



# Consolidated Financial Results for the 1<sup>st</sup> Quarter and Full-year Forecasts for Fiscal 2023

# Disclaimer

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- This material contains forward-looking statements that reflect management's current views, plans, and expectations based on information available at the time of preparation. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, future business decisions, and other internal and external factors that may cause the Company's actual results, performance, achievements, or financial position to be materially different from any future results expressed or implied by these forward-looking statements.
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# Highlights

## 1Q Consolidated Financial Results

- ✓ **Revenue and operating profit grew by minimizing multiple risks identified at start of fiscal year**
  - Revenue: 12% consolidated growth. Record high for Medical business in 1Q  
Double-digit growth for both ESD and TSD
  - Operating Profit: Record highs for both amount and ratio in 1Q\*

## Full-year Performance Forecasts

- ✓ **Unchanged from May forecasts excluding FX impact. With FX assumptions revised, revenue and all profit levels were upwardly revised**
  - Revenue: Expected to achieve ¥1,019 billion, up 5% from previous forecast, with Medical reaching a record high
  - Operating profit: Expected to achieve OPM of >20%, which is our target in corporate strategy
  - Profit<sup>\*\*</sup>: Expected to reach a record high of ¥172 billion. EPS: Expected to grow 50% to ¥135

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

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

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**Consolidated Financial Results and  
Business Review for the 1Q of Fiscal  
2023 (FY Ending March 31, 2023)**

# 1Q of Fiscal 2023 (1) Consolidated Financial Results

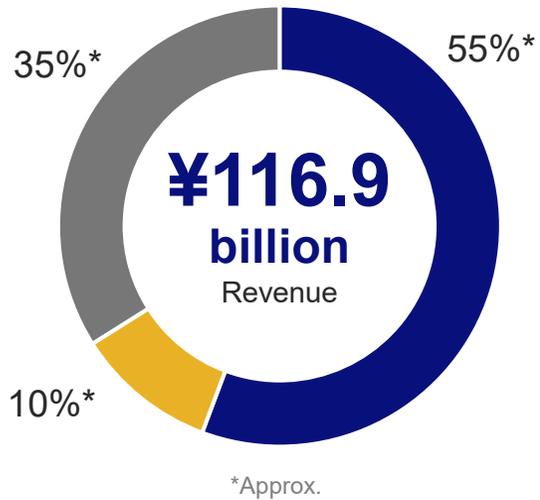
- ☑ Consolidated performance: Consolidated revenue growth of 12% YoY. Operating profit achieved record highs for both amount and ratio\*
- ☑ Compared to internal plan: 1Q progress largely in line with plan despite difficult market environment such as Shanghai lockdown, which was factored in at start of fiscal year

(Billions of yen)	1Q (Apr. to Jun.)		YoY	YoY (After FX adjustment)
	FY2022	FY2023		
Revenue	191.5	214.1	+12%	0%
Gross profit (% of revenue)	123.3 (64.4%)	137.2 (64.1%)	+11%	-2%
Selling, general and administrative expenses (% of revenue)	95.8 (50.0%)	108.9 (50.9%)	+14%	+5%
Other income and expenses	0.1	12.5	-	-
Operating profit (% of revenue)	27.6 (14.4%)	40.8 (19.1%)	+48%	+18%
<b>Adjusted operating profit (% of revenue)</b>	<b>27.6 (14.4%)</b>	<b>28.3 (13.2%)</b>	<b>+3%</b>	
Profit before tax (% of revenue)	27.0 (14.1%)	38.2 (17.9%)	+42%	
Profit** (% of revenue)	18.7 (9.8%)	24.9 (11.6%)	+33%	
EPS	¥15	¥20		
¥/US\$	¥109	¥130		
¥/Euro	¥132	¥138		
¥/CNY	¥17	¥20		

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

\*\*Profit attributable to owners of parent.

