capital allocation policy

- Prioritize allocation to business investment
- Stable and gradual dividend increase
- Flexible buyback of treasury stock



- This is the update regarding the capital allocation policy.
- Taking advantage of our robust platform centered on GI-Endoscopes in the Medical business, I believe we can continue to generate a stable free cash flow.
- First of all, business investment is the top priority in capital allocation.
- I believe our shareholders expect Olympus to make business investments that can create unique added value and also increase shareholder value.
- In line with our corporate strategy, we will continue to promote business investment and M&A centered on the Medical business, especially in our three focus areas.
- We pay dividends stably and aim to increase them gradually.
- After securing sufficient liquidity on hand for working capital and investment, we will consider flexible buyback of treasury stock if there are surplus funds.

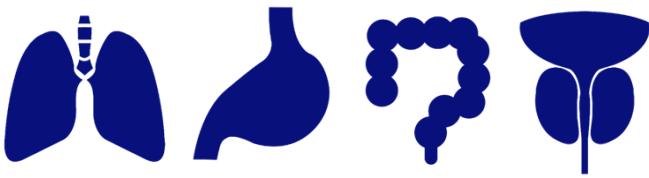
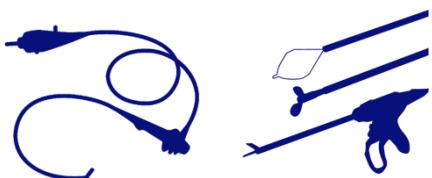


Today, we stand on a

# Solid Foundation.

- To summarize, our focus and resolve has brought us to where we are today – standing on a solid foundation that will enable us to extend our offerings, to lead in the areas where we can generate the most impact, and to achieve our global ambition.

## Our impact on patients' lives is already substantial



# 100

### Diseases or Conditions Treated

At Olympus we have versatile medical devices with the ability to treat approximately 100 diseases or conditions\*

\* As of March 2021

Source: <sup>1</sup> GLOBOCAN 2020. Top 4 highest incidence of cancers excluding breast cancer, as of March 2021

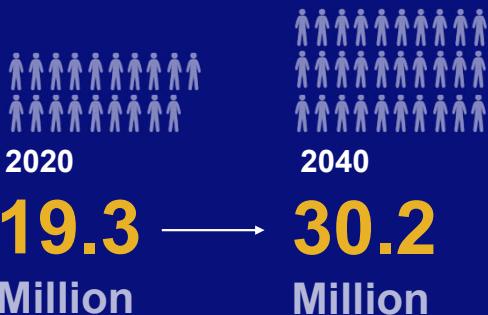
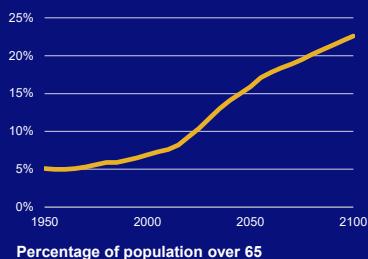
# TOP 4

### Cancers Treated

Olympus provides products/solutions for lung, stomach, colon and prostate cancers, 4 of the top 5 cancers by incidence<sup>1</sup> globally

- Our contribution to improving the lives of patients around the world is already significant, with our solutions treating over 100 diseases and conditions.
- Our solutions support physicians treating and patients suffering from 4 out of the 5 most common cancers – lung, stomach, colon and prostate.
- However, we can, and must, do more.

## Chronic diseases are increasing as the population ages



**Long-term rise in share of population over 65<sup>1</sup>**

**Estimated increase in new cancer cases from 2020 to 2040<sup>2</sup>**

Source: <sup>1</sup>United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019 <sup>2</sup>GLOBOCAN 2020

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- This snapshot provides a sobering view of the aging population and the rise of new cancer cases
- As the age of the global population rises, so does the incidence of chronic diseases.
- For example, the estimated number of new cancer cases is expected to grow substantially, from approximately 19 million cases in 2020, to over 30 million cases by 2040.
- The need for effective medical solutions is growing rapidly, and we as an industry must act.

## New technologies are revolutionizing our industry, particularly digital technologies



Over the next five years, **digital health solutions** are expected to represent a **rising percentage of leading medtech companies' revenues**.



Digital maturity of the pharmaceutical and medtech sector, gauged by measurement of a range of capabilities, was 28 out of 100, compared with an **average of 34 across all industries**.



And will result in **substantial cost reduction** by 2030

Source: McKinsey

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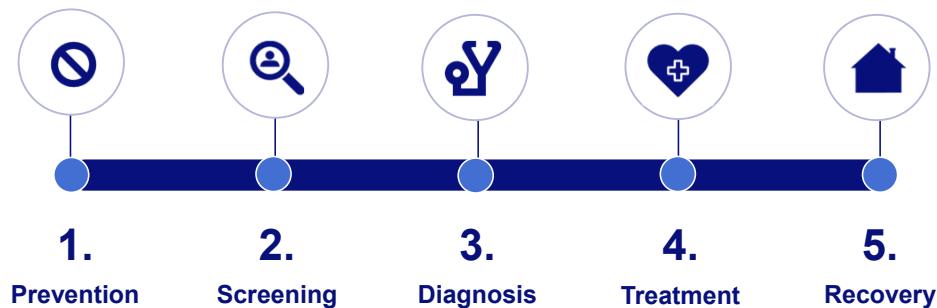
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- At the same time, new technologies offer great promise in terms of raising the standard of care.
- Data and analytics have the potential to unlock enormous value by improving patient care and experience, reducing the care burden for professionals and driving costs down.

# Expectations for patient care are shifting

## Care pathway enhancement

Emphasis on driving value by supporting personalized care through comprehensive understanding and management of diseases



### Benefits for patients

- Tailored care
- Faster service
- Lower expenses
- Better outcomes



### Benefits for HCPs

- Better performance
- More efficient resource usage
- Lower costs to system
- New insights from data

- Alongside these drivers is a definitive shift across the industry around the expectations for patient care.
- There is an emerging need to create solutions and optimize procedures to enhance the care pathway.
- For healthcare professionals this drives better performance, increase efficiency in resource allocation, lowers cost and has the potential to deliver new insights from the data accrued.
- For patients the benefits are clear: more personalized care, faster service, lower cost and, ultimately, better outcomes.
- This is another area where challenges present us with exciting opportunities to extend our offerings, collaborate with partners, and ultimately shape a better healthcare system.

## To lead, medtech companies must go beyond best-in-class devices

Current state: Outcomes driven by **performance of individual devices** at discrete points of the patient journey

### Supported by

- Product-based business models
- Technology-first innovation, focused primarily on developed markets
- Siloed, disconnected data unevenly used for decision-making

Future state: Outcomes driven by the ability to **optimize the care pathway** for an individual patient based on their unique needs

### Supported by

- New business models that are more efficient and drive adoption of new approaches for existing and new customers
- Systems view of innovation, inclusive of customer preferences, business models, and technology
- Connected data supporting enhanced decision-making

- So, what does that all mean, you may ask?
- These benefits for HCPs and patients mean simply that it is incumbent on leaders in our arena to look beyond optimizing device performance and think more expansively about how their capabilities can be better leveraged to enhance patient care.

# We aim to improve patient outcomes by elevating the standard of care in targeted disease states.



## Focus

Focus on the disease states on which we can have a market-leading impact



## Shape

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



## Enable

Enable our organization to better execute globally and at pace

- So where does that lead us?
- As we move forward from today, our strategy is to improve patient outcomes by elevating the standard of care in targeted disease states.
- Significant opportunity exists to address unmet needs and elevate the standard of care in areas where Olympus has an existing right to win.
- Important unmet needs are common across target disease states, including the need for earlier patient engagement, for better care along the patient pathway, and for the application of data-driven and advanced technological solutions.
- This opportunity landscape represents a significant shift in direction toward a pathway-and procedure-focus – while next-generation products will also play an important role.
- The initial implications of this strategy are clear:
- We will focus on areas where we can win, where Olympus can truly elevate the standard of care and ultimately improve patient outcomes.
- We will seek new opportunities to expand our participation at multiple stages of the patient pathway. Adopting a care pathway-focused approach offers us the opportunity to take a leading role in shaping the future of healthcare.
- This will require enabling operational adjustments that allow us to meet our aims globally and at pace.
- I want to be clear. This is a unifying value creation strategy designed to:
- Accelerate our ability to deliver on the growth and profitability targets we have set,
- Optimize the treatment journey for patients and healthcare professionals, as well as
- Unite and inspire our global team around the impact we can have.
- I will now ask our Chief Operating Officer, Nacho Abia, to take you through the details of how we move forward from today. Nacho over to you...

