



## Consolidated Financial Results for Fiscal 2020

Olympus Corporation | Executive Officer and Chief Financial Officer | Chikashi Takeda | May 29, 2020

(Slide 1)

- Greetings, I am Chikashi Takeda. I was appointed Chief Financial Officer in April 2020.
- Previously, I have worked in the same healthcare industry in many corporate function roles including CFO. I am very excited to have active dialogues with outside stakeholders, particularly in the capital market, going forward.
- First of all, I would like to express my sincere condolences for those who have passed away from COVID-19 and to express my heartfelt sympathies to those affected.
- We are continuing to provide stable supplies of products and services in order to fulfill our responsibilities as a medical device manufacturer, while giving due consideration to employees' safety and social responsibility.
- Now, I would like to thank you all for participating in this conference call for the consolidated financial results for Fiscal 2020.
- I will begin with a summary of financial results.

## Disclaimer

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

### Consolidated Financial Results (FY2020 Full Year)

#### vs. FY2019

- ✓ Revenue: Grew 4% excluding FX impact  
Medical achieved record high revenue for three consecutive years
- ✓ Operating profit: Significantly increased through achieving SG&A streamlining
  - SG&A ratio to revenue improved 4.3pt YoY to 50.8%

#### vs. Forecasts

- ✓ Revenue / Operating profit: Missed forecasts due to the COVID-19 pandemic  
Excluding this impact, both revenue and operating profit were in line with forecasts

(Slide 3)

- Slide 3 highlights our consolidated financial results for Fiscal 2020.
- Compared to the previous year, although revenue growth slowed down in 4Q, particularly in March, when COVID-19 spread around the world, we finished the year with both revenue and profit increased.
- Consolidated revenue grew 4% excluding FX impact. Mainstay Medical business achieved record high revenue for three consecutive years.
- Operating profit significantly increased as a result of drastic SG&A reduction.
- Compared to the forecasts, both revenue and operating profit missed the targets. This is due mainly to the slowdown in revenue growth in 4Q triggered by COVID-19, which we could not have anticipated in February, when we revised the forecasts.

**01**

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**Consolidated Financial Results  
and Business Review for Fiscal  
2020 (FY Ended March 31, 2020)**

(Slide 4)

- I will now explain our consolidated financial results and business review for Fiscal 2020.

## Fiscal 2020 (1) Consolidated Financial Results

- 1 Revenue: Medical achieved record high revenue for three consecutive years. Up 4% excluding FX impact
- 2 Operating profit: Significantly increased driven by SG&A reduction

(Billions of yen)	Full Year (Apr. – Mar.)			Supplemental data	
	FY2019	FY2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 Adjustment
Revenue	793.9	1 797.4	0%	+4%	+5%
Gross profit (% of revenue)	509.6 (64.2%)	499.6 (62.6%)	-2%	+2%	+4%
Selling, general and administrative expenses (% of revenue)	437.5 (55.1%)	2 405.0 (50.8%)	-7%	-5%	-5%
Other income and expenses	-43.8	-11.1	-	-	-
Operating profit (% of revenue)	28.3 (3.6%)	2 83.5 (10.5%)	+195%	+232%	+259%
Profit before tax (% of revenue)	20.1 (2.5%)	77.8 (9.8%)	+287%		
Profit attributable to owners of parent (% of revenue)	8.1 (1.0%)	51.7 (6.5%)	+534%		
EPS	¥6	¥39			
¥/US\$	¥111	¥109			
¥/Euro	¥128	¥121			
¥/CNY	¥17	¥16			

