



Consolidated Financial Results for the 3rd Quarter of Fiscal 2021 and Full-Year Forecasts

Olympus Corporation | Executive Officer and Chief Financial Officer | Chikashi Takeda | February 12, 2021

(Slide1)

- Greetings, I am Chikashi Takeda, Chief Financial Officer of Olympus Corporation.
- I would like to thank you all for participating in this conference call for the consolidated financial results for the third quarter of fiscal 2021.

Disclaimer

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Highlights

Consolidated Financial Results (3Q)

- ✓ Revenue: Returned to growth in 3Q, driven by strong performance in mainstay ESD
- ✓ Operating profit: 3Q OPM reached to approx.18%, a further improvement from 2Q, led by continued SG&A control as well as strong revenue

Full-year Performance Forecasts

- ✓ Revenue and OP revised upward based on strong performance in 3Q
- ✓ In 4Q, we expect gradual revenue growth and will continue our efforts to control SG&A expenses and implement investments and measures to further improve OPM in the next fiscal year and beyond

(Slide3)

- Please turn to slide 3.
- This slide highlights our financial results for the third quarter of fiscal 2021.
- In a continuation of the second quarter trend for the recovery, revenue returned to growth in 3Q, driven by strong performance in ESD and a continuing recovery in other divisions.
- Operating profit improved significantly thanks to a decline in SG&A expenses due to constraints on activities from COVID-19 and thorough cost control, in addition to an increase in revenue.
- The operating margin was around 13% in the first nine months and around 18% in the third quarter alone.
- Moving on to full-year forecasts.
- Both revenue and operating profit were revised upward due to the third quarter results being better than expected.
- Net profit is expected to return to positive.
- In the fourth quarter, we expect gradual revenue growth and will continue our efforts to control SG&A expenses and implement investments and measures to further improve OPM in the next fiscal year and beyond.

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Consolidated Financial Results and Business Review for the 3Q of Fiscal 2021 (FY Ending March 31, 2021)

(Slide4)

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

3Q of Fiscal 2021 (1) Consolidated Financial Results

- 1 Revenue: Continued to recover. YTD revenue still down, but 3Q turned positive due to strong performance in mainstay ESD
- 2 Operating profit: YTD operating profit still down, but 3Q up sharply due to revenue recovery and SG&A streamlining, resulting in 3Q OPM of approx.18%

(Billions of yen)	1Q-3Q (Apr. – Dec.)			Supplemental data			3Q (Oct. – Dec.)				
	FY2020	FY2021	YoY	After FX adjustment	After FX and COVID-19 adjustment**		FY2020	FY2021	YoY	After FX adjustment	
Revenue	561.3	1 513.6	-9%	-7%	-¥39.0 billion		192.9	197.1	1 +2%	+4%	
Gross profit (% of revenue)	367.6 (65.5%)	323.5 (63.0%)	-12%	-10%	-		124.8 (64.7%)	127.1 (64.7%)	+2%	+3%	
Selling, general and administrative expenses (% of revenue)	278.2 (49.6%)	250.2 (48.7%)	-10%	-9%	-		93.2 (48.3%)	88.7 (45.0%)	-5%	-4%	
Other income and expenses	-4.7	-8.6	-	-	-		-2.8	-4.4	-	-	
Operating profit (% of revenue)	84.7 (15.1%)	2 64.7 (12.6%)	-24%	-17%	-¥3.0 billion		28.9 (15.0%)	2 34.4 (17.5%)	+19%	+23%	
Profit before tax (% of revenue)	80.5 (14.3%)	61.9 (12.1%)	-	-	-		27.1 (14.0%)	33.6 (17.0%)	-	-	
Profit from continuing operation (% of revenue)	65.5 (11.7%)	53.9 (10.5%)	-¥11.6 billion				24.5 (12.7%)	28.1 (14.2%)	+¥3.6 billion		
Profit(loss) from discontinued operation	-6.4	-52.3	-¥45.9 billion				-1.4	-3.8	-¥2.3 billion		
Profit	59.1	1.6	-¥57.5 billion				23.1	24.3	+¥1.2 billion		
Profit attributable to owners of parent	59.1	1.6	-¥57.5 billion				23.1	24.3	+¥1.3 billion		
EPS	¥45	¥1					-	-			

The figures from "Revenue" to "Profit" from continuing operation represents continuing operation.

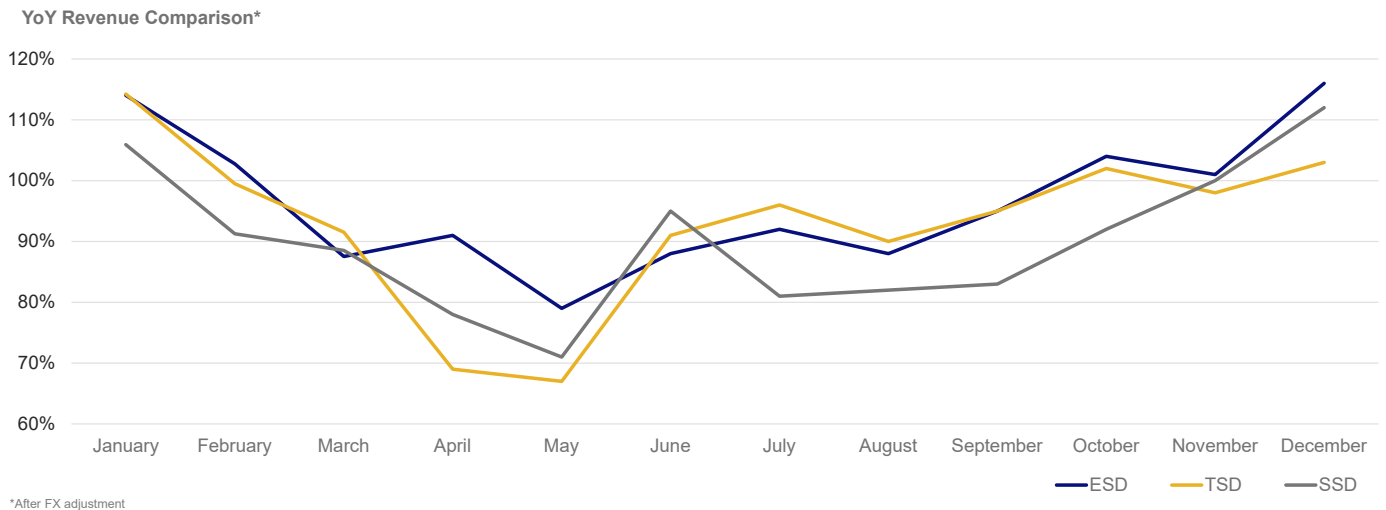
**Our calculations on the impact are based on the assumption that we would have achieved the same level of performance as the previous year if it is not for COVID-19, excluding FX impact, other income and expenses, and one-off items (costs associated with voluntary recall of endoscopic and endotherapy products).

