

Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2025 <under IFRS>



August 7, 2024

Company Name: Olympus Corporation
 Code Number: 7733
 (URL: <https://www.olympus.co.jp/>)
 Stock Exchange Listing: Prime Market of Tokyo Stock Exchange
 Representative: Stefan Kaufmann, Director, Representative Executive Officer, President and CEO
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 Scheduled date to commence dividend payments: –
 Presentation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2025 (From April 1, 2024 to June 30, 2024)

(1) Consolidated Results of Operations (cumulative) (% indicate changes from the same period of the previous fiscal year)

| | Revenue | | Operating profit | | Adjusted operating profit | | Profit before tax | | Profit | |
|--------------------|-------------|------|------------------|------|---------------------------|------|-------------------|------|-------------|--------|
| | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥ million) | % |
| Three months ended | | | | | | | | | | |
| June 30, 2024 | 234,821 | 14.6 | 27,477 | 21.4 | 37,236 | 31.7 | 26,398 | 33.1 | 14,583 | (93.9) |
| June 30, 2023 | 204,985 | – | 22,626 | – | 28,279 | – | 19,836 | – | 240,614 | 865.5 |

| | Profit attributable to owners of parent | | Total comprehensive income | | Basic earnings per share | | Diluted earnings per share | |
|--------------------|---|--------|----------------------------|--------|--------------------------|--------|----------------------------|--------|
| | (¥ million) | % | (¥ million) | % | (¥) | (¥) | (¥) | (¥) |
| Three months ended | | | | | | | | |
| June 30, 2024 | 14,583 | (93.9) | 53,437 | (81.3) | 12.51 | 12.49 | 191.90 | 191.50 |
| June 30, 2023 | 240,560 | 867.7 | 285,117 | 221.5 | 191.90 | 191.50 | | |

Note: The Orthopedic Business has been classified as a discontinued operation from the first quarter ended June 30, 2024. Due to this, the amounts presented for revenue, operating profit, adjusted operating profit and profit before tax are the amounts from continuing operations from which the amounts from discontinued operation have been excluded. The amounts presented for profit and profit attributable to owners of parent are aggregates of continuing operations and discontinued operation. As the businesses have been similarly reclassified in the three months ended June 30, 2023, changes from the same period of the previous fiscal year are not presented.

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets |
|----------------|--------------|--------------|---|--|
| | (¥ million) | (¥ million) | (¥ million) | % |
| As of | | | | |
| June 30, 2024 | 1,515,386 | 790,058 | 790,058 | 52.1 |
| March 31, 2024 | 1,534,216 | 757,186 | 757,186 | 49.4 |

2. Dividends

| | Annual dividends | | | | |
|--|------------------|----------------|---------------|----------|-------|
| | First quarter | Second quarter | Third quarter | Year-end | Total |
| | (¥) | (¥) | (¥) | (¥) | (¥) |
| Fiscal year ended March 31, 2024 | – | 0.00 | – | 18.00 | 18.00 |
| Fiscal year ending March 31, 2025 | – | | | | |
| Fiscal year ending March 31, 2025 (Forecast) | | 0.00 | – | 20.00 | 20.00 |

Note: Revisions of the forecast most recently announced: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(% indicate changes from the same period of the previous fiscal year)

| | Revenue | | Operating profit | | Adjusted operating profit | | Profit before tax | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-------------|-----|------------------|-------|---------------------------|------|-------------------|-------|---|--------|--------------------------|
| | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥) |
| Full year | 1,009,000 | 9.0 | 176,000 | 242.4 | 197,500 | 30.4 | 170,000 | 289.9 | 121,000 | (50.2) | 105.70 |

Note: Revisions of the forecast most recently announced: Yes

The Orthopedic Business has been classified as a discontinued operation from the first quarter ended June 30, 2024. Due to this, the amounts presented for revenue, operating profit, adjusted operating profit and profit before tax in the forecast of financial results for the fiscal year ending March 31, 2025 are the amounts from continuing operations. The amounts presented for profit attributable to owners of parent and basic earnings per share are aggregates of continuing operations and discontinued operation.

* Notes

(1) Significant changes in the scope of consolidation during the period: No

(2) Changes in accounting policies and changes in accounting estimates

- 1) Changes in accounting policies required by IFRS: No
- 2) Changes in accounting policies due to other reasons: No
- 3) Changes in accounting estimates: No

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares)

| | |
|----------------------|----------------------|
| As of June 30, 2024 | 1,177,700,200 shares |
| As of March 31, 2024 | 1,215,146,700 shares |

2) Total number of treasury shares at the end of the period

| | |
|----------------------|-------------------|
| As of June 30, 2024 | 11,885,113 shares |
| As of March 31, 2024 | 49,514,907 shares |

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | |
|----------------------------------|----------------------|
| Three months ended June 30, 2024 | 1,165,693,924 shares |
| Three months ended June 30, 2023 | 1,253,555,850 shares |

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of the forecast of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements contained in these materials are based on information currently available as of the date of release of these materials and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

(Adjusted operating profit)

Adjusted operating profit is the amount of profit after deducting other income and other expenses from operating profit. Adjusted operating profit is disclosed because it is one of the performance metrics of the Olympus Group.

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1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Three-Month Period

In the first quarter ended June 30, 2024, Olympus Corporation entered into a put option agreement with PTCJ-6O Holdings Inc. and PTCJ-6F Holdings Inc. (special purpose companies established by Polaris Capital Group Co., Ltd., collectively, the “Polaris Capital Group”), to transfer Olympus Terumo Biomaterials Corporation and FH Ortho SAS, Olympus’s Orthopedic Business. Due to this, profit (loss) from the Orthopedic Business has been classified as profit (loss) from discontinued operation from the first quarter ended June 30, 2024, and it has been presented in the same manner for the three months ended June 30, 2023. Furthermore, the amounts presented for revenue, operating profit, adjusted operating profit, profit before tax and profit from continuing operations are the amounts from continuing operations from which the amounts from discontinued operation have been excluded, while the amounts presented for profit and profit attributable to owners of parent are aggregates of continuing operations and discontinued operation.

In the past, the Olympus Group had three reportable segments: “Endoscopic Solutions,” “Therapeutic Solutions,” and “Other.” However, since the Orthopedic Business was classified as a discontinued operation, the operations in “Other” apart from the Orthopedic Business that were included in continuing operations have been excluded from the reportable segments as they were deemed to have a decrease in financial materiality for financial information expected in the current fiscal year. For this reason, from the first quarter ended June 30, 2024, we have changed to two reportable segments: “Endoscopic Solutions” and “Therapeutic Solutions,” and have presented the information in the same manner for the three months ended June 30, 2023.

In accordance with the put option agreement, the transfer of the Orthopedic Business was completed on July 12, 2024.

Trends in overall business results

During the three months ended June 30, 2024 the global economy continued to move towards recovery, the high interest rates in Europe and the U.S., the outlook for China’s economy, the situation in the Middle East region, and other matters need to be closely monitored. Notwithstanding a gradual improvement in business conditions, the Japanese economy was impacted by volatility in foreign exchange rates, and the outlook for the global economy also needs to be closely monitored.

Despite this environment, the Olympus Group is continuing to work to transform into a global MedTech company by pursuing our three priorities of “Patient safety and sustainability,” “Innovation for growth” and “Productivity” in line with the management strategy announced in May 2023.

Business results

Business results of continuing operations are presented in (1) to (10), and business results of aggregates of continuing operations and discontinued operation are presented in (11) below.

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 | Increase (Decrease) | Increase (Decrease) ratio (%) |
|--|-------------------------------------|-------------------------------------|---------------------|----------------------------------|
| (1) Revenue | 204,985 | 234,821 | 29,836 | 14.6 |
| (2) Cost of sales | 69,416 | 78,615 | 9,199 | 13.3 |
| (3) Selling, general and administrative expenses | 107,101 | 118,833 | 11,732 | 11.0 |
| (4) Share of profit (loss) of investments accounted for using equity method/Other income/Other expenses | (5,842) | (9,896) | (4,054) | – |
| (5) Operating profit | 22,626 | 27,477 | 4,851 | 21.4 |
| (6) Adjusted operating profit | 28,279 | 37,236 | 8,957 | 31.7 |
| (7) Finance income (loss) | (2,790) | (1,079) | 1,711 | – |
| (8) Profit before tax | 19,836 | 26,398 | 6,562 | 33.1 |
| (9) Income taxes | 6,270 | 11,612 | 5,342 | 85.2 |
| (10) Profit from continuing operations | 13,566 | 14,786 | 1,220 | 9.0 |
| (11) Profit attributable to owners of parent | 240,560 | 14,583 | (225,977) | (93.9) |
| Exchange rate (Yen/USD) | 137.37 | 155.88 | 18.51 | – |
| Exchange rate (Yen/EUR) | 149.47 | 167.88 | 18.41 | – |
| Exchange rate (Yen/CNY) | 19.56 | 21.48 | 1.92 | – |

(1) Revenue

Revenue increased by ¥29,836 million year on year to ¥234,821 million, with revenue growth in both the Endoscopic Solutions Business and Therapeutic Solutions Business. Details are as described in “Analysis of the performance by segment” below.

(2) Cost of sales

Cost of sales increased by ¥9,199 million year on year to ¥78,615 million. The cost-to-sales ratio improved by 0.4 percentage points year on year to 33.5% due to factors such as a change in the sales mix.

(3) Selling, general and administrative expenses

Selling, general and administrative expenses increased by ¥11,732 million year on year to ¥118,833 million. The main factors are increases in research and development expenses related mainly to next-generation endoscopic systems and expenses related to the holistic quality transformation program Elevate.