# 03

## Focus and Shape: Medical Business Direction

- Thank you, Yas.
- As Takeuchi-san just has said, moving forward we have absolute clarity to continue our purpose of making people's lives healthier, safer and more fulfilling.
- The steps we have taken under Transform Olympus, and the divestments and new investments we have made in the recent past, are supporting our move in a further developed direction. The first chapter was establishing the endoscopic solutions and therapeutic solutions divisions and developing the governance and organizational structures needed to become a truly global medical technology company.

# Improve patient outcomes by elevating the standard of care in targeted disease states



## Focus

Focus on the disease states on which we can have a market-leading impact



## Shape

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

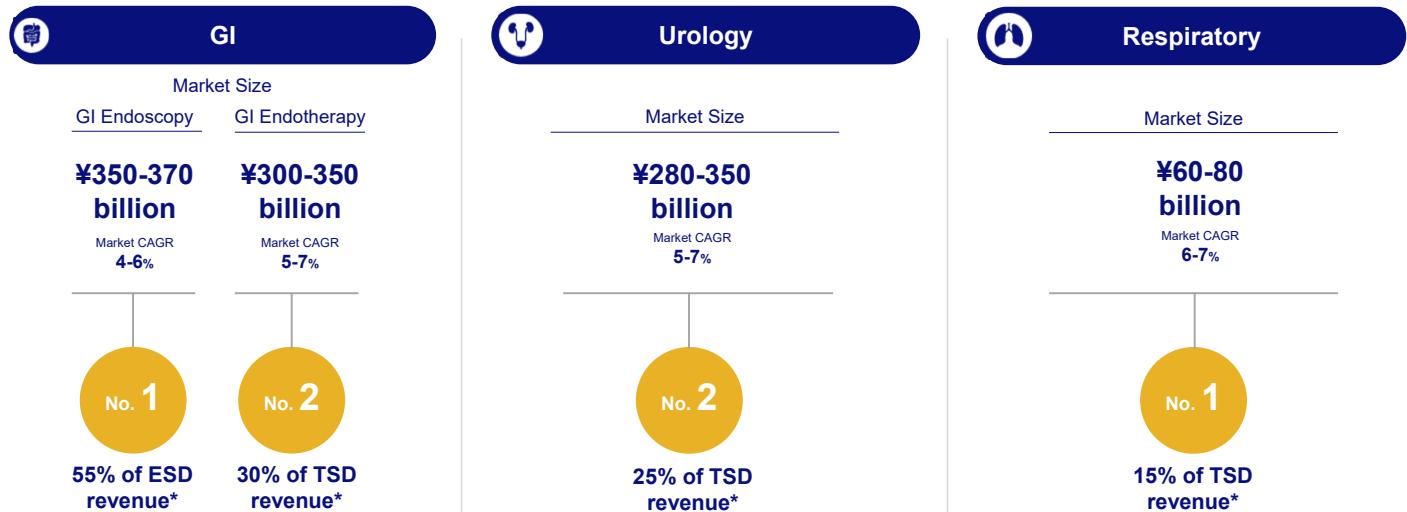


## Enable

Enable our organization to better execute globally and at pace

- Now, I would like to take you through the next chapter and share with you the details of our Focus and Shape principles.
- First and foremost, our stated strategy is to improve patient outcomes by elevating the standard of care in targeted disease states.
- This strategy is based on our strengths today, inclusive of imaging, endoscopic screening, diagnostics and endoluminal therapeutics.
- But it also addresses the market shifts, such as the integration of digital solutions and our drive to meet unmet needs along the patient pathway.
- It is a strategy that requires us to focus in areas of the business where Olympus can make the greatest difference in the lives of patients around the world.
- And it is a strategy that compels us to work together, focusing human and financial resources across the organization, on new innovations, care models and technologies that shape the future of healthcare.

## We will focus on disease states in specialties where we can have a market-leading impact



We plan to maintain market leadership in GI and outpace market growth in GI Endotherapy, Urology, and Respiratory

Note: Served market scale and growth forecast information for this slide come from the Company's research and pertains to data for the USA, EU5 (Germany, UK, Italy, France, Spain), Japan and China. Market scale is as of March 31, 2021. Respiratory includes the impact of the Veran Medical acquisition. Growth forecasts are projected for fiscal year 2022 to fiscal year 2024, starting from fiscal year 2021. This also applies to market data shown on slides below. Sub-segment sales ratios within ESD/TSD are figures of fiscal year 2021. Please refer to the appendix for the summary of sub-segment sales ratio within ESD/TSD.

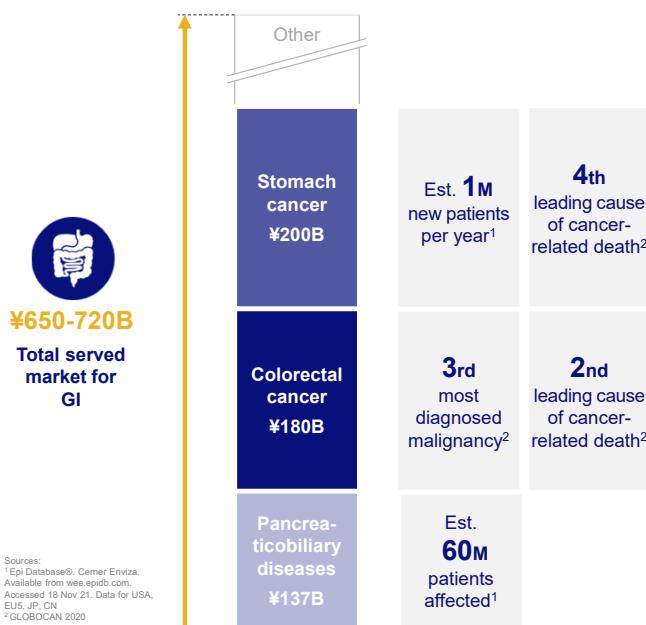
\* Approx.

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- We must focus on our strengths in the areas where we can have the greatest impact on healthcare, patients' lives and where we will be most successful against our competition
- As you can see in the slide, Olympus is a clear leader in the areas of gastroenterology, urology, and respiratory. This is where we are having greatest impact today, but it is also where we have new growth opportunities.
- These are the areas where we will focus our investments and resources to achieve profitable and sustainable growth and make the biggest difference in the care pathway journey.
- As a result, we plan to maintain market leadership in GI Endoscopy and outpace market growth in GI-Endotherapy, Urology, and Respiratory.

## We will continue to lead in GI focus areas with significant unmet needs



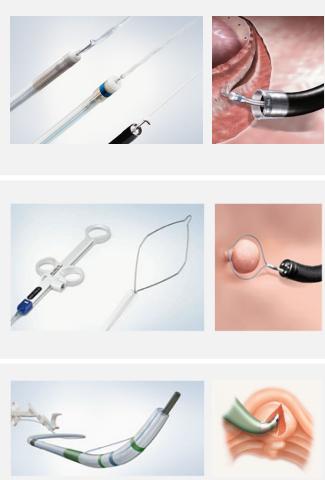
### ESD

GI endoscopes and endoscopic ultrasound for detection, diagnosis and staging



### TSD

GI Endotherapy single-use devices for detection, biopsy, ERCP, hemostasis, resection / dissection



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

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- Let's talk about GI first.
- The prevalence of chronic GI diseases is increasing and therefore, there will continue to be significant unmet need in screening and treatment of GI diseases.
- Our disease states of focus represent markets where Olympus is strong and will continue to grow.
- Both, stomach and colorectal cancer are in the top 4 out of 5 most common causes of cancer related deaths and our two divisions, ESD and TSD, collectively offer a portfolio of solutions across the continuum of care enabling detection, diagnosis, staging and treatment.
- So, we are uniquely positioned to reach more patients by delivering such a comprehensive offering, and through it, to continue increasing our value to healthcare systems and patients alike.

# Elevating the standard of care in our fight against colon cancer

Our focus	Screening, diagnosis and treatment in early stages to limit severe cases
The disease state	<p>Colorectal cancer (CRC) is the third most diagnosed malignancy and the second leading cause of cancer-related deaths in the world.<sup>1</sup> Its burden is expected to increase by 60%, to more than 2.2M new cases and 1.1M deaths, by 2030.<sup>2</sup> Currently, 50M colonoscopies are performed worldwide.<sup>3</sup></p>
Our solutions	<p><b>Detection</b>      <b>Characterization</b>      <b>Diagnosis</b>      <b>Treatment</b></p> <p><b>EVIS X1: Our most advanced endoscopy system</b> Revolutionizes the way gastrointestinal disorders can be detected, characterized, diagnosed and treated</p> <p><b>ENDO-AID CAD*</b>: AI supported detection Automatic real-time detection of suspicious tissues and lesions</p> <p><b>ENDOCUFF VISION maximizes visualization</b> Notable increase in adenoma detection rate of 10.8% in comparison to standard colonoscopy<sup>4</sup></p> <p>* Computer-aided detection</p> <p><b>Versatile range of products for endotherapies</b> Advanced therapeutic procedure for non-surgical treatment of early disease states</p>

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- Looking at the prevalence of colorectal cancer, in particular, we see greater opportunity for Olympus to elevate the standard of care through solutions for screening, diagnosis, and treatment.
- The encouraging news is that our solutions can make a difference to patients.
- And while research tells us that many eligible, and at-risk patients are not screened for colorectal cancer, there is a significant opportunity to improve the patient care pathway, to ensure that the right patients receive earlier screening, earlier diagnosis and earlier, less invasive treatment.
- This is a tangible example of where we can elevate the standard of care and deliver significant value.