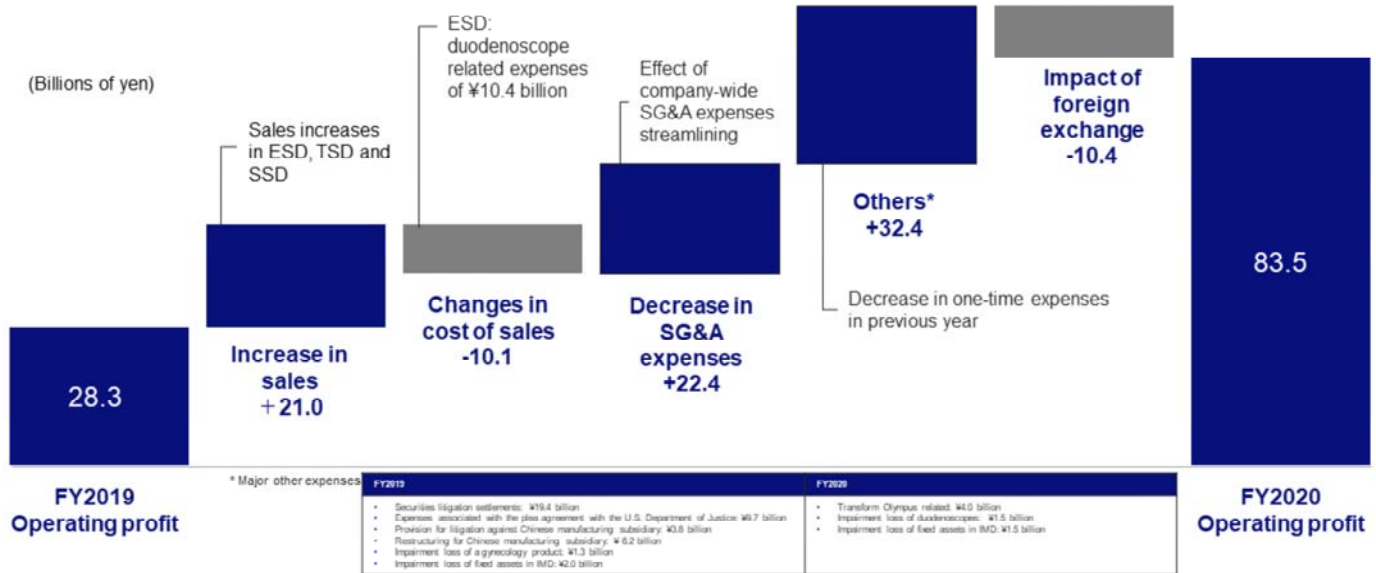
**Dividend forecast for FY2020**  
Year-end dividend of ¥10 per share

### (Slide 5)

- Please turn to Slide 5.
- Consolidated revenue amounted to ¥797.4 billion, driven by Medical, which achieved record high revenue for three consecutive years.
- Consolidated revenue grew 4% excluding FX impact.
- Gross profit amounted to ¥499.6 billion. COGS ratio increased due mainly to one-time duodenoscope related expenses of ¥10.4 billion. But gross profit increased 2% excluding FX impact.
- SG&A expenses decreased by ¥32.5 billion to ¥405.0 billion as a result of company-wide efforts in SG&A streamlining.
- Operating profit amounted to ¥83.5 billion, significantly up 232% excluding FX impact, due to reduced other expenses in addition to reduced SG&A expenses.
- Profit attributable to owners of parent increased by ¥43.5 billion to ¥51.7 billion.
- EPS increased significantly to ¥39 including the effect of reducing total number of issued and outstanding shares due to the repurchase our own shares.
- We were negatively impacted by COVID-19 in 4Q, particularly in March. For your reference, this slide provides figures after adjusting foreign exchange and COVID-19 impacts. Excluding those, we achieved 5% increase in revenue and 259% increase in operating profit.

# Fiscal 2020 (1) Factors That Affected Consolidated Operating Profit

Full Year (Apr. - Mar.)

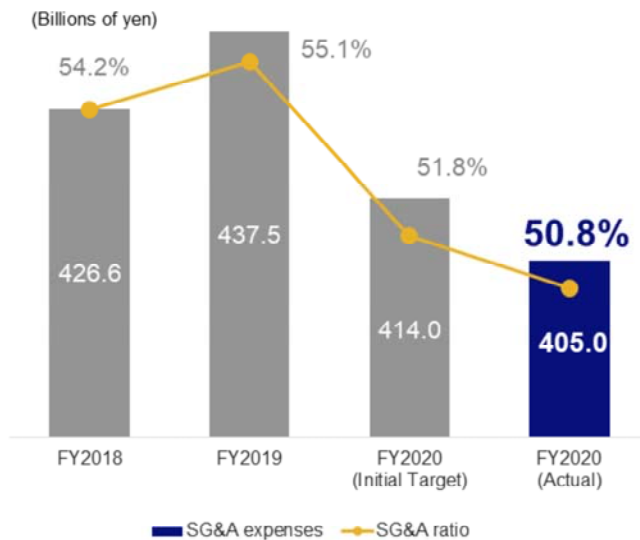


(Slide 6)

- Please turn to Slide 6. This slide shows factors that affected full-year consolidated operating profit with a waterfall chart.

