

OLYMPUS



A New Horizon

40th Annual J.P. Morgan Healthcare Conference

Yasuo Takeuchi, President and CEO
January 10, 2022

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01 Opening Remarks

02 Performance Highlights and Strategic Outlook

03 Our Three Guiding Principles: Focus, Shape and Enable



01

Opening Remarks

A photograph of a woman with long brown hair hugging a young child from behind. The woman is smiling and looking towards the child. The child is wearing a dark, quilted jacket. The entire image is overlaid with a semi-transparent blue filter. A large yellow quote icon is positioned to the left of the text.

“

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

A woman with blonde hair, wearing a blue shirt, is shown in profile, looking thoughtful with her hand on her chin. She is holding a pen. In the background, a woman in a white lab coat and a man in a blue shirt are visible, suggesting a professional or scientific setting. The entire image has a blue tint.

02

Performance Highlights and Strategic 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*



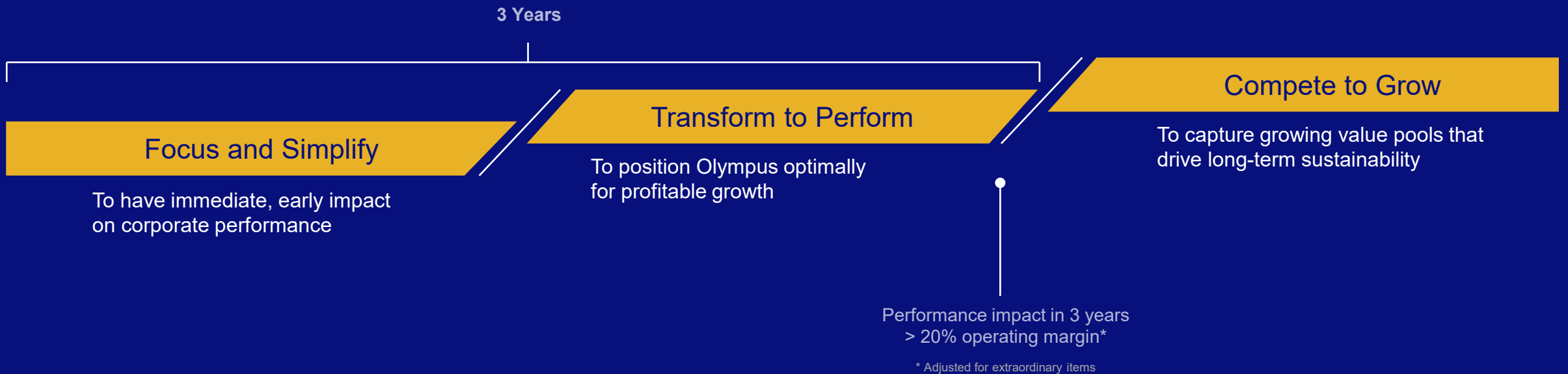
Become a **leader** in the therapeutic areas where we compete (GI, Urology and Respiratory)

* Adjusted for extraordinary items

We adopted an ambitious timeline out to FY2023

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 continue to reform and have achieved much



ESG

- Joined Task Force on Climate-Related Financial Disclosures (TCFD) in May 2021
- Ranked in DJSI World Index since November 2021



Portfolio

- Completed transfer of the Imaging business
- Invested resources in Therapeutic Solutions Division
- Engaged in M&A in focus areas, including:
 - GI-Endotherapy: Arc Medical Design
 - Urology: Medi-Tate
 - Respiratory: Veran Medical Technologies
 - Surgical: Quest Photonic Devices
- Established a CVC for early-stage investment



Operational model innovation

- Launched working culture-related initiatives to support transformation efforts
- Established a globally integrated HR management system
- Implemented “Career Support for External Opportunity” in Japan
- Made progress in establishing our GBS (Global Business Services) structure
 - 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.
 - Both captive shared service centers and business process outsourcing** are now in progress.



Capability

- Introduced a company with a Nominating Committee, etc.
- Diversified the Board of Directors



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.