## Our GI growth drivers

	<b>Maintain leadership with new launches</b>	EVIS X1 scope additions	Digital imaging solutions like CADe/x	Single-use cholangioscope	EndoCuff Vision	Next Gen hemostasis devices	Metal stents
	<b>Grow by regional and commercial model expansion</b>	Prepare EVIS X1 launch for US and China	Drive professional education initiatives in emerging markets	Further go-to-market and sales force expansion e.g., China (GI Endotherapy)		Increase omni-channel presence	
	<b>Grow by expanding into adjacent areas</b>	Upper GI screening for therapeutic intervention including for GERD and Barrett's	Advance EUS imaging and intervention	Continue to expand in areas for colon cancer screening toward therapeutic and less invasive intervention		Innovate in infection prevention	

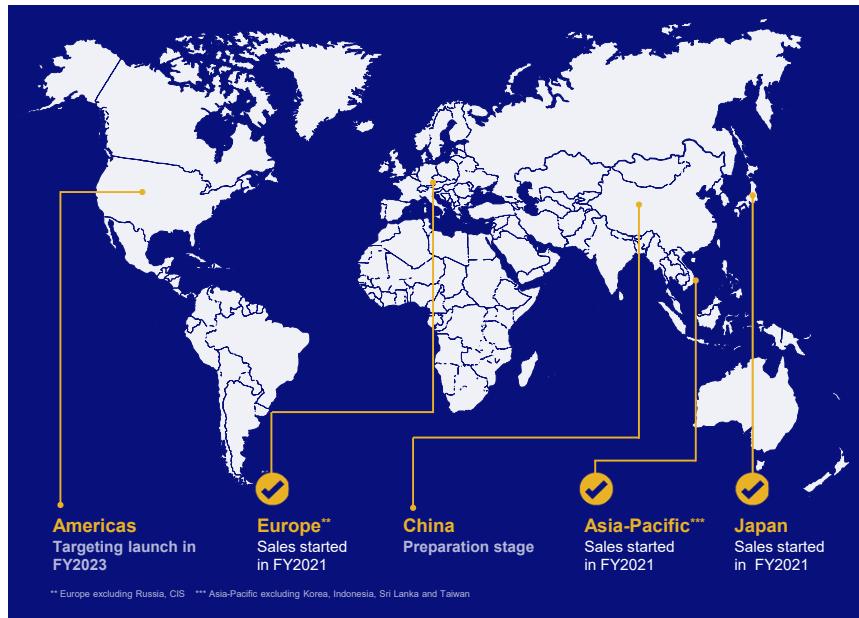
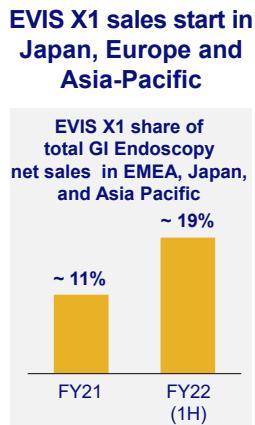
Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.

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- So, how will we drive future growth in gastroenterology and harness the opportunities ahead?
- In GI, we can segment our growth opportunity into three categories:
  - Innovation of new products;
  - Regional expansions; and
  - Leveraging our domain knowledge to grow into areas adjacent to our existing expertise.
- Let's explore this approach with some specific examples on the following slides.

## Growth driver highlights: Regional expansion of EVIS X1



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- The launch of EVIS X1, our most advanced endoscopy system, has been enthusiastically received by customers and is contributing to growth in the regions already launched.
- The CAGR for the predecessor platform of EVIS X1 provides a good outlook on the kind of momentum we can expect for EVIS X1 as it is launched around the world. The EVIS X1 system launches in Europe, Asia-Pacific, and Japan have been quite successful, so we are very confident that the new launches planned, extending entry for this product into the US and China, will be very successful as well.
- We are bullish on these launches and have full confidence that our efforts will yield significant additional results over the next 5 years

## Growth driver highlights: Innovate in infection prevention

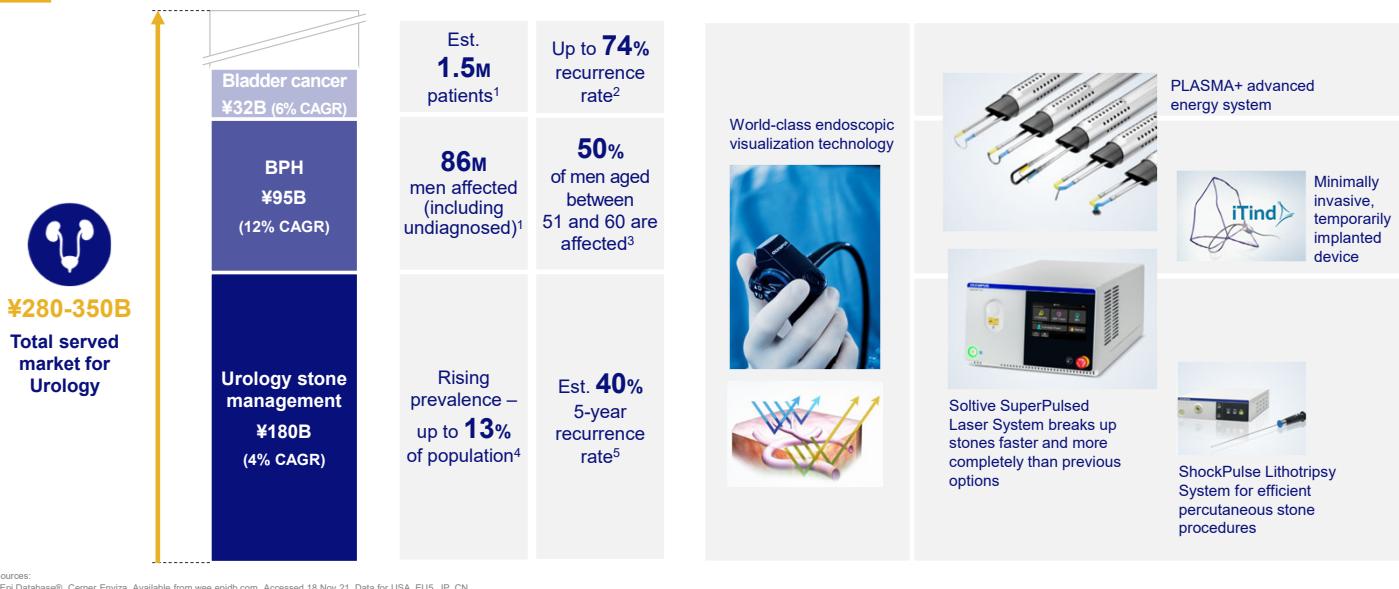


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- Another growth driver we would like to highlight is infection prevention.
- As we all know, infection prevention is top of mind at every healthcare facility, large or small. And here, Olympus has a substantial opportunity to make a difference.
- We intend to compete for a portion of that market that greatly complements our product lines and disease states of focus.
- To accelerate our impact and offering, Olympus has established a dedicated unit to build our capabilities through a combination of organic and in-organic growth. This unit has three clear priorities:
  - Strengthen effectiveness of core products and accessories
  - Provide end-to-end portfolio and advisory, and to
  - Develop innovations for manual and automated cleaning

## We are well positioned to address patient needs in high-growth urology markets



Sources:

<sup>1</sup>Epi Database®. Cerner Envira. Available from [www.epidb.com](http://www.epidb.com). Accessed 18 Nov 21. Data for USA, EU5, JP, CN.

<sup>2</sup>Recurrence of high-risk bladder cancer: A population-based analysis – Cancer. 2013 Sep 1; 119(17): 3219-3227.

<sup>3</sup>BPH: surgical management – Urology Care Foundation website. [www.urologyhealth.org](http://www.urologyhealth.org). Updated July 2013.

