

OLYMPUS



CEO Remark

Olympus Corporation | President and CEO, Stefan Kaufmann | February 14, 2024

Disclaimer

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The Impact of the 2024 Noto Peninsula Earthquake

Damage conditions

- **Employees:**
No employees of the Olympus's group were seriously affected by the earthquake.
- **Branch offices:**
The Kanazawa and Niigata branch offices of Olympus group have not sustained any particular damage
- **Suppliers of production parts and materials:**
The earthquake had recently impacted our parts supplier. The production of the supplier is stopped at this moment and the timing for resumption of operations has not yet been determined.
- **Our response:**
Out of an abundance of caution, we will slow the production of new endoscopes in a factory in Japan. In order to ensure the continuity of patient care and safeguard healthcare supplies, we are prioritizing our service and repair operations.

Impact on Business Performance

- The impact of the earthquake on FY2024 results is estimated to include shortfalls of revenue of approx. ¥24 billion, and the impact on our business performance for FY2025 is still under review.
- We are closely working with the supplier to resume production as quickly as possible in order to catch up this decreased revenue for the next fiscal year.



Executive Officers in FY2025



Yasuo Takeuchi

Director, Representative Executive Officer, Executive Chairperson and ESG Officer



Stefan Kaufmann

Director, Representative Executive Officer, President and Chief Executive Officer



Frank Drewalowski

Executive Officer and Endoscopic Solutions Division Head



New

Seiji Kuramoto

Executive Officer and Therapeutic Solutions Division Head



New

Tatsuya Izumi

Executive Officer and Chief Financial Officer



Role Change

Gabriela Kaynor

Executive Officer and Chief Strategy Officer



Tetsuo Kobayashi

Executive Officer and Chief Manufacturing and Supply Officer



André Roggan

Executive Officer and Chief Technology Officer



New

Boris Shkolnik

Executive Officer and Chief Quality Officer



Shigeto Ohtsuki

Executive Officer and Chief Human Resources Officer

Key Message

Remediation and quality transformation program “Elevate” is progressing well.

- We are making good progress in both fulfilling our commitments towards the FDA and transforming the way we work.
- We have updated our core values to emphasize the prioritization of our patients.

Our 3Q growth was solid except for temporary headwinds such as China and shipment suspension.

- Successful launch of EVIS X1 in North America
- Excluding China, which was affected by policy-related factors, revenue steadily grew 4% after FX adjustment in 3Q

We enhance patient care pathways through M&A and partnerships with other leading companies.

- Acquisition of Korean gastrointestinal stent company, Taewoong Medical Co., Ltd. contributes to elevating the standard of care and further enhances our market leading position
- New business alliance with Sony to strengthen our software development capabilities and shorten the development cycle for next-generation endoscope systems
- Reached an agreement focusing on technological advancements and enhancing diagnostic performance in the EUS* with Canon Medical Systems

* Endoscopic Ultrasound Systems

OUR PURPOSE Making people’s lives healthier, safer and more fulfilling

OUR CORE VALUES



PATIENT FOCUS

We put patients at the heart of everything.



INTEGRITY

We do the right thing.



INNOVATION

We look for new ways to make things better.



IMPACT

We take accountability and get things done.



EMPATHY


We care for one another and work together.

GI Area Driving Sales Growth


Notable momentum across GI disease areas in North America

GI Endoscopy


Revenue ratio of North America



Approx. **35%**



Digestive Disease Week (2023/5)




American College of Gastroenterology (2023/10)

FY2024 3Q growth rate in North America

+9%*

GI EndoTherapy

Revenue ratio of North America


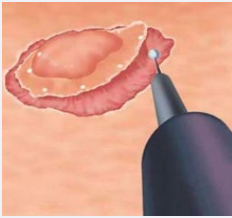
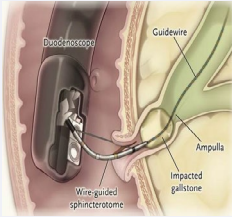


Approx. **25%**

FY2024 9 months growth rate in North America

+15%*

Focus areas

- Colorectal cancer detection 
- Colorectal cancer therapy 
- Hepato-Pancreato-Biliary (HPB) disease 

*YoY after FX adjustment

Taewoong Medical Acquisition Further Enhances Our Care Pathway Strategy and Leading Position Within GI disease

Care Pathway example

Detection

Diagnosis

Treatment

Visualize

Access

Stone

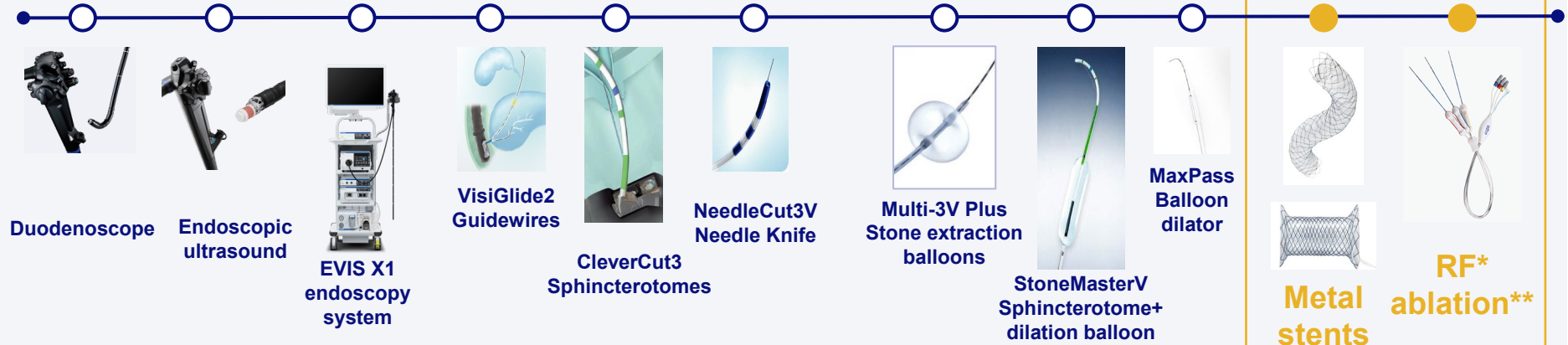
Stricture

Ablation



Hepato-Pancreato-Biliary (HPB) disease

Our global HPB opportunity >\$1B



- Expands our addressable stent segments to include China and Japan
- Opens up new procedures globally for endoscopic soft tissue ablation