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

We have a stable and sustainable capital allocation policy

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

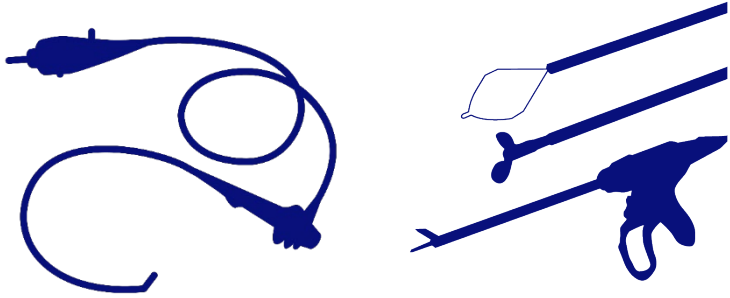




Today, we stand on a

Solid Foundation.

Our impact on patients' lives is already substantial

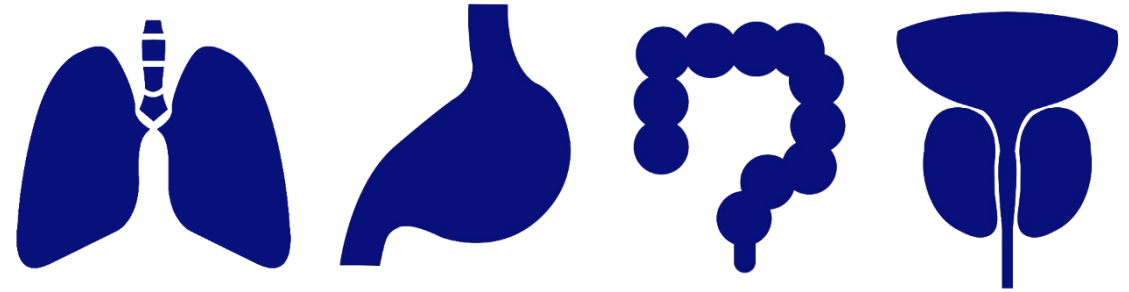


100

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



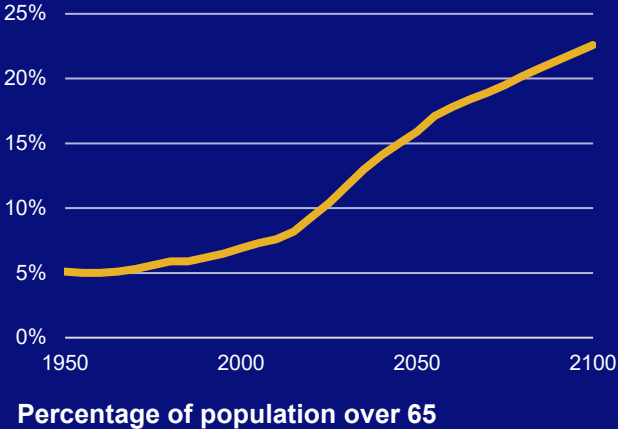
TOP 4

Cancers Treated

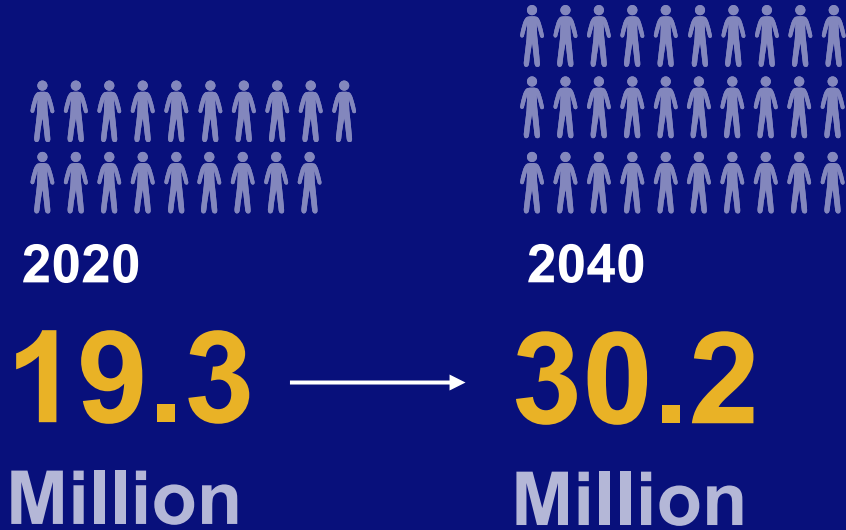
Olympus provides products/solutions for lung, stomach, colon and prostate cancers, 4 of the top 5 cancers by incidence¹ globally

