

OLYMPUS



Consolidated Financial Results for Fiscal 2023 and Full-Year Forecasts for Fiscal 2024

Olympus Corporation | Executive Officer and CFO, Chikashi Takeda | May 12, 2023

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Highlights

Consolidated Financial Results (FY2023 Full-year)

- ✓ **Achieved adjusted operating margin of 20%, as set forth in 2019 Corporate Strategy, by taking multiple measures globally to mitigate risks despite persistently challenging business environment throughout the year**
 - Revenue: 18% consolidated growth. Record high for Medical business in 4Q and 12M
Double-digit growth for both ESD and TSD
 - Operating profit: Record highs for both amount and ratio in 12M*

FY2024 Full-year Performance Forecasts

- ✓ **Growth in both ESD and TSD is expected to drive record-high sales in Medical business. Despite an increase in expenses to strengthen operational infrastructure including QARA, adjusted operating profit is expected to increase 3% YoY**
 - Revenue: Expected to achieve ¥914 billion, up 4% YoY (up 5% after FX adjustment)
 - Adjusted Operating profit: Expected to achieve ¥182 billion, up 3% YoY (up 6% after FX adjustment)
 - Profit**:
Expected to reach a record high of ¥336 billion due to a gain on transfer of Scientific Solutions Business. EPS: Expected to grow 141% to ¥273
 - Shareholder returns: Annual dividend plan to increase by ¥2/share YoY to ¥18/share.
Share buyback of approx. ¥100 billion expected

*From FY2009, when Olympus began disclosing the quarterly report.

**Profit attributable to owners of parent. Figures through FY2016 are based on Japanese GAAP (JGAAP) and figures from FY2017 onward are based on IFRS. Since all shares of discontinued operation (Evident) were transferred in April 2023, a gain on this share transfer is expected to be recorded in the first quarter of FY2024.

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**Consolidated Financial Results and
Business Review for Fiscal 2023
(FY Ended March 31, 2023)**

Fiscal 2023 (1) Consolidated Financial Results

- 1 Revenue: 18% consolidated growth. Record high for Medical business in 4Q and 12M. Double-digit growth for both ESD and TSD
- 2 Operating profit: Achieved adjusted operating margin of 20%, as set forth in 2019 Corporate Strategy. Record highs for both amount and ratio in 12M*

		Full-year (Apr. to Mar.)				4Q (Jan. to Mar.)			
(Billions of yen)		FY2022	FY2023	YoY	After FX adjustment	FY2022	FY2023	YoY	After FX adjustment
Continuing operations**	Revenue	750.1	1 881.9	+18%	+4%	202.9	1 240.4	+18%	+9%
	Gross profit	506.7	596.8	+18%	+2%	140.6	163.1	+16%	+3%
	(% of revenue)	(67.6%)	(67.7%)			(69.3%)	(67.9%)		
	Selling, general and administrative expenses	357.5	420.5	+18%	+7%	98.4	114.5	+16%	+8%
	(% of revenue)	(47.7%)	(47.7%)			(48.5%)	(47.6%)		
	Other income and expenses	-3.0	10.3	-	-	1.7	-4.6	-	-
	Operating profit	146.2	2 186.6	+28%	-3%	44.0	44.0	0%	-23%
	(% of revenue)	(19.5%)	(21.2%)			(21.7%)	(18.3%)		
	Adjusted operating profit	150.7	2 176.8	+17%	-12%	43.2	48.7	+13%	+17%
	(% of revenue)	(20.1%)	(20.0%)			(21.3%)	(20.2%)		
Profit before tax	141.7	182.3	+29%		44.7	42.9	-4%		
(% of revenue)	(18.9%)	(20.7%)			(22.0%)	(17.9%)			
Profit from continuing operations	110.6	138.0	+25%		27.7	32.4	+17%		
(% of revenue)	(14.8%)	(15.7%)			(13.6%)	(13.5%)			
Profit from discontinued operation***	5.3	5.6	+¥0.3 billion		0.5	2.9	+523%		
Profit (loss)	116.0	143.6	+24%		28.1	35.2	+25%		
Profit (loss) attributable to owners of parent	115.7	143.4	+24%		28.1	35.2	+25%		
EPS	¥90	¥113			-	-			

*From FY2009, when Olympus began disclosing the quarterly report.

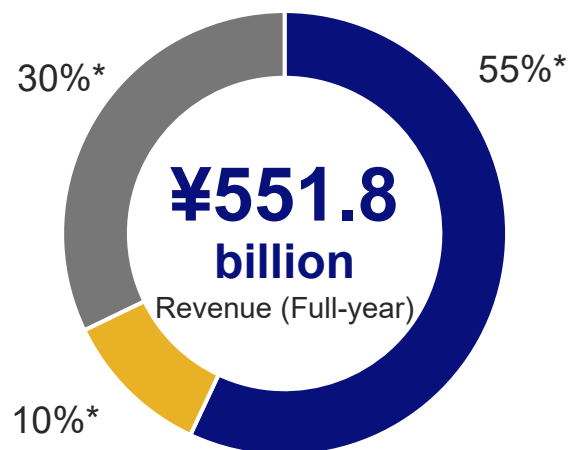
**The figures from "Revenue" to "Profit from continuing operations" represents continuing operations.

***Since all shares of discontinued operation (Evident) were transferred in April 2023, a gain on this share transfer is expected to be recorded in the first quarter of FY2024.