We believe that adding Taewoong Medical will catalyze growth by opening new segments both within and beyond our leading HPB position

*RF= radio frequency **Exclusive long-term global distribution agreement with STARmed Co., Ltd



OLYMPUS



Consolidated Financial Results for the 3rd Quarter and Full-year Forecasts for Fiscal 2024

Olympus Corporation | Executive Officer and CFO, Chikashi Takeda | February 14, 2024

Highlights

3Q and 9M Consolidated Financial Results

✓ Sales continued to increase due to strong growth in APAC, which grew in all areas. By segment, continued strength in Medical service. Profit decreased due to investments for sustainable growth and strengthening of operational infrastructure, and project-related expenses for improving efficiency, as well as loss related to Veran Medical Technologies

- Revenue: 5% consolidated growth. Record high for Medical Business in 3Q and 9M
- Adjusted operating profit : Decreased due mainly to increased expenses such as remediation and quality transformation program “Elevate” and expenses for improving efficiency and strengthening of operational infrastructure for innovation and sustainable growth.
- Profit*: Record high of ¥235.2 billion due to a gain on transfer of Scientific Solutions Business (Evident). EPS: ¥192
- Others: Steady progress in addressing issues identified in warning letters, while engaging in a constructive dialogue with FDA

Full-year Performance Forecasts

✓ Revised due to various internal and external factors, including the Noto Peninsula earthquake. We are proactively addressing the challenges continuing to invest for sustainable growth amid continuing headwinds

- Revenue: Expected to achieve ¥924 billion, up 5% YoY
- Adjusted operating profit: Expected to achieve ¥145 billion, down 18% YoY, with an adjusted operating margin of 15.7%
- Profit*: Record high of ¥252 billion due to a gain on transfer of Evident. EPS: Expected to be ¥208

*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 was recorded in the first quarter of FY2024.

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**Consolidated Financial Results and
Business Review for the 3Q of Fiscal
2024 (FY Ending March 31, 2024)**

3Q of Fiscal 2024 (1) Consolidated Financial Results

- 1 Revenue: 5% consolidated growth. Record high for Medical Business in 3Q and 9M
- 2 Adjusted operating profit: Decreased due mainly to an increase expenses such as remediation and quality transformation program “Elevate” and expenses for improving efficiency and strengthening of operational infrastructure for innovation and sustainable growth.
- 3 Profit*: Record high of ¥235.2 billion due to a gain on transfer of Scientific Solutions Business (Evident). EPS: ¥192

9 Months (Apr. to Dec.)

3Q (Oct. to Dec.)

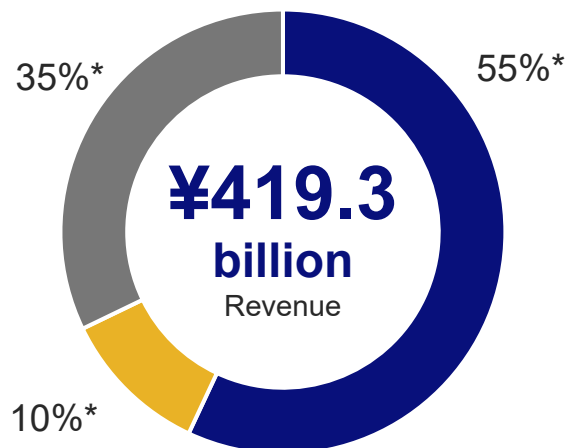
	9 Months (Apr. to Dec.)				3Q (Oct. to Dec.)					
	(Billions of yen)	FY2023	FY2024	YoY After FX adjustment	FY2023	FY2024	YoY After FX adjustment			
*Continuing operations	Revenue	641.5	675.7	1	+5%	+1%	224.5	239.1	+6%	+2%
	Gross profit	433.7	451.4		+4%	-1%	156.2	163.0	+4%	-1%
	(% of revenue)	(67.6%)	(66.8%)				(69.6%)	(68.2%)		
	Selling, general and administrative expenses	306.1	340.9		+11%	+7%	107.6	119.3	+11%	+6%
	(% of revenue)	(47.7%)	(50.5%)				(47.9%)	(49.9%)		
	Other income and expenses	14.9	-71.5		-	-	0.3	-9.5	-	-
	Operating profit	142.6	39.0		-73%	-77%	49.0	34.2	-30%	-37%
	(% of revenue)	(22.2%)	(5.8%)				(21.8%)	(14.3%)		
	Adjusted operating profit	128.1	110.2	2	-14%	-22%	48.8	43.6	-11%	-18%
	(% of revenue)	(20.0%)	(16.3%)				(21.7%)	(18.2%)		
Profit before tax	139.4	33.0		-76%		50.0	34.0	-32%		
(% of revenue)	(21.7%)	(4.9%)				(22.3%)	(14.2%)			
Profit from continuing operations	105.6	7.5		-93%		36.1	19.0	-47%		
(% of revenue)	(16.5%)	(1.1%)				(16.1%)	(7.9%)			
Profit from discontinued operation	2.8	228.1	+¥225.3 billion			5.3	-0.1	-¥5.4 billion		
Profit (loss)	108.4	235.6	+117%			41.4	18.9	-¥22.5 billion		
Profit (loss) attributable to owners of parent	108.2	235.2	3	+117%		41.4	18.9	-¥22.5 billion		
EPS	¥85	¥192				-	-			

*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 was recorded in the first quarter of the fiscal year ending March 31, 2024.

