



Introduction of EVIS X1 in Corporate Strategy

Akihiro Taguchi, Chief Technology Officer, Olympus Corporation, July 1, 2020

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Let's Be Clear
Elevating the Standard of Endoscopy

EVIS X1

- Today, I'd like to present to you our next-generation endoscope system, EVIS X1, and its global market development strategies.
- The global key message for this product is "Let's Be Clear - Elevating the Standard of Endoscopy."
- I'd also like to introduce various new technologies that embody this message.

Position of Medical Field: Olympus Largest Business

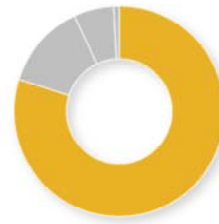
EVIS XI



641.8 billion yen

Total Medical Revenue*

* Figures are fiscal year revenues as of March 2020



Approx. 80%

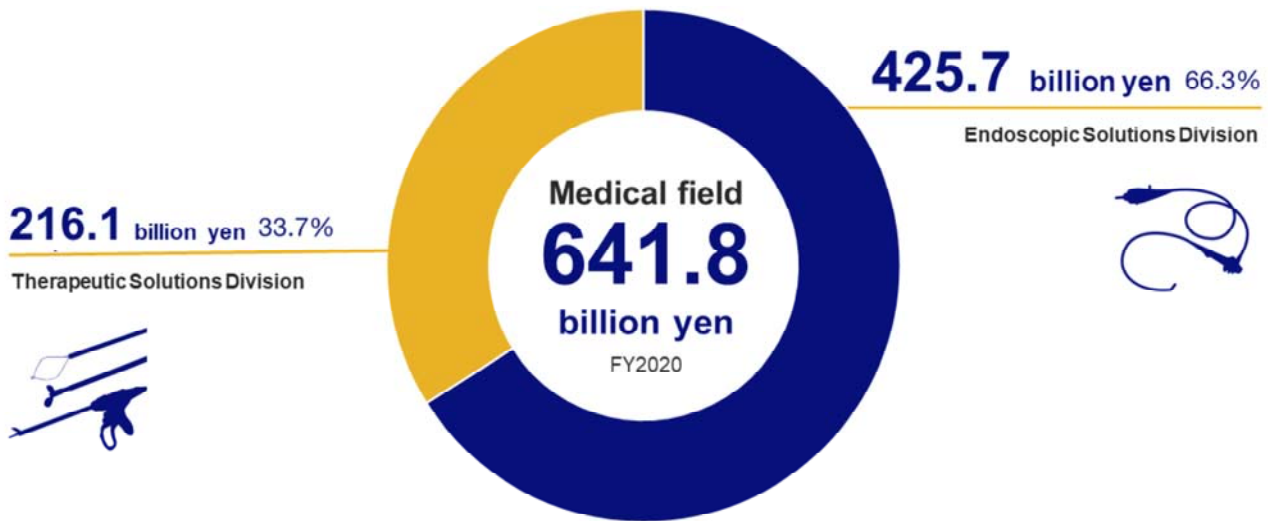
Medical
as a percentage of consolidated revenue*

* Figures are fiscal year revenues as of March 2020

- First, let's look at the overall business structure of Olympus.
- As you can see, approximately 80% of our revenue are from the medical field, which is Olympus' largest core business.

Medical Field: Consists of Endoscopic Solutions Division and Therapeutic Solutions Division