Dividend payment for FY2023

Year-end dividend of ¥16 per share

Fiscal 2023 (2) Endoscopic Solutions Division (ESD)

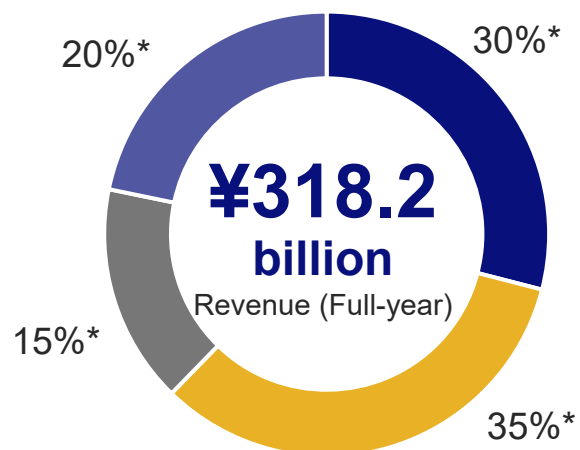


(Billions of yen)	FY2022		FY2023	
	4Q	Full-year	4Q	Full-year
Revenue	127.8	461.5	152.8	551.8
Operating profit	41.6	133.2	42.1	152.8
Other income and expenses	1.1	-2.9	-1.5	-3.8
Operating margin (After FX adjustment)	32.5%	28.9%	27.5% (24.0%)	27.7% (24.0%)
Adjusted operating margin	31.7%	29.5%	28.5%	28.4%

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

Growth Rate FY2023 4Q vs FY2022 4Q	vs FY2022 (incl. FX)		vs FY2022 (After FX adjustment)
■ Gastrointestinal endoscope	19%	<ul style="list-style-type: none"> All regions grew, including Europe, where sales of EVIS X1 series remained strong. Solid sales expansion of EVIS X1 series, as well as previous generation gastrointestinal scopes and colonoscopes, continued. 	9%
■ Surgical endoscope	33%	<ul style="list-style-type: none"> Sales were led by Japan, where VISERA ELITE III surgical endoscopy system was successfully launched and contributed to sales growth. 	22%
■ Medical service	15%	<ul style="list-style-type: none"> Steady growth in all regions, including China, due to stable revenue stream based on service contracts including maintenance service and an increase in new accounts. 	5%
Total	20%		10%

Fiscal 2023 (3) Therapeutic Solutions Division (TSD)



(Billions of yen)	FY2022		FY2023	
	4Q	Full-year	4Q	Full-year
Revenue	71.9	275.6	84.3	318.2
Operating profit	17.0	60.8	15.6	63.7
Other income and expenses	1.7	3.0	-1.8	-0.6
Operating margin (After FX adjustment)	23.6%	22.1%	18.5% (16.9%)	20.0% (18.5%)
Adjusted operating margin	21.2%	21.0%	20.6%	20.2%

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

**From FY2023, Gynecology products classified in Other therapeutic areas in TSD are included in Urology in TSD. FY2022 results have been reclassified in the same manner.

Growth Rate FY2023 4Q vs FY2022 4Q	vs FY2022 (incl. FX)		vs FY2022 (After FX adjustment)
■ GI EndoTherapy	17%	<ul style="list-style-type: none"> Sales grew in all product groups, driven by North America with the number of procedures increasing. Notable momentum in ERCP and Sampling (biopsy forceps, etc.) products. 	9%
■ Urology**	22%	<ul style="list-style-type: none"> Strong performance in North America with the number of procedures recovering, led by resection electrodes for BPH and "SOLTIVE SuperPulsed Laser System" for stone lithotripsy. 	10%
■ Respiratory	11%	<ul style="list-style-type: none"> China, supported by COVID-related respiratory budgets and low-interest financing measures by the government contributed to sales growth. Steady sales expansion in EBUS scopes. 	2%
■ Other therapeutic areas	16%	<ul style="list-style-type: none"> Strong performance in energy devices, led by "THUNDERBEAT". 	7%
Total	17%		7%

Statement of Financial Position

- ☑ Stated line items for Discontinued Operation's assets held for sale and liabilities directly associated with assets held for sale
- ☑ Including FX impact of approx. ¥72 billion, balance sheet increased by approx. ¥78 billion in real terms

(Billions of yen)	End of Mar. 2022	End of Mar. 2023	Change		End of Mar. 2022	End of Mar. 2023	Change
Current assets	694.6	726.4	+31.8	Current liabilities	376.3	461.9	+85.6
Inventories	167.4	163.0	-4.4	Bonds/loans payable	52.3	50.0	-2.3
Assets held for sale	4.7	169.6	+164.9	Liabilities directly associated with assets held for sale	0	43.3	+43.3
Non-current assets	663.4	782.0	+118.6	Non current liabilities	470.4	405.2	-65.2
Property, plant and equipment	247.1	238.7	-8.4	Bonds/loans payable	333.8	290.1	-43.8
Intangible assets and others	251.8	360.7	+108.9	Equity	511.4	641.2	+129.9
Goodwill	164.5	182.5	+18.0	(Equity ratio)	37.6%	42.4%	+4.8pt
Total assets	1,358.0	1,508.3	+150.3	Total liabilities and equity	1,358.0	1,508.3	+150.3

Consolidated Cash Flows

- ✓ FCF: Operating CF was positive ¥98.5 billion. Adjusted FCF was positive ¥85.3 billion
- ✓ Financing CF: Minus ¥143.2 billion due to repurchase of our shares (¥50.0 billion), dividend payment and bond redemption (¥40.0 billion), etc.

Full-year (Apr. to Mar.)

		FY2022	FY2023	Change
Continuing operations	Profit before tax	141.7	182.3	+40.6
	CF from operating activities	169.7	98.5	-71.2
	CF from investing activities	-71.0	-58.4	+12.6
	Free cash flow	98.7	40.1	-58.6
	Adjusted Free cash flow	131.2	85.3	-45.9
	CF from financing activities	-40.7	-143.2	-102.5
	Cash and cash equivalents at end of period	302.6	205.5	-97.1

Major adjusted items for FY2022

Operating CF: Reversal of provision for career support for external opportunity program, etc.	-¥11.2 billion
Investing CF: Acquisition of businesses and subsidiaries, etc.	-¥23.5 billion

Please refer to Appendix (P.22) for cash flow of discontinued operation.