(4) Share of profit (loss) of investments accounted for using equity method/Other income/Other expenses

The sum of share of profit (loss) of investments accounted for using equity method, other income, and other expenses amounted to expenses of ¥9,896 million, and the profit or loss deteriorated by ¥4,054 million year on year. Other income increased by ¥11 million year on year. On the other hand, other expenses increased by ¥4,117 million year on year, reflecting the recording of approximately ¥2,600 million in special additional payment and other expenses associated with the implementation of a career support system for external opportunities and a year-on-year increase of approximately ¥1,000 million in one-off expenses related to the holistic quality transformation program Elevate.

(5) Operating profit

Reflecting the factors stated above, operating profit increased by ¥4,851 million year on year to ¥27,477 million.

(6) Adjusted operating profit

Reflecting the factors stated above, adjusted operating profit, which is the amount of profit after deducting other income and other expenses from operating profit, increased by ¥8,957 million year on year to ¥37,236 million.

(7) Finance income (loss)

Finance loss, which reflects finance income and finance costs, improved ¥1,711 million year on year to ¥1,079 million. The loss improvement mainly reflects a decrease in foreign exchange losses.

(8) Profit before tax

Reflecting the factors stated above, profit before tax increased by ¥6,562 million year on year to ¥26,398 million.

(9) Income taxes

The increased profit before tax led income taxes to increase by ¥5,342 million year on year to ¥11,612 million.

(10) Profit from continuing operations

The increased profit before tax led profit from continuing operations to increase by ¥1,220 million year on year to ¥14,786 million.

(11) Profit attributable to owners of parent

As a result of recording a gain of approximately ¥348,100 million on the transfer of Scientific Solutions Business in discontinued operation during the previous fiscal year, profit attributable to owners of parent decreased by ¥225,977 million year on year to ¥14,583 million.

(Impact of foreign exchanges rates)

Compared to the same period of the previous fiscal year, the yen depreciated against the USD, EUR, and CNY. The average exchange rate during the period was ¥155.88 against the USD (¥137.37 in the same period of the previous fiscal year), ¥167.88 against the EUR (¥149.47 in the same period of the previous fiscal year) and ¥21.48 against the CNY (¥19.56 in the same period of the previous fiscal year), which caused revenue, operating profit and adjusted operating profit to increase by ¥22,717 million, ¥4,414 million and ¥5,008 million, respectively, year on year.

Analysis of the performance by segment**Endoscopic Solutions Business**

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 | Increase (Decrease) | Increase (Decrease) ratio (%) |
|-------------------------|-------------------------------------|-------------------------------------|---------------------|----------------------------------|
| Revenue | 127,138 | 147,387 | 20,249 | 15.9 |
| Operating profit (loss) | 22,177 | 27,374 | 5,197 | 23.4 |

Consolidated revenue in the Endoscopic Solutions Business amounted to ¥147,387 million (up 15.9% year on year), while operating profit amounted to ¥27,374 million (up 23.4% year on year).

In GI Endoscopy, while sales in China declined due to the impact caused by anti-corruption campaigns and other factors, revenue increased in North America with favorable sales of the gastrointestinal endoscopy system “EVIS X1,” resulting in year-on-year growth.

In Surgical Endoscopy, although North America recorded lower revenue, revenue grew in Europe, and the “VISERA ELITE III” surgical endoscopy system performed well, which together with the effects of yen depreciation, resulted in positive growth year on year.

In the medical services field, all regions, especially in North America and Europe, showed positive year-on-year growth due to an increase in new contracts, in addition to stable sales of existing service contracts including maintenance services.

Operating profit in the Endoscopic Solutions Business increased. The increase was due to an increase in revenue, despite increases in research and development expenses related mainly to next-generation endoscopic systems and expenses related to the holistic quality transformation program Elevate, as well as the recording of special additional payment and other expenses associated with the implementation of a career support system for external opportunities of approximately ¥1,300 million.

Therapeutic Solutions Business

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 | Increase (Decrease) | Increase (Decrease) ratio (%) |
|-------------------------|-------------------------------------|-------------------------------------|---------------------|----------------------------------|
| Revenue | 77,156 | 87,284 | 10,128 | 13.1 |
| Operating profit (loss) | 9,681 | 10,271 | 590 | 6.1 |

Consolidated revenue in the Therapeutic Solutions Business amounted to ¥87,284 million (up 13.1% year on year), while operating profit amounted to ¥10,271 million (up 6.1% year on year).

The Therapeutic Solutions Business saw positive growth centered on North America and Europe in all three focus areas: the GI-Endotherapy field, the urology field, and the respiratory field.

In the GI-Endotherapy field, sales increased in product groups for Endoscopic Retrograde Cholangio Pancreatography (ERCP), which are used in endoscopic diagnoses and treatment of pancreatic duct, bile duct, etc. and hemostatic product groups.

The urology field achieved favorable performance, with sales being expanded for lithotripsy machine for kidney stones “SOLTIVE SuperPulsed Laser System” and resection electrodes for BPH (Benign Prostatic Hyperplasia).

In the respiratory field, sales of EBUS scopes and therapeutic devices mainly used for EBUS-TBNA (Endobronchial Ultrasound-guided Transbronchial Needle Aspiration) were favorable.

In other therapeutic areas, revenue decreased, mainly reflecting an impact in Japan, where the Company ceased handling of another company’s products.

Operating profit in the Therapeutic Solutions Business increased. The increase was due to an increase in revenue, which was partially offset by increases in research and development expenses and expenses related to the holistic quality transformation program Elevate.

(2) Summary of Financial Position for the Three-Month Period

[Assets]

As of the end of the first quarter under review, total assets decreased by ¥18,830 million compared to the end of the previous fiscal year to ¥1,515,386 million. In current assets, cash and cash equivalents decreased by ¥66,525 million mainly due to repayments of borrowings of ¥50,000 million and dividends paid of ¥20,981 million, while trade and other receivables decreased by ¥12,891 million. As for non-current assets, property, plant and equipment increased by ¥12,938 million, other financial assets increased by ¥12,520 million mainly due to purchase of investment securities, and goodwill increased by ¥11,881 million.

Assets held for sale increased by ¥12,480 million due to the conclusion of the put option agreement related to the Orthopedic Business.

[Liabilities]

Total liabilities decreased by ¥51,702 million from the end of the previous fiscal year to ¥725,328 million. Bonds and borrowings decreased by ¥45,062 million due to the repayment of borrowings, and other current liabilities decreased by ¥14,193 million due to a decrease in accrued expenses.

[Equity]

Total equity increased by ¥32,872 million from the end of the previous fiscal year to ¥790,058 million. The main factors for this increase, despite the dividends of surplus, were profit attributable to owners of parent of ¥14,583 million and an increase of ¥37,930 million in other components of equity due mainly to exchange differences on translation of foreign operations.

In addition, based on resolution of the Board of Directors meeting held on November 9, 2023, Olympus Corporation canceled treasury shares of ¥77,161 million on April 30, 2024.

As a result of the foregoing, equity attributable to owners of parent to total assets increased from 49.4% as of the end of the previous fiscal year to 52.1%.

(3) Summary of Cash Flows for the Three-Month Period

Cash and cash equivalents at the end of the first quarter under review amounted to ¥275,962 million, a decrease of ¥64,971 million from the end of the previous fiscal year. The following are the cash flows for the three months ended June 30, 2024.

[Cash flows from operating activities]

Net cash provided by operating activities for the three months ended June 30, 2024 was ¥23,257 million (compared with ¥53,112 million used for the three months ended June 30, 2023). Although there were negative factors such as a decrease in accrued expenses, this increase was driven mainly by profit before tax of ¥26,398 million, adjustment for depreciation and amortization of ¥17,186 million, and a decrease in trade and other receivables of ¥14,214 million.

[Cash flows from investing activities]

Net cash used in investing activities for the three months ended June 30, 2024 was ¥15,160 million (compared with ¥426,988 million provided for the three months ended June 30, 2023). The main factors behind this were purchase of property, plant and equipment of ¥8,439 million and purchase of investment securities of ¥6,734 million.

[Cash flows from financing activities]

Net cash used in financing activities for the three months ended June 30, 2024 was ¥77,478 million (compared with ¥25,888 million used for the three months ended June 30, 2023). The main factors behind this were repayments of borrowings of ¥50,000 million and dividends paid of ¥20,981 million.

(4) Explanation of Research and Development Activities

The amount spent on research and development activities for the overall Group for the three months ended June 30, 2024 for continuing operations, excluding discontinued operations, was ¥24,010 million.

(5) Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements

The forecasts of consolidated financial results for the fiscal year ending March 31, 2025 are revised from the forecasts announced in our “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” released on May 10, 2024.

From the first quarter ended June 30, 2024, the Orthopedic Business was classified as a discontinued operation, and the full-year consolidated financial results forecast has been restated accordingly. The amounts presented below for revenue, operating profit, and profit before tax are the amounts from continuing operations from which the amounts from discontinued operation have been excluded, and the amount presented for profit attributable to owners of parent is the aggregate of continuing operations and discontinued operation. Assumptions for the forecasts for continuing operations remain unchanged from the previous forecast.