(Slide5)

- Please turn to slide 5.
- This is an overview of the consolidated financial results.
- Consolidated revenue in the first nine months amounted to ¥513.6 billion. Although year-to-date revenue declined in a continuation of the previous quarter, revenue increased in the third quarter. Performance was strong, particularly in ESD. As a result, excluding FX impact, Year-to-date YoY revenue decline improved by 6% point from the first half, narrowing to 7% in the third quarter.
- Please note that our calculations on the impact are based on the assumption that we would have achieved the same level of performance as the previous year if not for COVID-19, excluding FX impact, other income and expenses, and one-off items.
- Gross profit was ¥323.5 billion. While the rate of decline has improved, there were several factors that raised the COGS ratio, including a decline in factory operation owing to COVID-19, and the costs for the voluntary recalls of endoscopic products and endotherapy devices. SG&A expenses totaled ¥250.2 billion. Although restrictions on activities lessened in the third quarter, we continued to implement strict controls, resulting in a decline in SG&A expenses.
- Operating profit was ¥64.7 billion. Although operating profit is down compared with the first nine months of the previous year, looking only at the third quarter, operating profit was ¥34.4 billion, up 23% excluding FX impact and OPM improved significantly to 17.5%. As a result, the year-to-date OPM improved by 3% point from the first half to 12.6%.
- While profit from continuing operation fell ¥11.6 billion to ¥53.9 billion, the ratio of profit to revenue improved by 2.3% point.
- As for total profit for the first nine months, including both continuing and discontinued operations, we managed to achieve a profit of ¥1.6 billion, despite recording a loss of approx. ¥50.0 billion associated with the divestiture of the Imaging Business.

Updates: January to December

Revenue continued to recover in 3Q. ESD and SSD achieved double-digit growth in Dec. Strong performance in ESD led by Europe and China and in SSD increased sales of biological and industrial microscopes in China



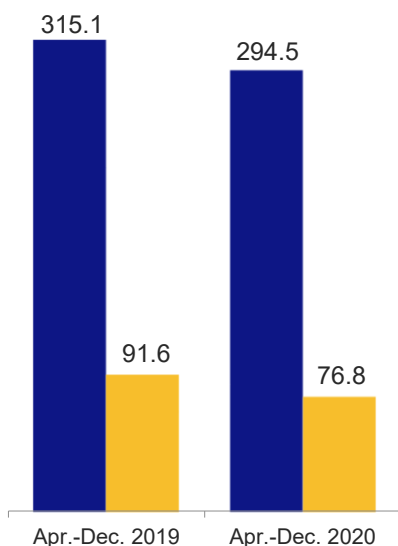
(Slide6)

- Slide 6 describes the status of monthly revenue.
- This graph shows the revenue trend by division for January to December 2020 with the previous year's as a baseline of 100%.
- Across all divisions, revenue continued to recover steadily in the third quarter.
- In December, revenue in all divisions surpassed that of the previous year. In particular, both ESD and SSD achieved double-digit growth.
- In ESD, it was led by strong performance in Europe and China, while in SSD led by increased sales of both biological and industrial microscopes in China.
- As for January, both ESD and TSD finished the month with positive growth YoY, according to preliminary data for your reference.
- Meanwhile, SSD declined YoY in revenue.
- Although the business environment is recovering, we will continue to monitor the situation of COVID-19 closely and operate in a way that ensures we can respond to any changes.

3Q of Fiscal 2021 (2) Endoscopic Solutions Division (ESD)



■ Revenue ■ Operating profit
(Billions of yen)



✓ Revenue

- YTD: Decreased due to COVID-19
- 3Q: Increased, due to double-digit growth in Europe led by the UK, Eastern Europe, and Japan, where we experienced a decline last year following the tax hike

✓ Operating Profit

- YTD: Profitability improved from 2Q to 3Q due to revenue recovery
- 3Q: OPM reached to approx. 31% due to revenue recovery and SG&A streamlining

(Billions of yen)	1Q-3Q (Apr. - Dec.)				3Q (Oct. - Dec.)			
	FY2020	FY2021	YoY	After FX adjustment	FY2020	FY2021	YoY	After FX adjustment
Revenue	315.1	294.5	-7%	-5%	108.3	112.4	+4%	+6%
Operating profit	91.6	76.8	-16%	-12%	31.8	34.7	+9%	+11%
Other income / expenses	-0.6	-1.3	-	-	-0.4	-0.8	-	-
Operating margin	29.1%	26.1%		26.8%	29.3%	30.9%		30.9%

Reference

	FY2021 1Q	FY2021 2Q	FY2021 3Q
YoY revenue comparison	-17%	-8%	+4%
After FX adjustment	-14%	-7%	+6%
Operating margin	18.5%	26.7%	30.9%
After FX adjustment	19.5%	28.2%	30.9%

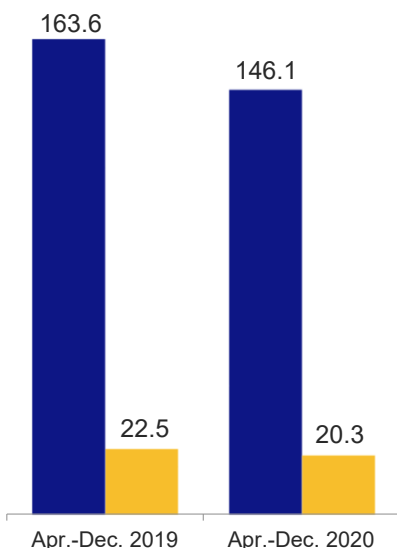
(Slide7)