# 1Q of Fiscal 2023 (2) Endoscopic Solutions Division (ESD)



(Billions of yen)	FY2022	FY2023
		1Q
Revenue	100.0	116.9
Operating profit	22.7	24.8
Other income and expenses	-2.2	-1.2
Operating margin (After FX adjustment)	22.7%	21.3% (18.3%)

## Growth Rate FY2023 1Q vs FY2022 1Q

vs  
FY2022

vs FY2022  
(after FX  
adjustment)

### ■ Gastrointestinal endoscope

18%

■ All regions grew except China, where COVID-related activity restrictions were implemented. In addition to steady sales expansion of EVIS X1 series, old generation scopes contributed to sales growth. North America, where yen depreciation had a significant effect, also contributed to revenue increase.

5%

### ■ Surgical endoscope

11%

■ All regions grew except China, where COVID-related activity restrictions were implemented. In particular, strong performance in Europe, where VISERA ELITE II surgical endoscopy system contributed to sales growth. North America, where yen depreciation had a significant effect, also contributed to revenue increase.

-1%

### ■ Medical service

17%

■ Steady growth in all regions due to stable revenue stream based on service contracts including maintenance service and an increase in new accounts.

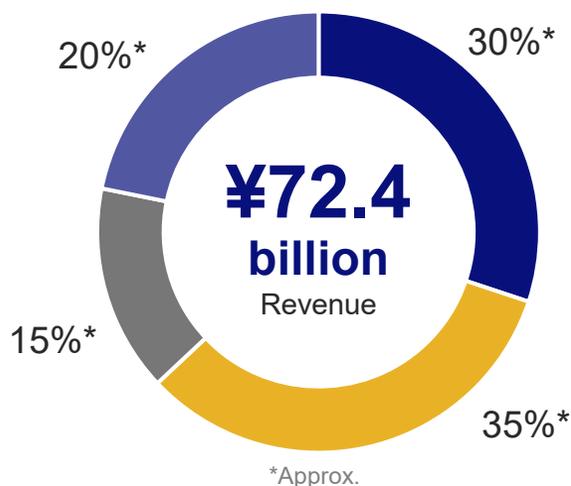
5%

### Total

17%

5%

# 1Q of Fiscal 2023 (3) Therapeutic Solutions Division (TSD)



	FY2022	FY2023
(Billions of yen)		1Q
Revenue		72.4
Operating profit	14.1	13.4
Other income and expenses	2.5	-0.2
Operating margin (After FX adjustment)	22.1%	18.5% (16.5%)

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

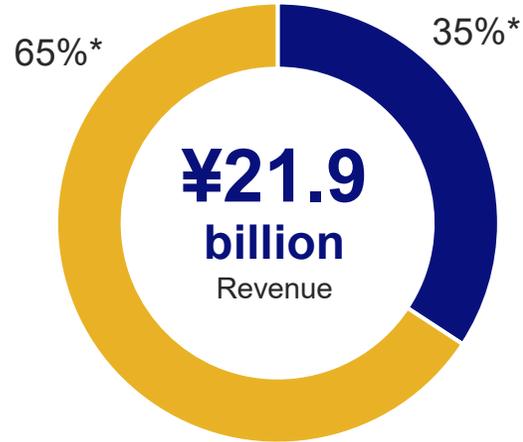
**Growth Rate FY2023 1Q vs FY2022 1Q**

**vs FY2022**

**vs FY2022 (after FX adjustment)**

<b>■ GI-endothorapy</b>	14%	<ul style="list-style-type: none"> <li>Sales grew in all regions and product categories. In particular, strong performance in North America and Europe with the number of procedures recovering. Notable momentum in Sampling (biopsy forceps, etc), ERCP and ESD/EMR products.</li> </ul>	5%
<b>■ Urology**</b>	18%	<ul style="list-style-type: none"> <li>The number of procedures is recovering. Strong performance in North America and Europe, led by resection electrodes for BPH and "SOLTIVE SuperPulsed Laser System" for stone lithotripsy.</li> </ul>	4%
<b>■ Respiratory</b>	7%	<ul style="list-style-type: none"> <li>Solid growth centered on Europe due to procedure volume recovery. In addition, North America, where yen depreciation had a significant effect, also contributed to revenue increase. Strong performance in respiratory-endothorapy products for EBUS-TBNA (Endobronchial ultrasound-guided transbronchial needle aspiration).</li> </ul>	-5%
<b>■ Other theapeutic areas</b>	12%	<ul style="list-style-type: none"> <li>Strong performance in energy devices, led by "THUNDERBEAT".</li> </ul>	2%
<b>Total</b>	14%		2%

# 1Q of Fiscal 2023 (4) Scientific Solutions Division (SSD)



\*Approx.