<sup>4</sup>Epidemiology of stone disease across the world – World J Urol. 2017 Sep;35(9):1301-1320. doi: 10.1007/s00345-017-2008-6.

<sup>5</sup>Recurrent Nephrolithiasis in Adults: A Comparative Effectiveness Review of Preventive Medical Strategies – Agency for Healthcare Research and Quality ([www.effectivehealthcare.ahrq.gov](http://www.effectivehealthcare.ahrq.gov)), published online June 15, 2011.

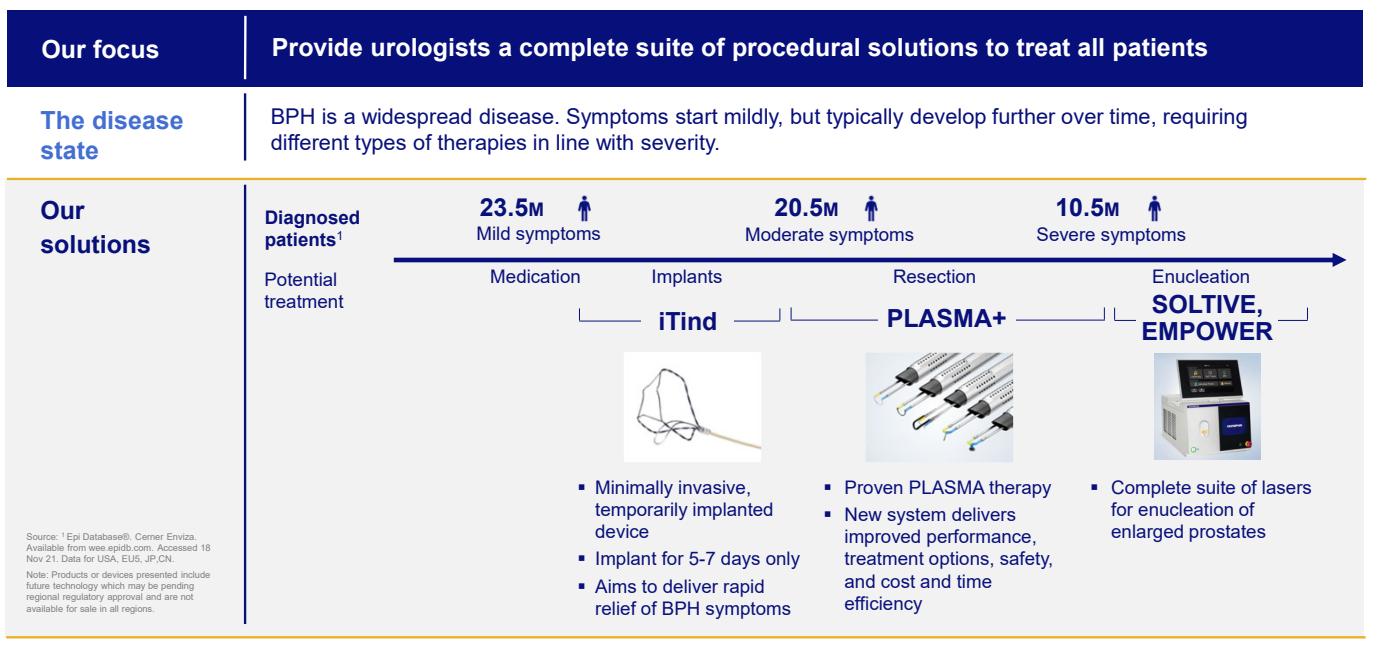
Note: Products or devices presented include future technology which may be pending regional regulatory approval and are not available for sale in all regions.

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- The next area we will focus on is Urology – where Olympus is uniquely positioned with a comprehensive portfolio of products to treat some of the most common urological diseases.
- We have significant market opportunities for in BPH, bladder cancer, and kidney stones treatments.
- Benign prostatic hyperplasia — or BPH — impacts 50 percent of men between 51 and 60; and 90 percent in men older than 80.
- As Yas highlighted earlier, the aging population is a trend that is driving the industry – this is a specific example of how that trend aligns with our focus
- The second disease state of focus is bladder cancer, which unfortunately has very high recurrence rates – up to 74 percent.
- And 3rd, the incidence of kidney stones is rising, and is associated with high recurrence rates over 5 years.
- The good news is that Olympus has world-class treatment solutions to address each of these conditions, making the aggressive goals we have set possible.

# Elevating the standard of care for benign prostatic hyperplasia (BPH)



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- Let's talk specifically about BPH, where the prevalence is considerable.
- Our focus is to provide urologists with a complete suite of solutions to treat patients suffering from BPH, so we can address the disease state all along the patient pathway.
- For example, in less severe cases of BPH, iTind is a temporary device that is easily implanted, aims to deliver rapid support, and is completely removed at the end of a treatment period.
- For more severe cases, through Trans Urethral Resection of the Prostate – TURP – procedures, 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.
- Finally, in addition to its main application area in stone management, the Soltive platform allows physicians to address unique procedures and economic needs associated with Prostate Enucleation as our laser solution is used for this procedure as well.
- By focusing on the solutions that satisfy growing market needs, Olympus is well positioned to continue its growth in these areas and even extend leading positions that we have already created.

## Our urology growth drivers

 <b>Drive lithotripsy leadership</b>	<b>Soltive launch</b> Drive continued growth of market share through the launch of the <b>Soltive SuperPulsed Thulium Fiber Laser System</b> in core markets	<b>Global expansion</b> Leverage Soltive differentiation to expand Olympus' comprehensive stone management portfolio to <b>new geographies</b>	<b>Procedural ownership</b> <b>Enable procedural ownership</b> through continued innovation in laser technology and single-use ureteroscopes
 <b>Offer urologists a comprehensive BPH solution</b>	<b>PLASMA+ launch</b> Set new standards in terms of resection performance, treatment options, safety, and efficiency through the <b>3rd-generation system</b> launch	<b>iTind market development</b> Enable patients around the world to benefit from the <b>minimally invasive iTind procedure</b> through world-class market expansion initiatives	<b>Enucleation solution</b> Capitalize on <b>complete portfolio of plasma and laser technology for prostate enucleation</b> procedures to expand presence in BPH

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- To summarize, we will be driving growth in Urology by continuing to invest in core procedures and technology areas, while expanding our reach globally.
- Our key focus areas of BPH, bladder cancer and stone management will be driven by our visualizations solutions plus other key technologies – like iTind, PLASMA+, and the Soltive Laser System and also through our entry into the single-use ureteroscopy market.
- And we will drive global market development to allow patients worldwide to benefit from the iTind procedure, while expanding our stone management portfolio beyond core markets, powered by our revolutionary market leading Soltive solution. Physicians and clinical evidence have shown that this is game changing technology, and we are very proud to bring it to market.

## We will focus on respiratory diseases with high incidence / prevalence and significant unmet need



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- Let's move on to Respiratory.
- Olympus will make a real impact on the global healthcare system by focusing as well on the respiratory segment, where disease prevalence is growing, and the unmet need is significant.
- Lung cancer is the deadliest cancer, with over 3.4 million patients per year, and high associated mortality rates. Early detection and diagnosis are critical and well aligned with our current and future product suite.
- A second disease state of focus is Chronic Obstruction Pulmonary diseases - COPD, which is the third leading cause of death globally, with 174 million patients suffering from this disease worldwide.
- With our bronchoscopy and endoscopic devices, we lead the Respiratory endoscopy market – a market that is currently under-penetrated. This together with our product pipeline, positions Olympus for continued growth and signals our opportunity to make a real difference in the lives of patients and their families.

