

OLYMPUS



Consolidated Financial Results for the 1st Quarter for Fiscal Year 2025

Olympus Corporation | President and CEO, Stefan Kaufmann | Executive Officer and CFO, Tatsuya Izumi | August 7, 2024

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“

We had a **good start** to our fiscal year and expect both sales and profits to **continue to grow throughout FY2025.**”

Director, Representative Executive Officer, President and Chief Executive Officer
Stefan Kaufmann



1Q Consolidated Financial Results

Revenue

¥234.8 billion



ESD +16% / +5%

+15% / +3%



TSD +13% / +2%

Adjusted operating profit

¥37.2 billion

+ ¥9.0 billion

Adjusted Operating Margin

15.9%

+2.1 pt

■ % YoY including FX
■ % YoY after FX adjustment

- 1 Remediation and quality transformation program “Elevate” is continuing to progress well.
- 2 Achieved +32% (+16% after FX adj.) growth YoY in North America, with strong performance in all three focus areas of GI, Urology, and Respiratory.
- 3 Achieved over +20% growth YoY in emerging markets, with strong performance especially in ESD.
- 4 The market situation in China is more challenging and persistent than expected.
- 5 No change from previous forecasts as the first quarter results are progressing in line with the forecasts.

1Q of Fiscal Year 2025 Consolidated Financial Results

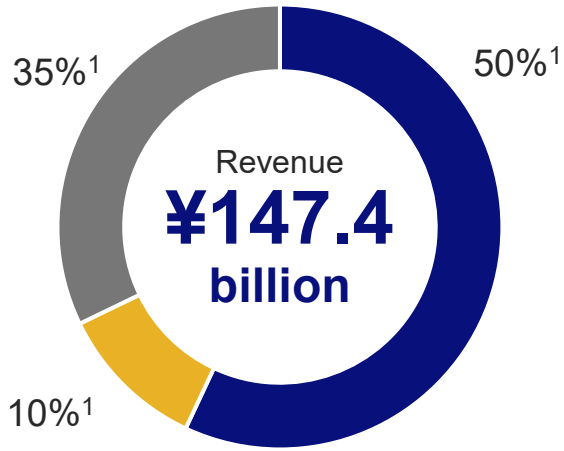
- 1 Revenue: Led by strong sales in North America, where all three focus areas, including “EVIS X1” GI endoscopy system, performed well. With yen depreciation serving as a tailwind, revenue increased by 15% on a consolidated basis
- 2 Operating profit and Adjusted operating profit: Increased due mainly to increased sales, despite increased expenses in R&D and holistic remediation and transformation program “Elevate”

		1Q (Apr. to Jun.)				Forecasts (Apr. to Mar.)	
(Billions of yen)		FY2024	FY2025	YoY After FX adjustment		FY2025 Latest Forecasts ²	% of progress
Continuing operations ¹	Revenue	205.0	234.8	+15%	+3%	1,009.0	23%
	Gross profit	135.6	156.2	+15%	+4%	691.0	23%
	(% of revenue)	(66.1%)	(66.5%)	(+0.4%)		(68.5%)	
	Selling, general and administrative expenses	107.1	118.8	+11%	+2%	494.0	24%
	(% of revenue)	(52.3%)	(50.6%)	(-1.6%)		(49.0%)	
	Other income and expenses	-5.8	-9.9	-	-	-21.0	-
Operating profit	22.6	27.5	+21%	+2%	176.0	16%	
(% of revenue)	(11.0%)	(11.7%)	(+0.7%)		(17.4%)		
Adjusted operating profit	28.3	37.2	+32%	+14%	197.5	19%	
(% of revenue)	(13.8%)	(15.9%)	(+2.1%)		(19.6%)		
Profit before tax	19.8	26.4	+33%	-	170.0	16%	
(% of revenue)	(9.7%)	(11.2%)	(+1.6%)		(16.8%)		
Discontinued operation	Profit (loss)	240.6	14.6	-94%	-	121.0	12%
	Profit (loss) attributable to owners of parent	240.6	14.6	-94%	-	121.0	12%

¹ The figures from “Revenue” to “Profit from continuing operations” represent continuing operations.

² No change from the forecasts as of May 2024. The figures have been reclassified to reflect the classification of the Orthopedic Business as a discontinued operation.