(Billions of yen)	FY2022	FY2023
		1Q
Revenue		21.9
Operating profit(loss)	1.9	-1.6
Other income and expenses	-0.2	-0.2
Operating margin (After FX adjustment)	7.5%	-

Growth Rate FY2023 1Q vs  
FY2022 1Q

vs  
FY2022

vs FY2022  
(after FX  
adjustment)

■ Life science	-17%	<ul style="list-style-type: none"> <li>Sales decreased due to impact of prolonged delivery time caused by parts shortages including semiconductors, as well as COVID-related activity restrictions in China, although budget execution at research institutions and universities remained steady.</li> </ul>	-26%
■ Industrial	-9%	<ul style="list-style-type: none"> <li>Sales decreased due to impact of prolonged delivery time caused by parts shortages including semiconductors, as well as COVID-related activity restrictions in China, although customers' CAPEX sentiment continued to improve.</li> </ul>	-19%
<b>Total</b>	<b>-12%</b>		<b>-21%</b>

# Statement of Financial Position

☑ Overall balance sheet increased due to foreign exchange effects

(Billions of yen)	End of Mar. 2022	End of Jun. 2022	Change		End of Mar. 2022	End of Jun. 2022	Change
Current assets	694.6	723.1	+28.5	Current liabilities	376.3	362.9	-13.4
Inventories	167.4	186.9	+19.5	Bonds/loans payable	52.3	53.6	+1.4
Non-current assets	663.4	710.4	+47.0	Non current liabilities	470.4	488.5	+18.1
Property, plant and equipment	247.1	259.3	+12.1	Bonds/loans payable	333.8	341.2	+7.3
Intangible assets and others	251.8	268.9	+17.1	Equity	511.4	582.2	+70.8
Goodwill	164.5	182.2	+17.7	(Equity ratio)	37.6%	40.5%	+2.9pt
<b>Total assets</b>	<b>1,358.0</b>	<b>1,433.5</b>	<b>+75.5</b>	<b>Total liabilities and equity</b>	<b>1,358.0</b>	<b>1,433.5</b>	<b>+75.5</b>

# Consolidated Cash Flows

- ☑ FCF: Minus ¥21.7 billion due to corporate tax payments etc. Considering adjusted factors, adjusted FCF was minus ¥20.3 billion
- ☑ Financing CF: Minus ¥21.7 billion due mainly to dividend payments

1Q (Apr. to Jun.)

	FY2022	FY2023	Change
Profit before tax	27.0	38.2	+11.3
CF from operating activities	23.7	-26.9	-50.5
CF from investing activities	-33.5	5.2	+38.7
Free cash flow	-9.8	-21.7	-11.8
Adjusted Free cash flow	20.3	-20.3	-40.6
CF from financing activities	-39.0	-21.7	-17.2
Cash and cash equivalents at end of period	168.7	286.4	+117.7

## Major adjusted items for FY2022 Q1 (Apr. to Jun.)

Operating CF: Reversal of provision for career support for external opportunity program	¥8.8 billion
Investing CF: Acquisition and integration-related payments	¥21.3 billion

## Major adjusted items for FY2023 Q1 (Apr. to Jun.)

Operating CF: Tax payments for reorganization of SSD	¥17.8 billion
Investing CF: Proceeds from sale of fixed assets (land)	¥19.1 billion
Investing CF: Investments and temporary financial burden associated with start of Evident	¥2.7 billion

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## **Forecasts for Fiscal 2023**

# Fiscal 2023 Consolidated Forecasts

☑ Unchanged from the May forecasts excluding FX impact. With FX assumptions revised, revenue and all profit levels were upwardly revised

- 1** Revenue: Expected to achieve ¥1,019 billion, up 5% from previous forecast
- 2** Operating profit: Expected to achieve OPM of >20%, which is our target in corporate strategy. Record highs for both amount and ratio
- 3** Profit\*: Expected to reach a record high of ¥172 billion. EPS: Expected to grow 50% to ¥135