# Elevating the standard of care for lung cancer

Our focus	Drive improvements in the five-year survival rate of lung cancer patients by developing new and disruptive technologies		
The disease state	<p>Lung cancer has the highest mortality of any type of cancer.<sup>1</sup> Only small percentage of patients are screened today. Utilization of EBUS-TBNA*, a guideline recommended diagnostic and staging tool remains low. Maximizing diagnostic yield of suspicious peripheral nodules while minimizing complications remains a critical need.</p>		
Our solutions	<p></p> <p>▪ Increased screening can detect lung cancer earlier and thereby grow the number of patients who will benefit from diagnosis and staging.</p> <p>▪ Suspicious lesions are most often found in the hard-to-reach periphery of the lung.</p> <p>▪ Olympus' advancements in peripheral diagnostic technology have the potential to increase yield while minimizing complications.</p> <p></p> <p>Ultra-thin scope, radial ultrasound miniature probe, thoracic electromagnetic navigation</p> <p>* Endobronchial ultrasound-transbronchial needle aspiration</p> <p></p> <p>EBUS bronchoscope and EBUS TBNA needles</p>		

Source: <sup>1</sup> GLOBOCAN 2020

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- While talking about elevating the standard of care, Olympus was an early and critical innovator in the lung cancer space with the introduction of the Endobronchial Ultrasound-guided Trans-Bronchial Needle Aspiration – EBUS-TBNA – solution, that supports lung cancer standing.
- Furthermore, the acquisition of Veran Medical Technologies enabled Olympus to extend its important work in this space, bringing an integrated offering – bronchoscopes, devices, endobronchial and transthoracic navigation technologies – designed to thwart the lung cancer threat.
- However, the prevalence of lung cancer and the mortality rates remain high and new solutions are still needed.
- The reason for this is that while lung cancer screening is recommended, many instances continue to go undiagnosed, and the standard of care for diagnosing is CT-guided needle biopsy – TTNA – which has a high complication rate.
- So, this is yet another example of an area where our leadership is needed. It is our obligation to continue to innovate in this area and uncover a more precise path to early detection and effective treatment.
- We continue with bold intentions in this space, as we have in the past - one example of an important patient pathway improvement that Olympus has already brought to the respiratory market, is in the combination of EBUS-TBNA plus peripheral bronchoscopy, this enables diagnosis and staging to be done in one episode of care. This is the kind of patient care and procedure efficiency that we must strive for.

## Our respiratory growth drivers

 <b>Maintain leadership in core markets with technical innovation and clinical evidence</b>	Launch EVIS X1, our next generation bronchoscopy platform, in the US market	Deliver a comprehensive single-use and traditional bronchoscopy portfolio to address the full breadth of our global customers' needs	Innovate with new EBUS technologies that address unmet clinical needs to further drive utilization
 <b>Grow our portfolio of solutions to solve for unmet clinical needs</b>	Cultivate our vibrant pipeline of technologies designed to improve diagnostic yield of suspicious peripheral lesions	Explore next generation adjacent market opportunities in lung cancer screening, risk stratification and treatment	Actively explore and invest in new technologies with the ability to raise the current standard of care
 <b>Broaden our impact by expanding market presence</b>	Expand access to the Veran SPIN Thoracic Navigation System outside of the US	Drive full utilization of EBUS-TBNA to maximize adherence to established guidelines	Elevate our focus and presence within the respiratory space to better serve our customers

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- Overall, our growth in Respiratory will center on three core actions:
- First, it is incumbent upon us to leverage our innovations and clinical knowledge to maintain leadership in core markets, such as the US, where we will launch EVIS X1. We will also have a full portfolio of single-use and traditional bronchoscopes as well as new EBUS technologies that will address currently unmet needs.
- Second, we will expand our market presence with platforms such as the Veran SPiN Thoracic Navigation Platform and the commercialization of the Spiration Valve System in other geographies such as China.
- And third, we will meet so far unmet clinical needs by growing our pipeline of technologies to improve diagnostics for suspicious peripheral lesions while applying our domain expertise to adjacent areas in lung cancer screening, risk stratification and treatment.

## Other areas that make standard of care contributions

- Protect and grow through investment in solutions that follow market shifts towards minimally invasive procedures across care pathways
- Improve profitability through focused efforts towards operational and commercial efficiencies
- Capitalize on upcoming launches to drive growth



Surgical Endoscopy

15% of ESD revenue\*



Surgical Devices



ENT



Gynecology

25% of TSD revenue\*

Note: Sub-segment sales ratios within ESD/TSD are figures of fiscal year 2021. Please refer to the appendix for the summary of sub-segment sales ratio within ESD/TSD.

\*Approx.

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- Let me talk now for a moment about our other therapeutic areas.
- While we look towards a new horizon with higher focus in mind, it is critical to acknowledge the important investments we have already made in other areas where we can now realize tangible benefits.
- These four business areas – surgical endoscopy, surgical devices, ENT and Gynecology – will continue providing a robust contribution to Olympus and while we may not be the global leader in these entire spaces, our products have provided great value to our customers for many years which is visible for example in our leadership in Surgical solutions in Japan, or our global leadership position in visualization in ENT.
- Therefore, we plan to protect and grow these areas leveraging past investments, harnessing market shifts toward minimally invasive procedures across the care pathway, and we will do it while focusing our efforts on operational and commercial efficiencies that best serve our margin goals while demonstrating our ability to launch products that are able to catalyze growth.

## Upcoming major launches as catalysts for future growth

Next-generation Imaging Platform

### Reducing risk of complications and recurrence in cancer treatment

- **Visualize**

- Cancer
- Nerves
- Surgical landmarks
- Perfusion with decision criteria



Quest Spectrum

Powerseal

### Increasing performance and workflow efficiency

- Meet high standards of **clinical performance**
- Consistent **sealing reliability**
- Ergonomic, multifunctional design that promotes **procedural efficiency**

Already launched in the US; other regions to follow in FY23



Celeris Sinus Debrider

### Fully disposable all-in-one microdebrider handpiece

- Easy setup for **workflow efficiency**
- Designed for **office-based procedures**
- Bipolar energy option to manage **incidental bleeding**

Launch in the US in FY22; other regions to follow in FY23



- Let me highlight some of those developments that will be catalysts for growth in these just mentioned therapeutic areas.
- These solutions, some already in the market and some upcoming, will help physicians avoid complications and can prevent recurrence of serious diseases.
- For example - our newest surgical endoscopy platform, together with recently acquired Quest Spectrum technologies, will use advanced visualization techniques, like Fluorescence or Molecular Imaging, to help avoid complications during surgery,
- Or in the Surgical Devices space, we have just launched Powerseal in the US, with plans to launch this advanced bipolar energy portfolio in Europe and other regions in the next fiscal year. This marks a significant market penetration and growth driver opportunity for us, by releasing a solution that meets high clinical performance standards.

# Improve patient outcomes by elevating the standard of care in targeted disease states



## 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

- Ok, Let's move on now into the "SHAPE".
- The solutions we have discussed so far demonstrate our potential to realize further growth and have greater impact, but, if we are aiming to continue elevating the standard of care as the core of our strategy, we will also need to determine what other innovations will be required.
- Themes that you have heard so far in this presentation, such as elevating the standard of care, procedure optimization and enhancing the care pathway are synonymous with this category of shaping the future, shaping the new – shaping the way Olympus will continue impacting healthcare and patients alike in the future.

## We will shape the future by investing in new ways to elevate the standard of care

Harness technologies and new business models that serve the patient in new ways

**Technical innovation** in imaging, diagnostics, and therapeutics



Care Pathway Enhancement



Procedure Optimization



Next-Generation Product Innovation

- In looking to the future, we are applying three lenses as we pursue our Shape principle - pathway enhancement, procedure optimization, and next-generation product innovation.
- For care pathway enhancement, the emphasis is on driving value through a comprehensive understanding and management of the care pathway of diseases and to offer more personalized care. For example, we will pursue integration of improved screening and diagnostics offerings with decision-making tools at each stage across the care pathway.
- We will put emphasis on driving value through data and analytics solutions in high-fidelity, complex procedures as hardware and software integration can enable care teams to reduce variation, avoid errors and optimize performance
- And while considering next-generation product innovation - we will emphasize product differentiation to drive value creation. Here our focus will be on devices that are designed to address unmet needs by improving upon cost, quality, ease of use and connectedness.
- Our goal is to help bring new care delivery models, new technologies and new business models to the forefront to better serve the healthcare provider, and ultimately the patient, in fundamentally new ways.

## We will offer the optimal range of endoscopes

Our near-term aim is to offer clinicians the right endoscope, be it reusable or single-use, for every patient, procedure and site of care.