- Please turn to slide 7.
- Now we will look at details about each business segment.
- Each segment has gradually recovered despite being affected by COVID-19, but in the third quarter we saw an even stronger recovery.
- Therefore, today I will focus on the results from October to December.
- First, the Endoscopic Solutions Division.
- Revenue in the first nine months was ¥294.5 billion. Excluding FX impact, this represents a 5% decline.
- In the third quarter alone, we grew 6% excluding FX impact.
- In Europe in particular, we achieved double-digit growth, driving the whole division.
- The growth trend from the second quarter continued in the third quarter, driven by the UK, where the government has been strengthening its healthcare system, and Eastern Europe, where we were able to win bids for some large projects.
- Japan was also strong in the third quarter, but we think this is because we experienced a decline last year following the tax hike.
- Operating profit for the first nine months mirrored the revenue recovery to reach ¥76.8 billion. OPM improved to 26.8% excluding FX impact.
- In the third quarter, operating profit increased 11% excluding FX impact due to revenue recovery and SG&A streamlining. OPM rose by 2.7% point from the previous quarter to 30.9%.

3Q of Fiscal 2021 (3) Therapeutic Solutions Division (TSD)



■ Revenue ■ Operating profit
(Billions of yen)



✓ Revenue

- YTD: Decreased due to COVID-19
- 3Q: Almost flat YoY, led by growth in APAC and Japan, and continued recovery in the number of procedures

✓ Operating profit

- YTD: Decreased due to lower revenue and the costs associated with voluntary recall for endotherapy devices (approx. ¥2 billion)
- 3Q: OPM significantly improved to approx. 18% due to revenue recovery and SG&A streamlining

(Billions of yen)	1Q-3Q (Apr. - Dec.)				3Q (Oct. - Dec.)			
	FY2020	FY2021	YoY	After FX adjustment	FY2020	FY2021	YoY	After FX adjustment
Revenue	163.6	146.1	-11%	-9%	55.6	55.2	-1%	+1%
Operating profit	22.5	20.3	-10%	-4%	7.3	10.1	+38%	+40%
Other income / expenses	-1.1	-0.7	-	-	-0.4	-0.3	-	-
Operating margin	13.8%	13.9%		14.6%	13.2%	18.3%		18.4%

Reference	FY2021 1Q	FY2021 2Q	FY2021 3Q
	YoY revenue comparison	-27%	-6%
After FX adjustment	-24%	-6%	+1%
Operating margin	3.8%	16.6%	18.3%
After FX adjustment	4.5%	18.0%	18.4%

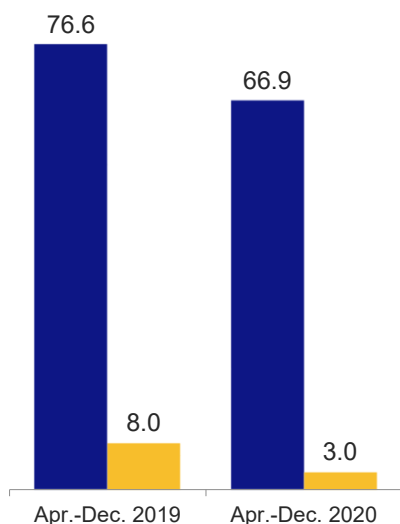
(Slide8)

- Please turn to slide 8 for the results of the Therapeutic Solutions Division.
- Revenue in the first nine months was ¥146.1 billion. Excluding FX impact, this represents a 9% decline.
- In the third quarter, the number of procedures continued a recovery trend, and we achieved growth in Europe, Japan, China, and APAC, resulting in 1% growth excluding FX impact.
- Operating profit for the first nine months was ¥20.3 billion due to revenue recovery and cost streamlining despite the costs associated with the voluntary recall of endotherapy devices in the third quarter. OPM improved to 14.6% excluding FX impact.
- Please note that the decrease in SG&A expenses includes the effect of no longer recording the amortization of intangible assets from Gyrus that had been booked until last fiscal year.
- In the third quarter, operating profit increased significantly by 40% excluding FX impact due to revenue recovery to the previous year's level and continued SG&A streamlining. OPM was 18.4%, easily surpassing the previous year's.

3Q of Fiscal 2021 (4) Scientific Solutions Division (SSD)



■ Revenue ■ Operating profit
(Billions of yen)



✓ Revenue

- YTD: Decreased due to lower CAPEX in the aerospace sector and constraints on sales activities, partially offset by China's brisk demand in biological and industrial microscopes
- 3Q: Almost flat YoY due to improved market conditions in budget execution and capital expenditures and strong sales of biological microscopes

✓ Operating profit

- YTD: Decreased due to lower revenue and a decline in operating levels at manufacturing bases
- 3Q: Increased due to SG&A streamlining and an improvement in other income and expenses

1Q-3Q (Apr. - Dec.)

(Billions of yen)	FY2020	FY2021	YoY	After FX adjustment
Revenue	76.6	66.9	-13%	-11%
Operating profit	8.0	3.0	-63%	-54%
Other income / expenses	-0.5	0	-	-
Operating margin	10.5%	4.4%		5.5%

3Q (Oct. - Dec.)

	FY2020	FY2021	YoY	After FX adjustment
Revenue	26.9	26.6	-1%	+1%
Operating profit	2.6	2.7	+4%	+7%
Other income / expenses	-0.2	0	-	-
Operating margin	9.8%	10.3%		10.3%

Reference

	FY2021 1Q	FY2021 2Q	FY2021 3Q
YoY revenue comparison	-21%	-17%	-1%
After FX adjustment	-18%	-17%	+1%
Operating margin	-	8.1%	10.3%
After FX adjustment	-	10.0%	10.3%

(Slide9)

- Please turn to slide 9 for the Scientific Solutions Division.
- Revenue in first nine months was ¥66.9 billion. Excluding FX impact, this represents an 11% decline.
- In the third quarter, we saw improvement in the budget executions at research institutes, universities and hospitals, resulting in strong sales of biological microscopes in China and Japan.
- Additionally, sales of industrial microscopes were strong due to demand from 5G-related electronic components and semiconductor sectors. As a result, the division achieved 1% growth excluding FX impact.
- Operating profit for the first nine months was ¥3.0 billion, due mainly to lower revenue and a decline in operating levels at manufacturing bases.
- In the third quarter, operating profit grew 7% excluding FX impact due to revenue being recovered to the previous year's level, SG&A streamlining and an improvement in other income and expenses. OPM was 10.3%.