(Billions of yen)	FY2023 Forecasts as of May 11	FY2023 Latest Forecasts	Change	vs May 11	vs May 11 (After FX adjustment)
Revenue	968.0	<b>1</b> 1,019.0	+51.0	+5%	0%
Gross profit (% of revenue)	646.5 (66.8%)	688.0 (67.5%)	+41.5	+6%	0%
Selling, general and administrative expenses (% of revenue)	445.5 (46.0%)	461.0 (45.2%)	+15.5	+3%	-1%
Other income and expenses	5.0	4.0	-	-	-
Operating profit (% of revenue)	206.0 (21.3%)	<b>2</b> 231.0 (22.7%)	+25.0	+12%	0%
<b>Adjusted operating profit (% of revenue)</b>	<b>202.0 (20.9%)</b>	<b>228.0 (22.4%)</b>	<b>+26.0</b>	<b>+13%</b>	
Profit before tax (% of revenue)	200.0 (20.7%)	225.0 (22.1%)			
Profit attributable to owners of parent (% of revenue)	154.0 (15.9%)	<b>3</b> 172.0 (16.9%)			
EPS	¥121	¥135			

**Dividend forecast for FY2023**  
Year-end dividend of ¥16 per share

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

# Fiscal 2023 Forecasts by Business Segment

**1** Medical: Revenue is expected to reach a record high

**2** SSD: Expected to achieve full-year outlook with proceeding with product shipments as parts shortages are resolved from 2Q onward

(Billions of yen)		FY2023 Forecasts as of May 11	FY2023 Latest Forecasts	Change	vs May 11	vs May 11 (After FX adjustment)
ESD	Revenue	509.0	<b>1</b> 536.0	+27.0	+5%	0%
	Operating profit	156.0	174.0	+18.0	+12%	+1%
TSD	Revenue	310.0	<b>1</b> 327.0	+17.0	+5%	0%
	Operating profit	69.5	75.5	+6.0	+9%	0%
SSD	Revenue	138.0	<b>2</b> 145.0	+7.0	+5%	0%
	Operating profit	24.5	26.5	+2.0	+8%	-6%
Others	Revenue	11.0	11.0	-	-	-2%
	Operating profit (loss)	-1.5	-1.5	-	-	-
Elimination and corporate	Operating profit (loss)	-42.5	-43.5	-¥1.0 billion	-¥1.0 billion	-¥0.3 billion
Consolidated Total	Revenue	968.0	1,019.0	+51.0	+5%	0%
	Operating profit	206.0	231.0	+25.0	+12%	0%

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## **TSD Growth Story**

# TSD aims to grow by focusing on targeted diseases



## Therapeutic Area

## Targeted Diseases

 <b>GI ENDOTHERAPY</b>	<ul style="list-style-type: none"> <li>Colorectal Cancer</li> <li>Pancreaticobiliary Diseases</li> <li>Gastric Cancer</li> <li>Metabolic Disorders</li> </ul>
 <b>UROLOGY</b>	<ul style="list-style-type: none"> <li>BPH</li> <li>Stone Management</li> <li>Bladder Cancer</li> </ul>
 <b>RESPIRATORY</b>	<ul style="list-style-type: none"> <li>Lung Cancer</li> <li>COPD</li> </ul>

We will **target attractive and growing targeted diseases** in which we have a **strong market presence with differentiated offerings**, market expertise, strong **relationships with key stakeholders**, and ultimately can **elevate the standard of care** (e.g., by addressing a significant unmet need, introducing a game-changing solution that can replace the gold standard)

# GI Endotherapy leverages its strong market position to derive high profits while improving the standard of care



¥300 - 350B

5% - 7% CAGR  
GI Endotherapy  
addressable market

#2 Market Position	Strong Foundation	Driving Growth Now	Future Growth Drivers
<p><b>Leading Solutions</b></p> 	  <p>Guidewires      Sphincterotomes</p>	 <p>Dual Knife J™</p>	  <p>EndoCuff™ Adenoma detection      Single-use cholangioscope³</p>
<b>Clinical procedure</b>	ERCP <sup>1</sup>	ESD <sup>2</sup>	Colonoscopy      Cholangioscopy

**Leverage #1 market position in GI endoscopes**

Note: Served market scale and growth forecast information comes from Olympus research and pertains to data for the USA, 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 the two slides that follow