Our bedrock as a global leader in endoscopy

Source: <sup>1</sup> 15-minute survey with physicians (GI, Urology, Pulmonology, ENT, Emergency Medicine), purchasers and infection preventionists in the USA, France, Germany, UK and Japan, n=286, Olympus

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Durable and reliable

Best visualization

Improves workflow

Important value statements from in-depth market research study<sup>1</sup>

Compatible with existing equipment

High maneuverability

Ergonomic design

Infection prevention

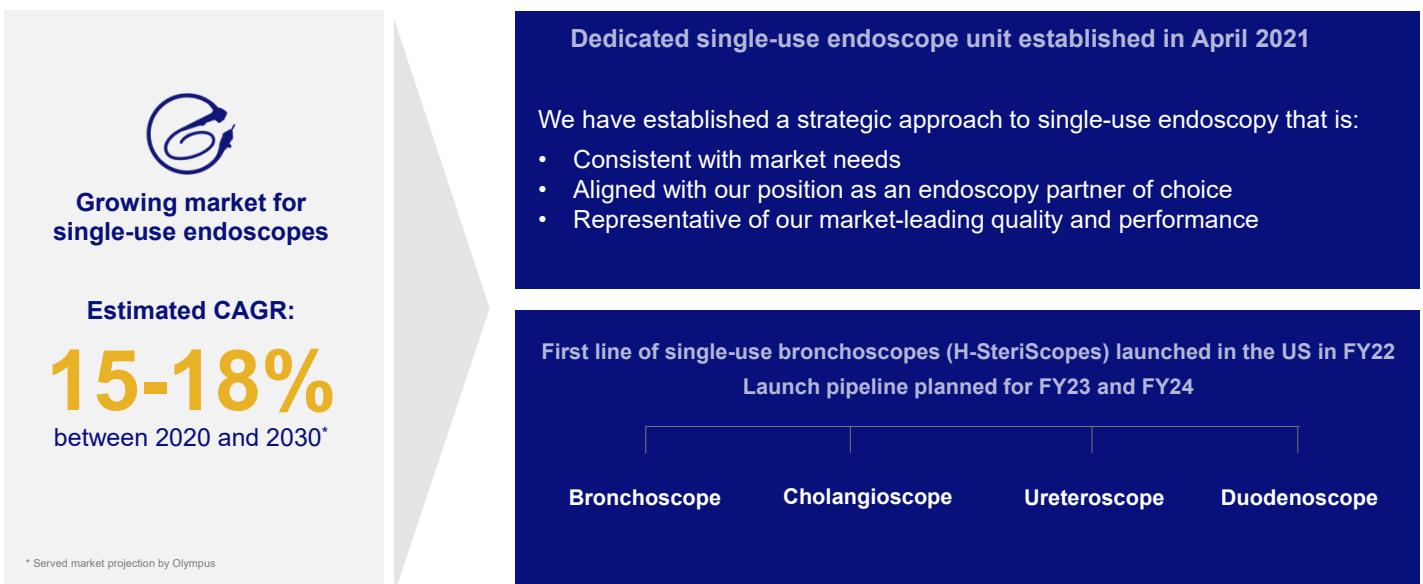
Expertise in visualization, maneuverability and ergonomics

Largest installed base in the market

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- While talking about the shape of the future, one unquestionable area of our next generation product innovation will be in single-use endoscopy.
- Our leadership in endoscopy allows us the ability to develop a portfolio of endoscopes that are right for the job. Recent market research we conducted gave a view into the most important attributes an endoscope should have, from reliability, maneuverability, ergonomics, workflow features and more. Olympus has and will continue to align our offering to these critical needs and best in class attributes to complement our reusable endoscopes portfolio with solutions that can fit the need of every specific case. This is leading us to introduce more breadth and balanced portfolio offerings such as single-use endoscopes, which gives our customers access to the best tools for each procedure, site of care and individual patient needs.

## Single-use endoscopes will complement our portfolio



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- We recognize the growth opportunities and market demand for single-use endoscopes, and we are launching a first line of single-use bronchoscopes now and have near future plans for single-use endoscopes in several specialty areas.
- Our customers tell us that there is ample room for both single use and reusable endoscopes and that they are excited to benefit from the new features and benefits we bring with each new product launch.
- But our Shape principle doesn't end with the endoscopes. It is just the beginning.

## A digital endosuite will add value to users of our diversified endoscope lines, and their patients



### Our vision for the digital endosuite:

AI and robotics ensuring high quality of care

Improving patient and clinician experience

Extending the reach of EndoTherapy

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- Our digital endosuite concept is part of our vision beyond the endoscope. Here is a solution that could extend the reach of endotherapies while improving the patient experience, using Artificial Intelligence (AI) and other digital tools and technologies.
- Some specifics examples of what it may include are:
- Cloud-based content management for cross-procedural data access;
- The ability to link endotherapy seamlessly with other disciplines, such as pathology;
- An endoscopy workflow management platform; and
- 3D body map visualization.

# Digital initiatives, backed by dedicated strategy, governance, operations, and innovation, have taken shape

## Our digital vision is based on:

### A strong technical platform:

Our future CAD box will seamlessly integrate with workflow management offerings, leveraging powerful connectivity features.

### An integrated product offering:

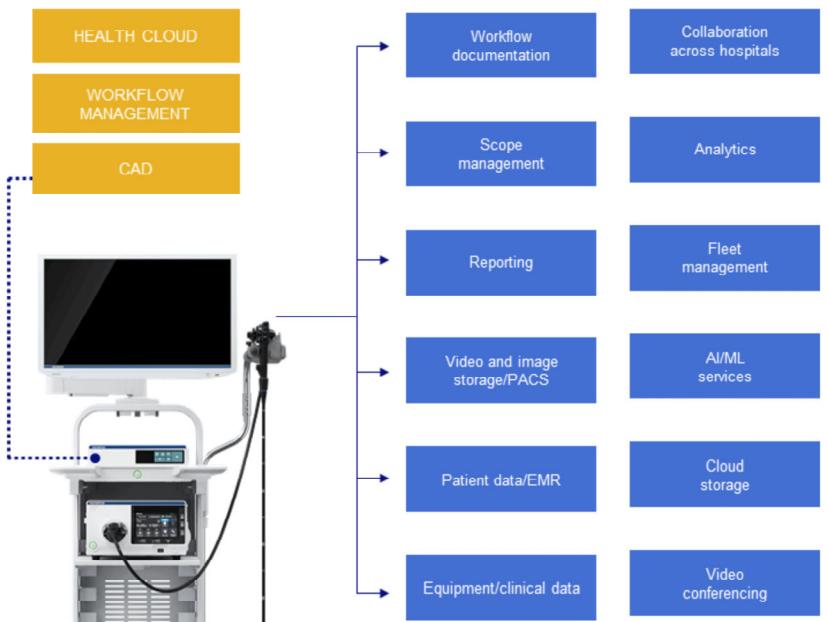
To strengthen the value proposition of our future workflow management portfolio, we will offer a subscription model, combining CAD and workflow management features in multiple, attractive tiers.

### A combined organizational set-up:

To maintain and grow a holistic digital endoscopy platform, we have set-up a joint product team to accelerate building and commercialization.

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

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- Some of those aspects of our Shape principle through our digital solutions can be found in work already in progress.
- With our digital initiatives, we are harnessing digital technology and automation, creating the opportunity to reduce the cognitive burden currently managed by clinicians and staff, allowing them to focus on serving their patients.
- These critical concepts sit at the heart of our new digital governance, led by the recently created Digital Unit.
- This unit will oversee and accelerate progress starting with three prioritized digital initiatives, all of which will make a meaningful contribution to our success.
- First: To develop the Olympus Health Cloud – with infrastructure and capabilities in data collection, Artificial Intelligence and Machine Learning.
- Second: In the already mentioned endoscopy workflow management platform — to sustain long-term competitiveness and increased value to our customers.
- And last, but by no means least, to establish market leadership in CAD —Computer-Aided Diagnosis— and clinical decision support. Here we will define the future of CAD for Olympus

# Our research into endoluminal technologies holds promise for next-generation therapies

**View of the future: Standard of care needs will drive next-generation endoluminal therapies.**

## Surgical volumes

Will increase and most treatment will be minimally invasive.

## Care providers

Will demand tools that simplify procedures, improve decision-making and enhance outcomes.

## Sites of care

Will move from inpatient settings to more efficient and lower cost sites.

## Assistive technologies

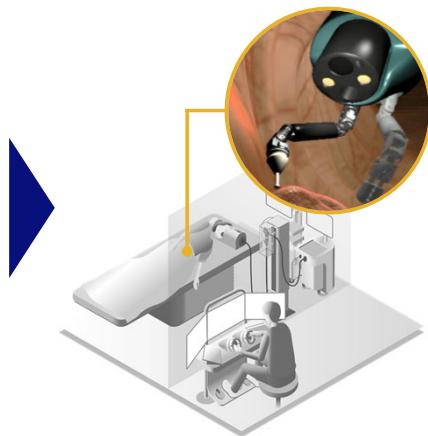
Will be significantly more utilized across sites.

## Business models

Will be tailored to providers' need for consumer-centric and personalized care.