3Q of Fiscal 2024 (2) Endoscopic Solutions Division (ESD)

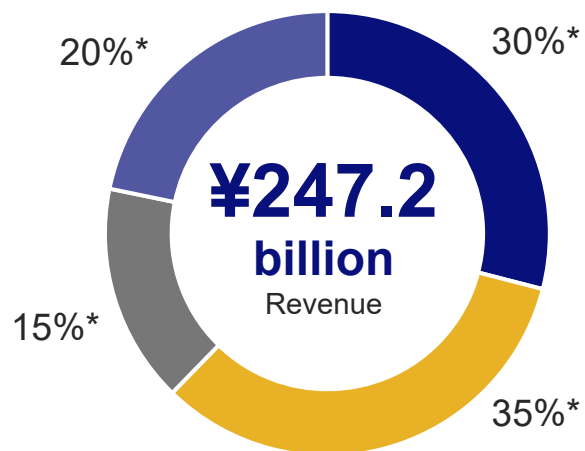


(Billions of yen)	FY2023		FY2024	
	3Q	9M	3Q	9M
Revenue	140.5	399.0	148.4	419.3
Operating profit	41.8	110.7	32.7	83.6
Other income and expenses	-0.9	-2.3	-4.1	-11.9
Adjusted operating profit	42.7	113.0	36.8	95.5
Operating margin (After FX adjustment)	29.7%	27.7%	22.0% (21.0%)	19.9% (18.9%)
Adjusted operating margin (After FX adjustment)	30.4%	28.3%	24.8% (23.9%)	22.8% (21.8%)

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

Growth Rate FY2024 3Q vs FY2023 3Q	After FX adjustment		Incl. FX
■ GI Endoscopy	-3%	<ul style="list-style-type: none"> Sales decreased due to significant impact of purchasers' decisions to delay tenders as they manage the effects of the anti-corruption campaign in China. In the meantime, North America, where EVIS X1 was successfully launched, grew 9% after FX adjustment. 	1%
■ Surgical Endoscopy	1%	<ul style="list-style-type: none"> Japan, Europe and APAC performed well and contributed to growth, led by new surgical endoscopy system VISERA ELITE III, while sales declined in North America and China, which were affected by temporary ship holds of some products in a difficult business environment. 	6%
■ Medical Service	8%	<ul style="list-style-type: none"> Steady growth in all regions due to stable revenue stream based on existing service contracts including maintenance service and an increase in new accounts. 	14%
Total	1%		6%

3Q of Fiscal 2024 (3) Therapeutic Solutions Division (TSD)



(Billions of yen)	FY2023		FY2024	
	3Q	9M	3Q	9M
Revenue	81.0	233.9	87.5	247.2
Operating profit(loss)	18.3	48.1	12.4	-16.2
Other income and expenses	1.3	1.2	-3.8	-58.5
Adjusted operating profit	17.0	47.0	16.2	42.3
Operating margin (After FX adjustment)	22.6%	20.6%	14.1% (14.0%)	-
Adjusted operating margin (After FX adjustment)	21.0%	20.1%	18.5% (18.6%)	17.1% (17.0%)

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

Growth Rate FY2024 3Q vs FY2023 3Q

After FX adjustment

Incl. FX

GI EndoTherapy	9%	<ul style="list-style-type: none"> Notable momentum across the disease areas of HPB**(e.g. ERCP Products), CRC*** detection(e.g. ENDOCUFF VISION) and CRC*** therapy(e.g. ESD/EMR products) 	14%
Urology	-2%	<ul style="list-style-type: none"> Sales decreased in North America due to an increasingly competitive environment, as well as temporary ship holds and supply shortages. Also, sales decreased in China, which was impacted by purchasers' decisions to delay tenders as they manage the effects of the anti-corruption campaign and other factors. 	3%
Respiratory	-3%	<ul style="list-style-type: none"> Sales decreased in China, which was impacted by supply shortages of some products and purchasers' decisions to delay tenders as they manage the effects of the anti-corruption campaign, as well as absence of COVID-related subsidies in previous year. Sales were also affected by discontinuation of sales of Veran Medical Technologies' products. 	2%
Other therapeutic areas	7%	<ul style="list-style-type: none"> Sales increased centered on energy devices. Japan contributed to growth, bolstered by increased demand prior to discontinuation of handling other companies' products. 	12%
Total	3%		8%

HPB = hepato-pancreato-biliary *CRC = colorectal cancer

Statement of Financial Position

- ✓ While cash and profit increased due to transfer of Evident and FX impact (approx. ¥62 billion), cash and deposits decreased by ¥160 billion* due to share buyback
- ✓ Intangible assets and goodwill decreased due mainly to impairment loss of Veran Medical Technologies
- ✓ Assets held for sale and liabilities directly associated with assets held for sale changed due to completion of transfer of Evident

(Billions of yen)	End of Mar. 2023**	End of Dec. 2023	Change		End of Mar. 2023**	End of Dec. 2023	Change
Current assets	726.4	788.2	+61.8	Current liabilities	461.9	380.0	-81.9
Inventories	163.0	186.5	+23.5	Bonds/loans payable	50.0	80.0	+30.0
Assets held for sale	169.6	-	-169.6	Liabilities directly associated with assets held for sale	43.3	-	-43.3
Non-current assets	782.3	679.9	-102.4	Non current liabilities	405.6	338.2	-67.3
Property, plant and equipment	238.7	249.4	+10.7	Bonds/loans payable	290.1	224.7	-65.4
Intangible assets	116.8	99.2	-17.5	Equity	641.2	749.9	+108.6
Goodwill	181.3	172.8	-8.5	(Equity ratio)	42.4%	51.1%	+8.7pt
Total assets	1,508.7	1,468.1	-40.6	Total liabilities and equity	1,508.7	1,468.1	-40.6

* Total amount expected to be 180 billion yen

** In the period under review, the consolidated statement of financial position as of March 31, 2023 has been retrospectively adjusted due to the adjustment of the fair value of the assets acquired and liabilities assumed of Odin Medical Ltd. which was acquired in December 2022

Consolidated Cash Flows

- ✓ FCF: Despite a decrease in operating CF due mainly to corporate tax payment related to gain on transfer of Evident, FCF increased significantly due to receipt of consideration for transfer of Evident. Adjusted FCF was ¥31 billion
- ✓ Financing CF: Minus ¥240.8 billion due mainly to share buyback (¥160 billion*), repayment of long-term debts, and dividend payment

9 Months (Apr. to Dec.)

		FY2023	FY2024	Change
Continuing operations	Profit before tax	139.4	33.0	-106.4
	Discontinued operation			
	CF from operating activities	54.9	-12.9	-67.8
	CF from investing activities	-37.9	391.4	+429.3
	Free cash flow	17.1	378.6	+361.5
	Adjusted Free cash flow	42.4	31.0	-11.4
	CF from financing activities	-112.4	-240.8	-128.4
Cash and cash equivalents at end of period		211.3	348.6	+137.2

Major adjusted items for FY2023 9M (Apr. to Dec.)