Statement of Financial Position

- ☑ Goodwill increased due to M&As
- ☑ Secured on-hand liquidity for stable business operations in light of the impact of COVID-19

(Billions of yen)	End of Mar. 2020	End of Dec. 2020	Change		End of Mar. 2020	End of Dec. 2020	Change
Current assets	506.7	553.9	+47.2	Current liabilities	333.8	295.6	-38.2
Inventories	167.6	159.5	-8.1	Bonds/loans payable	81.0	26.3	-54.7
Assets held for sale	6.3	25.0	+18.8	Liabilities directly associated with assets held for sale	4.2	25.0	+20.8
Non-current assets	509.0	551.3	+42.3	Non current liabilities	309.9	453.8	+143.8
Property, plant and equipment	202.1	207.6	+5.5	Bonds/loans payable	199.9	333.2	+133.3
Intangible assets and others	208.5	210.7	+2.2	Equity	372.0	355.8	-16.1
Goodwill	98.3	132.9	+34.6	(Equity ratio)	36.5%	32.1%	-4.4pt
Total assets	1,015.7	1,105.2	+89.6	Total liabilities and equity	1,015.7	1,105.2	+89.6

Interest-bearing debt: ¥359.5 billion (up ¥78.6 billion from March 31, 2020)

(Slide10)

- Please turn to slide 10 for our financial position as of December 31, 2020.
- Goodwill increased due to the acquisitions we undertook, including Veran Medical Technologies.
- Additionally, in light of the impact of COVID-19, we have maintained a high level of on-hand liquidity through long-term bonds and borrowings in the first half of the fiscal year.
- The equity ratio was 32.1%, down 4.4 percentage points from the end of the previous fiscal year, due to an increase in interest-bearing debt.

Consolidated Cash Flows

- ☑ FCF: Minus ¥26 billion due to outflow of ¥40 billion for M&As.
Considering time deposits of ¥40 billion, actual FCF is plus ¥14 billion
- ☑ Financial CF: Plus ¥52 billion due to long-term borrowings and the issuance of corporate bonds

		1Q-3Q (Apr. - Dec.)			
(Billions of yen)		FY2020	FY2021	Change	
Continuing operation	Revenue	561.3	513.6	-47.8	
	Operating profit	84.7	64.7	-20.0	
		(% of revenue)	15.1%	12.6%	-2.6pt
	Discontinued operation	CF from operating activities	105.7	89.0	-16.7
		CF from investing activities	-45.0	-115.0	-70.0
		Free cash flow	60.7	-26.0	-86.7
		CF from financing activities	-29.0	52.0	+80.9
		Cash and cash equivalents at end of period	144.8	187.7	+42.8

*Please refer to Appendix (P.26) for cash flow of discontinued operation.

(Slide11)

- Please turn to slide 11 for the status of cash flows.
- Cash flow from operating activities was ¥89 billion. As I explained, the recovery trend continues, and due to the upturn in revenue and SG&A streamlining, cash flow is also trending better.
- Cash flow from investing activities declined with multiple M&As.
- Also, please note that cash flow from investing activities includes time deposits totaling ¥40 billion. Therefore, actual free cash flow is ¥14 billion, which is arrived at by adding minus ¥26 billion to ¥40 billion.
- Cash flow from financing activities rose ¥80.9 billion to ¥52 billion due to long-term borrowings and the issuance of corporate bonds.
- As a result, cash and cash equivalents as of December 31, 2020 stood at ¥187.7 billion.

02 **Forecasts for Fiscal 2021**

(Slide12)

- Next I would like to provide details regarding our full-year forecasts for fiscal 2021.

Fiscal 2021 Consolidated Forecasts

- 1 Revenue and operating profit were revised upward in light of the strong performance in 3Q
- 2 Approx. ¥12 billion is included in other expenses related to the implementation of the career support for the external opportunity
- 3 Net profit turned black of ¥8.5 billion

(Billions of yen)		FY2021 (Forecasts announced on Nov. 13)	FY2021 (New Forecasts)	Change	% change from previous forecasts	FY2020 (Actual)**
* Continuing operation	Revenue	697.0	1 720.0	+23.0	+3%	755.2
	Gross profit	437.0	455.5	+18.5	+4%	482.8
	(% of revenue)	(62.7%)	(63.3%)			(63.9%)
	Selling, general and administrative expenses	366.0	354.0	-12.0	-3%	381.2
	(% of revenue)	(52.5%)	(49.2%)			(50.5%)
	Other income and expenses	-10.5	2 -22.0	-	-	-9.4
	Operating profit	60.5	1 79.5	+19.0	+31%	92.2
	(% of revenue)	(8.7%)	(11.0%)			(12.2%)
	Profit before tax	58.5	75.5			86.6
	(% of revenue)	(8.4%)	(10.5%)			(11.5%)
Profit from continuing operation	47.5	60.5			60.6	
(% of revenue)	(6.8%)	(8.4%)			(8.0%)	
Profit (loss) from discontinued operation	-53.0	-52.0			-8.9	
Profit	-5.5	8.5			51.7	
Profit attributable to owners of parent	-5.5	3 8.5			51.7	
(% of revenue)	(-)	(1.2%)			(6.5%)	
EPS	-¥4	¥7			¥39	

Dividend forecast in fiscal 2021

Year-end dividend of ¥10 per share

*The figures from "Revenue" to "Profit from continuing operation" represents continuing operation.
**The figures for FY2020 are before the audit.