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

Chronic diseases are increasing as the population ages



Long-term rise in share of population over 65¹



Estimated increase in new cancer cases from 2020 to 2040²

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

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**.



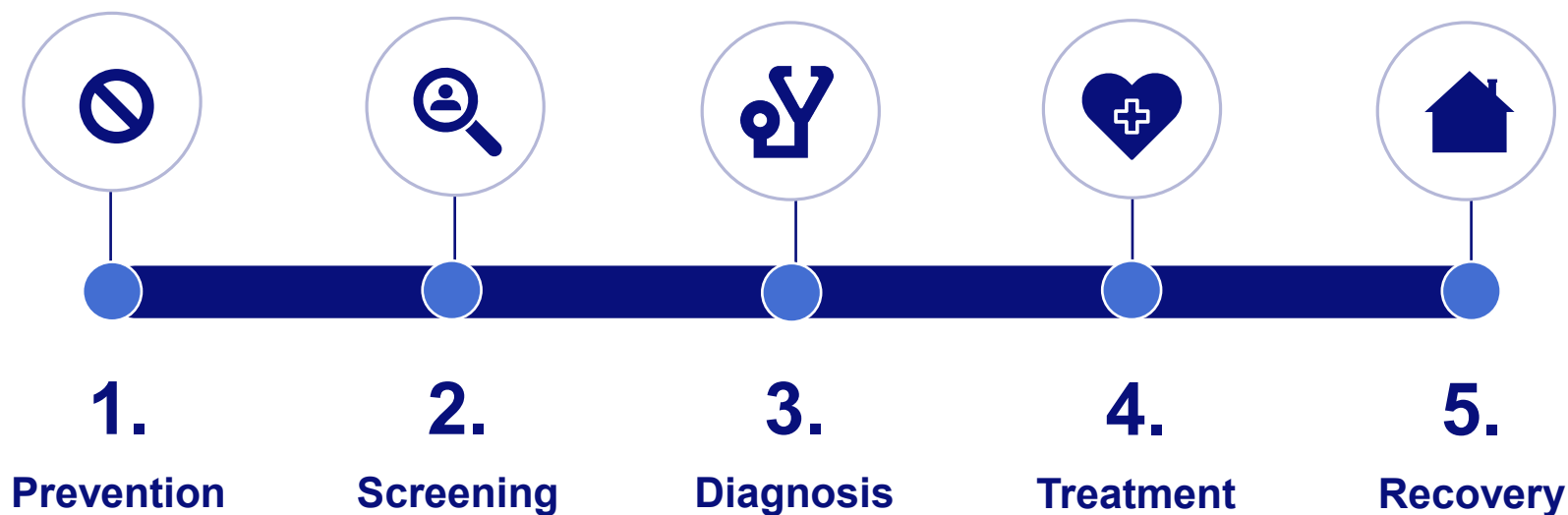
And will result in **substantial cost reduction** by 2030

Source: McKinsey

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

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

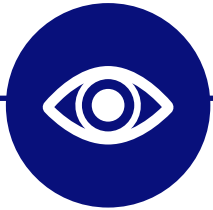
- Product-based business models
- Technology-first innovation, focused primarily on developed markets
- Siloed, disconnected data unevenly used for decision-making

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

Supported by

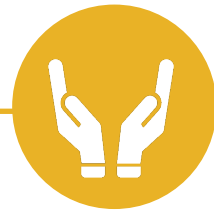
- New business models that are more efficient and drive adoption of new approaches for existing and new customers
- Systems view of innovation, inclusive of customer preferences, business models, and technology
- Connected data supporting enhanced decision-making