Operating CF: Tax payments and investments for reorganization of SSD, etc.	-¥34.8 billion
Investing CF: Proceeds from sale of fixed assets (land), etc.	+¥19.1 billion
Investing CF: Acquisition of investment securities, businesses, and subsidiaries, etc.	-¥7.5 billion
Investing CF: Temporary financial burden for reorganization of SSD, etc.	-¥2.1 billion

Major adjusted items for FY2024 9M (Apr. to Dec.)

Operating CF: Corporate tax payment on gain on transfer of Evident	-¥87.3 billion
Investing CF: Receipt of consideration for transfer of Evident, etc.	+¥385.2 billion
Investing CF: Collection of loan from Evident, etc.	+¥52.0 billion

* Total amount expected to be 180 billion yen



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Forecasts for Fiscal 2024

Fiscal 2024 Consolidated Forecasts

- 1** Revenue: Expected to achieve ¥924 billion, up 5% YoY
- 2** Adjusted Operating profit: Expected to achieve ¥145.0 billion, down 18% YoY, with an adjusted operating margin of 15.7%
- 3** Profit*: Record high of ¥252.0 billion due to a gain on transfer of Evident. EPS: Expected to be ¥208

(Billions of yen)		FY2024 Forecasts as of Nov 9	FY2024 Latest Forecasts	Change	vs Nov 9	After FX adjustment	FY2023	vs FY2023	After FX adjustment
** Continuing operations	Revenue	958.0	1 924.0	-34.0	-4%	-3%	881.9	+5%	-1%
	Gross profit (% of revenue)	650.0 (67.8%)	615.0 (66.6%)	-35.0	-5%	-5%	596.8 (67.7%)	+3%	-3%
	Selling, general and administrative expenses (% of revenue)	476.0 (49.7%)	470.0 (50.9%)	-6.0	-1%	-1%	420.5 (47.7%)	+12%	+7%
	Other income and expenses	-74.0	-88.0	-	-	-	10.3	-	-
	Operating profit (% of revenue)	100.0 (10.4%)	57.0 (6.2%)	-43.0	-43%	-44%	186.6 (21.2%)	-69%	-76%
	Adjusted operating profit (% of revenue)	174.5 (18.2%)	2 145.0 (15.7%)	-29.5	-17%	-17%	176.8 (20.0%)	-18%	-28%
	Profit before tax (% of revenue)	92.0 (9.6%)	51.0 (5.5%)				182.3 (20.7%)		
	Profit from continuing operations (% of revenue)	61.0 (6.4%)	24.0 (2.6%)				138.0 (15.7%)		
	Profit from discontinued operation	228.0	228.0				5.6		
	Profit (loss)	289.0	3 252.0				143.6		
Profit (loss) attributable to owners of parent (30.2%)	289.0 (30.2%)	252.0 (27.3%)				143.4 (16.3%)			
EPS	¥238	¥208				¥113			

*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 was 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** ESD: Revised downward due mainly to impact of Noto Peninsula Earthquake and suspension of shipments of some products in Surgical Endoscopy as well as impact of purchasers' decisions to delay tenders as they manage the effects of anti-corruption campaign in China
- 2** TSD: Revised downward in consideration of sales decline from supply delays and other factors as well as impact of market environment in China and Noto Peninsula Earthquake
- 3** Discontinued Operation: Expected to achieve a significant profit increase YoY due to a gain on transfer of Evident

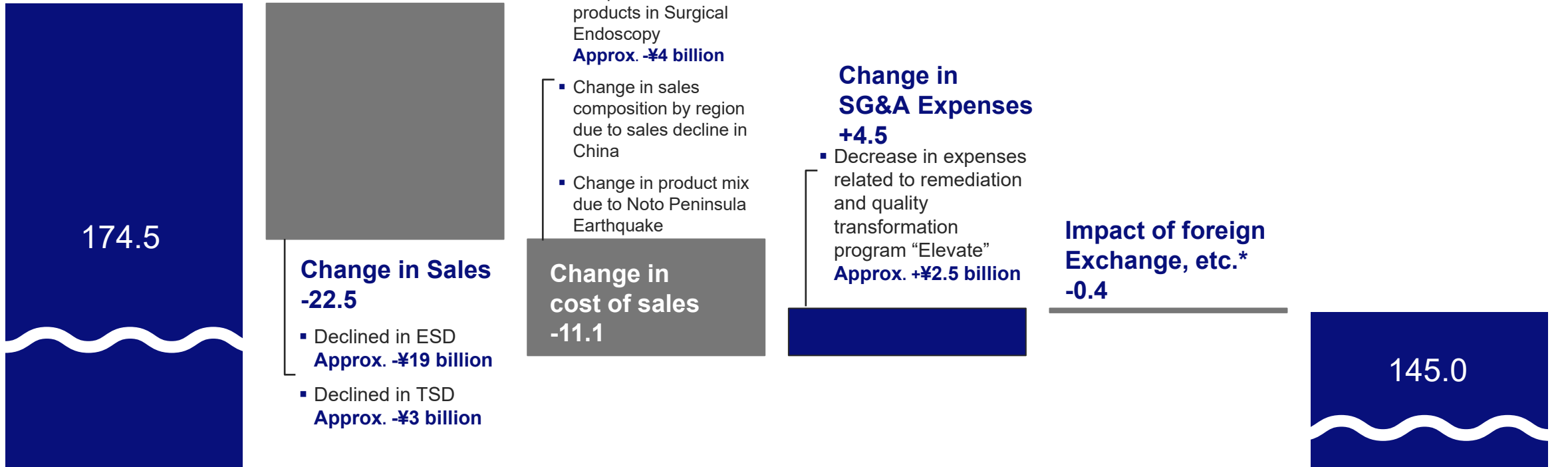
(Billions of yen)		FY2024 Forecasts as of Nov 9	FY2024 Latest Forecasts	Change	vs Nov 9	After FX adjustment	FY2023	vs FY2023	After FX adjustment
ESD	Revenue	604.0	575.0	-29.0	-5%	-4%	551.8	+4%	-1%
	Operating profit	150.0	1 111.0	-39.0	-26%	-26%	152.8	-27%	-36%
TSD	Revenue	342.0	337.0	-5.0	-1%	-1%	318.2	+6%	0%
	Operating profit(loss)	-4.5	2 -8.0	-3.5	-¥3.5 billion	-¥4.3 billion	63.7	-¥71.7 billion	-¥72.7 billion
Others	Revenue	12.0	12.0	-	-	-	11.9	+1%	-5%
	Operating profit(loss)	1.0	1.0	-	-	-	-0.9	+¥1.9 billion	+¥1.8 billion
Elimination and Corporate	Operating profit(loss)	-46.5	-47.0	-0.5	+¥0.5 billion	+¥0.6 billion	-28.9	-¥18.1 billion	-¥16.5 billion
Consolidated Total	Revenue	958.0	924.0	-34.0	-4%	-3%	881.9	+5%	-1%
	Operating profit	100.0	57.0	-43.0	-43%	-44%	186.6	-69%	-76%
(Reference) Discontinued Operation	Revenue	0	0	-	-	-	135.4	-	-
	Operating profit	348.0	3 348.0	-	-	-	7.0	-	-