Major adjusted items for FY2023

Operating CF: Tax payments and investments for reorganization of Scientific Solutions Business, etc.	-¥42.4 billion
Operating CF: Additional contributions to pension plan assets at overseas subsidiaries	-¥12.2 billion
Investing CF: Proceeds from sale of fixed assets (land of Hatagaya)	+¥19.1 billion
Investing CF: Acquisition of investment securities, businesses and subsidiaries, etc.	-¥7.6 billion
Investing CF: Temporary financial burden for reorganization of Scientific Solutions Business, etc.	-¥2.1 billion



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Forecasts for Fiscal 2024

Fiscal 2024 Consolidated Forecasts

- 1** Revenue: Expected to achieve ¥914 billion, up 4% YoY (up 5% after FX adjustment)
- 2** Adjusted Operating profit: Expected to achieve ¥182 billion, up 3% YoY (up 6% after FX adjustment)
- 3** Profit^{**}: Expected to reach a record high of ¥336 billion due to a gain on transfer of Scientific Solutions Business. EPS: Expected to grow 141% to ¥273
- 4** Shareholder returns: Annual dividend plan to increase by ¥2/share YoY to ¥18/share. Share buyback of approx. ¥100 billion expected

(Billions of yen)		FY2023	FY2024 Forecasts	Change	vs FY2023	After FX adjustment
** Continuing operations	Revenue	881.9	1 914.0	+32.1	+4%	+5%
	Gross profit (% of revenue)	596.8 (67.7%)	627.0 (68.6%)	+30.2	+5%	+7%
	Selling, general and administrative expenses (% of revenue)	420.5 (47.7%)	446.0 (48.8%)	+25.5	+6%	+7%
	Other income and expenses	10.3	-18.0	-	-	-
	Operating profit (% of revenue)	186.6 (21.2%)	163.0 (17.8%)	-23.6	-13%	-9%
	Adjusted operating profit (% of revenue)	176.8 (20.0%)	2 182.0 (19.9%)	+5.2	+3%	+6%
	Profit before tax (% of revenue)	182.3 (20.7%)	159.0 (17.4%)			
	Profit from continuing operations (% of revenue)	138.0 (15.7%)	115.0 (12.6%)			
*** Discontinued operation	Profit from discontinued operation	5.6	221.0			
	Profit (loss)	143.6	3 336.0			
	Profit (loss) attributable to owners of parent	143.4 (16.3%)	336.0 (36.8%)			
	EPS	¥113	¥273			

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

**The figures from "Revenue" to Profit from continuing operations" represents continuing operations.

***Since all shares of discontinued operation (Evident) were transferred in April 2023, a gain on this share transfer is expected to be recorded in the first quarter of the fiscal year ending March 31, 2024.

Dividend forecast for FY2024

4 Year-end dividend of ¥18 per share

Fiscal 2024 Forecasts by Business Segment

- 1** Medical: Revenue expected to reach a record high. EVIS X1 has already received 510(k) clearance from the U.S. Food and Drug Administration (FDA). Launch in the U.S. is scheduled for the middle of FY2024
- 2** Discontinued Operation: Expected to achieve a significant profit increase due to a gain on transfer

(Billions of yen)		FY2023	FY2024 Forecasts*	Change	vs FY2023	After FX adjustment
ESD	Revenue	551.8	1 572.0	+20.2	+4%	+5%
	Operating profit	152.8	158.0	+5.2	+3%	+6%
TSD	Revenue	318.2	1 329.0	+10.8	+3%	+5%
	Operating profit	63.7	56.0	-7.7	-12%	-8%
Others	Revenue	11.9	13.0	+1.1	+9%	+8%
	Operating profit(loss)	-0.9	1.0	+1.9	+¥1.9 billion	+¥1.9 billion
Elimination and Corporate	Operating profit(loss)	-28.9	-52.0	-23.1	-¥23.1 billion	-¥23.2 billion
Consolidated Total	Revenue	881.9	914.0	+32.1	+4%	+5%
	Operating profit	186.6	163.0	-23.6	-13%	-9%
(Reference) Discontinued Operation	Revenue	135.4	0	-135.4	-	-
	Operating profit(loss)	7.0	2 347.0	+340.0	-	-

*Since all shares of discontinued operation (Evident) were transferred in April 2023, a gain on this share transfer is expected to be recorded in the first quarter of the fiscal year ending March 31, 2024.

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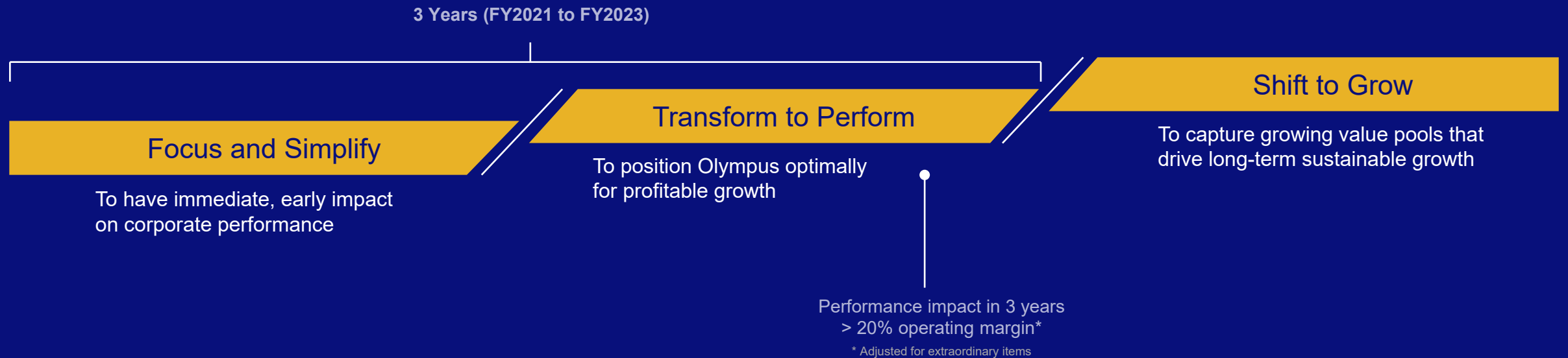
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Appendix

Review of Last Three Years

We adopted an ambitious timeline out to 2023

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



We set and made progress against ambitious targets



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)

*Continuing business base. Adjusted for extraordinary items

**Continuing business base. 3-year CAGR from FY2020 after FX adjustment

***3-year CAGR from FY2020



Despite macroeconomic issues and Covid lockdowns, grew topline 4.6%** CAGR



Doubled operating profit over 3-year transformation and exceeded consolidated operating margin 20%*



With significant profitability improvements and ¥80billion share buyback, adjusted EPS growth*** exceeded 25%.