Furthermore, the assumed foreign exchange rate remains unchanged (¥151 against the USD, ¥163 against the EUR, and ¥21 against the CNY).

| | Revenue (Millions of yen) | Operating profit (Millions of yen) | Adjusted operating profit (Millions of yen) | Profit before tax (Millions of yen) | Profit attributable to owners of parent (Millions of yen) | Basic earnings per share (Yen) |
|---|---------------------------------|--|--|---|--|--------------------------------------|
| Previous Forecast (A) | 1,021,000 | 177,000 | 198,500 | 171,000 | 121,000 | 106.10 |
| Revised Forecast (B) | 1,009,000 | 176,000 | 197,500 | 170,000 | 121,000 | 105.70 |
| Increase (Decrease) (B-A) | (12,000) | (1,000) | (1,000) | (1,000) | – | (0.40) |
| Increase (Decrease) ratio (%) | (1.2) | (0.6) | (0.5) | (0.6) | – | (0.4) |
| Reference: Previous forecast after reclassification (C) | 1,009,000 | 176,000 | 197,500 | 170,000 | 121,000 | 106.10 |
| Increase (Decrease) (B-C) | – | – | – | – | – | (0.40) |
| Increase (Decrease) ratio (%) | – | – | – | – | – | (0.4) |

Note: The previous forecast after reclassification reflects the reclassification of the Orthopedic Business as a discontinued operation.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto**(1) Condensed Quarterly Consolidated Statements of Financial Position**

(Millions of yen)

| | Notes | As of March 31, 2024 | As of June 30, 2024 |
|---|-------|----------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 7,15 | 340,933 | 274,408 |
| Trade and other receivables | 15 | 197,599 | 184,708 |
| Other financial assets | 15 | 9,862 | 10,017 |
| Inventories | | 190,030 | 190,395 |
| Income taxes receivable | | 36,686 | 30,175 |
| Other current assets | | 25,175 | 34,385 |
| Subtotal | | 800,285 | 724,088 |
| Assets held for sale | 8 | 55 | 12,535 |
| Total current assets | | 800,340 | 736,623 |
| Non-current assets | | | |
| Property, plant and equipment | | 259,968 | 272,906 |
| Goodwill | | 180,331 | 192,212 |
| Intangible assets | | 91,961 | 94,455 |
| Retirement benefit asset | | 36,815 | 38,289 |
| Investments accounted for using equity method | | 479 | 376 |
| Trade and other receivables | 15 | 55,764 | 61,669 |
| Other financial assets | 15 | 34,146 | 46,666 |
| Deferred tax assets | | 72,324 | 70,422 |
| Other non-current assets | | 2,088 | 1,768 |
| Total non-current assets | | 733,876 | 778,763 |
| Total assets | | 1,534,216 | 1,515,386 |

(Millions of yen)

| | Notes | As of March 31, 2024 | As of June 30, 2024 |
|--|-------|----------------------|---------------------|
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 15 | 61,855 | 57,903 |
| Bonds and borrowings | 15 | 69,988 | 69,925 |
| Other financial liabilities | 15 | 27,673 | 27,723 |
| Income taxes payable | | 38,658 | 39,892 |
| Provisions | | 31,318 | 31,711 |
| Other current liabilities | | 202,203 | 188,010 |
| Subtotal | | 431,695 | 415,164 |
| Liabilities directly associated with assets held for sale | 8 | – | 4,030 |
| Total current liabilities | | 431,695 | 419,194 |
| Non-current liabilities | | | |
| Bonds and borrowings | 15 | 229,628 | 184,629 |
| Other financial liabilities | 15 | 62,238 | 67,324 |
| Retirement benefit liability | | 20,586 | 21,250 |
| Provisions | | 2,362 | 2,322 |
| Deferred tax liabilities | | 11,989 | 12,117 |
| Other non-current liabilities | | 18,532 | 18,492 |
| Total non-current liabilities | | 345,335 | 306,134 |
| Total liabilities | | 777,030 | 725,328 |
| Equity | | | |
| Share capital | | 124,643 | 124,643 |
| Capital surplus | 9 | 92,032 | 92,023 |
| Treasury shares | 9 | (102,017) | (24,481) |
| Other components of equity | | 149,127 | 187,057 |
| Other components of equity related to disposal group held for sale | | – | 867 |
| Retained earnings | | 493,401 | 409,949 |
| Total equity attributable to owners of parent | | 757,186 | 790,058 |
| Total equity | | 757,186 | 790,058 |
| Total liabilities and equity | | 1,534,216 | 1,515,386 |

(2) Condensed Quarterly Consolidated Statements of Profit or Loss

| | | (Millions of yen) | |
|---|-------|-------------------------------------|-------------------------------------|
| | Notes | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Continuing operations | | | |
| Revenue | 6,11 | 204,985 | 234,821 |
| Cost of sales | | 69,416 | 78,615 |
| Gross profit | | 135,569 | 156,206 |
| Selling, general and administrative expenses | | 107,101 | 118,833 |
| Share of profit (loss) of investments accounted for using equity method | | (189) | (137) |
| Other income | | 636 | 647 |
| Other expenses | 12 | 6,289 | 10,406 |
| Operating profit | 6 | 22,626 | 27,477 |
| Finance income | | 495 | 1,094 |
| Finance costs | | 3,285 | 2,173 |
| Profit before tax | | 19,836 | 26,398 |
| Income taxes | | 6,270 | 11,612 |
| Profit from continuing operations | | 13,566 | 14,786 |
| Discontinued operation | | | |
| Profit (loss) from discontinued operation | 16 | 227,048 | (203) |
| Profit | | 240,614 | 14,583 |
| Profit attributable to: | | | |
| Owners of parent | | 240,560 | 14,583 |
| Non-controlling interests | | 54 | - |
| Profit | | 240,614 | 14,583 |
| Earnings per share | | | |
| Basic earnings (loss) per share | | | |
| Continuing operations | 13 | ¥10.78 | ¥12.68 |
| Discontinued operation | 13 | ¥181.12 | ¥(0.17) |
| Basic earnings per share | 13 | ¥191.90 | ¥12.51 |
| Diluted earnings (loss) per share | | | |
| Continuing operations | 13 | ¥10.76 | ¥12.66 |
| Discontinued operation | 13 | ¥180.74 | ¥(0.17) |
| Diluted earnings per share | 13 | ¥191.50 | ¥12.49 |

(3) Condensed Quarterly Consolidated Statements of Comprehensive Income

| | Notes | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|--|-------|-------------------------------------|-------------------------------------|
| (Millions of yen) | | | |
| Profit | | 240,614 | 14,583 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Financial assets measured at fair value through other comprehensive income | | 155 | 19 |
| Remeasurements of defined benefit plans | | (280) | 57 |
| Total of items that will not be reclassified to profit or loss | | (125) | 76 |
| Items that may be reclassified to profit or loss | | | |
| Exchange differences on translation of foreign operations | | 45,786 | 38,629 |
| Cash flow hedges | | (1,158) | 149 |
| Total of items that may be reclassified to profit or loss | | 44,628 | 38,778 |
| Total other comprehensive income | | 44,503 | 38,854 |
| Comprehensive income | | 285,117 | 53,437 |
| Comprehensive income attributable to: | | | |
| Owners of parent | | 285,063 | 53,437 |
| Non-controlling interests | | 54 | - |
| Comprehensive income | | 285,117 | 53,437 |

(4) Condensed Quarterly Consolidated Statements of Changes in Equity

Three months ended June 30, 2023

(Millions of yen)

| | Notes | Equity attributable to owners of parent | | | | | | | Non-controlling interests | Total equity |
|---|-------|---|-----------------|-----------------|----------------------------|--|-------------------|----------|---------------------------|--------------|
| | | Share capital | Capital surplus | Treasury shares | Other components of equity | Other components of equity related to disposal group held for sale | Retained earnings | Total | | |
| Balance at April 1, 2023 | | 124,643 | 92,150 | (28,086) | 77,280 | 3,034 | 371,064 | 640,085 | 1,149 | 641,234 |
| Profit | | | | | | | 240,560 | 240,560 | 54 | 240,614 |
| Other comprehensive income | | | | | 47,537 | (3,034) | | 44,503 | | 44,503 |
| Comprehensive income | | – | – | – | 47,537 | (3,034) | 240,560 | 285,063 | 54 | 285,117 |
| Share repurchase | | | | (0) | | | | (0) | | (0) |
| Disposal of treasury shares | | | (10) | 14 | | | | 4 | | 4 |
| Dividends from surplus | 10 | | | | | | (20,057) | (20,057) | (183) | (20,240) |
| Transfer from retained earnings to capital surplus | | | 3 | | | | (3) | – | | – |
| Transfer from other components of equity to retained earnings | | | | | 280 | | (280) | – | | – |
| Share-based payment transactions | 9 | | 723 | 86 | | | | 809 | | 809 |
| Total transactions with owners | | – | 716 | 100 | 280 | – | (20,340) | (19,244) | (183) | (19,427) |
| Balance at June 30, 2023 | | 124,643 | 92,866 | (27,986) | 125,097 | – | 591,284 | 905,904 | 1,020 | 906,924 |

Three months ended June 30, 2024

(Millions of yen)

| | Notes | Equity attributable to owners of parent | | | | | | | Total equity |
|--|-------|---|-----------------|-----------------|----------------------------|--|-------------------|----------|--------------|
| | | Share capital | Capital surplus | Treasury shares | Other components of equity | Other components of equity related to disposal group held for sale | Retained earnings | Total | |
| Balance at April 1, 2024 | | 124,643 | 92,032 | (102,017) | 149,127 | – | 493,401 | 757,186 | 757,186 |
| Profit | | | | | | | 14,583 | 14,583 | 14,583 |
| Other comprehensive income | | | | | 38,854 | | | 38,854 | 38,854 |
| Comprehensive income | | – | – | – | 38,854 | – | 14,583 | 53,437 | 53,437 |
| Share repurchase | | | | (1) | | | | (1) | (1) |
| Disposal of treasury shares | | | (6) | 6 | | | | 0 | 0 |
| Cancellation of treasury shares | 9 | | (77,161) | 77,161 | | | | – | – |
| Dividends from surplus | 10 | | | | | | (20,981) | (20,981) | (20,981) |
| Transfer from retained earnings to capital surplus | | | 77,111 | | | | (77,111) | – | – |
| Transfer from other components of equity to retained earnings | | | | | (57) | | 57 | – | – |
| Share-based payment transactions | 9 | | 47 | 370 | | | | 417 | 417 |
| Transfer to other components of equity related to disposal group held for sale | | | | | (867) | 867 | | – | – |
| Total transactions with owners | | – | (9) | 77,536 | (924) | 867 | (98,035) | (20,565) | (20,565) |
| Balance at June 30, 2024 | | 124,643 | 92,023 | (24,481) | 187,057 | 867 | 409,949 | 790,058 | 790,058 |