(Slide13)

- Please turn to slide 13 for our forecasts for the full-year fiscal 2021.
- The expected exchange rates that form the premise for forecasts are ¥105 per dollar and ¥123 per euro.
- We expect gradual revenue growth toward the end of the fiscal year although we are currently seeing the resurgence of cases worldwide.
- We upwardly revised full-year revenue forecast by ¥23 billion to ¥720 billion, in light of the strong performance in 3Q.
- Full-year SG&A expenses were revised down by ¥12 billion compared to the November forecast. But, in 4Q alone, SG&A expenses will go up, while it is the same level as previous year.
- We assume that activities will become more active in 4Q and beyond. In addition, we plan to invest in reinforcing the operating base such as our IT infrastructure and QA/RA functions, and improving profitability in the next fiscal year and beyond.
- Approx. ¥12 billion is included in other expenses related to the career support for the external opportunity.
- As a result, we upwardly revised operating profit to ¥79.5 billion, with OPM at approx. 11%, in light of the strong performance in the third quarter and continued SG&A streamlining.
- Net profit is expected to turn black of ¥8.5 billion with these revisions.
- We expect year-end dividend for fiscal 2021 to be ¥10 per share, unchanged from the November forecast.

Fiscal 2021 Forecasts by Business Segment

- 1** ESD, SSD: Revenue and operating profit were revised upward in light of 3Q results
- 2** TSD: Operating profit was revised upward in light of significant profit increase in 3Q
- 3** Elimination and Corporate: While controlling SG&A expenses, including expenses related to the implementation of the career support for the external opportunity

(Billions of yen)		FY2021 (Forecasts announced on Nov. 13)	FY2021 (New Forecasts)	Change	% change from previous forecasts
ESD	Revenue	395.0	1 415.0	+20.0	+5%
	Operating profit	88.0	105.0	+17.0	+19%
TSD	Revenue	202.0	202.0	0	0%
	Operating profit	23.0	2 25.0	+2.0	+9%
SSD	Revenue	93.0	1 94.0	+1.0	+1%
	Operating profit	3.5	4.0	+0.5	+14%
Others	Revenue	7.0	9.0	+2.0	+29%
	Operating profit	-3.0	-2.5	+0.5	+¥0.5 billion
Elimination and Corporate	Operating profit	-51.0	3 -52.0	-1.0	-¥1.0 billion
Consolidated Total	Revenue	697.0	720.0	+23.0	+3%
	Operating profit	60.5	79.5	+19.0	+31%
Discontinued operation	Revenue	20.0	21.0	+1.0	+5%
	Operating profit	-53.0	-52.0	+1.0	+¥1.0 billion

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(Slide14)

- Please turn to slide 14 for our forecasts by business segment.
- Revenue and operating profit of ESD and SSD were revised upward in light of the third quarter results.
- With regard to TSD, operating profit was revised upward in light of significant profit increase in the third quarter.
- In terms of Elimination and Corporate, we revised to include the expenses related to the implementation of the career support for the external opportunity, while controlling SG&A expenses.
- We have also revised upward both revenue and operating profit for Others, which reflects the third quarter results as well as the revenue of FH ORTHO.

03 Transforming into a Truly Global Medtech Company

(Slide15)

- Lastly, I would like to highlight some of the initiatives we are pursuing to transform into a truly global medtech company.

Committed to Corporate Reforms

FY2021

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



Focus the corporate portfolio



Structural reform of fixed costs



Successful launch of next-gen GI endoscopy system EVIS X1



Continued steady investment in product development for future growth



Driving efficiency in our R&D operations

Steadily implementing measures and will continue to promote corporate reforms

- Completed the transfer of Imaging Business to Japan Industrial Partners
- Launched next-gen GI endoscopy system, EVIS X1, in Europe, Japan, and some parts of Asia (Also, launched ENDO-AID, an endoscopy CAD platform)
- Conducted multiple M&As to drive medical growth (GI: Arc Medical Design, Respiratory: Veran Medical Technologies, Orthopedic: FH ORTHO, Surgical: Quest Photonic Devices B.V.)
- Implemented the "Career Support for the External Opportunity" in Japan
- Reorganization of domestic sales functions to strengthen sales capabilities

(Slide16)

- Please turn to slide 16 for the progress of our corporate reforms to date.
- First, we completed the divestiture of the Imaging Business. Moving forward, we will focus our management resources on the medical field to accelerate growth.
- During the third quarter we carried out multiple M&As. Each of these is in line with our strategy and is expected to contribute to future growth. The details will be on the following slides.
- We also announced the implementation of the career support for the external opportunity targeting our employees in Japan.
- While supporting those employees who wish to find new opportunities outside the company, we are pursuing the recruitment and assignment of the right people in the right position to promote reforms suitable for a global medtech company.
- Additionally, as we announced in November last year, we will integrate our domestic sales functions to enhance sales capabilities. We plan to implement a company split on October 1, 2021.

Key Product Catalysts: Endoscopic Solutions Division (As of Feb.12, 2021)



Corporate Strategy of ESD : Further strengthen leadership in endoscopy



Maintain leadership in conventional endoscopy through continued innovation and commercial excellence



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

Growth driver now	Just launched / Coming soon	Beyond
<p>GI endoscopy</p> <ul style="list-style-type: none"> EVIS LUCERA ELITE (Japan, China) EVIS EXERA III (US, EU) <p>Surgical endoscopy</p> <ul style="list-style-type: none"> VISERA ELITE II* (US, EU, Japan) VISERA ELITE (China) VISERA 4K UHD (US, EU, Japan, China) 	<p>GI endoscopy</p> <ul style="list-style-type: none"> EVIS X1 (EU, Japan) TJF-Q190V, duodenoscope (US) ENDO-AID, endoscopy CAD platform for EVIS X1 (EU) <p>Surgical endoscopy</p> <ul style="list-style-type: none"> VISERA ELITE II 3D/IR (US) VISERA ELITE II 3D (China) 	<p>GI endoscopy</p> <ul style="list-style-type: none"> EVIS X1 (US, China) 3D function for EVIS X1 Single-use duodenoscope <p>Surgical endoscopy</p> <ul style="list-style-type: none"> VISERA ELITE II IR (China) New generation surgical endoscopy system (EU, Japan)

~6%

revenue growth CAGR in ESD**

*Europe and Japan: Launched full system including 3D/IR function, US: Launched only 2D functions **CAGR for FY2021 to FY2023, starting from FY2020

(Slide17)

- Please turn to slide 17 for the product pipeline for ESD.
- There are some changes from what we shared in the second quarter.
- We have progress in our flagship surgical endoscopy system VISERA ELITE II.
- In November 2020, we launched a 3D system for VISERA ELITE II in the US, and plan to launch an IR observation system in the fourth quarter.
- We also launched the 3D system for VISERA ELITE II in China in November 2020.
- In addition, while we had previously communicated an early 2021 time frame for the release of EVIS X1 in the US, it is taking more time to get an approval than we expected and the schedule has been revised.
- At this point, we are aiming to launch in the first half of 2022.