1Q of Fiscal Year 2025 Endoscopic Solutions Division (ESD)



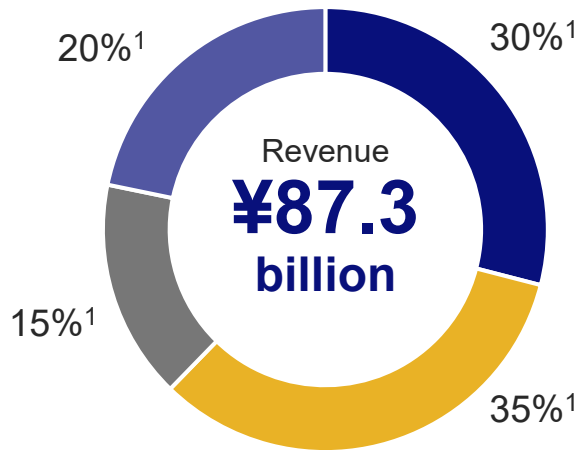
(Billions of yen)	FY2024 1Q	FY2025 1Q	FY2025 Forecasts	% of progress
Revenue	127.1	147.4	645.0	23%
Operating profit	22.2	27.4	162.0	17%
Other income and expenses	-3.4	-5.2	-12.5	-
Adjusted operating profit	25.6	32.6	174.5	19%
Operating margin (After FX adjustment)	17.4%	18.6% (17.4%)	25.1%	-
Adjusted operating margin (After FX adjustment)	20.1%	22.1% (21.1%)	27.1%	-

¹ Approx. Due to rounding, the total may not add up to 100%.

Growth Rate FY2025 1Q vs FY2024 1Q

	Incl. FX		After FX adjustment
GI Endoscopy	15%	<ul style="list-style-type: none"> Growth of 62% in North America, where sales of EVIS X1 GI endoscopy system were strong. On the other hand, sales declined in China due to impact of anti-corruption campaign and other factors. EVIS X1 series accounts for approx. 30% of total GI Endoscopy sales. 	4%
Surgical Endoscopy	7%	<ul style="list-style-type: none"> Sales decreased in North America, while increasing in Europe. Sales of the surgical endoscopy system "VISERA ELITE III", etc. remained solid. 	-2%
Medical Service	21%	<ul style="list-style-type: none"> Steady growth in all regions, especially in North America and Europe, due to stable revenue streams based on service contracts including maintenance services and an increase in new accounts. 	8%
Total	16%		5%

1Q of Fiscal Year 2025 Therapeutic Solutions Division (TSD)



(Billions of yen)	FY2024 1Q	FY2025 1Q	FY2025 Forecasts	% of progress
Revenue	77.2	87.3	363.0	24%
Operating profit	9.7	10.3	54.5	19%
Other income and expenses	-1.9	-3.7	-7.5	-
Adjusted operating profit	11.6	13.9	62.0	22%
Operating margin (After FX adjustment)	12.5%	11.8% (11.9%)	15.0%	-
Adjusted operating margin (After FX adjustment)	15.0%	16.0% (16.3%)	17.1%	-

¹ Approx. Due to rounding, the total may not add up to 100%.

Growth Rate FY2025 1Q vs FY2024 1Q

	Incl. FX		After FX adjustment
GI EndoTherapy	15%	<ul style="list-style-type: none"> Growth primarily in North America and Europe. Sales increased in HPB² (e.g. ERCP Products) and hemostasis-related products. 	5%
Urology	18%	<ul style="list-style-type: none"> Momentum primarily in North America and Europe. Sales increased in SOLTIVE SuperPulsed Laser System for urinary tract stone management and resection electrodes for benign prostatic hyperplasia (BPH) treatments. 	5%
Respiratory	24%	<ul style="list-style-type: none"> Growth primarily in North America and Europe. Notable momentum in the EBUS scopes and therapeutic devices mainly used for endobronchial ultrasound-guided transbronchial needle aspiration (EBUS-TBNA). 	11%
Other therapeutic areas	-4%	<ul style="list-style-type: none"> Sales decreased in Japan due mainly to discontinuation of handling other companies' products. 	-13%
Total	13%		2%

²HPB = hepato-pancreato-biliary

Consolidated Statement of Financial Position

1 Cash and cash equivalents decreased due to repayment of long-term debts and dividend payments

2 Both assets held for sale and liabilities directly associated with assets held for sale increased due to transfer of Orthopedic Business