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



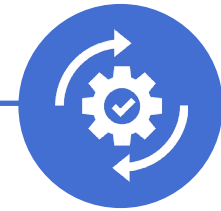
Focus

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

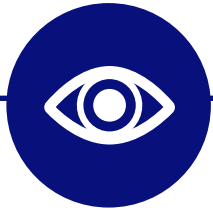
Enable our organization to better execute globally and at pace



03

**Our Three Guiding Principles:
Focus, Shape and Enable**

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



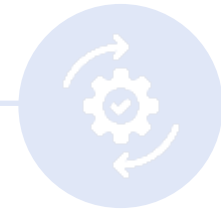
Focus

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

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

GI

Market Size

GI Endoscopy

¥350-370 billion

Market CAGR
4-6%

GI Endotherapy

¥300-350 billion

Market CAGR
5-7%

No. 1

55% of ESD revenue*

No. 2

30% of TSD revenue*

Urology

Market Size

¥280-350 billion

Market CAGR
5-7%

No. 2

25% of TSD revenue*

Respiratory

Market Size

¥60-80 billion

Market CAGR
6-7%

No. 1




15% of TSD revenue*

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

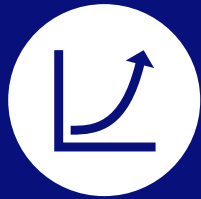
* Approx.

Our GI growth drivers

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

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

Our urology growth drivers



Drive lithotripsy leadership

Soltive launch

Drive continued growth of market share through the launch of the **Soltive SuperPulsed Thulium Fiber Laser System** in core markets

Global expansion

Leverage Soltive differentiation to expand Olympus' comprehensive stone management portfolio to **new geographies**

Procedural ownership

Enable procedural ownership through continued innovation in laser technology and single-use ureteroscopes



Offer urologists a comprehensive BPH solution

PLASMA+ launch

Set new standards in terms of resection performance, treatment options, safety, and efficiency through the **3rd-generation system launch**

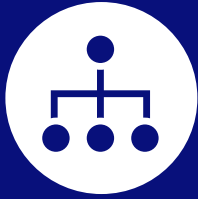
iTind market development

Enable patients around the world to benefit from the **minimally invasive iTind procedure** through world-class market expansion initiatives

Enucleation solution

Capitalize on **complete portfolio of plasma and laser technology for prostate enucleation** procedures to expand presence in BPH

Our respiratory growth drivers



Maintain leadership in core markets with technical innovation and clinical evidence