(5) Condensed Quarterly Consolidated Statements of Cash Flows

| | | (Millions of yen) | |
|---|-------|-------------------------------------|-------------------------------------|
| | Notes | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Cash flows from operating activities | | | |
| Profit before tax | | 19,836 | 26,398 |
| Profit (loss) before tax from discontinued operation | 16 | 347,502 | (377) |
| Depreciation and amortization | | 16,613 | 17,186 |
| Interest and dividend income | | (515) | (904) |
| Interest expenses | | 1,408 | 1,304 |
| Share of loss (profit) of investments accounted for using equity method | | 189 | 137 |
| Gain on transfer of the Scientific Solutions Business | 14,16 | (348,125) | – |
| Decrease (increase) in trade and other receivables | | 15,028 | 14,214 |
| Decrease (increase) in inventories | | (8,803) | 19 |
| Increase (decrease) in trade and other payables | | (9,209) | (5,198) |
| Increase (decrease) in retirement benefit liability | | 55 | 541 |
| Decrease (increase) in retirement benefit asset | | (444) | (741) |
| Other | | (2,458) | (26,114) |
| Subtotal | | 31,077 | 26,465 |
| Interest received | | 512 | 902 |
| Dividends received | | 3 | 2 |
| Interest paid | | (1,191) | (1,146) |
| Income taxes paid | | (83,513) | (2,966) |
| Net cash provided by (used in) operating activities | | (53,112) | 23,257 |

| | | (Millions of yen) | |
|--|-------|-------------------------------------|-------------------------------------|
| | Notes | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (11,573) | (8,439) |
| Purchase of intangible assets | | (3,297) | (4,272) |
| Purchase of investment securities | | – | (6,734) |
| Proceeds from transfer of the Scientific Solutions Business | 14,16 | 384,835 | – |
| Proceeds from sale of subsidiaries | 14 | 4,007 | – |
| Collection of loans receivable | 16 | 52,441 | 448 |
| Amount recovered upon cancellation of share purchase agreement | | – | 2,974 |
| Other | | 575 | 863 |
| Net cash provided by (used in) investing activities | | 426,988 | (15,160) |
| Cash flows from financing activities | | | |
| Repayments of long-term borrowings | | – | (50,000) |
| Repayments of lease liabilities | | (5,341) | (5,999) |
| Dividends paid | 10 | (20,057) | (20,981) |
| Dividends paid to non-controlling interests | | (183) | – |
| Other | | (307) | (498) |
| Net cash used in financing activities | | (25,888) | (77,478) |
| Effect of exchange rate changes on cash and cash equivalents | | 5,222 | 4,410 |
| Net increase (decrease) in cash and cash equivalents | | 353,210 | (64,971) |
| Cash and cash equivalents at beginning of period | | 205,512 | 340,933 |
| Cash and cash equivalents at end of period | 7 | 558,722 | 275,962 |

(6) Notes to Condensed Quarterly Consolidated Financial Statements

1. Notes on premise of going concern

No items to report

2. Reporting entity

Olympus Corporation is a joint stock company located in Japan. The address of its registered head office is Hachioji-shi, Tokyo. Olympus Corporation's condensed quarterly consolidated financial statements comprise Olympus Corporation and its subsidiaries (hereinafter, the "Olympus Group") and interests in Olympus Corporation's associates.

The Olympus Group is principally engaged in the manufacturing and sales of endoscopic and therapeutic products. The Company has changed its reportable segments from the first quarter ended June 30, 2024. Details of each business are as described in Notes "6. Business segments."

3. Basis of preparation

(1) Statement of the condensed quarterly consolidated financial statements' compliance with IFRS

The condensed quarterly consolidated financial statements of the Olympus Group have been prepared in accordance with IAS 34 "Interim Financial Reporting" as stipulated by Article 5, Paragraph 2 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements. The condensed quarterly consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be used in conjunction with the Olympus Group's annual consolidated financial statements as of March 31, 2024.

These condensed quarterly consolidated financial statements were approved by Director, Representative Executive Officer, President and CEO Stefan Kaufmann, and Executive Officer and CFO Tatsuya Izumi on August 7, 2024.

(2) Functional currency and presentation currency

The Olympus Group's condensed quarterly consolidated financial statements are presented in Japanese yen, which is also Olympus Corporation's functional currency, and figures are rounded off to the nearest million yen.

(3) Changes in presentation methods

(Condensed Quarterly Consolidated Statements of Cash Flows)

(Cash flows from operating activities)

As "Loss (gain) on sale and retirement of fixed assets" of "Cash flows from operating activities," which had previously been listed independently in the three months ended June 30, 2023, decreased in significance, they have been included in "Other" from the three months ended June 30, 2024. To reflect this change in the presentation method, we have reorganized our Condensed Quarterly Consolidated Financial Statements for the three months ended June 30, 2023.

As a result, in the Condensed Quarterly Consolidated Statements of Cash Flows for the three months ended June 30, 2023, the negative ¥2,479 million presented as "Other" and ¥21 million as "Loss (gain) on sale and retirement of fixed assets" in "Cash flows from operating activities" were reorganized into negative ¥2,458 million in "Other."

(Cash flows from investing activities)

As "Proceeds from sale of property, plant and equipment" of "Cash flows from investing activities," which had previously been listed independently in the three months ended June 30, 2023, decreased in significance, they have been included in "Other" from the three months ended June 30, 2024. To reflect this change in the presentation method, we have reorganized our Condensed Quarterly Consolidated Financial Statements for the three months ended June 30, 2023.

As a result, in the Condensed Quarterly Consolidated Statements of Cash Flows for the three months ended June 30, 2023, the ¥39 million presented as "Other" and ¥536 million as "Proceeds from sale of property, plant and equipment" in "Cash flows from investing activities" were reorganized into ¥575 million in "Other."

4. Material accounting policies

The material accounting policies adopted for the condensed quarterly consolidated financial statements of the Olympus Group for the three months ended June 30, 2024 are the same as those applied for the fiscal year ended March 31, 2024.

5. Significant accounting estimates and associated judgments

In preparing IFRS-based consolidated financial statements, the management is required to make judgments, estimates and assumptions that affect the adoption of accounting policies and the amounts of assets, liabilities, revenues and expenses. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and the effect is recognized in the period in which the estimates are revised and in future periods.

The details of significant accounting estimates and associated judgments in the condensed quarterly consolidated financial statements are unchanged from the contents described in the consolidated financial statements for the previous fiscal year.

6. Business segments

(1) Overview of reportable segments

The business segments of the Olympus Group are the units for which separate financial information is available and according to which review is periodically conducted to decide how to allocate management resources and assess business performance.

In the past, the Olympus Group had three reportable segments: “Endoscopic Solutions,” “Therapeutic Solutions,” and “Other.” However, from the first quarter ended June 30, 2024, we have changed to two reportable segments: “Endoscopic Solutions” and “Therapeutic Solutions,” and have presented the information in the same manner for the three months ended June 30, 2023.

Olympus Corporation entered into a put option agreement with PTCJ-6O Holdings Inc. and PTCJ-6F Holdings Inc. (special purpose companies established by Polaris Capital Group Co., Ltd., collectively, the “Polaris Capital Group”), to transfer Olympus Terumo Biomaterials Corporation and FH Ortho SAS (the “FHO Group”), Olympus’s Orthopedic Business.

Following the completion of the consultation of the relevant works council of the FHO Group on the transfer of the FHO Group, which is compulsory under French law, Olympus will be able to exercise such put option and Olympus and the Polaris Capital Group will execute the transfer of the Orthopedic Business pursuant to a share purchase agreement. However, as a result of the transfer, the financial materiality in the financial information with regard to the previous “Other” will be reduced, and the segment classification has therefore been changed as described above.

From the first quarter ended June 30, 2024, in accordance with company organization changes and a review of operating results management categories inside the Olympus Group, intersegment revenue that was previously recorded in “Other” are now recorded after being allocated to “Endoscopic Solutions” and “Therapeutic Solutions.” The results for the three months ended June 30, 2023 have also been restated to reflect the change in categorization.

The principal products and services of each reportable segment are as follows:

| Reportable Segment | Principal products and services |
|--------------------------------|---|
| Endoscopic Solutions Business | Gastrointestinal endoscopes, surgical endoscopes, medical services |
| Therapeutic Solutions Business | Gastroenterology devices, urology products, respiratory products, energy devices, ENT products, gynecology products |

(2) Revenue and business results for reportable segments

Revenue and business results of each reportable segment of the Olympus Group are as follows. The accounting treatment used for reportable segments is as described in Note “4. Material accounting policies.”