Acquired Quest Photonic Devices B.V. to Bolster Surgical Endoscopy Capabilities



Acquisition of advanced fluorescence imaging technologies Promote R&D for next-gen molecular imaging technologies

Technological evolution of surgical imaging

Present

Higher resolution and 3D

Fluorescence imaging

Molecular imaging

- Using near-infrared light in combination with fluorescent dye to let doctors see tissues such as blood vessels

VISERA ELITEII



Laparoscopy

Spectrum®



Laparotomy & Laparoscopy



Strengths of Quest

- Advanced fluorescence imaging technologies
- Working with biotechnology companies that are developing next-gen molecular imaging dyes



Research and development

(Slide18)

- Please turn to slide 18.
- To pursue new opportunities in the field of surgical endoscope, on February 10 we completed the acquisition of Netherlands-based medical devices manufacturer Quest Photonic Devices B.V., making it a wholly owned subsidiary.
- Technology has evolved in the area of surgical imaging, and the fluorescence imaging market has expanded in recent years.
- Fluorescence imaging is a technology that combines near-infrared light and a fluorescent dye to illuminate fluorescent dye flowing in the bloodstream by shining light at a specific wavelength, allowing sub-cellular blood vessels to be visualized.
- The market for fluorescence imaging has expanded for both open and laparoscopic surgeries due to the high demand for reconstructive and minimally invasive surgeries. The market is expected to grow significantly at CAGR of 12% from 2018 to 2027.
- First, acquiring Quest will enable us to add the fluorescence-guided surgery imaging system Spectrum to our lineup, making it possible to provide a range of open surgery equipment Olympus previously did not have.
- Second, we will be able to use the advanced fluorescence imaging technologies and expertise of Quest for the development of other Olympus products.
- Additionally, Quest is actively promoting joint R&D with various biotechnology companies for the new technology of molecular imaging, which will give us a foothold in this technology in the future.
- Looking ahead, we will continue to provide devices that support safer and more accurate surgeries by utilizing new technologies such as fluorescence imaging as well as our traditional endoscopic imaging technologies.

Key Product Catalysts: Therapeutic Solutions Division (As of Feb. 12, 2021)



Corporate Strategy of TSD : Focus and scale our TSD business



GI endotherapy
Expand and accelerate portfolio in existing product categories and explore growth opportunities in adjacent areas



Urology
Establish leadership in BPH and enhance position in stone management through portfolio expansion



Respiratory
Strengthen leadership by capturing the BLVR* market and expand opportunities in early diagnosis and treatment of lung cancer

Growth driver now	Just launched / Coming soon	Beyond
<p>GI endotherapy</p> <ul style="list-style-type: none"> ▪ Visiglide series ▪ ESD Knife ▪ EZ Clip / QuickClip Pro ▪ EndoJaw <p>Urology</p> <ul style="list-style-type: none"> ▪ Resection electrode <p>Respiratory</p> <ul style="list-style-type: none"> ▪ ViziShot series ▪ Spiration Valve System 	<p>GI endotherapy</p> <ul style="list-style-type: none"> ▪ 5 products (US) ▪ 5 products (EU) ▪ 10 products (Japan) ▪ 5 products (China) <p>Urology</p> <ul style="list-style-type: none"> ▪ iTind, non-surgical device for Benign Prostatic Hyperplasia (US, EU) ▪ SOLTIVE SuperPulsed Laser System, stone lithotripsy system (US, EU) <p>Respiratory</p> <ul style="list-style-type: none"> ▪ <u>Veran Electromagnetic Navigation system (US)</u> ▪ <u>Single-use bronchoscope (US)</u> 	<p>GI endotherapy</p> <ul style="list-style-type: none"> ▪ Single-use cholangioscope <p>Urology</p> <ul style="list-style-type: none"> ▪ Single-use ureteroscope <p>Respiratory</p> <ul style="list-style-type: none"> ▪ <u>Veran Electromagnetic Navigation system(EU)</u> ▪ <u>Single-use bronchoscope</u>

~8%

revenue growth CAGR in TSD**

*Bronchoscopic Lung Volume Reduction
**CAGR for FY2021 to FY2023, starting from FY2020

(Slide19)

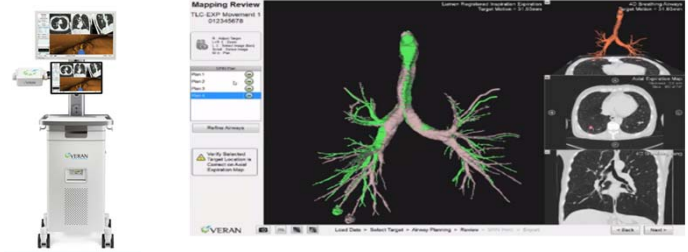
- Please turn to slide 19.
- Next is the pipeline for TSD.
- Changes from 2Q include the acquisition of Veran Medical Technologies on December 29. Veran adds an Electromagnetic Navigation System and single-use bronchoscopes to the portfolio.
- These products and Spiration Valve System etc. will expand our respiratory portfolio for the early diagnosis and minimally invasive treatment.