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**We believe endoluminal intervention coupled with autonomous capabilities will be widely adopted in the future.**



- Advanced endotherapeutic interventions have already elevated the standard of care for early-stage GI cancer and pancreaticobiliary disease treatment.
- Currently endoscopic treatment such as ESD and ERCP are only performed by skilled physicians with extensive training and experience.
- Next-generation endoluminal interventions aim to allow more physicians to perform difficult procedures and make major surgeries significantly less invasive.
- As the global leader in endoscopy, we will focus on exploring and developing an innovative endoluminal ecosystem with autonomous technologies

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- The last topic I would like to speak to you about is our view on endoluminal therapies.
- By now, you will recognize our resolve to focus our portfolio on businesses that maximize the impact we can have.
- Endotherapy, which is also a key focus area of Olympus, is a portfolio of advanced, minimally invasive devices and procedures focused on treating an array of GI diseases through endoscopic access without the need for open or even laparoscopy surgery.
- This has several advantages like higher procedural success with lower morbidity rates; lower patient down time, and economical benefits for the healthcare system as the procedure is usually conducted in an outpatient, less expensive, setting.
- We at Olympus believe that additional endoluminal technologies will make it easier to perform endoluminal procedures which will extend its utilization and therefore they are the natural extension of our endotherapy product offering.
- This will increase not only the variety of procedures that can be conducted endoluminally, but also will benefit the ultimate patient outcomes of those procedures.
- We believe that further extension of endoluminal therapies, coupled with autonomous capabilities, will be widely adopted in the future as minimally invasive therapies become the norm and providers demand tools to simplify procedures, improve decision-making and enhance outcomes. Here we will focus in the future on exploring the possibility of developing an innovative endoluminal ecosystem.

## Key take-aways for Focus and Shape

Further enhance growth, profitability, and patient outcomes and elevate the standard of care in key disease states, by focusing on:  
▪ GI  
▪ Urology  
▪ Respiratory

Harness technologies and new business models that enhance care pathways  
▪ Single-use endoscopes  
▪ Digital initiatives  
▪ Endoluminal therapies

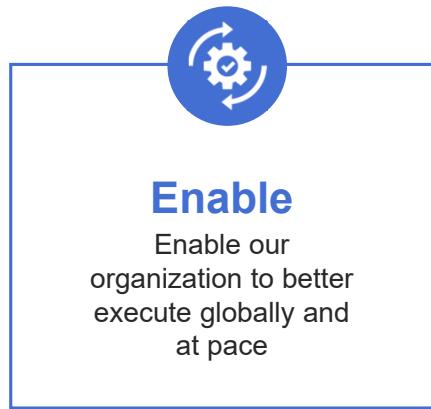
- In conclusion and to recap, we will FOCUS our efforts in the areas where we can make a greater medical difference – namely GI, Urology and Respiratory – by thinking in terms of disease states instead of products, and by elevating the standard of care in these therapeutic areas.
- And we will SHAPE the future of endoscopy, leveraging our many decades of expertise in the area and introducing a balanced portfolio that contains single-use endoscopes, while we will also push into new frontiers, leveraging a suite of interconnected digital technologies and exploring exciting new terrain such as the development of new and innovative tools for endoluminal surgical procedures.
- We are truly excited about the great potential this strategy holds, that will allow us to focus and shape our leadership in medical technology to elevate the standard of care and enhance patient care pathways.
- And with that, back to you, Yas, to detail how we will Enable our strategy.

# 04

## Enable: Executing Globally and at Pace

- Thank you, Nacho.
- To be successful as we Focus and Shape, we must continue to improve the capabilities of our organization.

# Improve patient outcomes by elevating the standard of care in targeted disease states



- We must Enable Olympus to fulfil its potential and compete more effectively on a global scale.

## Our business development team and tools are tailored to promoting complementary, inorganic growth



### Set-up

Set-up **teams in 7 locations** and established **processes and tools** for global deal sourcing and execution



**Rigorous focus on value drivers** in both deals and company integrations



### Achievements

**Key therapeutic areas** strengthened through a series of relevant deals and partnerships

GI Endotherapy  
Urology  
Respiratory



### Corporate venture capital

Launched **US-based fund with \$50 million** for initial commitments and follow-on investments

**Invests in pioneering startups with innovative technologies** that improve clinical outcomes, reduce healthcare costs, and enhance the quality of life for patients

**Offers portfolio companies benefits of Olympus' clinical and technical expertise**, access to healthcare professionals and hospitals, and ability to launch and scale innovative solutions in the global market

- As Olympus gains capability as a medtech company, it is clear that significant opportunity exists to address unmet needs and elevate the standard of care – both in areas where Olympus is strong today and areas where we are exploring.
- Solutions that lead to earlier patient engagement, enhanced care, and better use of new technologies will have notable potential for value.
- Continuous investments in these opportunities will be necessary if we are to pursue them effectively. And for this, we are more than ready.
- Business development structures and processes have been established across seven locations worldwide.
- Key medical areas have been strengthened through a series of relevant deals and partnerships in the last year, and we are continuously exploring opportunities.
- And finally, this September, we announced the creation of a corporate venture capital fund, Olympus Innovation Ventures, seeded with an initial commitment of 50 million US dollars over five years.
- This fund will allow us to form relationships with early-stage companies in desirable areas and help nurture partnerships with relevant and compelling entrepreneurial teams and innovators.

# Stronger Medical and Scientific Affairs will enhance our portfolio's clinical relevance, economic value and safety



**>20**  
Medical experts hired

**Strengthen** Olympus' functional capabilities to develop medical device innovations and promote patient-centered solutions that are safer and more effective



**3X**  
Training attendance\*

**Develop and implement** educational programs and training exercises to help healthcare professionals increase their technical expertise, achieve excellent clinical results, and ensure patient safety



**Value**  
Through data

**Leverage** real-world evidence to improve clinical outcomes for patients that, in turn, produce economic value for payers, healthcare systems, and society

\* >70,000 participants covered by remote methods in FY21.

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- Our shift in focus to a care pathway approach will deliver significant benefits. But to get things right, we need to extend our clinical expertise in new ways.
- We have already taken steps to ramp up our medical and scientific affairs function, adding significant clinical expertise across the globe.
- We will also continue to expand our leading educational programs and training exercises to help healthcare professionals increase their technical expertise, achieve excellent clinical results, and ensure patient safety.
- We have been hard at work, identifying and bringing on respected experts and talented individuals who will be the architects of this shift and underscore our commitment to a patient pathway orientation. We will support this with a clinical, scientific and data-driven, decision-making framework.

## We are further enhancing our capabilities for growth



### Procurement, supply chain and manufacturing

**Globalize the manufacturing and repair, supply chain, and procurement organizations** to break up silos and enable global synergies

**Redefine processes, clarify roles and responsibilities and strengthen capabilities** to execute operational strategy and manage risk

**Increase agility and cost efficiency** to further improve customer experience by applying innovative technologies in an integrated manner



### Research and development

**Deliver innovative and patient-outcome oriented, customer-centric** core technologies, products, systems and services with enhanced launch cycle speed

Operate efficiently with internal and external stakeholders under **agile and lean processes**

Further **globalize the R&D organization** and develop the most productive, capable and motivated engineers



### Quality assurance and regulatory affairs

**Put patient safety** at the core of operational excellence and individual understanding

**Further centralize and standardize** regulatory affairs to meet global demand yet allow for regional nuances

Enable **best-in-class processes, including automation**

- We must continue to be bold and committed in making changes that will enable our organization to thrive to execute better globally and at pace.
- Therefore, we are putting structures in place to support more agile and empowered decision making, governed by global functions rather than by regions.
- We are establishing global end-to-end operations for Manufacturing, Procurement and Supply Chain Management.
- We are building a strong, global R&D network that is deeply connected to our other corporate functions.
- We will deepen our expertise in core areas and continue to streamline our quality assurance and regulatory affairs functions.
- All of these actions will help us to increase productivity and improve cost efficiency in order to ground our business in a culture of excellence. Ultimately, we will operate more efficiently, in a way that allows us to make future investments.