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



Grow our portfolio of solutions to solve for unmet clinical needs

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



Broaden our impact by expanding market presence

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

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

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



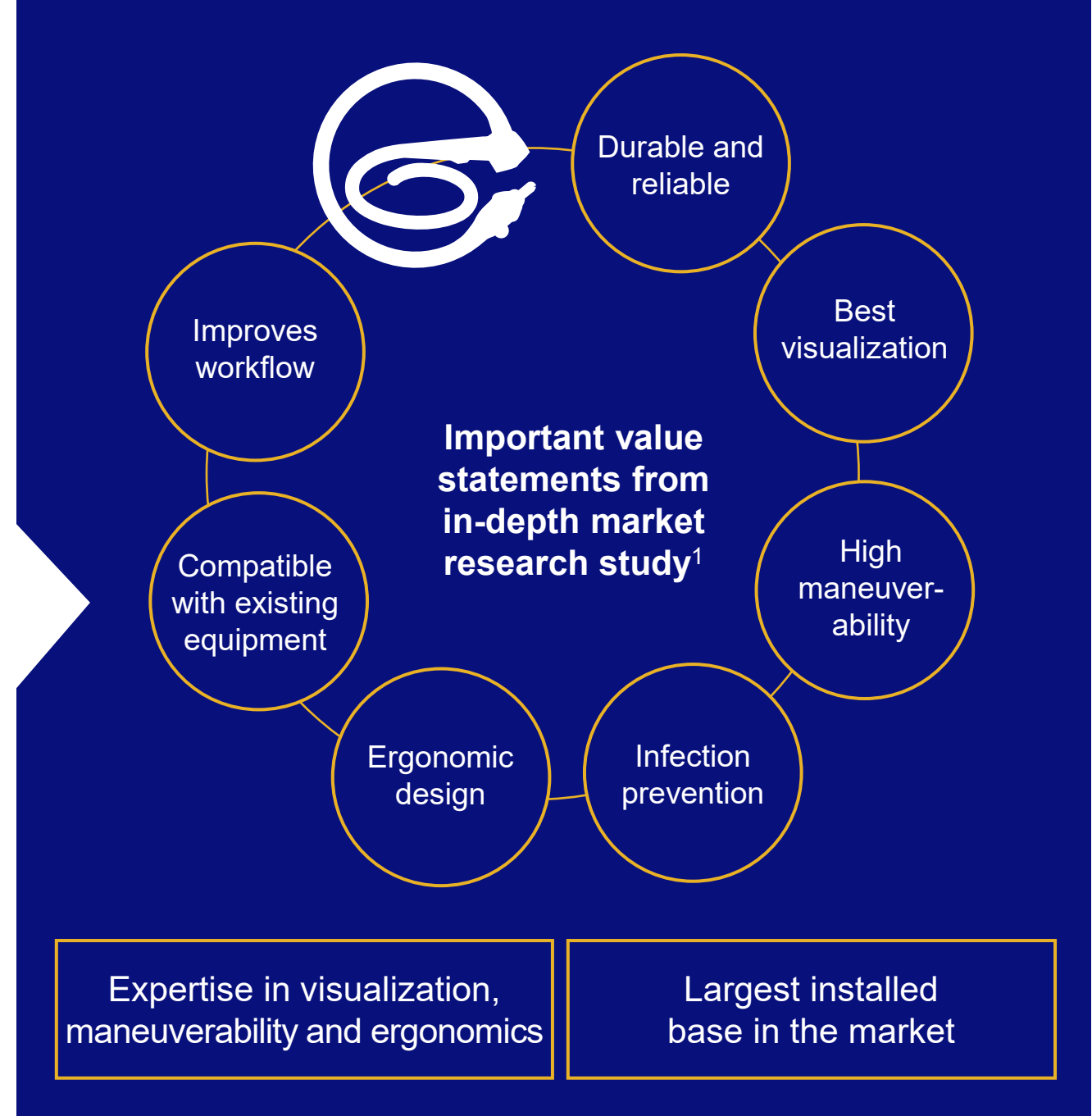
Next-Generation Product Innovation

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: ¹ 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



Single-use endoscopes will complement our portfolio



**Growing market for
single-use endoscopes**

Estimated CAGR:

15-18%

between 2020 and 2030*

* Served market projection by Olympus

Dedicated single-use endoscope unit established in April 2021

We have established a strategic approach to single-use endoscopy that is:

- Consistent with market needs
- Aligned with our position as an endoscopy partner of choice
- Representative of our market-leading quality and performance

**First line of single-use bronchoscopes (H-SteriScopes) launched in the US in FY22
Launch pipeline planned for FY23 and FY24**

Bronchoscope

Cholangioscope

Ureteroscope

Duodenoscope

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



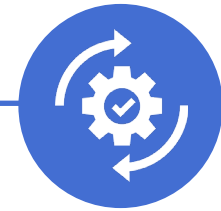
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Shape

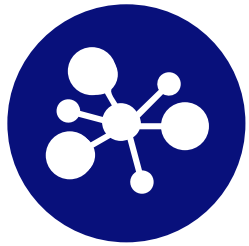
Shape the future by investing in new ways to enhance the standard of care



Enable

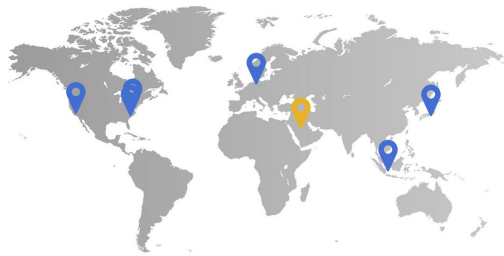
Enable our organization to better execute globally and at pace

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

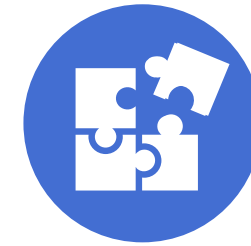
GI Endotherapy



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

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

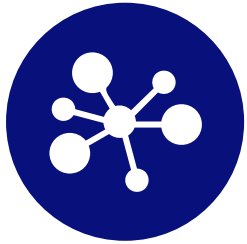


Value
Through
data

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.