Three months ended June 30, 2023

| | Reportable Segment | | | Other (Note 2) | Adjustment (Note 3) | (Millions of yen) |
|---|-------------------------|--------------------------|---------|-------------------|------------------------|--|
| | Endoscopic Solutions | Therapeutic Solutions | Total | | | Amount on condensed quarterly consolidated financial statements |
| Revenue | | | | | | |
| Revenue from outside customers | 127,138 | 77,156 | 204,294 | 691 | – | 204,985 |
| Intersegment revenue (Note 1) | 4 | 0 | 4 | – | (4) | – |
| Total revenue | 127,142 | 77,156 | 204,298 | 691 | (4) | 204,985 |
| Operating profit (loss) | 22,177 | 9,681 | 31,858 | 34 | (9,266) | 22,626 |
| Finance income | | | | | | 495 |
| Finance costs | | | | | | 3,285 |
| Profit before tax | | | | | | 19,836 |
| Other items | | | | | | |
| Share of profit (loss) of investments accounted for using equity method | (184) | (5) | (189) | – | – | (189) |
| Depreciation and amortization | 10,276 | 4,683 | 14,959 | 54 | 1,417 | 16,430 |
| Impairment losses (reversal of impairment losses) | 138 | – | 138 | – | (4) | 134 |

Notes:

1. Intersegment revenue is based on actual market prices.
2. The amounts recorded in other are the amounts of business segments not attributable to the reportable segments, such as research and development or exploratory activities related to new businesses.
3. Adjustment for operating profit (loss) is corporate expenses that mainly consist of elimination of transactions among segments, as well as general and administrative expenses and fundamental research expenses that are not attributable to reportable segments.

Three months ended June 30, 2024

| | Reportable Segment | | | Other (Note 2) | Adjustment (Note 3) | (Millions of yen) |
|---|-------------------------|--------------------------|---------|-------------------|------------------------|--|
| | Endoscopic Solutions | Therapeutic Solutions | Total | | | Amount on condensed quarterly consolidated financial statements |
| Revenue | | | | | | |
| Revenue from outside customers | 147,387 | 87,284 | 234,671 | 150 | – | 234,821 |
| Intersegment revenue (Note 1) | 19 | 4 | 23 | – | (23) | – |
| Total revenue | 147,406 | 87,288 | 234,694 | 150 | (23) | 234,821 |
| Operating profit (loss) | 27,374 | 10,271 | 37,645 | (231) | (9,937) | 27,477 |
| Finance income | | | | | | 1,094 |
| Finance costs | | | | | | 2,173 |
| Profit before tax | | | | | | 26,398 |
| Other items | | | | | | |
| Share of profit (loss) of investments accounted for using equity method | (124) | (13) | (137) | – | – | (137) |
| Depreciation and amortization | 11,417 | 4,623 | 16,040 | 40 | 996 | 17,076 |
| Impairment losses | 111 | 362 | 473 | – | 153 | 626 |

Notes:

1. Intersegment revenue is based on actual market prices.
2. The amounts recorded in other are the amounts of business segments not attributable to the reportable segments, such as research and development or exploratory activities related to new businesses.

3. Adjustment for operating profit (loss) is corporate expenses that mainly consist of elimination of transactions among segments, as well as general and administrative expenses and fundamental research expenses that are not attributable to reportable segments.

7. Cash and cash equivalents

Cash and cash equivalents included in balances at end of period in the condensed quarterly consolidated statement of cash flows are as follows.

| | (Millions of yen) | |
|--|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Cash and cash equivalents in the condensed quarterly consolidated statements of financial position | 558,722 | 274,408 |
| Cash and cash equivalents included in assets held for sale | – | 1,554 |
| Cash and cash equivalents at end of period in the condensed quarterly consolidated statement of cash flows | 558,722 | 275,962 |

8. Assets held for sale and liabilities directly associated with assets held for sale

Breakdown of assets held for sale and liabilities directly associated with assets held for sale is as follows.

| | (Millions of yen) | |
|-------------------------------|----------------------|---------------------|
| | As of March 31, 2024 | As of June 30, 2024 |
| Assets | | |
| Cash and cash equivalents | – | 1,554 |
| Trade and other receivables | – | 2,380 |
| Inventories | – | 5,467 |
| Land | 41 | 120 |
| Buildings and structures | 14 | 14 |
| Machinery and vehicles | – | 46 |
| Tools, furniture and fixtures | – | 465 |
| Construction in progress | – | 18 |
| Right-of-use assets | – | 35 |
| Intangible assets | – | 960 |
| Deferred tax assets | – | 697 |
| Other financial assets | – | 222 |
| Other current assets | – | 535 |
| Other non-current assets | – | 22 |
| Total | 55 | 12,535 |
| Liabilities | | |
| Trade and other payables | – | 762 |
| Accrued expenses | – | 1,075 |
| Provisions | – | 92 |
| Deferred tax liabilities | – | 546 |
| Other financial liabilities | – | 561 |
| Other current liabilities | – | 622 |
| Retirement benefit liability | – | 366 |
| Other non-current liabilities | – | 6 |
| Total | – | 4,030 |

Assets categorized as assets held for sale as of March 31, 2024 are assets, belonging to the Endoscopic Solutions segment and Therapeutic Solutions segment, that are to be sold from the standpoint of management resource optimization and are scheduled for sale within a year from March 31, 2024.

Explanation of assets classified as assets held for sale and liabilities directly associated with assets held for sale as of June 30, 2024 are as follows.

(Transfer of Orthopedic Business)

Olympus Corporation entered into a put option agreement with PTCJ-6O Holdings Inc. and PTCJ-6F Holdings Inc. (special purpose companies established by Polaris Capital Group Co., Ltd., collectively, the “Polaris Capital Group”), to transfer Olympus Terumo Biomaterials Corporation and FH Ortho SAS (the “FHO Group”), Olympus’s Orthopedic Business.

Following the completion of the consultation of the relevant works council of the FHO Group on the transfer of the FHO Group, which is compulsory under French law, Olympus will be able to exercise such put option and Olympus and the Polaris Capital Group will execute the transfer of the Orthopedic Business pursuant to a share purchase agreement. Accordingly, from the first quarter ended June 30, 2024, the assets and liabilities related to the Orthopedic Business of the Olympus Group have been classified as a disposal group classified as held for sale.

The Business Transfer was completed on July 12, 2024. Details are as described in Notes “18. Subsequent events.”

9. Equity and other equity items

Three months ended June 30, 2023

(Disposal of treasury shares)

Olympus Corporation conducted the disposal of treasury shares based on its restricted stock unit (RSU) system on June 14, 2023. Due to this disposal, treasury shares decreased by 38,929 shares during the three months ended June 30, 2023. The impact of this disposal is that treasury shares decreased by ¥86 million.

Three months ended June 30, 2024

(Cancellation of treasury shares)

Based on resolution of the Board of Directors meeting held on November 9, 2023, Olympus Corporation canceled treasury shares on April 30, 2024. Due to this cancellation, treasury shares decreased by 37,446,500 shares during the three months ended June 30, 2024. The impact of this cancellation is that treasury shares decreased by ¥77,161 million (contraction of negative stated amount in equity), and capital surplus decreased by ¥77,161 million.

The amount of the above cancellation was deducted from other capital surplus in capital surplus, but the amount that exceeds other capital surplus was deducted from retained earnings.

(Disposal of treasury shares)

Olympus Corporation conducted the disposal of treasury shares based on its restricted stock unit (RSU) system and performance share unit (PSU) system on June 10, 2024. Due to this disposal, treasury shares decreased by 180,710 shares during the three months ended June 30, 2024. The impact of this disposal is that treasury shares decreased by ¥370 million.

10. Dividends

Dividends paid are as follows.

Three months ended June 30, 2023

| Resolution | Class of shares | Total dividends (Millions of yen) | Dividend per share (Yen) | Record date | Effective date |
|------------|-----------------|--------------------------------------|-----------------------------|----------------|----------------|
| Board of | Common stock | 20,057 | 16 | March 31, 2023 | June 6, 2023 |

Directors meeting
held on May 12,
2023

Three months ended June 30, 2024

| Resolution | Class of shares | Total dividends (Millions of yen) | Dividend per share (Yen) | Record date | Effective date |
|--|-----------------|--------------------------------------|-----------------------------|----------------|----------------|
| Board of Directors meeting held on May 10, 2024 | Common stock | 20,981 | 18 | March 31, 2024 | June 5, 2024 |

11. Revenue

The organization of the Olympus Group has basically consisted of the Endoscopic Solutions Business, Therapeutic Solutions Business, and Other, but, from the first quarter ended June 30, 2024, the organization has been changed to basically consist of the Endoscopic Solutions Business and Therapeutic Solutions Business.

Olympus Corporation entered into a put option agreement with PTCJ-6O Holdings Inc. and PTCJ-6F Holdings Inc. (special purpose companies established by Polaris Capital Group Co., Ltd., collectively, the “Polaris Capital Group”), to transfer Olympus Terumo Biomaterials Corporation and FH Ortho SAS (the “FHO Group”), Olympus’s Orthopedic Business.

Following the completion of the consultation of the relevant works council of the FHO Group on the transfer of the FHO Group, which is compulsory under French law, Olympus will be able to exercise such put option and Olympus and the Polaris Capital Group will execute the transfer of the Orthopedic Business pursuant to a share purchase agreement. However, as a result of the transfer, the financial materiality in the financial information with regard to the previous “Other” will be reduced, and the organizational composition has therefore been changed as described above.

Following the completion of the consultation of the relevant works council of the FHO Group on this proposed transaction, which is compulsory under French law, Olympus may exercise such put option and Olympus and the Polaris Capital Group will execute the Transfer of the Orthopedic Business pursuant to a share purchase agreement. This organizational change is due to the Company’s judgment that following the Transfer, there will be no financial materiality in the financial information expected for the current fiscal year with regard to the previous “Other.”