## SG&A Efficiency

**SG&A expenses reduced ¥32.5 billion YoY and SG&A ratio improved 4.3pt YoY, and achieved significant efficiency**



### Items with large reductions (YoY)

- R&D: - ¥16.0 billion (excl. capitalization)
- Sales promotions: - ¥5.0 billion
- T&E: - ¥3.9 billion

(Slide 7)

- Please take a look at Slide 7.
- I will provide the details of our efforts to improve SG&A efficiency.
- When we announced “Transform Olympus” in January 2019, we listed improvement of operating margin as a key task in becoming a truly global medtech company.
- As the first step, we set a goal to contain SG&A expenses to the levels of Fiscal 2018.
- We have launched projects for all businesses and functions, picked up themes, and implemented improvement measures one after another. As a result, we are seeing some progress.
- We reduced R&D expenses by ¥16.0 billion YoY, as our R&D activities proceeded steadily to enable us to capitalize more R&D expenditures. Another reason was that we thoroughly reviewed long-term R&D projects based on profitability.
- In addition, we reduced sales promotion expenses by ¥5.0 billion by re-examining our sales promotion activities; T&E expenses by ¥3.9 billion by proactively using web-based meetings and drastically reducing business trips in and outside Japan.
- All five executive officers including CEO Takeuchi have been closely involved in projects by attending relevant meetings to check the progresses and make quick decisions as needed. We will continue to work towards achieving the goals set in the corporate strategies.

## Fiscal 2020 (1) vs. Forecasts

**1** Revenue: Missed forecasts due to COVID-19 (it was in line with the plan excluding the impact)

**2** Operating profit: Lower-than-expected result mainly due to decreased gross profit accompanying decreased revenue  
Full Year (Apr. – Mar.)

(Billions of yen)	FY2020 forecasts		FY2020 (Actual)	vs. forecasts	After foreign exchange adjustment	Supplemental data	
	(Feb 6)					After foreign exchange and Covid-19 adjustment	
Revenue	810.0	<b>1</b>	797.4	-2%	-2%		0%
Gross profit	509.0	<b>2</b>	499.6	-2%	-2%		0%
(% of revenue)	(62.8%)		(62.6%)				
Selling, general and administrative expenses	410.0		405.0	-1%	-1%		-1%
(% of revenue)	(50.6%)		(50.8%)				
Other income and expenses	-7.0		-11.1	-	-		-
Operating profit	92.0		83.5	-9%	-9%		-1%
(% of revenue)	(11.4%)		(10.5%)				
Profit before tax	87.0		77.8	-11%			
(% of revenue)	(10.7%)		(9.8%)				
Profit attributable to owners of parent	64.0		51.7	-19%			
(% of revenue)	(7.9%)		(6.5%)				
EPS	¥48		¥39				
¥/US\$	¥109		¥109				
¥/Euro	¥121		¥121				
¥/CNY	¥16		¥16				

### (Slide 8)

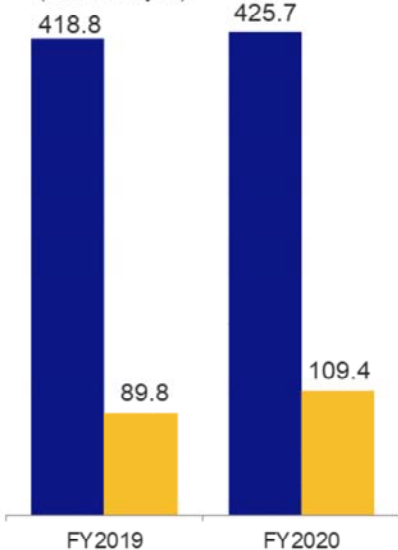
- Slide 8 compares the results with the forecasts announced in February.
- We finished with both revenue and operating profit below the February forecasts.
- Profit attributable to owners of parent was down 19% compared to the forecasts due to unachieved operating profit and the partial reversal of deferred tax asset.
- According to our estimates, COVID-19 pushed down revenue and operating profit by approximately ¥13.0 billion and ¥8.0 billion, respectively.
- Missing targets can be explained largely by the impact of COVID-19.