Olympus Opportunities in Respiratory



Grow Respiratory Portfolio with Acquisition of Veran Medical Technologies

- ✓ Olympus' endoscope technologies will combine perfectly with VMT's electromagnetic system to help improve the diagnosis of early lung cancer



Electromagnetic Navigation System

- ✓ Olympus' acquisition of VMT includes a 5-year agreement with Hunan Vathin, which includes both the distribution of single-use bronchoscopes in the U.S. and co-development activities for specialized single-use bronchoscopes



(Slide 20)

- Please turn to slide 20.
- We expanded our product pipeline in TSD, too.
- The acquisition of Veran Medical Technologies, a leading provider of advanced medical devices specializing in interventional pulmonology, was finalized in December 2020.
- We aim to contribute to the early diagnosis of lung cancer by expanding our portfolio and leveraging our strong endoscopy market position in respiratory.
- Low dose CT is widely used for lung cancer screening in high risk individuals.
- Biopsy of suspicious lesions is an immediate next step for definitive diagnosis.
- Conducting biopsy of the lesion is an immediate next step for definitive diagnosis by inserting devices to target area to collect tissues and cells from peripheral areas in the lung.
- Veran medical technologies has technological advantages to deliver testing devices to the peripheral areas.
- Electro-magnetic navigation system by Veran medical technologies give supports to HCPs in delivering bronchoscopes and devices to narrowly diverged peripheral areas in the lung by enabling viewing 3D vision of bronchial during procedures.
- This technology is compatible with Olympus' bronchoscopes and radial EBUS probes creating synergies between the two companies.
- In addition, the distribution agreement with Hunan Vathin Medical includes specialty single-use bronchoscopes designed to support navigation procedures with the SPiN Thoracic navigation system.
- It will also include an expanded portfolio in the United States that will address a broader range of procedures and complement Olympus current bronchoscopic offering.

Olympus Approach to Reusable and Single-use Endoscope

As a market leader in endoscopes, Olympus will continue to build a comprehensive portfolio of reusable and single-use endoscopes to provide optimal solutions addressing customer needs



There are high needs for reusable endoscope that balance cost and technology such as advanced observation performance, insertability into the body and operability in treatment.



The single-use endoscope market is growing, especially in areas where there is a clear need and the value of single-use endoscopes.

We will add a lineup of single-use endoscopes in these areas.

- | | |
|---|-----------------------------------|
| <input checked="" type="checkbox"/> Infection control requirements | ➤ Duodenoscopes |
| <input checked="" type="checkbox"/> Durability requirements | ➤ Cholangioscopes / Ureteroscopes |
| <input checked="" type="checkbox"/> Procedure-specific requirements | ➤ Bronchoscopes |

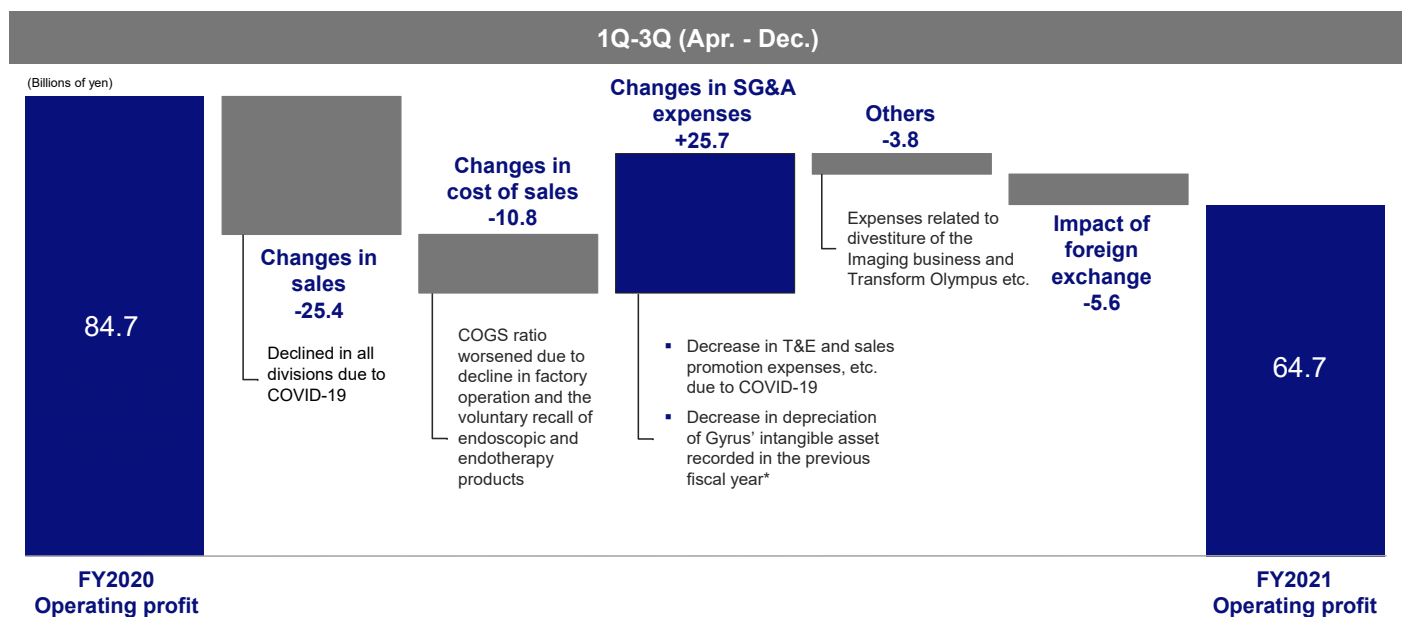
(Slide 21)

- Please turn to slide 21.
- I would like to go into our approach to reusable and single-use endoscope.
- There are still high needs for reusable endoscopes that balance cost and technology such as advanced observation performance, insertability into the body and operability treatment.
- On the other hand, the single-use endoscope market is growing, especially in areas where there is a clear need and the value of single-use endoscopes.
- Specifically, this means areas requiring fine yet durable endoscopes, and areas requiring easy preparation, such as in emergency rooms, as well as areas requiring high-level infection control. We recognize that in these areas we can provide the unique value of single-use endoscopes.
- By expanding our range of single-use endoscopes, we can further cement our overwhelming position as a leading company in every situation utilizing endoscopy.
- As a market leader in endoscopes, we will continue to build a comprehensive portfolio of reusable and single-use endoscopes to provide optimal solutions addressing customer needs driven by the complex clinical demands.
- This wraps up my presentation. Thank you for listening.