(Billions of yen)	End of Mar. 2024	End of Jun. 2024	Change		End of Mar. 2024	End of Jun. 2024	Change
Current assets	800.3	736.6	-63.7	Current liabilities	431.7	419.2	-12.5
Cash and cash equivalents	340.9	274.4	1 -66.5	Bonds/loans payable	70.0	69.9	-0.1
Inventories	190.0	190.4	+0.4	Other current liabilities	299.9	287.3	-12.5
Assets held for sale	0.1	12.5	2 +12.5	Liabilities directly associated with assets held for sale	-	4.0	2 +4.0
Non-current assets	733.9	778.8	+44.9	Non current liabilities	345.3	306.1	-39.2
Property, plant and equipment	260.0	272.9	+12.9	Bonds/loans payable	229.6	184.6	-45.0
Intangible assets	92.0	94.5	+2.5	Equity	757.2	790.1	+32.9
Goodwill	180.3	192.2	+11.9	(Equity ratio)	49.4%	52.1%	+2.7pt
Total assets	1,534.2	1,515.4	-18.8	Total liabilities and equity	1,534.2	1,515.4	-18.8

Consolidated Cash Flows

- 1 FCF: Although FCF decreased significantly YoY due to transfer of Evident in previous fiscal year, Adjusted FCF¹ was ¥14.8 billion
- 2 Financing CF: Negative ¥77.5 billion due mainly to repayment of long-term debts and dividend payments

1Q (Apr. to Jun.)

(Billions of yen)

		FY2024	FY2025	Change	
Continuing operations	Profit before tax	19.8	26.4	+6.6	
	Discontinued operation	CF from operating activities (Operating CF)	-53.1	23.3	+76.4
		CF from investing activities (Investing CF)	427.0	-15.2	-442.1
		Free cash flow (FCF)	373.9	8.1	-365.8
		Adjusted Free cash flow (Adjusted FCF)	-10.3	14.8	+25.0
		CF from financing activities (Financing CF)	-25.9	-77.5	-51.6
		Cash and cash equivalents at end of period	558.7	276.0	-282.8

Major adjusted items for FY2024 1Q (Apr. to Jun.)

Operating CF: Corporate tax payment on gain on transfer of Evident	-¥56.7 billion
Investing CF: Receipt of consideration for transfer of Evident, etc.	+¥388.8 billion
Investing CF: Collection of loan from Evident, etc.	+¥52.0 billion

Major adjusted items for FY2025 1Q (Apr. to Jun.)

Operating CF: Outflow of reversal of provision for "Career support for external opportunity" program	-¥1.8 billion
Operating CF: Expenditures related to withdrawal from Veran Medical Technologies, Inc.	-¥1.1 billion
Investing CF: Purchase of investment securities	-¥6.7 billion
Investing CF: Refund associated with rescission of acquisition	+¥3.0 billion

¹ "Cash inflows and outflows of other income and expenses", "M&A-related expenditure", and "Business restructuring-related expenditure" are adjusted.