Revenue recorded in Endoscopic Solutions Business and Therapeutic Solutions Business is stated as revenue, as these segments are the units for which separate financial information is available and according to which review is periodically conducted to decide how to allocate management resources and assess business performance. Revenue is geographically disaggregated by customer location. Relationship between the disaggregated revenue and revenue of each business segment is as follows:

Three months ended June 30, 2023

| | (Millions of yen) | | | |
|------------------|----------------------|-----------------------|-------|---------|
| | Endoscopic Solutions | Therapeutic Solutions | Other | Total |
| Japan | 16,142 | 10,925 | 332 | 27,399 |
| North America | 45,822 | 30,351 | 5 | 76,178 |
| Europe | 31,070 | 20,498 | 24 | 51,592 |
| China | 17,415 | 7,010 | 304 | 24,729 |
| Asia and Oceania | 13,389 | 6,805 | 26 | 20,220 |
| Other | 3,300 | 1,567 | 0 | 4,867 |
| Total | 127,138 | 77,156 | 691 | 204,985 |

Three months ended June 30, 2024

(Millions of yen)

| | Endoscopic Solutions | Therapeutic Solutions | Other | Total |
|------------------|----------------------|-----------------------|-------|---------|
| Japan | 15,714 | 9,453 | 110 | 25,277 |
| North America | 62,856 | 37,670 | 0 | 100,526 |
| Europe | 35,343 | 24,399 | 26 | 59,768 |
| China | 15,535 | 6,713 | 7 | 22,255 |
| Asia and Oceania | 13,509 | 7,104 | 7 | 20,620 |
| Other | 4,430 | 1,945 | 0 | 6,375 |
| Total | 147,387 | 87,284 | 150 | 234,821 |

The Endoscopic Solutions Business sells medical devices, including gastrointestinal endoscopes and surgical endoscopes, as well as provides medical services such as lease and repair for these products, to customers who are primarily medical institutions in Japan and overseas.

The Therapeutic Solution Business sells medical devices, including gastroenterology devices, urology products, respiratory products, energy devices, ENT products, and gynecology products, to customers who are primarily medical institutions in Japan and overseas.

Other includes revenues related to business segments not attributable to the reportable segments, such as research and development or exploratory activities related to new businesses.

Revenue from the sales of these products has been accounted for using the same accounting policy as that applied in the consolidated financial statements for the previous fiscal year.

12. Other income and other expenses

(1) Other income

Major items of other income are as follows.

Three months ended June 30, 2023

There are no significant transactions.

Three months ended June 30, 2024

There are no significant transactions.

(2) Other expenses

Major items of other expenses are as follows.

Three months ended June 30, 2023

(Quality-related expenses)

In order to comply with quality laws and regulation for medical device of global regulatory authorities, we must strengthen our quality management systems. An expense of ¥5,013 million was incurred in “Other expenses” to ensure we strengthen our global quality management system and to improve targeted areas including complaint handling and response, medical device reporting (MDR), and process design validation.

Three months ended June 30, 2024

(Quality-related expenses)

In order to comply with quality laws and regulation for medical device of global regulatory authorities, we must strengthen our quality management systems. An expense of ¥6,019 million was incurred in “Other expenses” to ensure we strengthen our global quality management system and to improve targeted areas including complaint handling and response, medical device reporting (MDR), and process design validation.

(Implementation of career support system for external opportunity)

Olympus Corporation recorded ¥2,618 million in “Other expenses” as expenses incurred in the provision of special additional payment and re-employment support services under the career

support system for external opportunity implemented by Olympus Corporation and its group companies.

13. Per-share data

(1) Basic earnings per share and diluted earnings per share

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|-----------------------------------|----------------------------------|----------------------------------|
| Basic earnings (loss) per share | | |
| Continuing operations | ¥10.78 | ¥12.68 |
| Discontinued operation | ¥181.12 | ¥(0.17) |
| Basic earnings per share | ¥191.90 | ¥12.51 |
| Diluted earnings (loss) per share | | |
| Continuing operations | ¥10.76 | ¥12.66 |
| Discontinued operation | ¥180.74 | ¥(0.17) |
| Diluted earnings per share | ¥191.50 | ¥12.49 |

(2) The basis for calculating basic earnings per share and diluted earnings per share

| | (Millions of yen) | |
|--|----------------------------------|----------------------------------|
| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Profit used to calculate basic earnings per share and diluted earnings per share | | |
| Profit attributable to owners of parent | 240,560 | 14,583 |
| Profit not attributable to common shareholders of parent | – | – |
| Profit (loss) used to calculate basic earnings per share | 240,560 | 14,583 |
| Continuing operations | 13,512 | 14,786 |
| Discontinued operation | 227,048 | (203) |
| Adjustment to profit | – | – |
| Profit (loss) used to calculate diluted earnings per share | 240,560 | 14,583 |
| Continuing operations | 13,512 | 14,786 |
| Discontinued operation | 227,048 | (203) |

The weighted average number of shares of common stock used to calculate basic earnings per share and diluted earnings per share

| | | |
|--|---------------------------|---------------------------|
| The weighted average number of shares of common stock | 1,253,556 thousand shares | 1,165,694 thousand shares |
| Increase in number of shares of common stock | | |
| Subscription rights to shares relating to stock options | 297 thousand shares | 280 thousand shares |
| Common stock relating to PSU | 1,778 thousand shares | 1,138 thousand shares |
| Common stock relating to RSU | 546 thousand shares | 923 thousand shares |
| Average number of shares of diluted common stock during the period | 1,256,177 thousand shares | 1,168,035 thousand shares |

14. Cash flow information

Three months ended June 30, 2023

(Transfer of Scientific Solutions Business)

(i) Overview of transaction

On August 29, 2022, Olympus Corporation concluded an agreement to transfer all shares of its consolidated subsidiary, Evident Corporation (hereinafter, “Evident”), which operates the Scientific Solutions Business, to K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital, and completed the transfer procedures on April 3, 2023. As a result of this, Olympus Corporation lost its control of Evident on the same day.

(ii) Assets and liabilities associated with the loss of control

| | (Millions of yen) |
|-------------------------|-------------------|
| | Amount |
| Current assets | 118,936 |
| Non-current assets | 50,119 |
| Total assets | 169,055 |
| Current liabilities | 30,657 |
| Non-current liabilities | 12,497 |
| Total liabilities | 43,154 |

(iii) Cash flows associated with the loss of control

| | (Millions of yen) |
|--|-------------------|
| | Amount |
| Cash and cash equivalents received as consideration of the loss of control | 421,018 |
| Cash and cash equivalents of subsidiaries with the loss of control | (36,183) |
| Proceeds from the transfer of Scientific Solutions Business (Note) | 384,835 |

Note: Proceeds from the transfer of Scientific Solutions Business are included in “Cash flows from investing activities” in the Condensed Quarterly Consolidated Statements of Cash Flows.

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥348,125 million associated with the loss of control of Evident under “Profit (loss) from discontinued operation” in the Condensed Quarterly Consolidated Statements of Profit or Loss.

(Transfer of Gyrus Medical Limited)

(i) Overview of transaction

On April 21, 2023, Olympus Corporation concluded an agreement to transfer all shares of Gyrus Medical Limited (“GML”), a consolidated subsidiary of Olympus Corporation, to ATL TECHNOLOGY UK HOLDINGS LIMITED.

Olympus Corporation lost control of GML on the same day that the transfer of shares in accordance with this share transfer agreement was completed.

(ii) Assets and liabilities associated with the loss of control

| | (Millions of yen) |
|--------------------------|-------------------|
| | Amount |
| Current assets | 2,226 |
| Non-current assets | 1,285 |
| Total assets | 3,511 |
| Current liabilities | 688 |
| Non-current liabilities | 17 |
| Total liabilities | 705 |

(iii) Cash flows associated with the loss of control

| | (Millions of yen) |
|--|-------------------|
| | Amount |
| Cash and cash equivalents received as consideration of the loss of control | 4,007 |
| Cash and cash equivalents of subsidiaries with the loss of control | (0) |
| Proceeds from sale of subsidiaries (Note) | 4,007 |

Note: Proceeds from sale of subsidiaries are included in “Cash flows from investing activities” in the Condensed Quarterly Consolidated Statements of Cash Flows.

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a loss of ¥191 million associated with the loss of control of GML under “Other expenses” in the Condensed Quarterly Consolidated Statements of Profit or Loss.

Three months ended June 30, 2024

No items to report

15. Financial instruments

Fair value of financial instruments

Fair value hierarchy is categorized into the following three levels depending on the observability of inputs used in the valuation technique for the measurement.

Level 1: Fair value measured at market prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value measured using observable prices other than those categorized within level 1, either directly or indirectly

Level 3: Fair value measured using a valuation technique which includes inputs that are not based on observable market data

The Olympus Group recognizes transfers of financial instruments between the levels of the fair value hierarchy as if they occurred at the end of each quarter of the fiscal year. There were no significant financial instruments transferred between the levels for the fiscal year ended March 31, 2024 and the three months ended June 30, 2024.

(1) Financial instruments measured at fair value

The methods for measuring major financial instruments measured at fair value are as follows.

(Other financial assets and other financial liabilities)

Listed shares are classified as level 1 and stated at market prices valued at the end of each fiscal year.

Unlisted shares are classified as level 3 and stated at the value obtained by using valuation techniques such as the comparable company analysis method.

Derivative assets and liabilities are classified as level 2. Currency derivatives are stated at the value based on forward exchange rates, and interest-rate derivatives are stated at the value obtained based on observable data such as market interest rates, credit risks, and the period up to maturity.

The contingent consideration for business combinations is classified as level 3 and stated at the estimates of future payability.