Maintained investments in R&D at similar levels to MedTech peers to ensure sustainable future growth

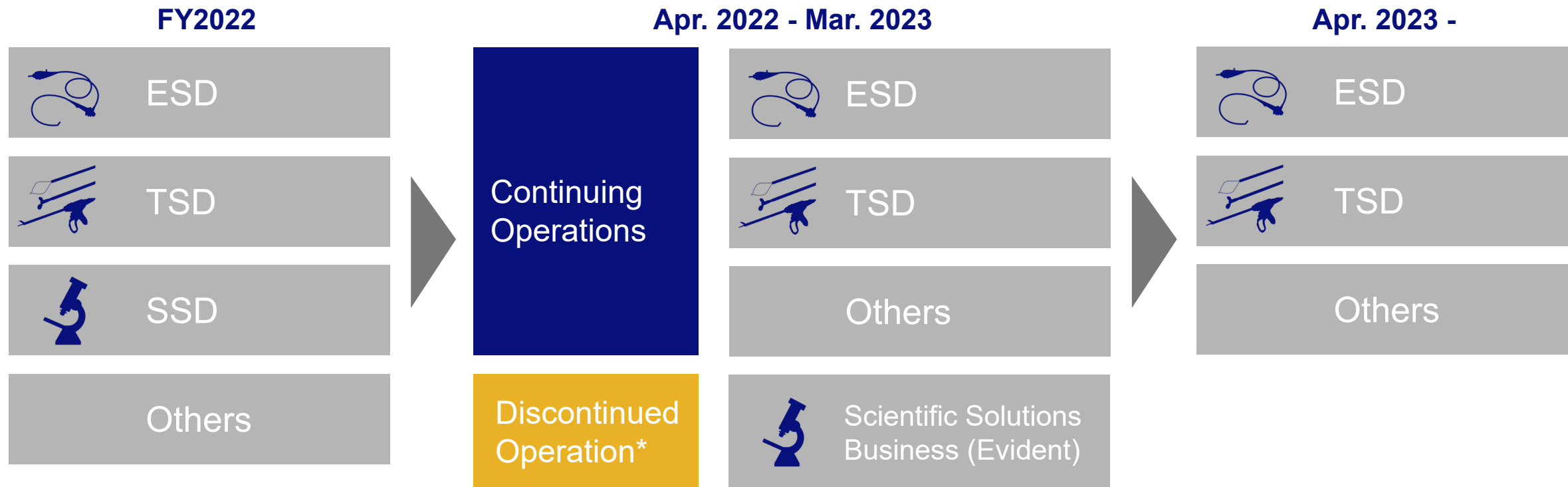


Transformed to a pure-play MedTech company

Appendix

Changes in Reporting Structure

With divestiture of Scientific Solutions Business (Evident), it is disclosed as a discontinued operation from 2Q (based on IFRS)



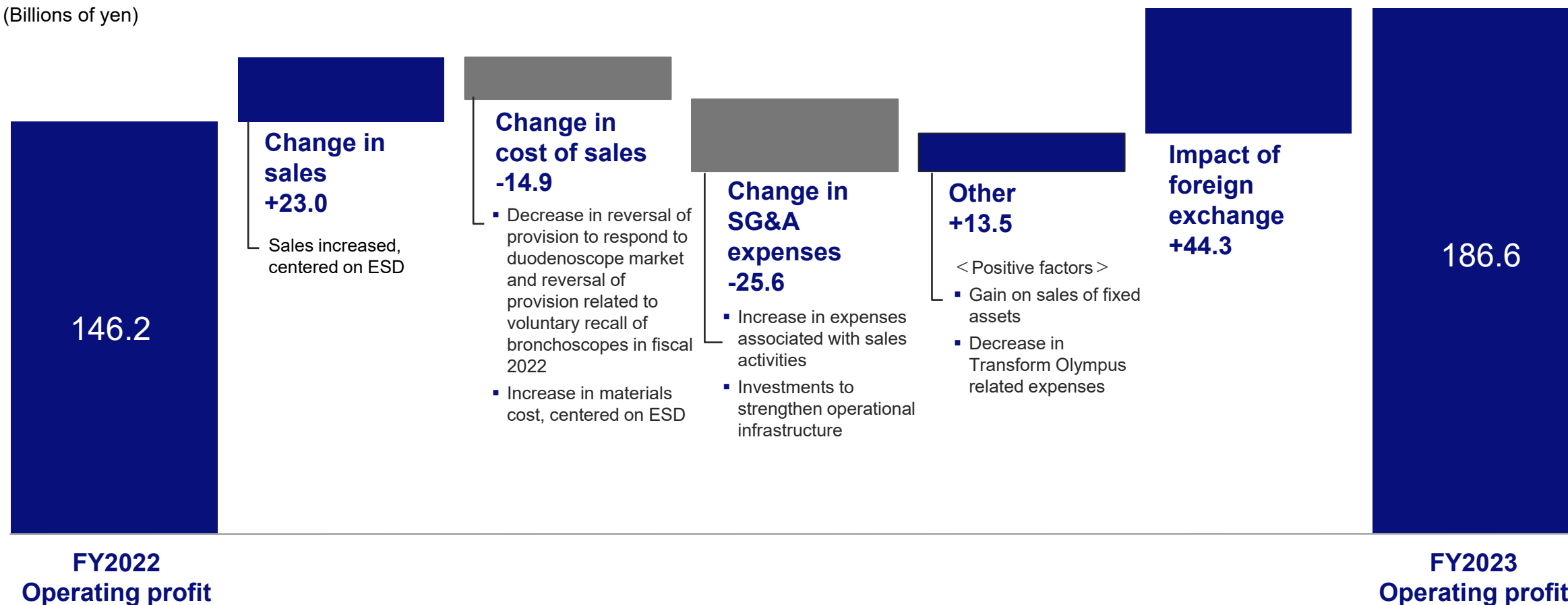
- Profit (loss) from Discontinued Operation is disclosed in Consolidated Financial Results
- Performance of Discontinued Operation is disclosed as supplementary information