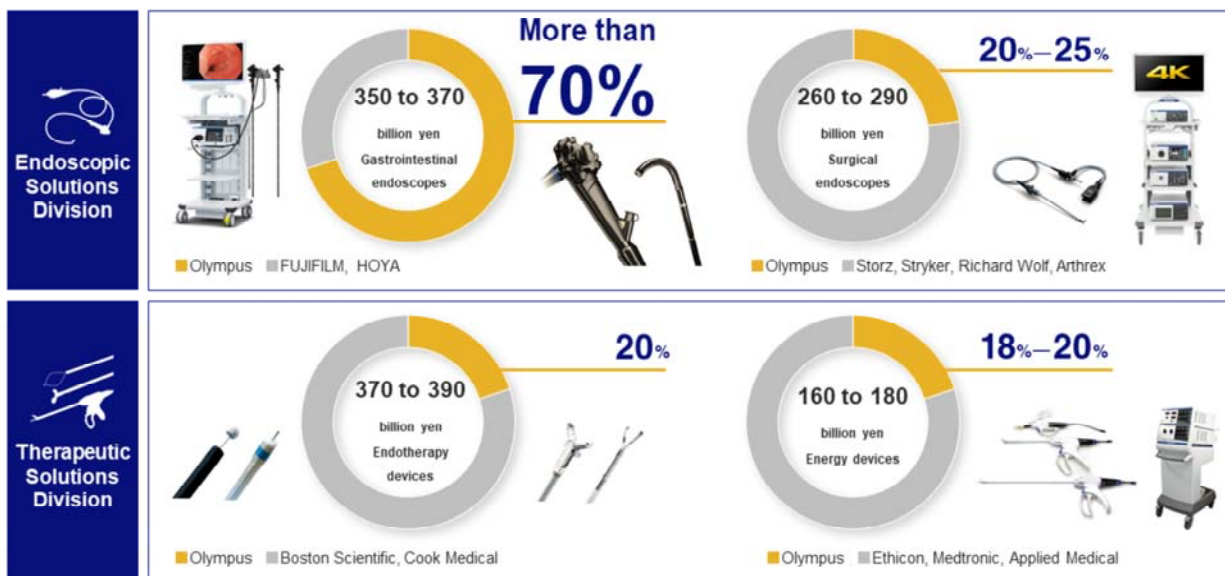
EVIS X1



- We provide a wide variety of medical products that can be broadly divided into two segments: the Endoscopic Solutions Division and the Therapeutic Solutions Division. (Medical field: 641.8 billion yen / Endoscopic Solutions Division: 425.7 billion yen / Therapeutic Solutions Division: 216.1 billion yen)
- Endoscopic Solutions Division consists of gastrointestinal endoscopes, surgical endoscopes, and medical services. Revenue of gastrointestinal endoscopes account for approximately 60% of total revenue, surgical endoscopes nearly 15%, and medical services nearly 30%.
- EVIS X1, which I will introduce today, is a key product representing the gastrointestinal endoscope area. It is positioned as the most important strategic product for Olympus' overall business performance.

Market Scale and Market Share for Each Product

EVIS X1



- Take a look at these pie charts.
- They show the global market size of gastrointestinal endoscopes used for early diagnosis, and of surgical endoscopes and therapeutic devices used for minimally invasive therapy.
- As shown on the upper left, Olympus has over 70% of the global market share for gastrointestinal endoscopes.
- The new EVIS X1 is the core product in our gastrointestinal endoscope lineup.
- By competing and growing in this market, we aim to become a leading global player in the medical area.

Corporate Strategy



A

Focus the corporate portfolio, centering on Medical

B

Maintain leadership in reusable endoscopy

Complement our portfolio with single-use endoscopes to accelerate growth and address unmet needs

Evolve the endoscopy commercial model – shift towards service-based offerings and procedure-based business models

C

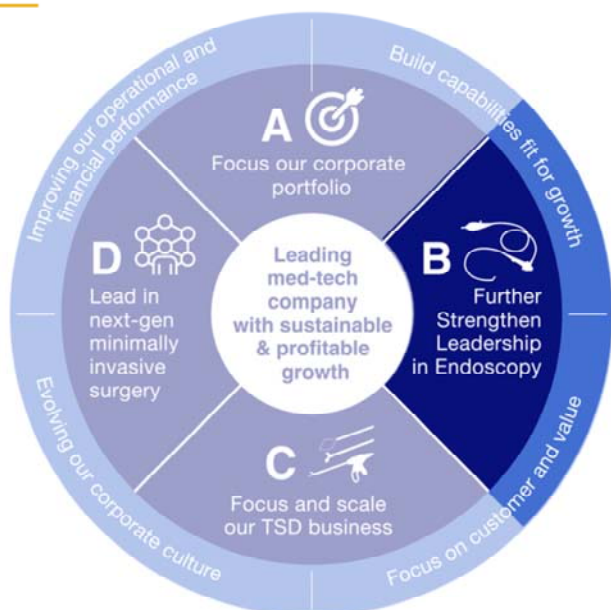
Focus and scale prioritized therapeutic areas (GI-ET, urology and respiratory)

D

Develop a leading position in next-generation minimally invasive surgery by **delivering integrated technologies designed to improve clinical and economic outcomes**

- At our corporate strategy briefing (held in November 2019), we explained that part of our key strategy is strengthening our position in the gastrointestinal endoscope business. We believe that EVIS X1 will contribute significantly to this initiative.