The fair value hierarchy of major financial instruments measured at fair value is as follows:

As of March 31, 2024

| | (Millions of yen) | | | |
|--|-------------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Derivative assets | – | 14,358 | – | 14,358 |
| Equity securities and others | – | – | 704 | 704 |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Equity securities and others | 538 | – | 7,014 | 7,552 |
| Financial liabilities | | | | |
| Financial liabilities measured at fair value through profit or loss | | | | |
| Derivative liabilities | – | 2,483 | – | 2,483 |
| Contingent consideration | – | – | 7,119 | 7,119 |

As of June 30, 2024

| | (Millions of yen) | | | |
|--|-------------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | | | | |
| Derivative assets | – | 19,093 | – | 19,093 |
| Equity securities and others | – | – | 879 | 879 |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Equity securities and others | 521 | – | 14,441 | 14,962 |
| Financial liabilities | | | | |
| Financial liabilities measured at fair value through profit or loss | | | | |
| Derivative liabilities | – | 1,959 | – | 1,959 |
| Contingent consideration | – | – | 7,670 | 7,670 |

The changes in financial assets categorized within level 3 were as follows:

| | (Millions of yen) | |
|----------------------------|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Balance at April 1 | 7,368 | 7,718 |
| Gains and losses (Note) | | |
| Profit or loss | 6 | 175 |
| Other comprehensive income | 61 | 53 |
| Purchases | 15 | 6,734 |
| Other | 434 | 640 |
| Balance at June 30 | 7,884 | 15,320 |

Note:

Gains or losses recognized in profit or loss are mainly included in “Finance income” or “Finance costs” in the condensed quarterly consolidated statements of profit or loss. Gains or losses recognized in other comprehensive income are included in “Financial assets measured at fair value through other comprehensive income” in the condensed quarterly consolidated statements of comprehensive income.

Of the total gains or losses recognized in profit or loss, the gains or losses for financial products owned at the end of each quarter of the fiscal year included a gain of ¥6 million and a gain of ¥175 million on financial instruments held as of the three months ended June 30, 2023 and 2024, respectively.

The changes in financial liabilities categorized within level 3 were as follows:

| | (Millions of yen) | |
|----------------------|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Balance at April 1 | 8,226 | 7,119 |
| Settlement | (115) | (66) |
| Change in fair value | 395 | 213 |
| Other | 689 | 404 |
| Balance at June 30 | 9,195 | 7,670 |

(2) Financial instruments measured at amortized cost

The methods for measuring the fair value of major financial instruments measured at amortized cost are as follows. These financial instruments are mainly classified into level 2.

(Cash and cash equivalents, trade and other receivables, and trade and other payables)

Account items to be settled in the short term are stated at their book value because their fair value is nearly equal to their book value.

Lease receivables are stated at the value obtained by calculating the present value of each lease receivable categorized by a specific period, at discounted rates that take into account credit risks and the period up to maturity.

(Other financial assets and other financial liabilities)

Account items to be settled in the short term are stated at their book value because their fair value is nearly equal to their book value.

(Bonds and borrowings)

Bonds and borrowings with fixed interest rates are stated at the value calculated at discounted rates which would be applied to a similar issuance of bonds or similar new loans to generate future cash flows.

Borrowings with variable interest rates are stated at their book value because their fair value is deemed to be nearly equal to their book value, given that they are short-term borrowings reflecting market interest rates, and their credit conditions have not significantly changed since the drawdown.

Short-term borrowings and commercial papers are stated at their book value since they are settled in the short term and their fair value is nearly equal to their book value.

The carrying amount and fair value of major financial instruments measured at amortized cost were as follows. Financial instruments whose carrying amounts approximate fair value are not included in the following table.

(Millions of yen)

| | As of March 31, 2024 | | As of June 30, 2024 | |
|-----------------------|----------------------|------------|---------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Lease receivables | 86,238 | 86,085 | 96,601 | 96,469 |
| Financial liabilities | | | | |
| Bonds | 145,250 | 139,324 | 150,125 | 142,463 |
| Borrowings | 94,372 | 94,225 | 94,456 | 94,278 |

16. Discontinued operation

(1) Scientific Solutions Business

On August 29, 2022, Olympus Corporation concluded a share transfer agreement related to the transfer of Scientific Solutions Business of the Olympus Group with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital. Due to this, profit (loss) from the Scientific Solutions Business has been classified as profit (loss) from discontinued operation. The transfer of the shares of Evident, which operates the Scientific Solutions Business, was completed on April 3, 2023. Details are described in Notes “14. Cash flow information.”

(i) Profit (loss) of discontinued operation

Profit (loss) of discontinued operation is as follows:

| | (Millions of yen) | |
|--|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Revenue | – | – |
| Cost of sales | – | – |
| Gross profit | – | – |
| Selling, general and administrative expenses | 497 | – |
| Other income (Note 1) | 348,237 | – |
| Other expenses (Note 2) | 112 | – |
| Operating profit | 347,628 | – |
| Finance income | – | – |
| Finance costs | – | – |
| Profit before tax | 347,628 | – |
| Income taxes (Note 3) | 120,500 | – |
| Profit from discontinued operation | 227,128 | – |

- Notes: 1. Other income includes ¥348,125 million in the three months ended June 30, 2023 for the gain on the transfer of Scientific Solutions Business.
2. Other expenses include ¥90 million in the three months ended June 30, 2023 related to the spin-off of the Scientific Solutions Business and the strengthening of its management systems.
3. Income taxes of ¥120,500 million in the three months ended June 30, 2023 are tax expenses related to the transfer of Scientific Solutions Business.

(ii) Cash flows of discontinued operation

Cash flows of discontinued operation are as follows:

| | (Millions of yen) | |
|---|-------------------------------------|-------------------------------------|
| Cash flows of discontinued operation | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Net cash used in operating activities | (57,303) | – |
| Net cash provided by investing activities | 436,835 | – |
| Net cash provided by (used in) financing activities | – | – |

- Note: Net cash provided by investing activities in the three months ended June 30, 2023 includes proceeds from the transfer of the Scientific Solutions Business of ¥384,835 million and collection of loans receivable from Evident Corporation of ¥52,000 million.

(2) Orthopedic Business

Olympus Corporation entered into a put option agreement with PTCJ-6O Holdings Inc. and PTCJ-6F Holdings Inc. (special purpose companies established by Polaris Capital Group Co., Ltd., collectively, the “Polaris Capital Group”), to transfer Olympus Terumo Biomaterials Corporation and FH Ortho SAS (the “FHO Group”), Olympus’s Orthopedic Business.

Following the completion of the consultation of the relevant works council of the FHO Group on the transfer of the FHO Group, which is compulsory under French law, Olympus will be able to exercise such put option and Olympus and the Polaris Capital Group will execute the transfer of the Orthopedic Business pursuant to a share purchase agreement. Due to this, profit (loss) from the Orthopedic Business has been classified as profit (loss) from discontinued operation from the first quarter ended June 30, 2024, and it has been presented in the same manner for the three months ended June 30, 2023 and for the three months ended June 30, 2024. The transfer of the Orthopedic Business was completed on July 12, 2024. Details are as described in Notes “18. Subsequent events.”

(i) Profit (loss) of discontinued operation

Profit (loss) of discontinued operation is as follows:

| | (Millions of yen) | |
|--|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Revenue | 2,738 | 2,720 |
| Cost of sales | 1,081 | 996 |
| Gross profit | 1,657 | 1,724 |
| Selling, general and administrative expenses | 1,669 | 1,641 |
| Other income | 1 | 1 |
| Other expenses | 139 | 481 |
| Operating profit (loss) | (150) | (397) |
| Finance income | 26 | 23 |
| Finance costs | 2 | 3 |
| Profit (loss) before tax | (126) | (377) |
| Income taxes | (46) | (174) |
| Profit (loss) from discontinued operation | (80) | (203) |

(ii) Cash flows of discontinued operation

Cash flows of discontinued operation are as follows:

| | (Millions of yen) | |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Cash flows of discontinued operation | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
| Net cash used in operating activities | (675) | (889) |
| Net cash used in operating activities | (221) | (287) |
| Net cash used in financing activities | (233) | (43) |

17. Contingent liabilities

There are no significant changes from the items provided in the securities report for the previous fiscal year.

18. Subsequent events

(Transfer of Orthopedic Business)

Olympus Corporation entered into a put option agreement with PTCJ-6O Holdings Inc. and PTCJ-6F Holdings Inc. (special purpose companies established by Polaris Capital Group Co., Ltd., collectively, the “Polaris Capital Group”), to transfer Olympus Terumo Biomaterials Corporation and FH Ortho SAS (the “FHO Group”), Olympus’s Orthopedic Business Unit. The transfer of the business in accordance with this agreement was completed on July 12, 2024.

(1) Reasons for transfer

Olympus Corporation announced its company strategy (hereinafter “this company strategy”) to strengthen its position as a global MedTech company and to realize Our Purpose of “Making people’s lives healthier, safer and more fulfilling” under the three key priorities of “Patient safety and sustainability,” “Innovation for growth,” and “Productivity” on May 12, 2023. Based on this company strategy, Olympus Corporation will focus on disease areas where it can best demonstrate its value to increase its presence in important, long-term growth markets as a leading company in the areas of gastroenterology, urology, and respiratory. In order to focus on these areas, Olympus Corporation reached the conclusion that the optimal path for enhancing the corporate value of the Olympus Group and realizing autonomous and sustainable growth for the Orthopedic Business was to transfer Olympus Terumo Biomaterials Corporation and the FHO Group to Polaris Capital Group Co., Ltd.

(2) Name of counterparty to the share transfer

Polaris Capital Group Co., Ltd.

(3) Date of the share transfer

July 12, 2024

(4) Transfer price

Transfer price based on the agreement is ¥3,698 million. Under the agreement, the price has not been finalized and is subject to price adjustment.

Moreover, gain or loss on transfer is currently being calculated.

From the first quarter ended June 30, 2024, the assets and liabilities related to the Orthopedic Business of the Olympus Group have been classified in a disposal group classified as held for sale. Details are as described in Notes “8. Assets held for sale and liabilities directly associated with assets held for sale.”