*In the six months ended September 30, 2022, Olympus Corporation concluded a share transfer agreement related to the transfer of our Group's Scientific Solutions Business with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP (together with its affiliates, "Bain Capital"). Due to this, profit (loss) from the Scientific Solutions Business has been classified as profit (loss) from discontinued operation from the second quarter under review, and corresponding items for the fiscal year ended September 30, 2021, have been restated in a similar manner. Furthermore, the amounts presented for revenue, operating profit, profit before tax and profit from continuing operations are the amounts from continuing operations from which the discontinued operation has been excluded, while the amounts presented for profit and profit attributable to owners of parent are aggregates of continuing operations and discontinued operation. The transfer of all shares was completed in April 2023.

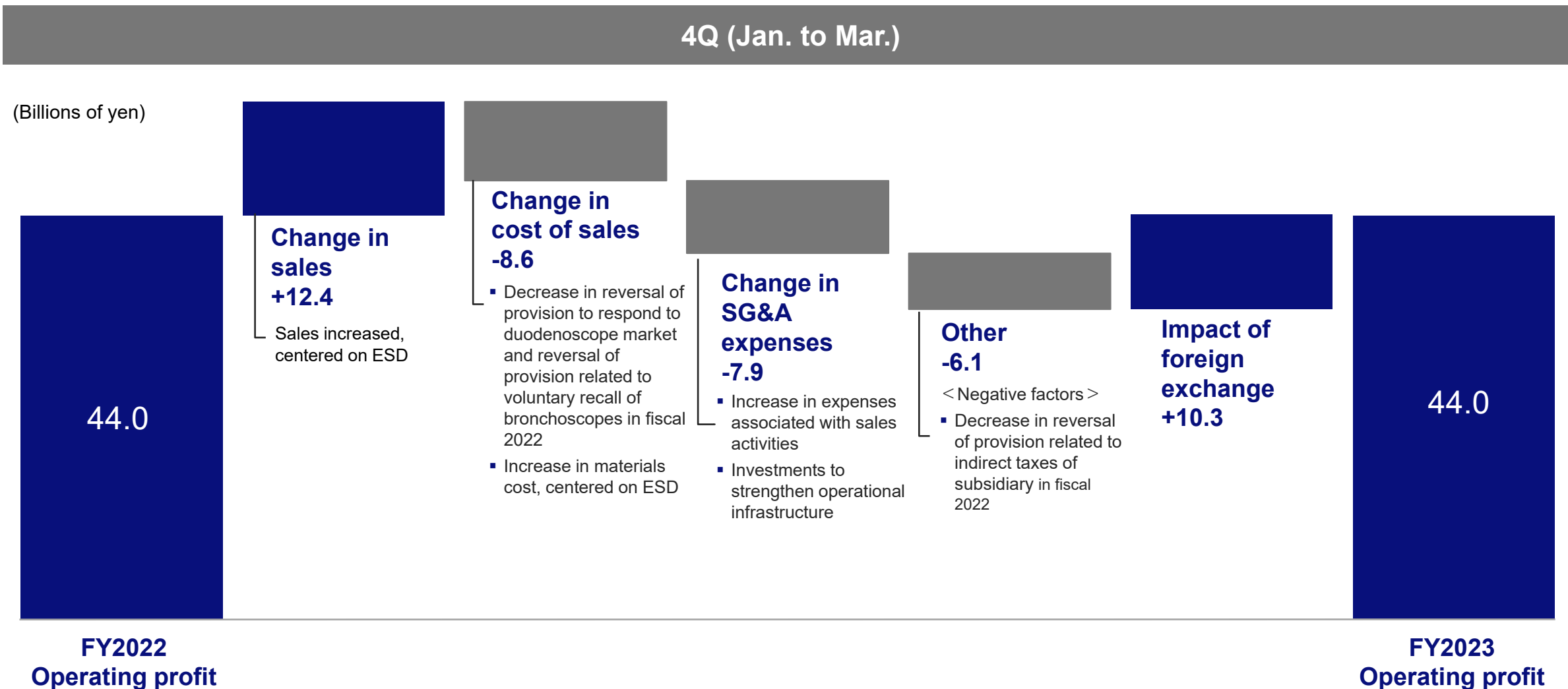
Fiscal 2023 Factors that Affected Consolidated Operating Profit

Full-year (Apr. to Mar.)

(Billions of yen)



4Q of Fiscal 2023 Factors that Affected Consolidated Operating Profit



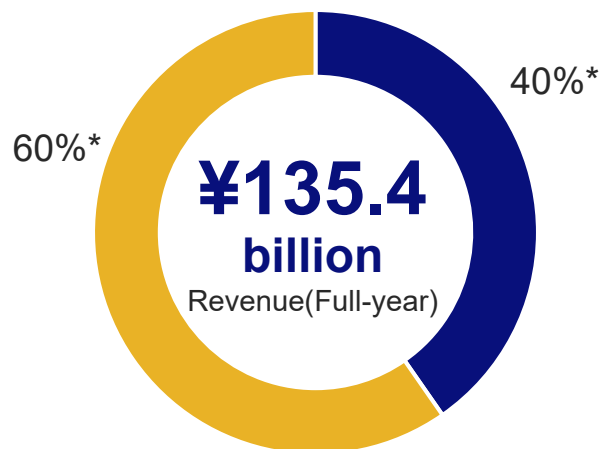
Fiscal 2023 Results vs. February Forecasts