We are further enhancing our capabilities for growth

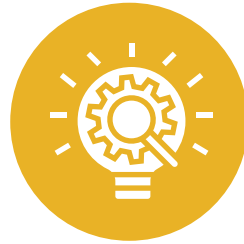


Procurement, supply chain and manufacturing

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**

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

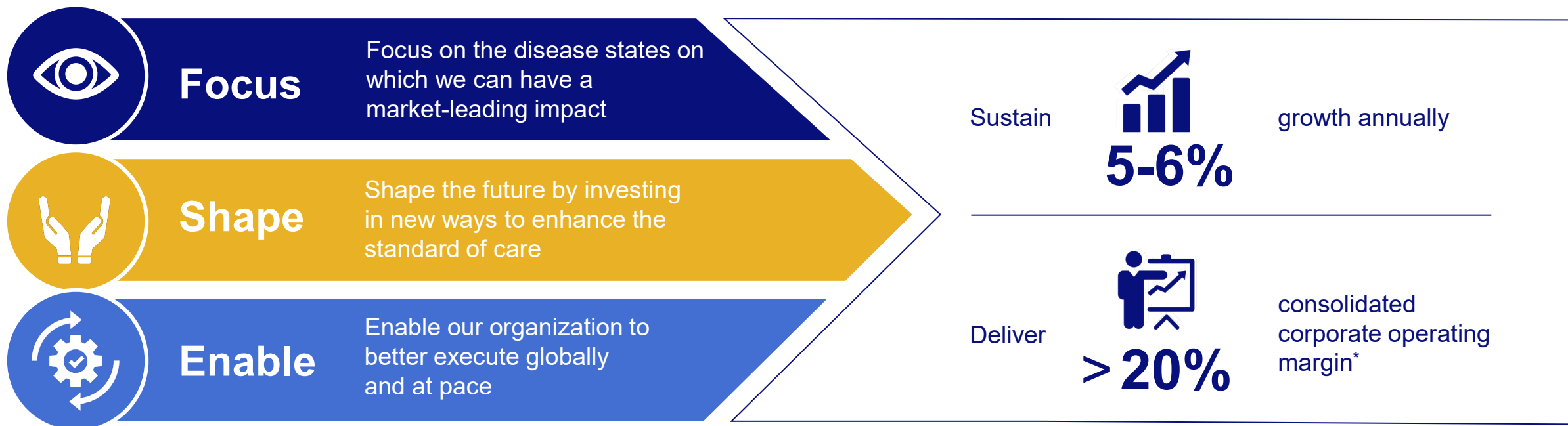


Tetsuo Kobayashi

Executive Officer, Chief
Manufacturing and Supply Officer

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

OLYMPUS

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

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

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%	16.8%
 Supporting financial indicators	FCF growth >20% <small>CAGR from FY2020/3</small>	-% ¥71.1 Billion	-92.7% ¥5.2 Billion	-17.8% ¥48.0 Billion
	ROIC >20%	9.4%	3.1%	13.1%
	EPS growth* >25% <small>CAGR from FY2020/3</small>	-% ¥46.18	+10.5% ¥51.03	+35.5% ¥84.78