(Share repurchase)

At a meeting of the Board of Directors held on May 10, 2024, Olympus Corporation resolved the repurchase of its own shares and the specific means of repurchase as provided for under Article 459, Paragraph 1 of the Companies Act and Article 32 of Olympus Corporation’s Articles of Incorporation, and carried out the repurchase of its own shares as follows:

(1) Details of the resolution passed at the meeting of the Board of Directors held on May 10, 2024:

- | | |
|--|---|
| 1. Class of shares: | Common stock of Olympus Corporation |
| 2. Total number of shares to be repurchased: | 60,000,000 shares (maximum) |
| 3. Total amount of shares to be repurchased: | ¥100,000 million (maximum) |
| 4. Repurchase period: | May 13, 2024 to December 31, 2024 |
| 5. Repurchase method: | Market purchase on the Tokyo Stock Exchange based on a discretionary trading contract |

(2) Treasury shares acquired based on the above resolution by the Board of Directors after the three months ended June 30, 2024

- | | |
|--|--|
| 1. Total number of shares repurchased: | 1,656,800 shares |
| 2. Total amount of shares to be repurchased: | ¥4,317 million |
| 3. Repurchase period: | July 1, 2024 to July 31, 2024 (based on delivery date) |

(Disposal of treasury shares)

Olympus Corporation conducted two rounds of disposal of treasury shares (hereinafter “this disposal of treasury shares”) based on its restricted stock unit system (hereinafter “RSU system”) and performance share unit system (hereinafter “PSU system”) as follows.

Olympus Corporation introduced the PSU system in the fiscal year ended March 31, 2018 as stock compensation to directors (excluding outside directors) and corporate officers. Then, as part of the change in officer system in accordance with its transition into a company with a Nominating Committee, etc. in June 2019, Olympus Corporation introduced the PSU system as stock compensation for executive officers, and also further worked on reviewing its compensation systems under a basic concept to reward the responsibilities of directors (including outside directors) and executive officers with suitable and appropriate treatments through encouraging strong awareness “to maximize the corporate value and to meet expectations of various stakeholders.” As part of this initiative, Olympus Corporation introduced the RSU system in the fiscal year ended March 31, 2021 as stock compensation to directors (including outside directors) and executive officers. Under the same basic concept, Olympus Corporation introduced a PSU system and an RSU system for employees in senior management positions (hereinafter the “Group employees”) at Olympus Corporation and its subsidiaries from the fiscal year ended March 31, 2023.

This disposal of treasury shares was conducted as stock compensation to the directors, executive officers, and Group employees who are the allottees, wherein they paid the entire amount of their monetary compensation claims to Olympus Corporation as contributed assets in kind, and received Olympus Corporation’s common stock as a result of the disposal. In addition, those who were executive officers at the time of the granting of stock compensation and who became employees of Olympus Corporation’s subsidiaries after their retirement were also allottees.

Outline of the disposal of treasury shares (disposal decided on June 26, 2024)

| | |
|--|--|
| (1) Date of disposal | July 24, 2024 |
| (2) Class and number of shares for disposal | 502,745 shares of common stock of Olympus Corporation |
| (3) Disposal price | ¥2,579 per share |
| (4) Total amount of disposal value | ¥1,297 million |
| (5) Disposal recipients, the number of such recipients, and the number of shares to be disposed of | <p>(i) RSU granted for the fiscal year ended March 2021 (hereinafter “FY2021-RSU”) One non-executive director (retiree) 1,541 shares</p> <p>(ii) RSU granted for the fiscal year ended March 2022 (hereinafter “FY2022-RSU”) One non-executive director (retiree) and three executive officers (including retirees) 73,815 shares</p> <p>(iii) Transformational FY22-RSU granted for the fiscal year ended March 2022 One executive officer 6,081 shares</p> <p>(iv) RSU granted for the fiscal year ended March 2023 (hereinafter “FY2023-RSU”) Two non-executive directors (retirees) and five executive officers (including retirees) 61,783 shares</p> <p>(v) RSU granted for the fiscal year ended March 2024 (hereinafter “FY2024-RSU”) Six non-executive directors (including retirees), eight executive officers (including retirees), and one employee of a subsidiary of the Company 139,516 shares</p> <p>(vi) PSU granted for the performance evaluation period starting from the fiscal year ended March 2022 and ending in the fiscal year ended March 2024 (hereinafter “FY2022-PSU”) Five executive officers (including retirees) 111,328 shares</p> <p>(vii) PSU granted for the performance evaluation period starting from the fiscal year ended March 2023 and ending in the fiscal year ending March 2025 (hereinafter “FY2023-PSU”) One executive officer (retiree) 50,936 shares</p> <p>(viii) PSU granted for the performance evaluation period starting from the fiscal year ended March 2024 and ending in the fiscal year ending March 2026 (hereinafter “FY2024-PSU”) One executive officer (retiree) 57,745 shares</p> |

Outline of the disposal of treasury shares (disposal decided on July 2, 2024)

| | |
|--|---|
| (1) Date of disposal | July 24, 2024 |
| (2) Class and number of shares for disposal | 9,378 shares of common stock of Olympus Corporation |
| (3) Disposal price | ¥2,542.5 per share |
| (4) Total amount of disposal value | ¥24 million |
| (5) Disposal recipients, the number of such recipients, and the number of shares to be disposed of | Two Group employees (retirees) 9,378 shares |

Independent Auditor's Interim Review Report for the Quarterly Consolidated Financial Statements

August 7, 2024

The Board of Directors

Olympus Corporation

Ernst & Young ShinNihon LLC

Tokyo, Japan

| | | |
|-------------------------------------|--------------------------------------|-------------|
| Designated Engagement Partner | Certificated Public Accountant | Makoto Usui |
|-------------------------------------|--------------------------------------|-------------|

| | | |
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| Designated Engagement Partner | Certificated Public Accountant | Masanori Enomoto |
|-------------------------------------|--------------------------------------|------------------|

| | | |
|-------------------------------------|--------------------------------------|-----------------|
| Designated Engagement Partner | Certificated Public Accountant | Mitsuharu Konno |
|-------------------------------------|--------------------------------------|-----------------|

Auditor's Conclusion

We have carried out an interim review of the condensed quarterly consolidated financial statements in the "Attached Material" of the consolidated financial results of Olympus Corporation for the three months ended June 30, 2024 (April 1, 2024 to June 30, 2024) of the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025), which comprise the condensed quarterly consolidated statement of financial position, the condensed quarterly consolidated statement of profit or loss, condensed quarterly comprehensive income, condensed quarterly changes in equity, condensed quarterly cash flows, and notes.

Based on the interim review that we carried out, nothing causes us to believe that the accompanying condensed quarterly consolidated financial statements do not present fairly, in all material aspects, the consolidated financial position of Olympus Corporation and its subsidiaries as of June 30, 2024, its consolidated financial performance for the first quarter and three months ended on that date, and the consolidated cash flows for the three months ended on that date, in accordance with IAS 34 "Interim Financial Reporting" as stipulated by Article 5, Paragraph 2 of the standards for preparation of quarterly financial statements, etc. issued by Tokyo Stock Exchange, Inc.

Basis for Auditor's Conclusion

We conducted our interim review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Interim Review of the Condensed Quarterly Consolidated Financial Statements section of our report. We are independent of the Olympus Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained provides a basis for our conclusion.

Responsibilities of Management, the Audit Committee for the Condensed Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these condensed quarterly consolidated financial statements in accordance with IAS 34 “Interim Financial Reporting,” and for such internal control as management determines is necessary to enable the preparation of condensed quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed quarterly consolidated financial statements, management is responsible for assessing the Olympus Group’s ability to continue as a going concern and disclosing, as required by paragraph 4 of IAS 1 “Presentation of Financial Statements,” matters related to going concern.

The Audit Committee is responsible for overseeing the execution of duties by the directors in the creation and operation of the Olympus Group’s financial reporting process.

Auditor’s Responsibilities for the Interim Review of the Condensed Quarterly Consolidated Financial Statements

Our objective is to issue an interim review report that includes our conclusion on the condensed quarterly consolidated financial statements from an independent perspective based on the interim review we carried out. As part of an interim review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review. We also:

- Ask questions, primarily of management and those responsible for financial and accounting matters, and carry out analytical and other interim review procedures. Interim review procedures are more limited than an audit of annual financial statements performed in accordance with audit standards generally accepted in Japan.
- If material uncertainty is found to exist related to events or conditions that may cast significant doubt on the Olympus Group’s ability to continue as a going concern, conclude, based on the evidence obtained, whether there is anything that causes us to believe that the condensed quarterly consolidated financial statements do not present fairly in accordance with paragraph 4 of IAS 1 “Presentation of Financial Statements.” In addition, if we conclude that a material uncertainty exists, we are required to draw attention in our interim review report to the related notes in the condensed quarterly consolidated financial statements or, if such notes are inadequate, to express a limited or negative conclusion. Our conclusions are based on the evidence obtained up to the date of our interim review report. However, future events or conditions may cause the Olympus Group to cease to continue as a going concern.
- Evaluate whether anything causes us to believe that the presentation and notes of the condensed quarterly consolidated financial statements are not in accordance with IAS 34 “Interim Financial Reporting,” as well as whether anything causes us to believe that the overall presentation, structure and content of the condensed quarterly consolidated financial statements, including the related notes, as well as the underlying transactions and events do not achieve a fair presentation.
- Obtain evidence regarding the financial information of the Olympus Group that forms the basis for expressing a conclusion about the condensed quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the interim review of the condensed quarterly consolidated financial statements. We remain solely responsible for our audit conclusion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the interim review, as well as any significant findings that we identify during the interim review.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence in Japan, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, measures taken to remove obstacles or safeguards applied in order to reduce them to an acceptable level.

Interest Required to be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Olympus Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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- Notes:
1. The original of the above interim review report is kept separately by the Company (the reporting company of the financial results for the period).
 2. XBRL data and HTML data are not included in the scope of the interim review.