(Billions of yen)		FY2023 Forecasts as of February	FY2023 Full-year results	Change	vs February	After FX adjustment
*Continuing operations	Revenue	871.0	881.9	+10.9	+1%	+1%
	Gross profit	594.0	596.8	+2.8	0%	0%
	(% of revenue)	(68.2%)	(67.7%)			
	Selling, general and administrative expenses	411.0	420.5	+9.5	+2%	+2%
	(% of revenue)	(47.2%)	(47.7%)			
	Other income and expenses	15.0	10.3	-	-	-
	Operating profit	198.0	186.6	-11.4	-6%	-6%
	(% of revenue)	(22.7%)	(21.2%)			
	Adjusted operating profit	184.0	176.8	-7.2	-4%	-4%
	(% of revenue)	(21.1%)	(20.0%)			
Profit before tax	197.0	182.3				
(% of revenue)	(22.6%)	(20.7%)				
Profit from continuing operations	149.0	138.0				
(% of revenue)	(17.1%)	(15.7%)				
**Discontinued operation	Profit from discontinued operation	227.0	5.6			
	Profit (loss)	376.0	143.6			
	Profit (loss) attributable to owners of parent	376.0	143.4			
	(43.2%)	(16.3%)				
Continuing operations	EPS	¥297	¥113			

*The figures from "Revenue" to Profit from continuing operations" represents continuing operations.

**Since all shares of discontinued operation (Evident) were transferred in April 2023, a gain on this share transfer is expected to be recorded in the first quarter of the fiscal year ending March 31, 2024.

Fiscal 2023 Discontinued Operation (Scientific Solutions Business)



(Billions of yen)	FY2022		FY2023	
	4Q	Full-year	4Q	Full-year
Revenue	36.2	118.7	44.4	135.4
Operating profit	1.0	7.7	5.6	7.0
Other income and expenses	-4.8	-9.4	-2.7	-11.0
Operating margin (After FX adjustment)	2.9%	6.5%	12.5% (9.2%)	5.2% (0.7%)
Adjusted operating margin	16.2%	14.4%	18.6%	13.3%

*Approx.

Growth Rate FY2023 4Q vs
FY2022 4Q

vs FY2022
(incl. FX)

vs FY2022(After FX
adjustment)

■ Life science	14%	<ul style="list-style-type: none"> Budget execution at research institutes, universities and hospitals remained steady. North America, where order backlog has been cleared as supply conditions improved, contributed to sales growth. 	4%
■ Industrial	31%	<ul style="list-style-type: none"> Favorable capex conditions in client markets. Sales were driven by industrial microscopes in China, where supply conditions improved and shipments progressed, and non-destructive testing equipment in Europe, where orders for high-end system products were strong. 	20%
Total	23%		12%

Cash flow of discontinued operation

Full-year (Apr. - Mar.)

	FY2022	FY2023	Change
CF from operating activities	10.3	-13.2	-23.4
CF from investing activities	-7.7	-11.7	-4.0
CF from financing activities	-0.8	-2.9	-2.1

