

OLYMPUS Investor Day 2018
Financial Strategy

Yasuo Takeuchi
Vice President & CFO
Olympus Corporation
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Review of Financial Strategy – Progress at the end of March 2018 (Outlook)

Key Points	Actions	Progress
<ul style="list-style-type: none"> ■ <u>Increase profitability (profit attributable to owners of parent)</u> 	Strengthen financial position	<ul style="list-style-type: none"> ✓ Equity ratio target of 50% forecast to be achieved ahead of schedule due to reduction of interest-bearing debt
	Improve credit ratings	<ul style="list-style-type: none"> ✓ Issuer rating raised to single A, an increase of two levels during 16CSP (R&I)
	Diversify funding sources	<ul style="list-style-type: none"> ✓ Fund procurement costs down (issuance of publicly available corporate bonds)
<ul style="list-style-type: none"> ■ <u>Improve asset efficiency</u> 	Reduce fixed assets	<ul style="list-style-type: none"> ✓ Appropriate control of cross-holdings ✓ Downsizing of balance sheet (revenue of U.S. lease receivables and reorganization and sell off of fixed assets globally)
<ul style="list-style-type: none"> ■ <u>Control financial leverage</u> 	Improve shareholder returns	<ul style="list-style-type: none"> ✓ Increase cash dividends gradually, targeting total return ratio of 30%

Financial strategy has progressed in line with 16CSP

Management Goals

		<u>FY2018 (Results)</u>	<u>16CSP Management Goals</u>
ROE	Capital Efficiency	14%	15%
Operating Margin	Profitability	10.3%	15%
Equity Ratio	Financial Soundness	45%	50%
EBITDA	Business Growth	+ 7% (¥133.9 billion)	Double-digit growth

■ Continue efforts toward achieving ROE 15%

- ✓ Equity ratio target is expected to achieve by selling off cross-holdings and reducing interest-bearing debt
- ✓ Operating margin is midway, but we continue to aim achieving target and secure 30% of total return ratio as planned
- ✓ Recognize EBITDA is an issue. Support investment for acceleration of growth from financial aspect.

(financial base·diversified funding etc)

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