## A broadened Executive Committee will help us meet our aims

FY2022



**Yasuo Takeuchi**

Director, Representative  
Executive Officer,  
President and CEO



**Nacho Abia**

Executive Officer,  
Chief Operating Officer



**Stefan Kaufmann**

Director,  
Executive Officer,  
Chief Administrative Officer



**Chikashi Takeda**

Executive Officer,  
Chief Financial Officer



**Akihiro Taguchi**

Executive Officer,  
Chief Technology Officer

\* AKI TAGUCHI WILL RETIRE AS OF MARCH 2022

FY2023



**Andre Roggan**

Executive Officer,  
Chief Technology Officer

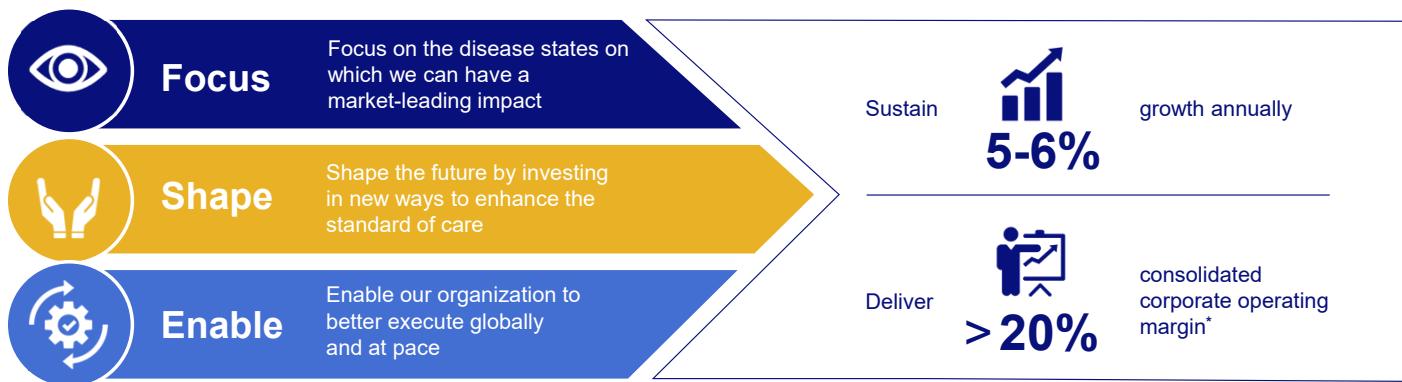
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- To meet our aims and ensure the success of our Enable principle, this September we announced plans to broaden our Executive team by next April.
- We will add a sixth Executive Officer role to guide our end-to-end operations including Procurement, Manufacturing and Supply Chain and will make the necessary reforms envisioned for these functions. R&D will be handed over to a new Executive Officer who will head this function into the future.

# We are fully committed to achieving our aspirations and strive for further revenue and profitability growth acceleration

We aim to improve patient outcomes by elevating the standard of care in targeted disease states. After FY2024, we will target revenue growth, improving cost leverage and balance sheet efficiency.



\* Adjusted for extraordinary items

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- To conclude, let me once again recall the challenging targets that Olympus has set. These include core financial indicators of continual growth and a solid operating margin of over 20%, with expectations towards maintaining revenue growth and improving profitability through cost leverage and balance sheet efficiency after fiscal year 2024.
- Our strategy builds on our core strengths, addresses key value creation shifts in the industry, and provides focus for our efforts for better patient outcomes and an elevated standard of care. Our ultimate goal is to make people's lives healthier, safer and more fulfilling. With a care pathway-focused approach that is driven by demand for better treatments, we will be broadening our participation in growing markets and capturing new value.
- The transformation we have announced to you today will help us best align our capabilities with our goals, focus on the areas where we generate the most value for patients, achieve solid growth, and fully stand by our commitments.
- Thank you for your time.



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## Q&A

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## **Appendix**

## Adjustment items

### Operating Profit / EPS\*

- Exclude "Other income/expenses\*\*"
- No adjustment will be made for the impact of exchange rate fluctuations; actual exchange rates will be used.

### ROIC\*

- Exclude "Other income/expenses\*\*", "Amortization of intangible assets from M&A\*\*\*" from NOPAT\*\*\*\*.
- Exclude "Assets related to M&A\*\*\* (Goodwill and Intangible assets related to M&A\*\*\*)" from Working capital.
- No adjustment will be made for the impact of exchange rate fluctuations; actual exchange rates will be used.

### FCF

- Exclude "Cash in/out items of other income/expenses\*\*", "M&A\*\*\* related expenditure", and "Restructuring related expenditure".
- No adjustment will be made for the impact of exchange rate fluctuations; actual exchange rates will be used.

\* Japanese effective statutory tax rate (approximately 30%) is used as the "tax rate".  
\*\* Other income/expenses: Most of the income and expenses that are not tied to normal business activities or have a strong one-time element are recorded.  
\*\*\* Related to M&A since FY2020(after the announcement of the corporate strategy in 2019)  
\*\*\*\* NOPAT: Net Operating Profit After Tax

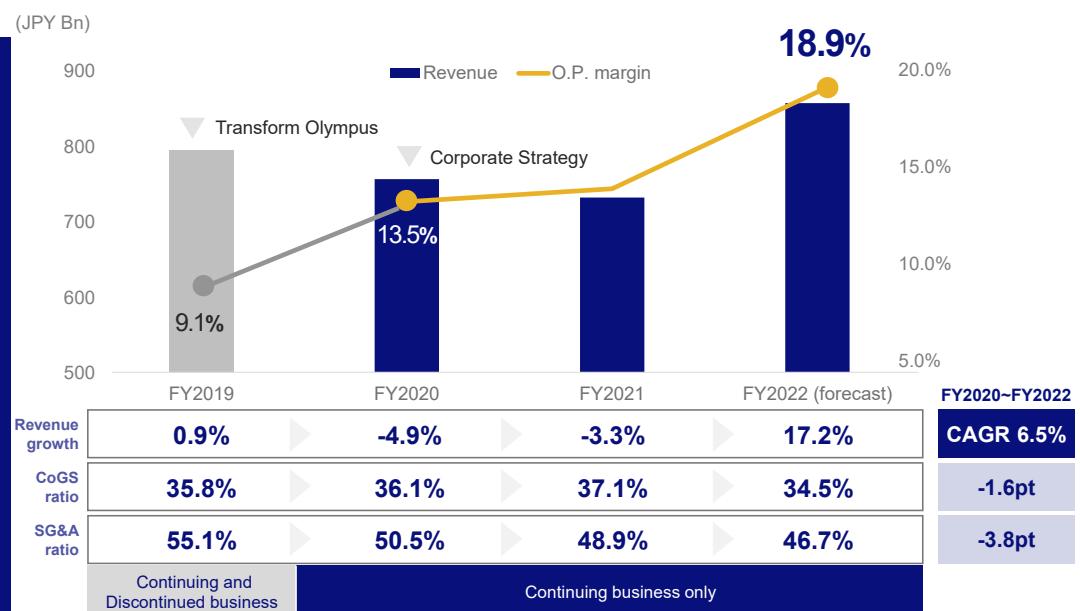
## Revenue, CoGS and SG&A



Revenue has been back on growth track after the pandemic.

Operating profit margin\* improved due to significant efficiency improvements in SG&A expenses.

CoGS ratio improved only slightly, excluding recall costs (FY2020 and FY2021).



\* Adjusted: Other income/expenses, Most of the income and expenses that are not tied to normal business activities or have a strong one-time element are recorded

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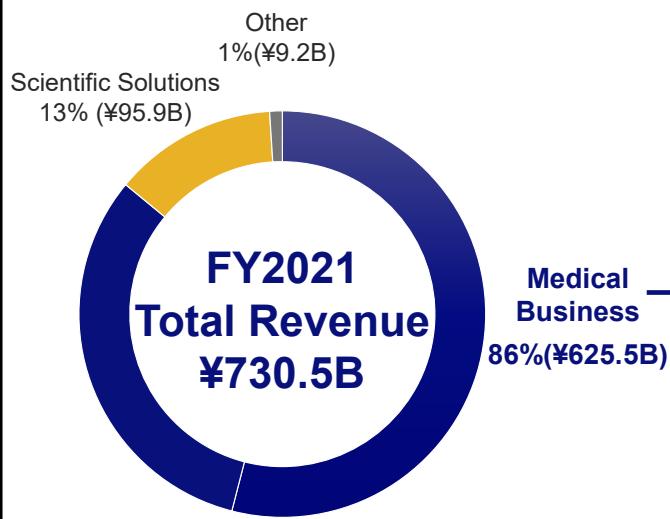
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## Financial indicators (no adjustment)

	FY 2023 TARGET	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 FORECAST
 Financial guidance	OP margin* >20%	12.2% → 11.2%	11.2% → 16.8%	
 Supporting financial indicators	FCF growth >20% CAGR from FY2020/3	-% ¥71.1 Billion	-92.7% → -17.8% ¥5.2 Billion	¥48.0 Billion
	ROIC >20%	9.4% → 3.1%	3.1% → 13.1%	
	EPS growth* >25% CAGR from FY2020/3	-% ¥46.18	+10.5% → +35.5% ¥51.03	¥84.78

\* Continuing business base

## Composition of total revenue and Sub-segment ratio within ESD/TSD



Medical Business  
86% (¥625.5B)

**FY2021  
Total Revenue  
¥730.5B**

Other  
1% (¥9.2B)

Scientific Solutions  
13% (¥95.9B)

Endoscopic Solutions  
54%

Therapeutic Solutions  
32%

Medical Service  
30%\*

Surgical Endoscopy  
15%\*

Other Therapeutic Areas  
25%\*

Respiratory  
15%\*

GI Endoscopy  
55%\*

**ESD  
¥393.7B**

**TSD  
¥231.8B**

GI Endotherapy  
30%\*

Urology  
25%\*

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Note: The figures in this slide are for fiscal year 2021.

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