## Fiscal 2020 (2) Endoscopic Solutions Division (ESD)



■ Revenue ■ Operating profit  
(Billions of yen)



- Revenue**
  - Full year: Up 5% (excl. FX) due to solid performance overseas, mainly driven by high growth of 28% (excl. FX) in China
  - 4Q: Flat YoY (excl. FX) despite COVID-19
- Operating profit**
  - Significantly increased due to sales growth and SG&A streamlining

(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data	4Q (Jan. – Mar.)				Supplemental data
	FY 2019	FY 2020	YoY	After foreign exchange adjustment		FY 2019	FY 2020	YoY	After foreign exchange adjustment	
Revenue	418.8	425.7	+2%	+5%	+6%	115.0	110.6	-4%	-1%	+2%
Operating profit	89.8	109.4	+22%	+30%	+33%	24.0	17.8	-26%	-18%	-7%
Other income / expenses	-9.0	-1.9	-	-	-	-2.1	-1.2	-	-	-
Operating margin	21.4%	25.7%		26.6%	28.1%	20.9%	16.1%		17.4%	20.3%

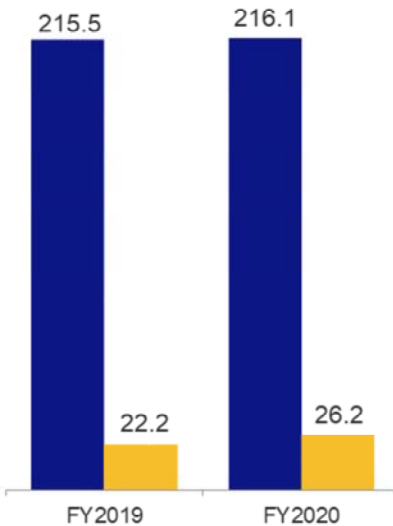
(Slide 9)

- From Slide 9, I will go into the details about the results of each segment.
- Let's begin with the Endoscopic Solutions Division.
- Revenue increased 2% to ¥425.7 billion due to overseas, particularly in China and Russia, where a government-led cancer prevention project is underway.
- Excluding FX impact, full-year revenue was up 5%.
- In 4Q alone, revenue was flat YoY excluding FX impact, despite COVID-19.
- The duodenoscope related expenses of ¥10.4 billion that I explained earlier were charged to this division. Operating profit increased 30% to ¥109.4 billion excluding FX impact due to increased revenue, improved SG&A efficiency and decreased one-time expenses, even after posting duodenoscope related expenses in COGS. The operating margin stood at 25.7%.

## Fiscal 2020 (3) Therapeutic Solutions Division (TSD)



■ Revenue ■ Operating profit  
(Billions of yen)



### ✓ Revenue

- Full year: Up 4% (excl. FX) due to steady progress in endotherapy devices
- 4Q: Decreased in N. America and China as the number of elective procedures declined to deal with COVID-19

### ✓ Operating profit

- Up 26% (excl. FX) due to increased revenue and decreased one-time expenses

(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data	4Q (Jan. – Mar.)				Supplemental data
	FY 2019	FY 2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment	FY 2019	FY 2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment
Revenue	215.5	216.1	0%	+4%	+5%	54.9	52.5	-4%	-2%	+3%
Operating profit	22.2	26.2	+18%	+26%	+36%	1.4	3.7	+161%	+184%	+347%
Other income / expenses	-3.4	-2.0	-	-	-	-3.4	-0.9	-	-	-
Operating margin	10.3%	12.1%		12.5%	14.0%	2.6%	7.0%		7.4%	12.0%

(Slide 10)