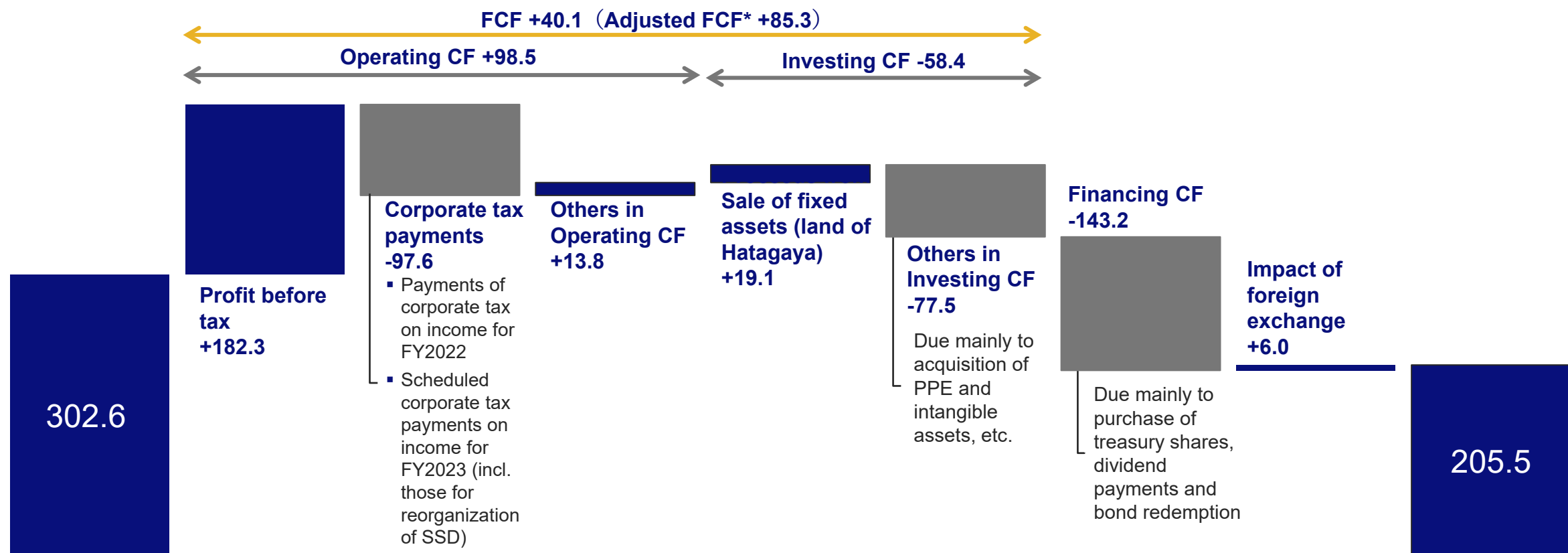
Fiscal 2023 Results by Segment

		Full-year (Apr. to Mar.)				4Q (Jan. to Mar.)			
(Billions of yen)		FY2022	FY2023	YoY	After FX adjustment	FY2022	FY2023	YoY	After FX adjustment
ESD	Revenue	461.5	551.8	+20%	+6%	127.8	152.8	+20%	+10%
	Operating profit	133.2	152.8	+15%	-12%	41.6	42.1	+1%	-19%
TSD	Revenue	275.6	318.2	+16%	+3%	71.9	84.3	+17%	+7%
	Operating profit	60.8	63.7	+5%	-14%	17.0	15.6	-8%	-23%
Others	Revenue	13.0	11.9	-8%	-12%	3.2	3.3	+2%	-3%
	Operating profit(loss)	-2.0	-0.9	+¥1.1 billion	+¥1.2 billion	-0.5	0	+¥0.5 billion	+¥0.5 billion
Elimination and Corporate	Operating profit(loss)	-45.8	-28.9	+¥16.9 billion	+¥19.0 billion	-14.1	-13.6	+¥0.5 billion	+¥1.2 billion
Consolidated Total	Revenue	750.1	881.9	+18%	+4%	202.9	240.4	+18%	+9%
	Operating profit	146.2	186.6	+28%	-3%	44.0	44.0	0%	-23%
Discontinued Operation	Revenue	118.7	135.4	+14%	+1%	36.2	44.4	+23%	+12%
	Operating profit(loss)	7.7	7.0	-9%	-90%	1.0	5.6	+439%	+263%

Fiscal 2023 Growth Rate by Sub-segment

	1Q		2Q		3Q		4Q	
	YoY	After FX adjustment	YoY	After FX adjustment	YoY	After FX adjustment	YoY	After FX adjustment
Gastrointestinal endoscope	18%	5%	17%	1%	27%	10%	19%	9%
Surgical endoscope	11%	-1%	4%	-10%	7%	-7%	33%	22%
Medical service	17%	5%	25%	8%	27%	10%	15%	5%
ESD Total	17%	5%	17%	1%	24%	8%	20%	10%
GI EndoTherapy	14%	5%	15%	3%	12%	2%	17%	9%
Urology	18%	4%	24%	4%	22%	3%	22%	10%
Respiratory	7%	-5%	9%	-7%	14%	-2%	11%	2%
Other therapeutic areas	12%	2%	12%	-1%	8%	-5%	16%	7%
TSD Total	14%	2%	16%	1%	15%	0%	17%	7%
Life science	-	-	-4%	-17%	26%	11%	14%	4%
Industrial	-	-	19%	2%	32%	14%	31%	20%
Discontinued Operation Total	-	-	10%	-6%	29%	12%	23%	12%

Factors that Affected Consolidated Cash Flows



End of March
2022
Cash and cash
equivalents

*Major adjusted items for FY2023 (Apr. to Mar.)	
Operating CF: Tax payments and investments for reorganization of Scientific Solutions Business, etc.	-¥42.4 billion
Operating CF: Additional contributions to pension plan assets at overseas subsidiaries	-¥12.2 billion
Investing CF: Proceeds from sale of fixed assets (land of Hatagaya)	+¥19.1 billion
Investing CF: Acquisition of investment securities, businesses, and subsidiaries, etc.	-¥7.6 billion
Investing CF: Temporary financial burden for reorganization of Scientific Solutions Business, etc.	-¥2.1 billion

End of March
2023
Cash and cash
equivalents

Key Product Catalysts: Endoscopic Solutions Division (As of May. 12, 2023)



ESD Key priorities for FY2024

- Accelerate EVIS X1 sales growth in Europe, Japan and Asia Pacific
- Aim to launch EVIS X1 in the US in middle of FY2024 and prepare for launch in China
- Launch next generation EUS system in Europe and Japan successfully
- Maximize market potential in emerging countries and further expansion in China
- Introduce new generation surgical endoscopy system and improve profitability

Growth driver now	Just launched / Coming soon	Beyond
<p>GI endoscopy</p> <ul style="list-style-type: none"> ▪ EVIS X1 (EU, Japan, AP) ▪ EVIS EXERA III (US, EU) ▪ EVIS LUCERA ELITE (China) <p>Surgical endoscopy</p> <ul style="list-style-type: none"> ▪ VISERA ELITE II 2D/3D/IR (US, EU, Japan, China) ▪ VISERA 4K UHD (US, EU, Japan, China) 	<p>GI endoscopy</p> <ul style="list-style-type: none"> ▪ EVIS X1 (US) ▪ EU-ME3 (EU, Japan, AP) <p>Surgical endoscopy</p> <ul style="list-style-type: none"> ▪ VISERA ELITE III (EU, Japan, AP) 	<p>GI endoscopy</p> <ul style="list-style-type: none"> ▪ EVIS X1 (China) ▪ Single-use duodenoscope ▪ ENDO-AID, endoscopy CAD platform for EVIS-X1 (Japan, US) <p>Surgical endoscopy</p> <ul style="list-style-type: none"> ▪ VISERA ELITE III (US)

4%
Growth rate¹
in FY2024

¹ YoY including FX

Key Product Catalysts: Therapeutic Solutions Division (As of May. 12, 2023)



TSD Key priorities for FY2024

GI EndoTherapy

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

Urology

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

Respiratory

- Drive growth in lung cancer with stronger emphasis around updated EBUS-TBNA offerings with additional opportunity to promote market expansion of SPiN Navigation in EU and APAC
- Reinforce strength in respiratory endoscopy through continued focus on driving adoption of X1 bronchoscopy platform

Growth driver now

GI EndoTherapy

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

Urology

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

Respiratory

- Bronchoscope, EBUS scope
- ViziShot series
- Spiration Valve System
- EVIS X1 bronchoscope (Japan, EU, AP)

Just launched / Coming soon

GI EndoTherapy

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

Urology

- ESG-410 (US, Japan, AP)
- Single-use ureteroscope (US, Japan)
- iTind (US, EU, AP)

Respiratory

- Electromagnetic Navigation system (US)
- Single-use bronchoscope (US)
- New EBUS scope (US, China)
- EVIS X1 bronchoscope (US)
- Endoscopic Ultrasound Processor (EU, Japan, AP)

Beyond

GI EndoTherapy

- Single-use cholangioscope

Urology

- Cystoscope
- Camera head (CH-S700-08-LB 4K L-shape Camera Head)

Respiratory

- Electromagnetic Navigation system (EU)
- Slim EBUS scope
- EVIS X1 bronchoscope (China)