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

<sup>1</sup> ERCP: endoscopic retrograde cholangiopancreatography

<sup>2</sup> ESD: endoscopic submucosal dissection

<sup>3</sup> The product under development has not been submitted to FDA for formal review and is not available for the US Market

# Urology delivering strong growth at high profitability through innovative solutions that improve workflow and clinical outcomes



¥280 - 350B

5% - 7% CAGR  
Urology  
addressable  
market

#2 Market Position	Strong Foundation	Driving Growth Now	Future Growth Drivers
<p><b>Upper tract</b> (Kidney, Ureter, + Bladder)</p> <p><b>Stone Management</b> ¥ 180B market CAGR +4%</p>	<p>Ureterscopes and lithotripsy generators</p>	<p>Soltive™ lithotripsy generator and lithotripsy consumables</p>	<p>Under development</p> <p>Single-use ureteroscope<sup>2</sup></p>
<p><b>Lower tract</b> (Bladder + Prostate)</p> <p><b>BPH<sup>1</sup> + Bladder Cancer</b> ¥ 125B market CAGR +10%</p>	<p>Cystoscopy and legacy resection consumables</p>	<p>PLASMA+™ resection generator and bipolar consumables</p>	<p>iTind™ Minimally Invasive BPH device</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.  
<sup>1</sup>BPH: benign prostatic hyperplasia <sup>2</sup> The product under development has not been submitted to FDA for formal review and is not available for the US Market

# Respiratory EBUS scopes and needles are highly profitable, market leading solutions for lung cancer staging and diagnosis



¥60 - 80B

6% - 7% CAGR  
Respiratory  
addressable  
market

## #1 Market Position

Lung Cancer  
Staging + Diagnosis



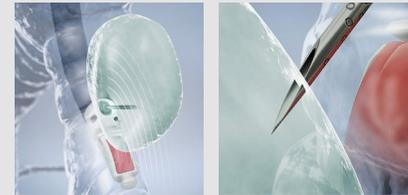
Procedure growth  
Single digit  
#1 cancer deaths