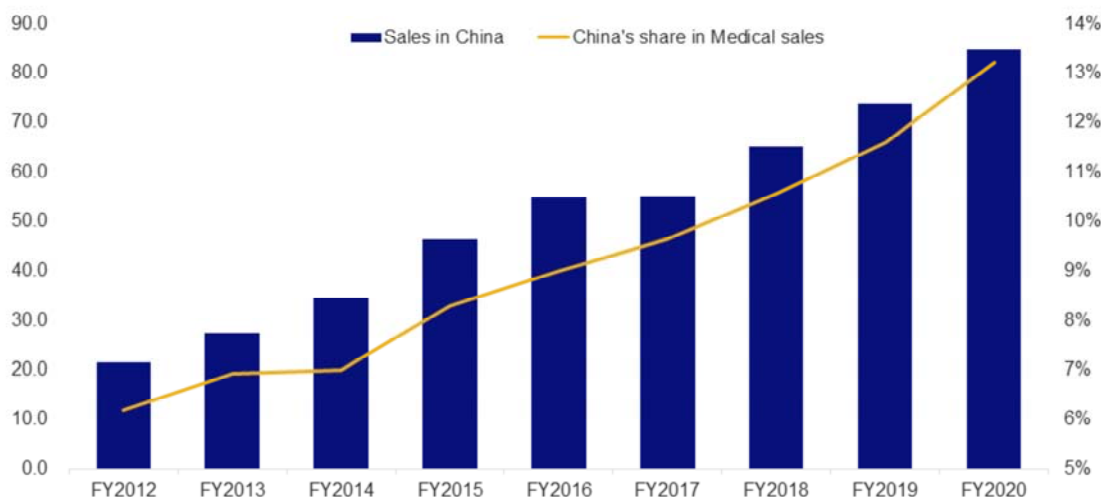
- Slide 10 shows the results of the Therapeutic Solutions Division.
- Revenue amounted to ¥216.1 billion as a result of steady progress in the field of GI-Endotherapy, in which sales of products that meet market needs in each region have been increasing.
- Growth was 4% excluding FX impact.
- In 4Q alone, revenue was down, driven by North America and China, where the number of procedures declined due to COVID-19.
- Operating profit increased 26% to ¥26.2 billion excluding FX impact due to increased revenue and decreased one-time expenses. The operating margin stood at 12.1%.

## China drives growth in Medical

Achieved high growth of +22% for FY2020 although 4Q was affected by COVID-19

### Sales growth in China in Medical

(Billions of yen)



**+22%**

Full-year growth rate (excl. FX) FY2020

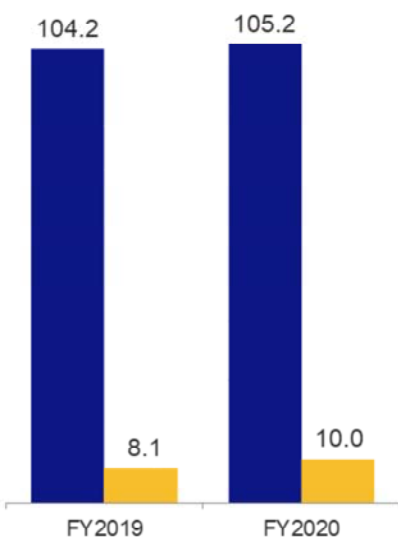
(Slide 11)

- On Slide 11, I will review the performance of Medical business in China.
- Recently, the Chinese market has continued to show double-digit growth. Particularly in FY2020, growth rate was accelerated to 22%.
- Growth slowed down in 4Q due to COVID-19, but we are currently seeing signs of recovery.
- We believe that the Chinese market still has great potential to grow over the medium to long term and its growth trend remains unchanged.
- We will continue to capture growth opportunities steadily in this market.

## Fiscal 2020 (4) Scientific Solutions Division (SSD)



■ Revenue ■ Operating profit  
(Billions of yen)



- ✓ **Revenue**
  - Full year: Biological microscopes performed well in all regions, while sales increased driven by the new product effects for industrial videoscopes and steady growth of non-destructive testing equipment mainly in North America
  - 4Q: Decreased due to postponement of deliveries in some areas
- ✓ **Operating profit**
  - Revenue growth, coupled with efficient SG&A expenses control, led to record-high operating profit

(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data	4Q (Jan. – Mar.)				Supplemental data
	FY 2019	FY 2020	YoY	After foreign exchange adjustment		FY 2019	FY 2020	YoY	After foreign exchange adjustment	
Revenue	104.2	105.2	+1%	+4%	+8%	31.0	28.6	-8%	-6%	+6%
Operating profit	8.1	10.0	+23%	+37%	+60%	3.2	2.0	-37%	-28%	+29%
Other income / expenses	-0.7	-0.5	-	-	-	-0.6	-0.1	-	-	-
Operating margin	7.8%	9.5%		10.3%	12.4%	10.3%	7.0%		7.8%	14.3%

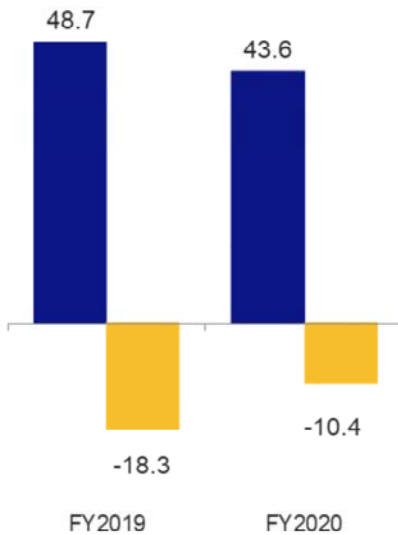
(Slide 12)