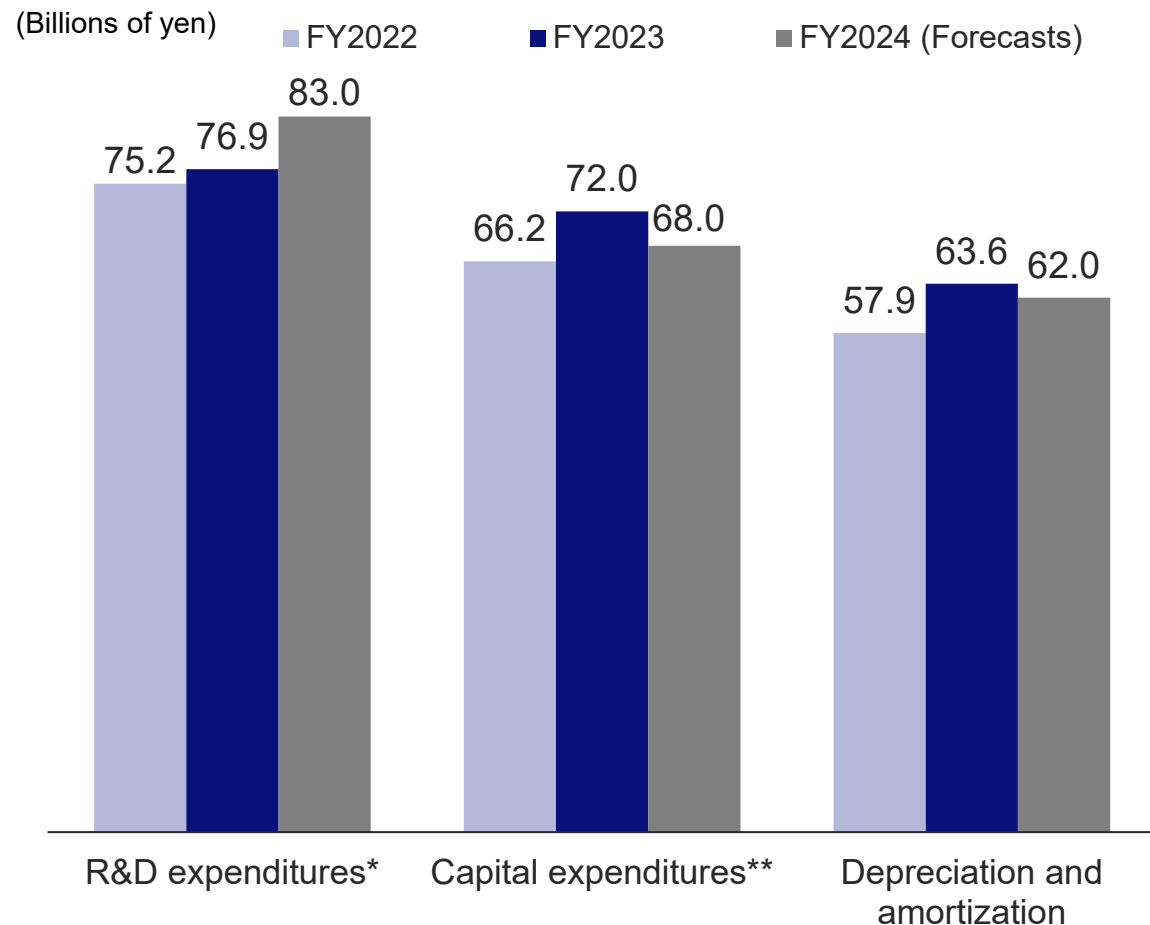
3%

**Growth rate¹
in FY2024**

¹ YoY including FX

Expenditures, etc.

Full-year Results and Forecasts



(Billions of yen)	FY2022	FY2023
R&D expenditures** (a)	75.2	76.9
Capitalization of R&D expenditures (b)	11.6	12.6
R&D expenses in P/L (a-b)	63.6	64.3

(Billions of yen)	FY2022	FY2023
Amortization	6.7	8.4
	End of Dec. 2022	End of Mar. 2023
R&D assets	53.4	53.6



*Capitalization of R&D expenditures (b) is included in R&D expenditures.

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

In addition, the Olympus Group has adopted IFRS #16 "Leases" from FY2020, and right-of-use assets below are included in capital expenditures.

(FY2022: ¥14.7 billion, FY2023: ¥10.5 billion, FY2024 Forecast: ¥9.0 billion)

Financial guidance and supporting financial indicators

		FY2023 TARGET	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 ACTUAL
 Financial guidance	Adj. OP margin*	>20%	13.5% ¥102.1 Billion	→ 14.1% ¥103.1 Billion	→ 20.1% ¥150.7 Billion	→ 20.0% ¥176.8 Billion
	Adj. FCF growth	>20% CAGR from FY2020/3	-% ¥71.1 Billion	→ +11.6%** ¥79.4 Billion	→ +35.9%** ¥131.3 Billion	→ +6.2%** ¥85.3 Billion
 Supporting financial indicators	Adj. ROIC	>20%	10.7%	→ 10.3%	→ 17.1%	→ 18.4%
	Adj. EPS growth*	>25% CAGR from FY2020/3	-% ¥45.49	→ +37.2%** ¥62.42	→ +46.6%** ¥97.73	→ +35.8%** ¥113.86

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

Foreign Exchange and Sensitivity

As a general rule, we use average value for latest month as exchange rates for full-year forecasts

Foreign exchange rate

(Yen)	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 Forecasts
Yen/U.S. dollar	109.49	110.11	113.71	116.20	129.57	138.37	141.59	132.34	132
Yen/Euro	131.96	129.84	130.07	130.39	138.12	139.34	144.30	142.10	144
Yen/CNY	16.96	17.02	17.78	18.29	19.58	20.19	19.87	19.34	19

Forex sensitivity (annualized impact)

(Billions of yen)	Revenue	Operating profit
U.S. dollar (per yen)	2.5	0.7
Euro (per yen)	1.6	0.6
CNY (per yen)	5.8	3.5

*Forex sensitivity (annualized impact) is calculated based on the FY2023Q4 results.