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Values Provided by Olympus' Medical Field

EVIS X1



 Gastrointestinal endoscopy systems	 Magnifying endoscopes Ultrasound endoscopes	 Biopsy forceps Cytology brushes	 Endotherapy devices	 Surgical endoscopy systems	 Surgical energy devices
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We will keep contributing to Our Purpose "making people's lives healthier, safer and more fulfilling." through products that lead to safer and more efficient diagnosis and therapy, from early diagnosis to minimally invasive therapy.

- The values that Olympus' medical business provide can be broadly divided into two categories.
- One is early diagnosis, in which a person's body is examined internally with a gastrointestinal endoscope to check for diseases, as shown on the left side of the slide,
- and the other is minimally invasive therapy, which is endoscopic therapy and surgery that place minimal burden on patients shown on the right side.
- This EVIS X1 is backed up with new technologies to support the detection, characterization, staging and treatment steps of gastrointestinal diseases such as cancer. My colleague Kura will cover the details of the technology later.

Aim to set a new standard for endoscopic diagnosis and therapy with our new endoscopy system

New endoscopy system aims to introduce technologies that set a new standard for detection, characterization, staging and treatment



1. CADe – Computer-aided detection 2. CADx – Computer-aided diagnosis

Detection



CADe¹

- Leverage AI-enabled software to improve lesion detection

Characterization



Super wide depth of view

- Wider depth of view makes it easier to use the magnification function on the endoscope

CADx²

- Real-time diagnosis of lesions using AI-enabled software

Staging



Magnification technology

- High definition magnified image allows for more accurate staging

Treatment



Vessel visualizing technology

- Visualization of vessels can improve efficiency and error rate of endoscopic treatment



3D imaging

- 3D imaging improves efficiency and shortens the learning curve of endoscopic treatment

New Product

EVIS X1

Let's be clear:

Elevating the Standard of Endoscopy

EVIS X1 introduces a range of new, easy-to-use technologies that will impact the way gastrointestinal disorders can be detected, characterized and treated.

EMEA (Europe, Middle East & Africa), Australia and Hong Kong: Launched on April 23, 2020.

Japan: Launched on July 3, 2020.

Other regions: Aim to introduce earlier in markets right after the products have been approved by the regulatory authorities.

EVIS X1



- So far, I have covered our medical business.
- I'd like to return to our new endoscope system, EVIS X1.
- Launch of this product started in Europe and some parts of Asia on April 23, and in Japan on July 3.
- This endoscope system is a high-end model, and has undergone a model change from the previous models, the EVIS LUCERA ELITE and the EVIS EXERA III, after about eight years.

Olympus' Response to COVID-19

Olympus is continually monitoring the global situations around to COVID-19 pandemic and has set up a global task force to ensure business continuity.

The health and safety of our employees, healthcare professionals and the patients they treat, and our global communities are extremely important to us.

We are doing everything we can to maintain supplies while also being vigilant about the risk.



- Although the EVIS X1 is Olympus' first new product in the endoscope area, our core business, in about eight years, the announcement came at a time when COVID-19 continues to pose a threat to the world.
- Here, I would like to express our deepest condolences to those who have lost their lives to COVID-19 and extend our deepest sympathy to those who have been affected.
- This pandemic is an unprecedented crisis, but it is also an opportunity for us to reaffirm the importance of our responsibility as a global medtech company to reliably provide products and services to healthcare professionals on the front lines of the fight against infectious disease.
- The Olympus Group has already established a global task force to gather information from around the world, support healthcare professionals, and take all necessary measures to contribute to patient health and safety.

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