OLYMPUS

04 Appendix

Supplementary Materials: 3Q of Fiscal 2021 Factors that Affected Consolidated Operating Profit

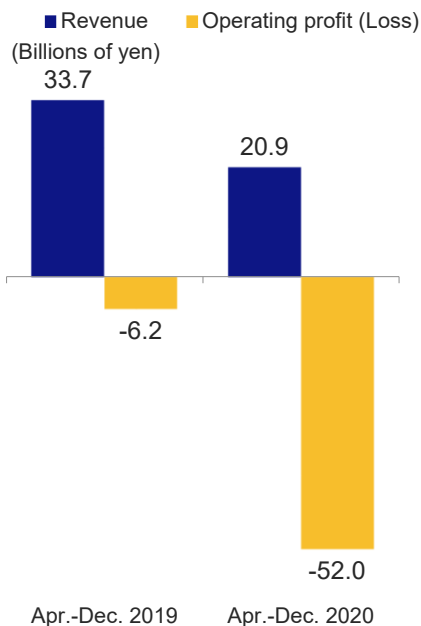


* Amortization of Gyrus' intangible asset was finished in FY2020

Supplementary Materials:3Q of Fiscal 2021 Results by Segment

		1Q-3Q (Apr. - Dec.)				3Q (Oct. - Dec.)			
(Billions of yen)		FY2020	FY2021	YoY	After FX adjustment	FY2020	FY2021	YoY	After FX adjustment
ESD	Revenue	315.1	294.5	-7%	-5%	108.3	112.4	+4%	+6%
	Operating profit	91.6	76.8	-16%	-12%	31.8	34.7	+9%	+11%
TSD	Revenue	163.6	146.1	-11%	-9%	55.6	55.2	-1%	+1%
	Operating profit	22.5	20.3	-10%	-4%	7.3	10.1	+38%	+40%
SSD	Revenue	76.6	66.9	-13%	-11%	26.9	26.6	-1%	+1%
	Operating profit	8.0	3.0	-63%	-54%	2.6	2.7	+4%	+7%
Others	Revenue	6.0	6.0	0%	0%	2.1	2.8	+30%	+30%
	Operating profit	-1.9	-1.5	+¥0.4 billion	+¥0.4 billion	-0.6	-0.6	0	0
Elimination and Corporate	Operating profit	-35.5	-33.8	+¥1.7 billion	+¥1.7 billion	-12.3	-12.5	-¥0.3 billion	-¥0.2 billion
Consolidated Total	Revenue	561.3	513.6	-9%	-7%	192.9	197.1	+2%	+4%
	Operating profit	84.7	64.7	-24%	-17%	28.9	34.4	+19%	+23%
Discontinued operation	Revenue	33.7	20.9	-38%	-38%	12.9	7.2	-45%	-45%
	Operating profit	-6.2	-52.0	- ¥45.8 billion	- ¥45.9 billion	-1.3	-3.5	- ¥2.2 billion	- ¥2.2 billion

Supplementary Materials: 3Q of Fiscal 2021 Discontinued Operation (IMD)



Revenue

Revenue significantly declined due to COVID-19

Operating profit

Operating loss was posted due mainly to expenses related to the divestiture of the Imaging business (44.7 billion yen)

(Billions of yen)	1Q-3Q (Apr. - Dec.)				3Q (Oct. - Dec.)			
	FY2020	FY2021	YoY	After FX adjustment	FY2020	FY2021	YoY	After FX adjustment
Revenue	33.7	20.9	-38%	-38%	12.9	7.2	-45%	-45%
Operating profit	-6.2	-52.0	-¥45.8 billion	-¥45.9 billion	-1.3	-3.5	-¥2.2 billion	-¥2.2 billion
Other income / expenses	-1.4	-44.7	-	-	-0.3	-0.8	-	-
Operating margin	-	-	-	-	-	-	-	-

Reference

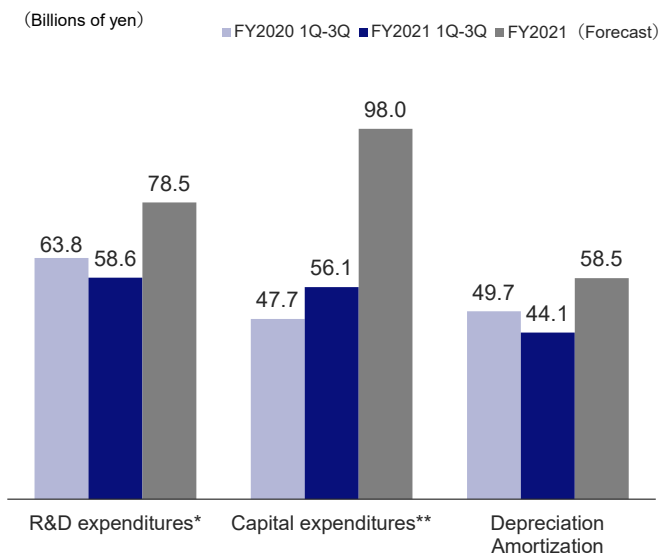
	FY2021 1Q	FY2021 2Q	FY2021 3Q
YoY Revenue Comparison	-41%	-26%	-45%
After FX adjustment	-39%	-26%	-45%
Operating margin	-	-	-

Cash flows of discontinued operation

	1Q-3Q (Apr. -Dec.)		
	FY2020	FY2021	Change
CF from operating activities	-3.4	-3.0	+0.5
CF from investing activities	-2.0	-0.9	+1.2
CF from financing activities	0	-0.1	-0

Supplementary Materials: Expenditures etc.

1Q-3Q(9 months) Results and Full-year Forecasts



(Billions of yen)	FY2020 1Q-3Q	FY2021 1Q-3Q
R&D expenditures* (a)	63.8	58.6
Capitalization of R&D expenditures (b)	14.4	11.6
R&D expenses in P/L (a-b)	49.5	47.0

(Billions of yen)	FY2020 1Q-3Q	FY2021 1Q-3Q
Amortization	5.1	6.4
	End of Sep. 2020	End of Dec. 2020
R&D assets	51.3	53.1

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

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

In addition, the Olympus Group has adopted IFRS 16 "Leases" from the fiscal year 2020, and right-of-use assets below are included in capital expenditures.

(FY2020 1Q-3Q: ¥6.9 billion, FY2021 1Q-3Q: ¥17.8 billion, FY2021 Forecast: ¥37.0 billion)