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

Factors that Affect Fiscal 2024 Forecasts (vs. Previous Forecast)

FY2024 Latest Forecasts vs Nov. 9 Forecasts

(Billions of yen)



**FY2024
Adjusted operating
profit forecasts
as of Nov. 9**

Main Factors that affected revenue	
Impact of the 2024 Noto Peninsula Earthquake	Approx. -¥24 billion
External factors (Impact of purchasers' decisions to delay tenders as they manage the effects of the anti-corruption campaign in China, etc.)	Approx. -¥11-12 billion
Supply shortages due to supply chain issues	Approx. -¥9-10 billion

**FY2024
Adjusted operating
profit latest forecasts**

*Equity Method is included.

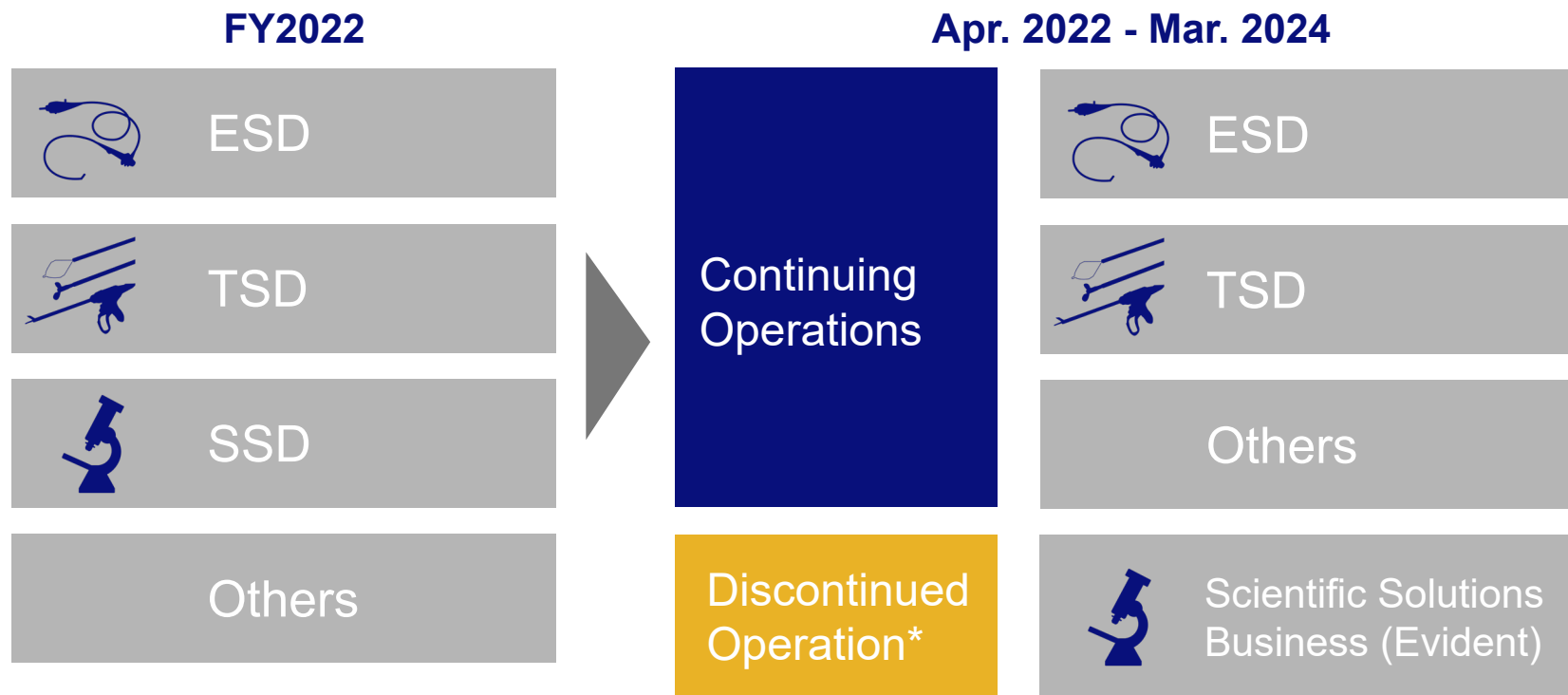
OLYMPUS

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

Appendix

Changes in Reporting Structure

With completion of divestiture of Scientific Solutions Business (Evident) in FY2024 1Q, it is disclosed as a discontinued operation from FY2023 2Q to FY2024 (based on IFRS)