- Slide 12 shows the results of the Scientific Solutions Division.
- Revenue amounted to ¥105.2 billion and increased 4% excluding FX impact.
- In 4Q alone, revenue declined as deliveries were postponed in some areas due to COVID-19. However, full-year revenue grew as biological microscopes performed well in all regions and sales increased including industrial videoscopes and non-destructive testing equipment.
- Operating profit achieved record-high which showed a considerable YoY increase of 37% to ¥10.0 billion excluding FX impact due to revenue growth, coupled with efficient SG&A expenses control.

## Fiscal 2020 (5) Imaging Division (IMD)



■ Revenue ■ Operating profit (loss)  
(Billions of yen)



### Revenue

- Full year: Declined due to difficult business environment, lack of new products in 1H caused by the restructuring of manufacturing bases, and COVID-19 impact in 4Q
- 4Q: Declined partly due to COVID-19 impact, while seeing a solid start of new product "OM-D E-M1 MarkIII" introduced in 4Q

### Operating profit(loss)

- Operating loss decreased due to absence of restructuring expenses recorded last year and improved SG&A efficiency.

(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data After foreign exchange and Covid-19 adjustment	4Q (Jan. – Mar.)				Supplemental data After foreign exchange and Covid-19 adjustment
	FY 2019	FY 2020	YoY	After foreign exchange adjustment		FY 2019	FY 2020	YoY	After foreign exchange adjustment	
Revenue	48.7	43.6	-10%	-8%	-2%	10.3	8.9	-14%	-13%	+12%
Mirrorless	36.0	32.4	-10%	-7%	-	7.8	6.4	-17%	-16%	-
Compact	7.1	6.2	-12%	-9%	-	1.2	1.2	0%	+2%	-
Others	5.6	4.9	-12%	-9%	-	1.3	1.2	-9%	-7%	-
Operating profit (loss)	-18.3	-10.4	+¥7.9 billion	+¥8.1 billion	+¥9.0 billion	-5.1	-3.0	+¥2.1 billion	+¥2.0 billion	+¥2.9 billion
Other income / expenses	-7.9	-1.6	-	-	-	-1.1	-0.2	-	-	-
Operating margin	-	-	-	-	-	-	-	-	-	-

(Slide 13)

- Let's look at the results of the Imaging Division on Slide 13.
- Revenue amounted to ¥43.6 billion and declined 8% excluding FX impact.
- Operating loss was reduced to ¥10.4 billion, an improvement by ¥8.1 billion excluding FX impact due to the absence of expenses for the restructuring of manufacturing base recorded in the previous fiscal year, coupled with improved SG&A efficiency.
- While we saw a solid start of new product "OM-D E-M1 MarkIII" introduced in 4Q, operating profitability was not improved as planned due partially to our being unable to perform usual sales promotion activities in 4Q because of COVID-19 amid a tough competitive environment.

## Statement of Financial Position

- ☑ Assets and liabilities increased due to the impact of adopting new lease standards under (IFRS No. 16)
- ☑ Cash balance increased for stable business operation and Bonds/loans increased due to issuance of corporate bonds and CP
- ☑ Total equity decreased due to share buy-back

(Billions of yen)	End of Mar. 2019	End of Mar. 2020	Change		End of Mar. 2019	End of Mar. 2020	Change
Current assets	456.0	506.7	+50.7	Current liabilities	287.5	333.8	+46.3
Inventories	153.6	167.6	+14.0	Bonds/loans payable	59.7	81.0	+21.3
Non-current assets	476.0	509.0	+33.0	Non-current liabilities	202.1	309.9	+107.8
Property, plant and equipment	176.9	202.1	+25.2	Bonds/loans payable	121.6	199.9	+78.3
Intangible assets and others	197.9	208.5	+10.6	Total equity	442.4	372.0	-70.4
Goodwill	101.2	98.3	-2.9	(Equity ratio)	47.3%	36.5%	-10.8pt
<b>Total assets</b>	<b>932.0</b>	<b>1,015.7</b>	<b>+83.6</b>	<b>Total liabilities and equity</b>	<b>932.0</b>	<b>1,015.7</b>	<b>+83.6</b>