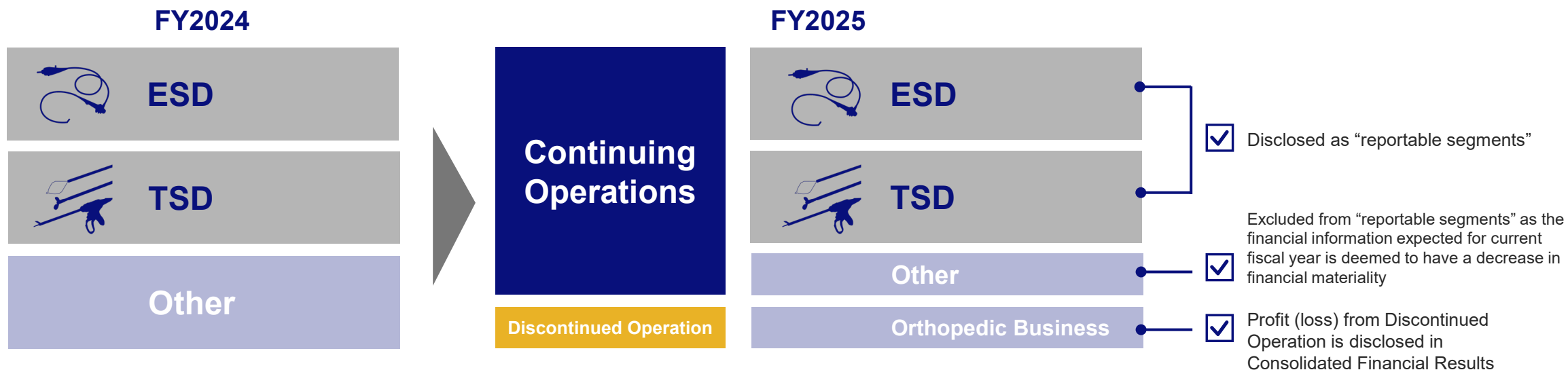
OLYMPUS

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Appendix

Changes in Reporting Structure

Due to transfer of Orthopedic Business, which was included in Other, it is disclosed as a discontinued operation¹ from Fiscal Year 2025. reportable segments² are now two: ESD and TSD (based on IFRS).



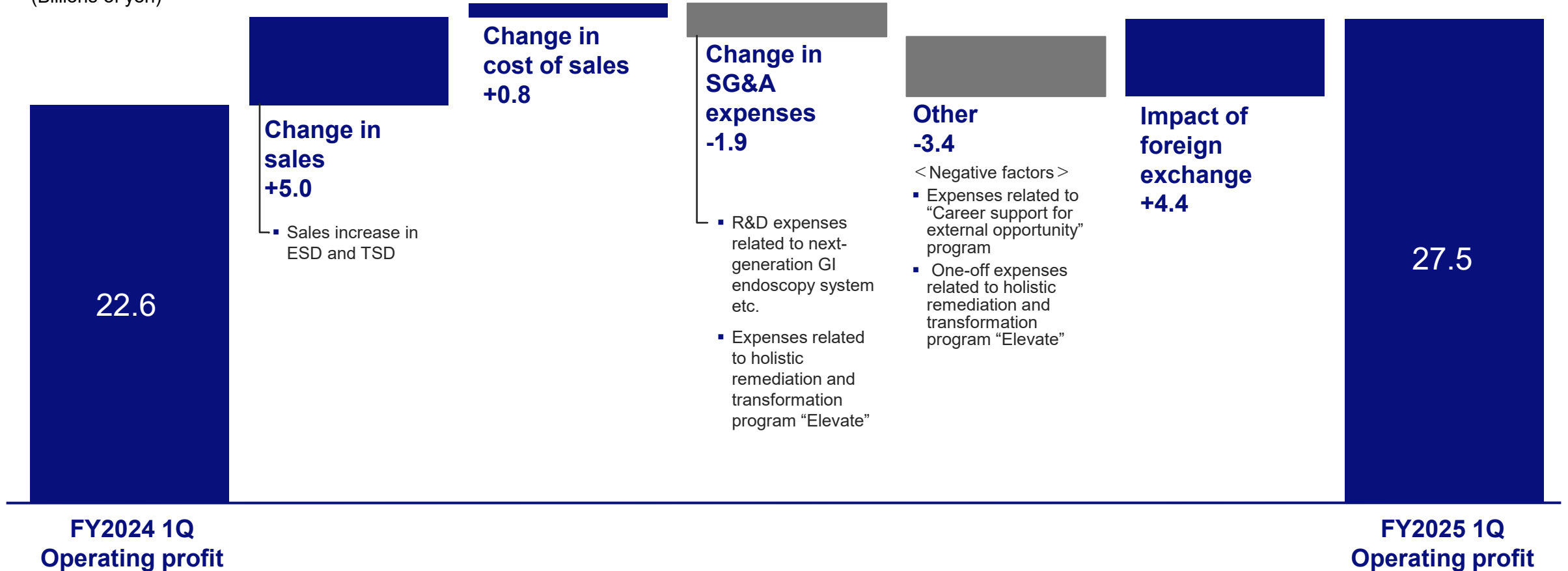
¹ In the first quarter ended June 30, 2024, Olympus Corporation entered into a put option agreement with PTCJ-6O Holdings Inc. and PTCJ-6F Holdings Inc. (special purpose companies established by Polaris Capital Group Co., Ltd., collectively, the “Polaris Capital Group”), to transfer Olympus Terumo Biomaterials 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 accordance with the put option agreement, the transfer of the Orthopedic Business was completed on July 12, 2024.