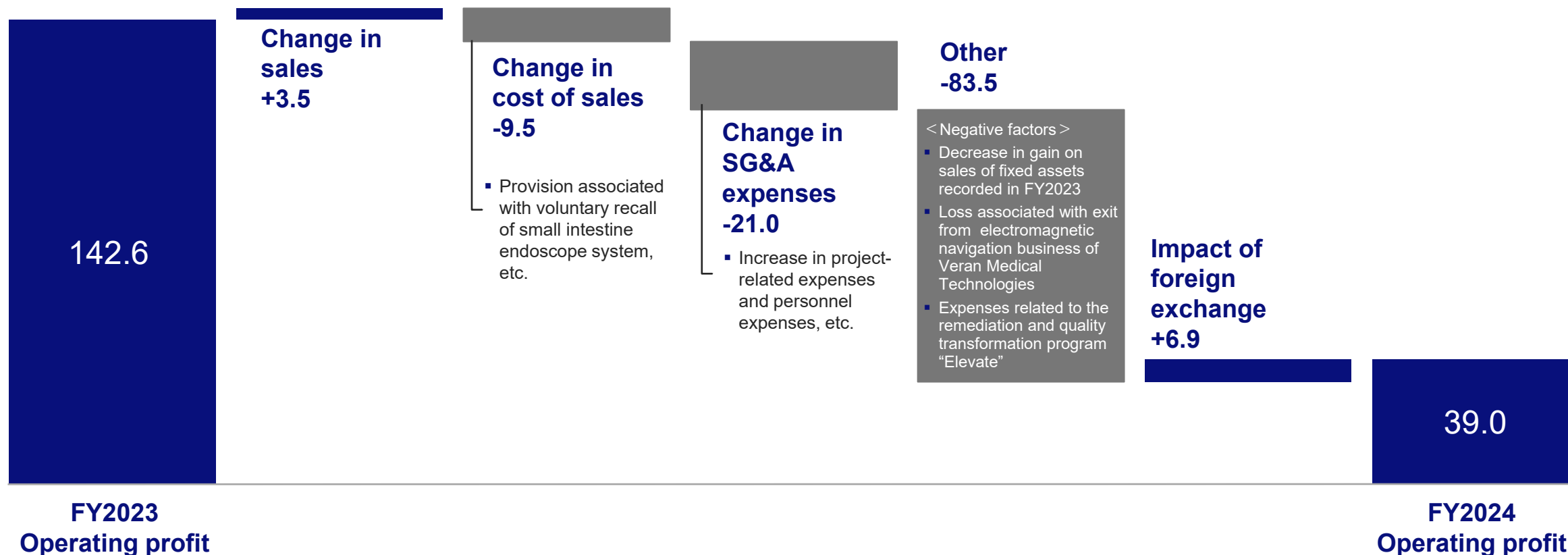
- ✓ Profit (loss) from Discontinued Operation is disclosed in Consolidated Financial Results
- ✓ Performance of Discontinued Operation is disclosed as supplementary information

*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"). 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.

3Q of Fiscal 2024 Factors that Affected Consolidated Operating Profit

9 Months (Apr. to Dec.)

(Billions of yen)



3Q of Fiscal 2024 Results by Segment

		9 Months (Apr. - Dec.)				3Q (Oct. – Dec.)			
(Billions of yen)		FY2023	FY2024	YoY	After FX adjustment	FY2023	FY2024	YoY	After FX adjustment
ESD	Revenue	399.0	419.3	+5%	+1%	140.5	148.4	+6%	+1%
	Operating profit	110.7	83.6	-25%	-31%	41.8	32.7	-22%	-29%
TSD	Revenue	233.9	247.2	+6%	+1%	81.0	87.5	+8%	+3%
	Operating profit(loss)	48.1	-16.2	-¥64.3 billion	-¥63.9 billion	18.3	12.4	-33%	-36%
Others	Revenue	8.6	9.2	+6%	+2%	3.0	3.1	+4%	-1%
	Operating profit(loss)	-0.9	1.0	+¥1.9 billion	+¥1.9 billion	-0.1	0	+¥0.1 billion	+¥0.1 billion
Elimination and Corporate	Operating profit(loss)	-15.3	-29.3	-¥14.0 billion	-¥13.6 billion	-11.0	-10.8	+¥0.3 billion	+¥0.4 billion
Consolidated Total	Revenue	641.5	675.7	+5%	+1%	224.5	239.1	+6%	+2%
	Operating profit	142.6	39.0	-73%	-77%	49.0	34.2	-30%	-37%
Discontinued operation	Revenue	91.0	0	-	-	38.3	0	-	-
	Operating profit(loss)	1.5	348.1	-	-	6.4	-0.1	-	-

Other income and expenses

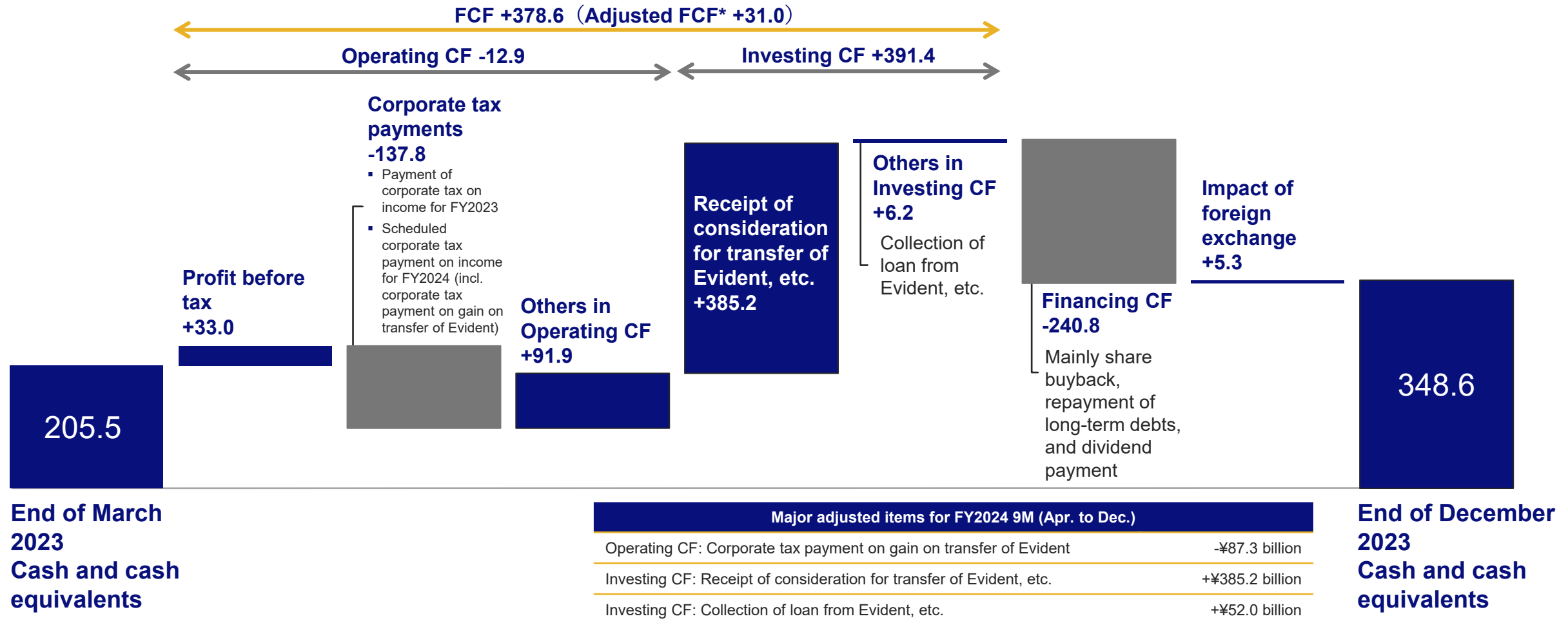
9 Months (Apr. to Dec.)