* Continuing business base

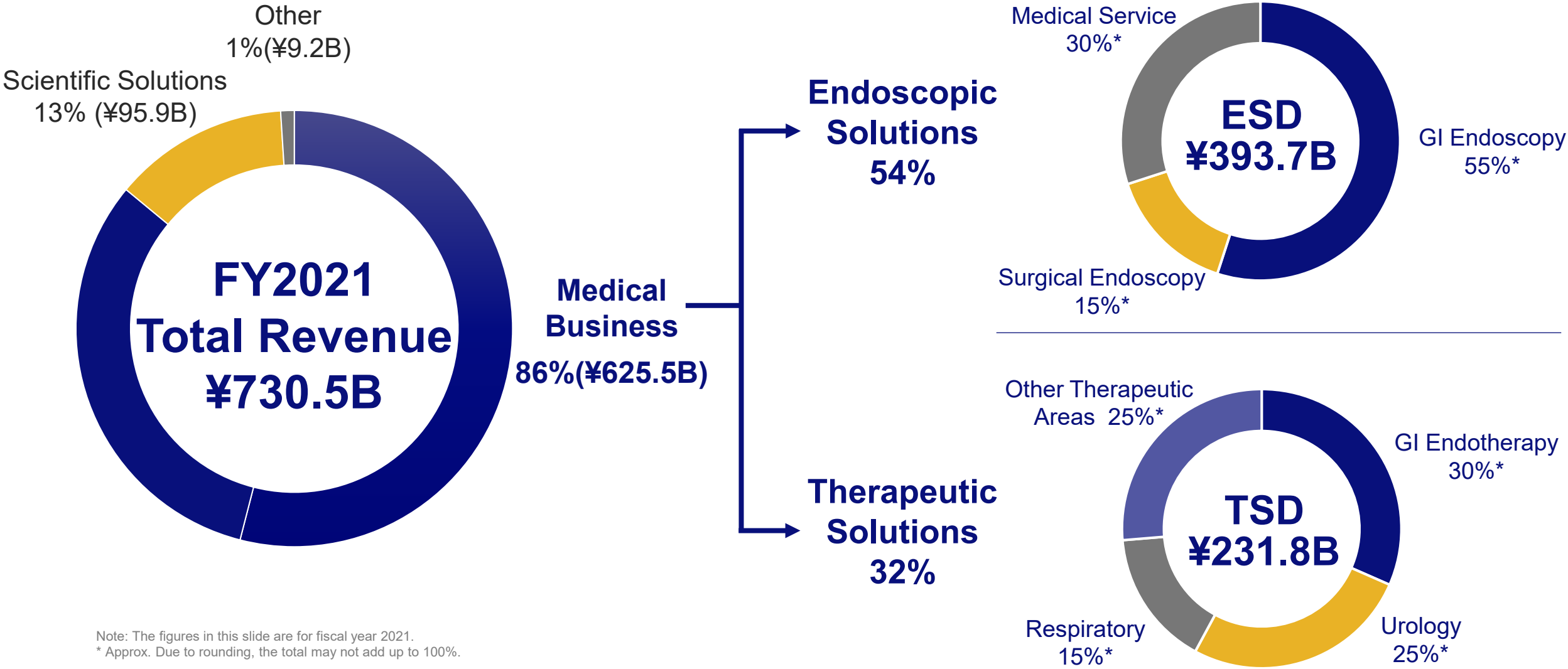
Adjusted supporting financial indicators

	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

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



Note: The figures in this slide are for fiscal year 2021.
 * Approx. Due to rounding, the total may not add up to 100%.

OLYMPUS Investor Day 2021 (Dec 7, 2021)

Please visit the following URL for more details on the Investor day 2021

- **Presentation Materials**

https://www.olympus-global.com/ir/data/pdf/Olympus_Investor_Day_PPT_Presentation_e.pdf

- **Presentation Materials with script**

https://www.olympus-global.com/ir/data/pdf/Olympus_Investor_Day_PPT_Presentation_with_note_e.pdf

- **Q&A**

https://www.olympus-global.com/ir/data/pdf/05_qa_investorday2021_en.pdf

- **Video Streaming (Presentation)**

<https://www.olympus-global.com/ir/data/video/video-05.html>

- **Video Streaming (Q&A session)**

<https://www.irwebcasting.com/20211207/3/4c0d7c84cc/mov/main/index.html>