² IFRS 8.5-10 Segments that meet the requirements of “operating segments”, as determined by taking into account the aggregation criterion (IFRS 8.12) and the quantitative criterion (IFRS 8.13). Based on these standards, the Group previously had three reportable segments: “ESD,” “TSD,” and “Other”, but from the first quarter of the current consolidated fiscal year, the Group has changed the reportable segments to two segments, “ESD” and “TSD,” and has presented the information in the same manner for the three months ended June 30, 2023.

1Q of Fiscal Year 2025 Factors that Affected Consolidated Operating Profit

1Q (Apr. to Jun.)

(Billions of yen)



* Amounts in this slide are related to continuing operations only.

1Q of Fiscal Year 2025 Results by Segment

		1Q (Apr. to Jun.)				Forecasts (Apr. to Mar.)
(Billions of yen)		FY2024 ¹	FY2025	YoY	After FX adjustment	FY2025 Latest Forecasts
ESD	Revenue	127.1	147.4	+16%	+5%	645.0
	Operating profit	22.2	27.4	+23%	+5%	162.0
TSD	Revenue	77.2	87.3	+13%	+2%	363.0
	Operating profit	9.7	10.3	+6%	-3%	54.5
Elimination and Corporate	Operating profit(loss)	-9.3	-9.9	-	-	-40.5
Consolidated Total	Revenue	205.0	234.8	+15%	+3%	1,009.0
	Operating profit	22.6	27.5	+21%	+2%	176.0

* Amounts in this slide are related to continuing operations only.

Key Product Catalysts: Endoscopic Solutions Division (As of Aug. 7, 2024)



ESD Key priorities for FY2025

- Focus on further expanding sales of EVIS X1 gastrointestinal endoscopy system globally
- Collaborate with Canon Medical Systems to bring next-generation endoscopic ultrasound systems to the market. Expect to expand globally, starting with Europe, Japan, and Asia Pacific
- Maximize market potential in emerging countries
- Aim to introduce VISERA ELITE III surgical endoscopy system in the U.S. (at the end of FY2025) and China (FY2026) to improve market competitiveness
- Plan to roll out the Intelligent Endoscopy Ecosystem concept and some related products in Europe

Expected Growth Rates in FY2025

10%

YoY

6%

After FX adjustment

Growth drivers now	Just launched / Coming soon	Beyond
<p>GI Endoscopy</p> <ul style="list-style-type: none"> ▪ EVIS X1 ▪ EVIS EXERA III (US, EU) ▪ EVIS LUCERA ELITE (China) ▪ EU-ME3 (EU, Japan, AP) <p>Surgical Endoscopy</p> <ul style="list-style-type: none"> ▪ VISERA ELITE II 2D/3D/IR (US, China) ▪ VISERA 4K UHD (US, China) ▪ VISERA ELITE III (EU, Japan, AP) 	<p>GI Endoscopy</p> <ul style="list-style-type: none"> ▪ Aplio i800 EUS, diagnostic ultrasound system for EUS (US, EU, Japan, AP) ▪ EU-ME3 (US) <p>Surgical Endoscopy</p> <ul style="list-style-type: none"> ▪ VISERA ELITE III (US) <p>Focus Area</p> <ul style="list-style-type: none"> ▪ First releases of Intelligent Endoscopy Ecosystem¹(EU) 	<p>GI Endoscopy</p> <ul style="list-style-type: none"> ▪ Single-use duodenoscope ▪ EU-ME3 (China) <p>Surgical Endoscopy</p> <ul style="list-style-type: none"> ▪ VISERA ELITE III (China) <p>Focus Area</p> <ul style="list-style-type: none"> ▪ Intelligent Endoscopy Ecosystem¹

¹ For disclosure purposes, financial results of Intelligent Endoscopy Ecosystem are classified as Surgical Endoscopy.