(Billions of yen)	FY2023 9M	FY2024 9M	Change
Other income	21.9	3.3	-18.6
Major items	Gain on sales of land 16.4 Medi-Tate Reversal of conditional consideration 1.3	Gain on transfer of collagen business 1.1	
Other expenses	7.5	74.5	+67.0
Major items	Transform Olympus cost 2.2 Impairment of development assets 1.1	Veran Medical Technologies Inc. related loss 50.8 Expenses related to the remediation and quality transformation program "Elevate" 17.0 Expenses related to career support for external opportunity 2.0 Impairment of development assets 1.4	

Full-year Forecasts

(Billions of yen)	FY2023	FY2024	Change
Other income	23.7	3.5	-20.2
Major items	Gain on sales of land 16.4 Medi-Tate Reversal of conditional consideration 1.3	Gain on transfer of collagen business 1.1	
Other expenses	13.9	91.5	+77.6
Major items	Transform Olympus cost 2.4 Impairment of development Assets 1.8 Expenses related to the remediation and quality transformation program "Elevate" 1.9	Veran Medical Technologies Inc. related loss 50.9 Expenses related to the remediation and quality transformation program "Elevate" 23.0 Impairment of development assets 7.9 Expense related to Implementation of "Career Support for External Opportunity" program 2.8	

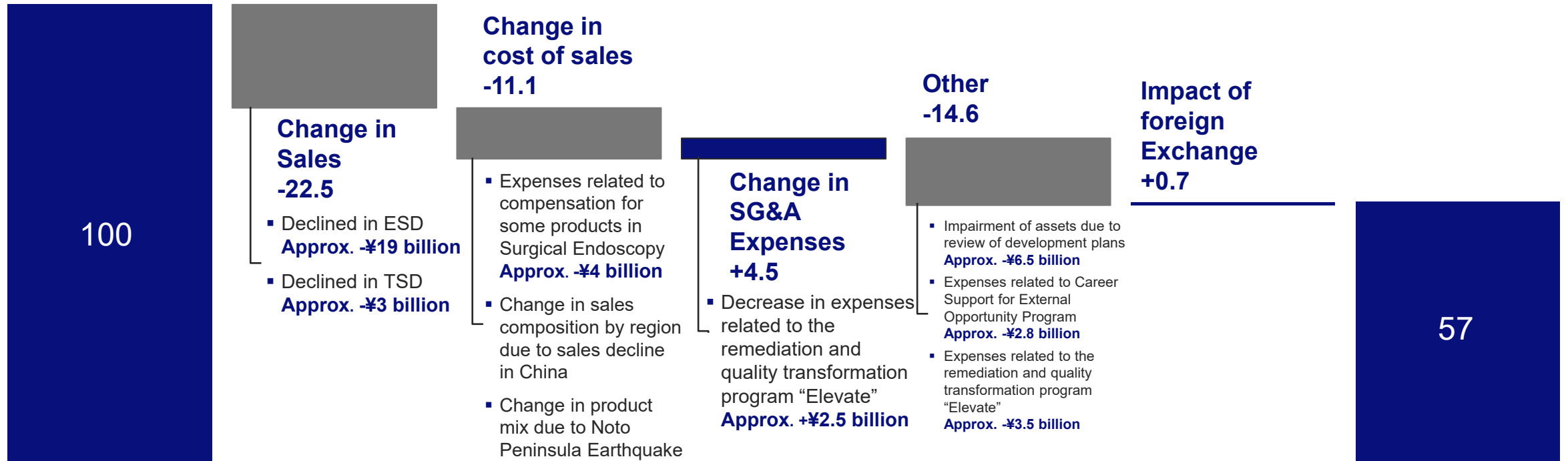
Factors that Affected Consolidated Cash Flows



Factors that Affect Fiscal 2024 Forecasts (vs. Previous Forecast)

FY2024 Latest Forecasts vs Nov. 9 Forecasts

(Billions of yen)



**FY2024
Operating profit
as of Nov. 9**

Main Factors that affected revenue	
Impact of the 2024 Noto Peninsula Earthquake	Approx. -¥24 billion
External factors (Impact of purchasers' decisions to delay tenders as they manage the effects of the anti-corruption campaign in China, etc.)	Approx. -¥11-12 billion
Supply shortages due to supply chain issues	Approx. -¥9-10 billion

**FY2024
Operating profit
latest forecasts**

Key Product Catalysts: Endoscopic Solutions Division (As of Feb. 14, 2024)



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

GI Endoscopy

- EVIS X1 (EU, Japan, AP)
- EVIS EXERA III (US, EU)
- EVIS LUCERA ELITE (China)

Surgical Endoscopy

- VISERA ELITE II 2D/3D/IR (US, China)
- VISERA 4K UHD (US, China)
- VISERA ELITE III (EU, Japan)