## Strong Foundation



Bronchoscopy platform  
including EVIS X1

## Driving Growth Now



EBUS<sup>1</sup> : bronchoscope and  
ViziShot™ EBUS-TBNA<sup>4</sup> needles

## Future Growth Drivers



SPiN™ EMN<sup>2</sup> system  
Broad portfolio of SU<sup>3</sup> bronchoscopes

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

<sup>1</sup> EBUS: endoscopic bronchial ultrasound

<sup>2</sup> EMN: electromagnetic navigation

<sup>3</sup> SU: single use

<sup>4</sup> TBNA – transbronchial needle aspiration

**OLYMPUS**

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

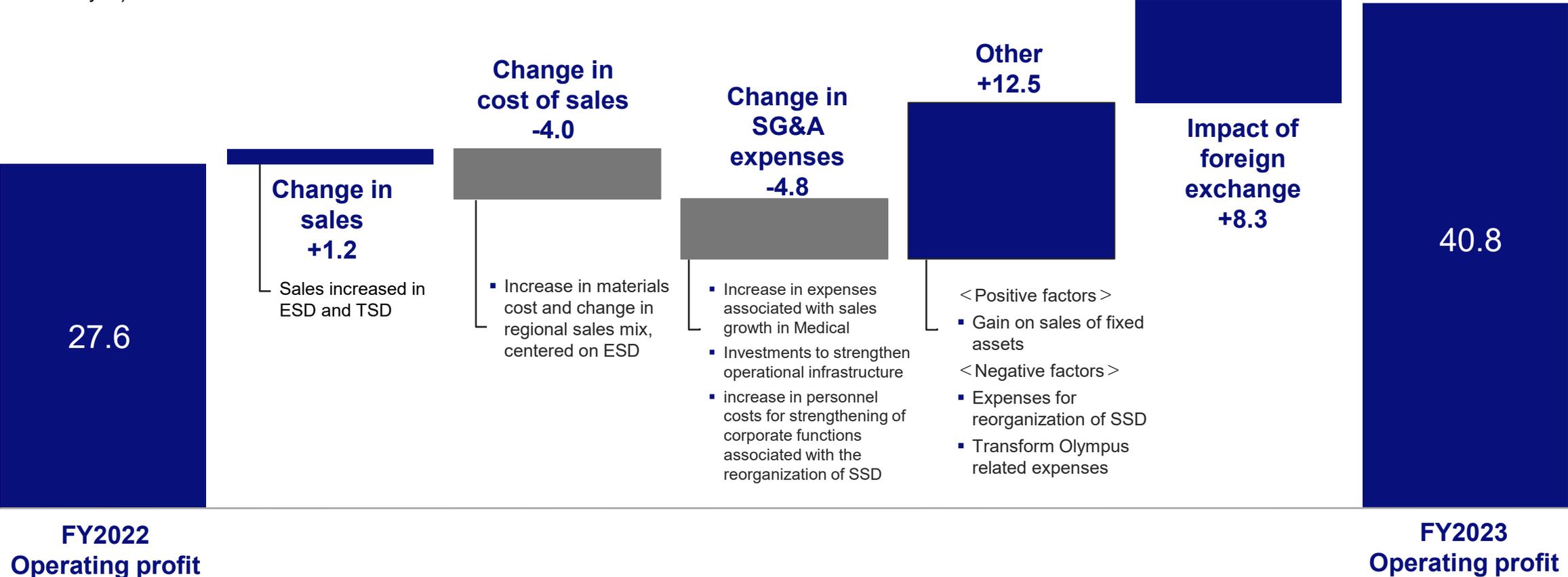
# Appendix

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# 1Q of Fiscal 2023 Factors that Affected Consolidated Operating Profit

1Q (Apr. to Jun.)

(Billions of yen)



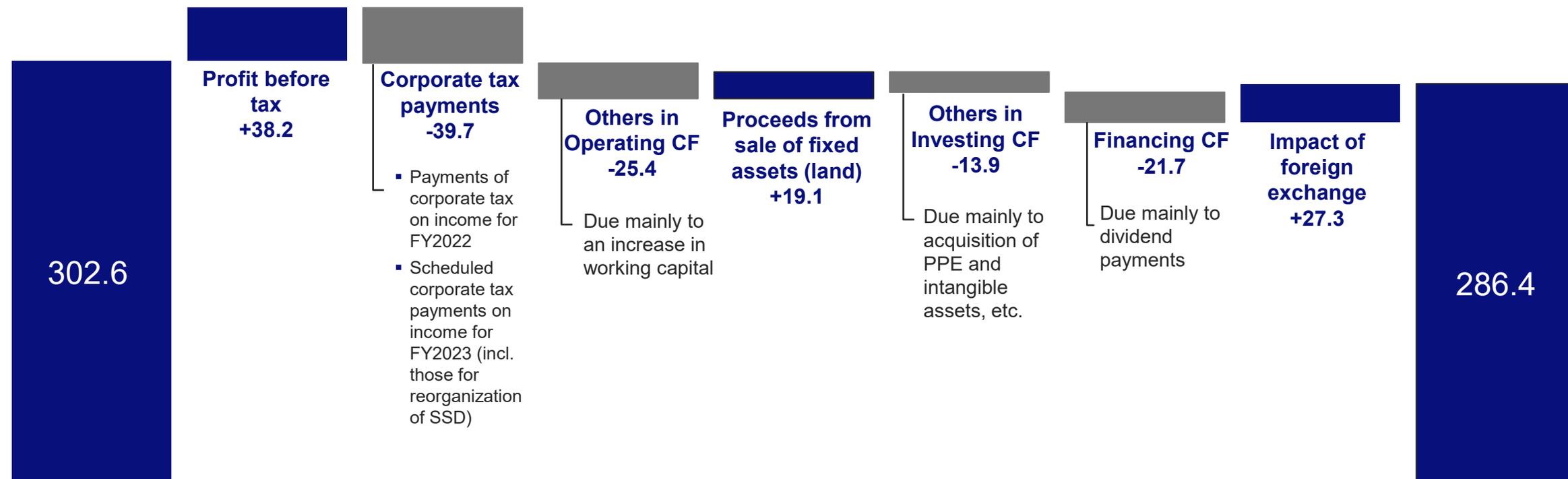
# 1Q of Fiscal 2023 Results by Segment

1Q (Apr. to Jun.)