Key Product Catalysts: Therapeutic Solutions Division (As of Aug. 7, 2024)



✓ TSD Key priorities for FY2025

GI EndoTherapy

- Expand clinically differentiated product offerings in key areas of focus: ERCP, ESD, Luminal Patency and Hemostasis devices

Urology

- Expand leadership in BPH through iTind market development while maintaining resection as a primary revenue and profit growth
- Drive lithotripsy growth through SOLTIVE SuperPulsed Laser System

Respiratory

- Drive growth in lung cancer with stronger emphasis around updated EBUS-TBNA offering.
- Reinforce strength in respiratory endoscopy through continued focus on driving adoption of X1 bronchoscopy platform

Expected Growth Rates
in FY2025

8%

YoY

4%

After FX
adjustment

Growth drivers now

GI EndoTherapy

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

Urology

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

Respiratory

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

Just launched / Coming soon

GI EndoTherapy

- 3 product (US)
- 3 products (EU)
- 1 products (Japan)
- 2 product (China)

Urology

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

Respiratory

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

Beyond

GI EndoTherapy

- Single-use cholangioscope

Urology

- Cystoscope
- Camera head
- Video processor

Respiratory

- Slim EBUS scope
- EVIS X1 bronchoscope (China)

1Q of Fiscal Year 2025 Other Income and Expenses

1Q (Apr. to Jun.)

(Billions of yen)	FY2024	FY2025	Change
Other income	0.6	0.6	0
Major items			
Other expenses	6.3	10.4	+4.1
Major items			
	<ul style="list-style-type: none"> Expenses related to FDA remediation¹ 5.0 (ESD, TSD) 	<ul style="list-style-type: none"> Expenses related to holistic remediation and transformation program "Elevate" 6.0 (ESD, TSD) Expenses related to "Career support for external opportunity" program 2.6 (ESD, TSD, Elimination and Corporate) 	

¹ This item is currently referred to as the expenses related to holistic remediation and transformation program "Elevate".

* Amounts in this slide are related to continuing operations only.

Fiscal Year 2025 Consolidated Forecasts

☑ Unchanged from previous forecasts. Orthopedic Business is reclassified as a discontinued operation

(Billions of yen)	FY2025 Forecasts as of May 10 (a)	FY2025 Forecasts as of May 10 (After reclassification) (b) ¹	FY2025 Latest Forecasts (After reclassification) (c)	(c)-(a)	(c)-(b)
Revenue	1,021.0	1,009.0	1,009.0	-12.0	0
Gross profit (% of revenue)	699.0 (68.5%)	691.0 (68.5%)	691.0 (68.5%)	-8.0	0
Selling, general and administrative expenses (% of revenue)	501.0 (49.1%)	494.0 (49.0%)	494.0 (49.0%)	-7.0	0
Other income and expenses	-21.0	-21.0	-21.0	-	-
Operating profit (% of revenue)	177.0 (17.3%)	176.0 (17.4%)	176.0 (17.4%)	-1.0	0
Adjusted operating profit (% of revenue)	198.5 (19.4%)	197.5 (19.6%)	197.5 (19.6%)	-1.0	0
Profit before tax (% of revenue)	171.0 (16.7%)	170.0 (16.8%)	170.0 (16.8%)	-1.0	0
Profit (loss) (% of revenue)	121.0 (11.9%)	121.0 (12.0%)	121.0 (12.0%)	0	0
Profit (loss) attributable to owners of parent (% of revenue)	121.0 (11.9%)	121.0 (12.0%)	121.0 (12.0%)	0	0
EPS	¥106	¥106	¥106	0	0

¹ The forecasts as of May have been reclassified to reflect the classification of the Orthopedic Business as a discontinued operation.

Capital Allocation

Policy

- ✓ Prioritize allocation to business investment
- ✓ Stable and gradual dividend increase
- ✓ Flexible buyback of company shares