Just launched / Coming soon

GI Endoscopy

- EVIS X1 (US, China)
- EU-ME3 (EU, Japan, AP)
- **Aplio i800 EUS, diagnostic ultrasound system for EUS (EU, Japan)**

Surgical Endoscopy

- VISERA ELITE III (AP, **US**)

Beyond

GI Endoscopy

- Single-use duodenoscope
- ENDO-AID, endoscopy CAD platform for EVIS-X1 (Japan, US)

Surgical Endoscopy

- VISERA ELITE III (**China**)

Key Product Catalysts: Therapeutic Solutions Division (As of Feb. 14, 2024)



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 offering
- 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 electrodes
- SOLTIVE SuperPulsed Laser System for stone + soft tissue (US, EU, AP)

Respiratory

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

Just launched / Coming soon

GI EndoTherapy

- 1 product (US)
- 6 products (EU)
- 5 products (Japan)
- 1 product (China)

Urology

- ESG-410 (US, Japan, AP)
- Single-use ureteroscope (US, AP, Japan)
- SOLTIVE SuperPulsed Laser System (Japan)
- iTind (US, EU, AP)
- Resection electrodes (China)
- OES ELITE Ureteroscope (China)

Respiratory

- New EBUS scope (US, China)
- EVIS X1 bronchoscope (US)
- Endoscopic Ultrasound Processor (EU, Japan, AP)

Beyond

GI EndoTherapy

- Single-use cholangioscope

Urology

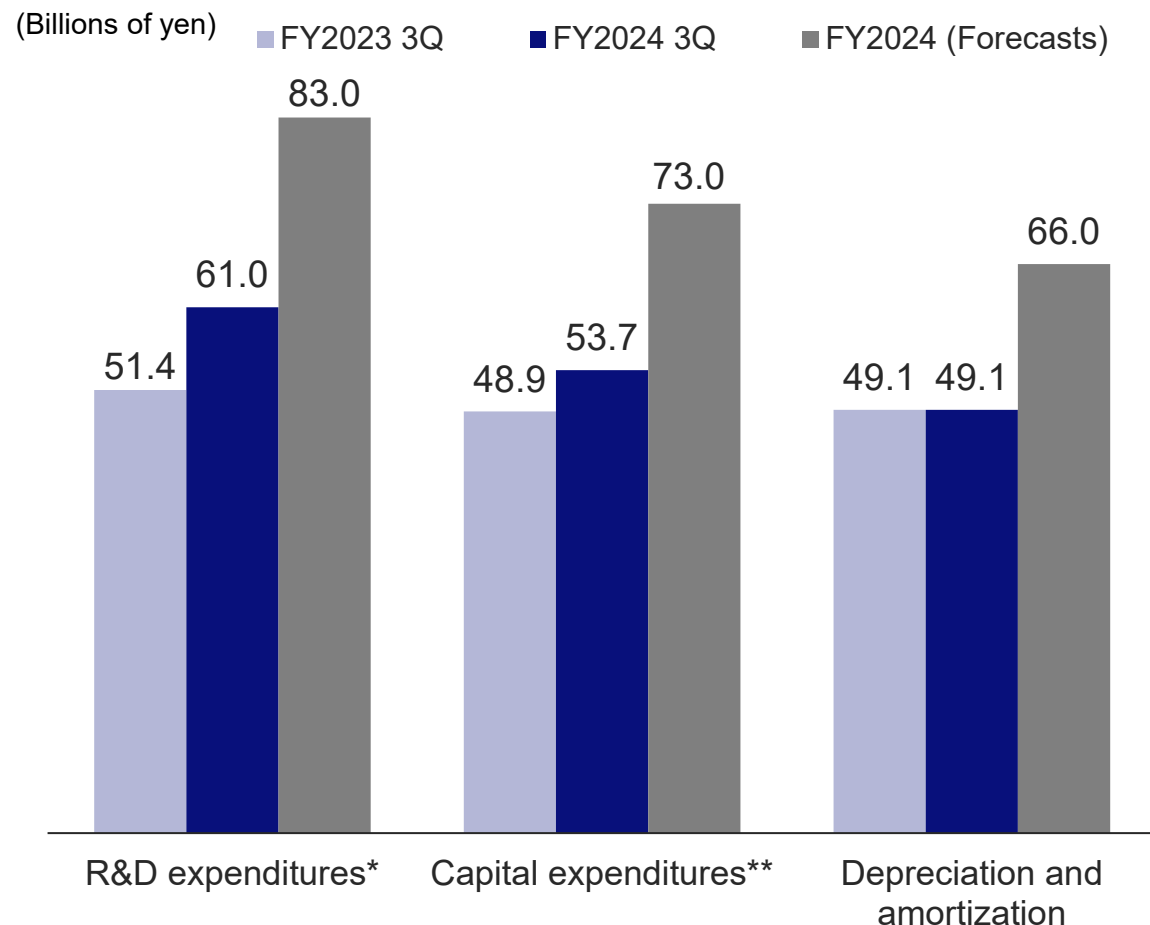
- Cystoscope
- Camera head
- Video processor

Respiratory

- Slim EBUS scope
- EVIS X1 bronchoscope (China)

Expenditures, etc.

9 Months (Apr. to Dec.) and Full-year Forecasts



(Billions of yen)	FY2023	FY2024
R&D expenditures* (a)	51.4	61.0
Capitalization of R&D expenditures (b)	8.8	10.3
R&D expenses in P/L (a-b)	42.6	50.7

(Billions of yen)	FY2023	FY2024
Amortization	6.2	6.3

	End of Sep. 2023	End of Dec. 2023
R&D assets	60.8	62.6

*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.

(FY2023 3Q: ¥8.8 billion, FY2024 3Q: ¥10.3 billion, FY2024 Forecast: ¥16.0 billion)

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)	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 Forecasts as of Nov 9	FY2024 Latest Forecasts
Yen/U.S. dollar	129.57	138.37	141.59	137.37	144.62	147.89	145	143
Yen/Euro	138.12	139.34	144.30	149.47	157.30	159.11	155	156
Yen/CNY	19.58	20.19	19.87	19.56	19.94	20.44	20	20

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 FY2023 4Q results.