(Billions of yen)		FY2022	FY2023	YoY	After FX adjustment
ESD	Revenue	100.0	116.9	+17%	+5%
	Operating profit	22.7	24.8	+10%	-16%
TSD	Revenue	63.6	72.4	+14%	+2%
	Operating profit	14.1	13.4	-5%	-24%
SSD	Revenue	24.8	21.9	-12%	-21%
	Operating profit(loss)	1.9	-1.6	-¥3.5 billion	-¥3.9 billion
Others	Revenue	3.0	2.9	-4%	-6%
	Operating profit(loss)	-0.6	-0.3	+¥0.3 billion	+¥0.3 billion
Elimination and Corporate	Operating profit(loss)	-10.4	4.5	+¥14.9 billion	+¥15.3 billion
<b>Consolidated Total</b>	Revenue	191.5	214.1	+12%	0%
	Operating profit	27.6	40.8	+48%	+18%

# Factors that Affected Consolidated Cash Flows

FCF -21.7 (Adjusted FCF\* -20.3)

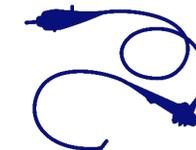


End of March 2022  
Cash and cash equivalents

*Major adjusted items for FY2023 Q1 (Apr. to Jun.)	
Operating CF: Tax payments for reorganization of SSD	¥17.8 billion
Investing CF: Proceeds from sale of fixed assets (land)	¥19.1 billion
Investing CF: Investments and temporary financial burden associated with start of Evident	¥2.7 billion

End of June 2022  
Cash and cash equivalents

# Key Product Catalysts: Endoscopic Solutions Division (As of Aug 9, 2022)



## ESD Key priorities for FY2023

- Accelerate EVIS X1 sales growth in Europe, Japan and Asia Pacific
- Launch EVIS X1 in US successfully 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 (EU, Japan)
- VISERA ELITE II 2D (US)
- VISERA ELITE (China)
- VISERA 4K UHD (US, EU, Japan, China)

### Just launched / Coming soon

#### GI endoscopy

- EVIS X1 (US)
- Next generation EUS system (EU, Japan)

#### Surgical endoscopy

- VISERA ELITE II 3D/IR (US)
- VISERA ELITE II 2D/3D/IR (China)
- New generation surgical endoscopy system (EU, Japan)

### Beyond

#### GI endoscopy

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

#### Surgical endoscopy

- New generation surgical endoscopy system (US)

# 16%

## Growth rate<sup>1</sup> in FY2023

<sup>1</sup> YoY including FX

# Key Product Catalysts: Therapeutic Solutions Division (As of Aug 9, 2022)



## TSD Key priorities for FY2023

### 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

- Launch EVIS X1, our next generation bronchoscopy platform, in the US market
- Accelerate growth through expansion of lung cancer solutions leveraging acquisition of Veran Medical Technologies

## Growth driver now

### GI endotherapy

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

### Urology

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

### Respiratory

- Bronchoscope, EBUS scope
- ViziShot series
- Spiration Valve System

## Just launched / Coming soon

### GI endotherapy

- 4 products (US)
- 4 products (EU)
- 4 products (Japan)
- 3 products (China)

### Urology

- iTind, non-surgical device for Benign Prostatic Hyperplasia (US, EU)

### Respiratory

- Veran Electromagnetic Navigation system (US)
- Single-use bronchoscope (US)
- EBUS scope (US)
- EVIS X1 bronchoscope (US)