FY2025

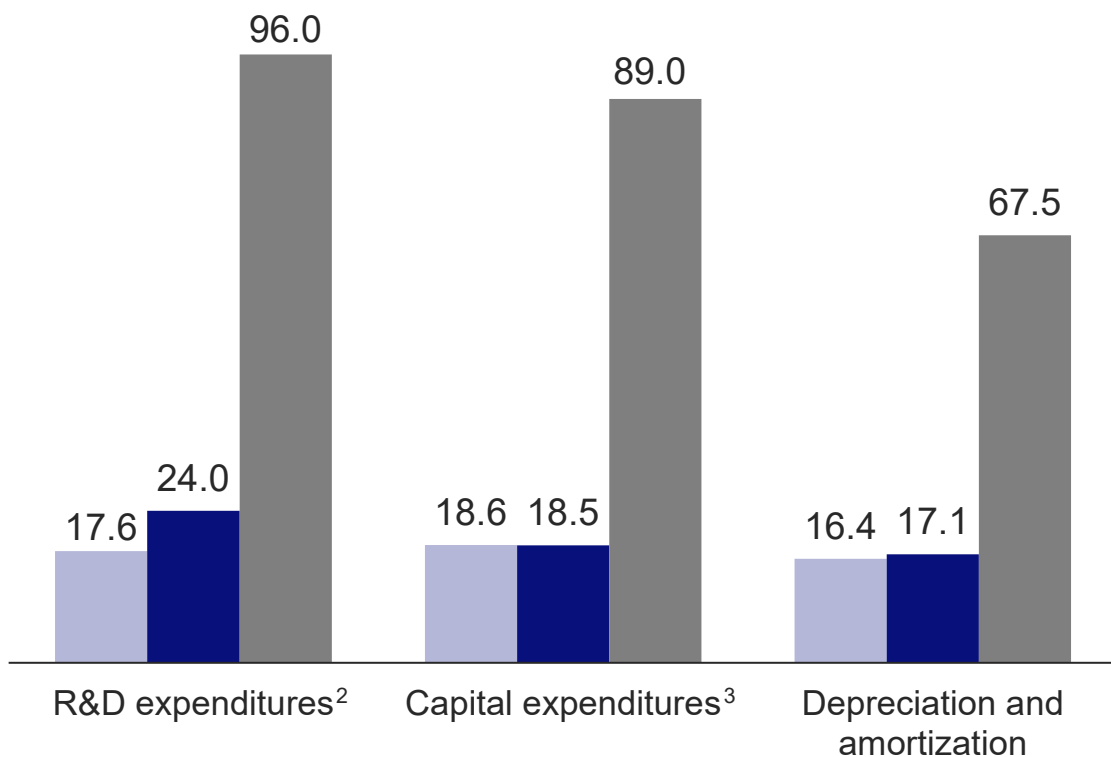
- ✓ Active investment in three focus areas
- ✓ Plan to increase annual dividend by ¥2/share YoY to ¥20/share
- ✓ Share buyback of ¥100 billion is in progress



Expenditures: 1Q of Fiscal Year 2025 Actuals and Fiscal Year 2025 Forecasts

1Q results and Forecasts¹

(Billions of yen) ■ FY2024 1Q ■ FY2025 1Q ■ FY2025 (Forecasts)



(Billions of yen)	FY2024	FY2025
R&D expenditures ² (a)	17.6	24.0
Capitalization of R&D expenditures (b)	2.6	3.1
R&D expenses in P/L (a-b)	15.1	20.9

(Billions of yen)	FY2024	FY2025
Amortization	2.1	2.0

	End of Mar. 2024	End of Jun. 2024
R&D assets	59.4	62.2

¹ Amounts in this slide are related to continuing operations only.

² Capitalization of R&D expenditures (b) is included in R&D expenditures.

³ Capitalization of R&D expenditures (b) is included in capital expenditures.

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

(FY2024 1Q: ¥4.3 billion, FY2025 1Q: ¥5.4 billion, FY2025 Forecast: ¥14.0 billion)

Foreign Exchange and Sensitivity

No change in FX rate assumptions for full-year forecasts

Foreign exchange rate

(Yen)	FY2024 1Q	FY2025 1Q	FY2025 Forecasts
Yen/U.S.dollar	137.37	155.88	151
Yen/Euro	149.47	167.88	163
Yen/CNY	19.56	21.48	21

Forex sensitivity (annualized impact)

(Billions of yen)	Revenue	Operating profit
U.S. dollar (per yen)	2.6	0.5
Euro (per yen)	1.6	0.5
CNY (per yen)	5.2	2.7

* Amounts in the above table are related to continuing operations only. Forex sensitivity (annualized impact) is calculated based on the FY2024 Q4 results.

Acronyms

Acronyms	Term
APAC	Asia Pacific
BPH	Benign Prostatic Hyperplasia
EBUS-TBNA	Endobronchial Ultrasound-guided Transbronchial Fine Needle Aspiration
EMR	Endoscopic Mucosal Resection
ERCP	Endoscopic Retrograde Cholangio Pancreatography
ESD	Endoscopic Submucosal Dissection
HPB	Hepato-pancreato-biliary