## Beyond

### GI endotherapy

- Single-use cholangioscope

### Urology

- Single-use ureteroscope

### Respiratory

- Veran Electromagnetic Navigation system (EU)
- Single-use bronchoscope

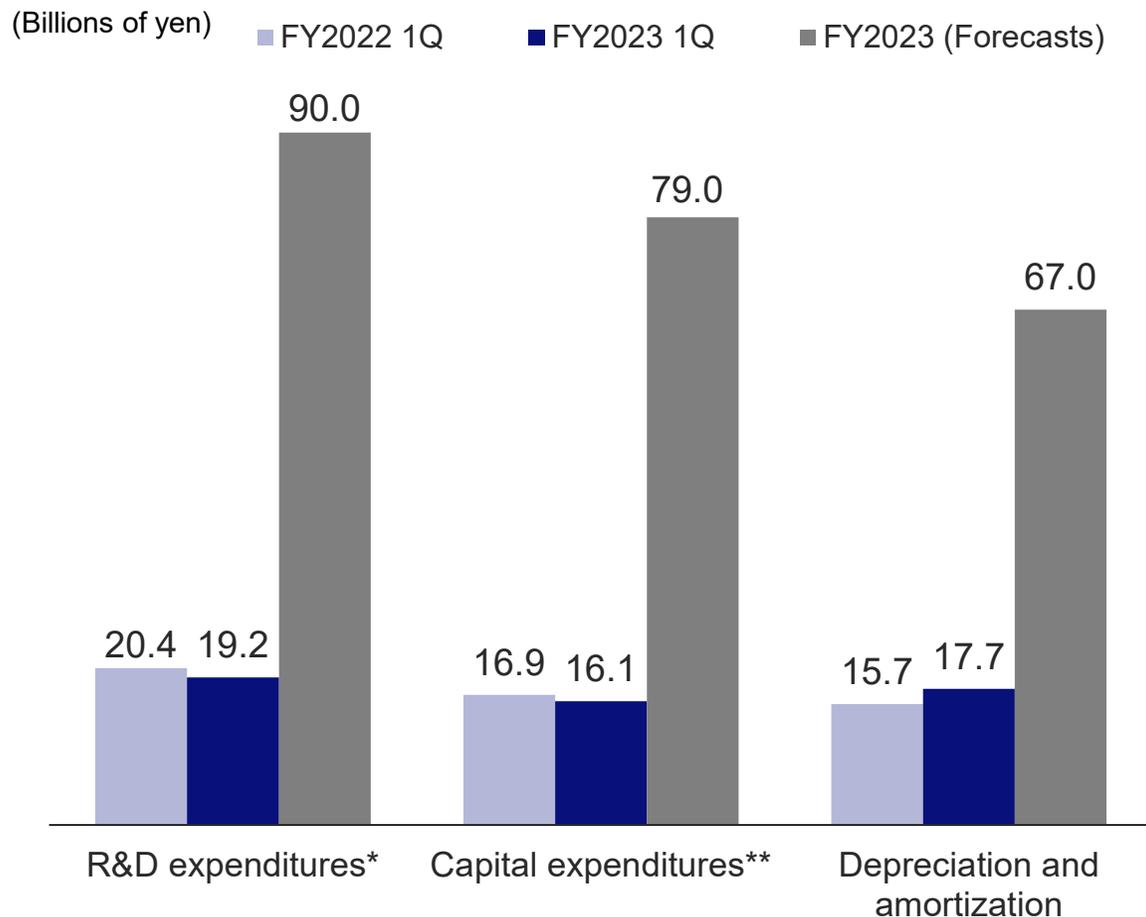
**19%**

**Growth rate<sup>1</sup>  
in FY2023**

<sup>1</sup> YoY including FX

# Expenditures, etc.

## 1Q Results and Forecasts



(Billions of yen)	FY2022	FY2023
R&D expenditures* (a)	20.4	19.2
Capitalization of R&D expenditures (b)	3.8	2.4
R&D expenses in P/L (a-b)	16.6	16.8

(Billions of yen)	FY2022	FY2023
Amortization	2.2	2.3

	End of Mar. 2022	End of Jun. 2022
R&D assets	62.0	63.4

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

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

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

(FY2022 1Q: ¥3.8 billion, FY2023 1Q: ¥5.0 billion, FY2023 Forecast: ¥7.0 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)	FY2022 1Q	FY2023 1Q	FY2023 Forecasts as of May 11	FY2023 Latest Forecasts
Yen/U.S. dollar	109.49	129.57	123	134
Yen/Euro	131.96	138.12	135	140
Yen/CNY	16.96	19.58	19	20

## Forex sensitivity (annual)

(Billions of yen)	Revenue	Operating profit
U.S. dollar (per yen)	3.0	1.5
Euro (per yen)	1.8	0.8
CNY (per yen)	7.0	4.8