**Interest-bearing debt: 280.9 (up 99.6 from March 31, 2019)**

(Slide 14)

- Slide 14 shows our financial position as of March 31, 2020.
- Assets and liabilities both increased due to the impact of adopting new lease standards under the International Financial Reporting Standards (IFRS).
- Bonds and loans increased as we issued commercial papers and corporate bonds. That, coupled with increased operating cash flow, led to an increase in cash balance.
- Inventories increased by ¥14.0 billion. This was mainly because sales did not grow as planned due to COVID-19.
- Total equity stood at ¥372 billion, down from the end of the previous fiscal year, as a result of share buy-back conducted in August 2019.
- The equity ratio was 36.5%, down 10.8 points from the end of the previous fiscal year.

## Consolidated Cash Flows

- ☑ FCF: ¥71.1 billion of free cash flow driven by operating profit increase in Medical
- ☑ Financial CF: Minus ¥19.5 billion due to share buy-back (¥93.4 billion) and repayment of loans, while issuing CP and corporate bonds

Full Year (Apr. - Mar.)			
(Billions of yen)	FY2019	FY2020	Change
Revenue	793.9	797.4	+3.5
Operating profit	28.3	83.5	+55.2
(% of revenue)	3.6%	10.5%	+6.9pt
CF from operating activities	66.9	133.5	+66.6
CF from investing activities	-60.3	-62.4	-2.1
Free cash flow	6.6	71.1	+64.5
CF from financing activities	-82.9	-19.5	+63.5
Cash and cash equivalents at end of period	114.6	162.7	+48.2

(Slide 15)

- Slide 15 highlights the status of cash flows.
- Cash flow from operating activities increased by ¥66.6 billion YoY to ¥133.5 billion against the backdrop of steady progress in business, mainly in Medical.
- Cash flow from investing activities amounted to minus ¥62.4 billion, down by ¥2.1 billion YoY due primarily to an increase in capitalized R&D expenses. Free cash flow amounted to ¥71.1 billion.
- Cash flows from financing activities amounted to minus ¥19.5 billion due to the share buy-back and the repayment of loans, while we issued commercial papers and corporate bonds.
- As a result, cash and cash equivalents at the end of the fiscal year stood at ¥162.7 billion.

# 02 COVID-19 Impact and Upcoming Investor Events

(Slide 16)

- Next, I will move on to the impact of COVID-19 and then to the schedule of upcoming investor events.



## COVID-19 Impact (Jan. – Mar.)

Revenue gradually decreased after February due to the spread of COVID-19



ESD  
TSD

- The number of procedures declined as GI endoscopies and surgeries were postponed or suspended depending on urgency
- Hospital visits were kept to a minimum necessary, and sales promotion activities were restricted

SSD

- Postponement of some deliveries
- Online demonstrations and sales promotion activities were implemented
- Seeing signs of recovery in electric components and semi in China after March

IMD

- Many stores around the world were closed from February/March
- Business talks and events were canceled

(Slide 17)

- Slide 17 shows the impact of COVID-19 in the period from January to March.
- The graph on the left side shows YoY revenue comparison of each division with previous year set at 100%. Revenue kept moving down gradually after February when COVID-19 started spreading around the world. In March, when the outbreak became a pandemic, revenue fell short of the previous year.
- The status of each division is on the right side.
- In Medical, the number of procedures declined as academic societies of each country recommended to postpone or suspend GI endoscopies and surgeries depending on urgency.
- We also kept hospital visits to a minimum to prevent the spread of infection. As a result, sales promotion activities were restricted.
- In SSD, deliveries were postponed in some areas. The good news is that we began to see signs of recovery in electric components and semiconductors in China after March.
- In IMD, many stores were closed, and business talks and events were canceled around the world from February, precluding us from carrying out planned sales promotion activities.
- Although not included here, we donated our own products, such as laryngoscopes and biological microscopes, to support the medical frontline. We will continue to provide support where possible.
- In April, there were no significant changes in terms of market trend and our activities in each business segment.
- Revenue in April decreased approximately 10% in ESD, 30% in TSD, 20% in SSD, and 60% in IMD.
- New order intake is on a downward trend YoY due to continued restrictions on sales activities, and the situation is even tougher in May.
- We will continue to monitor this situation and take flexible measures as needed.

## FY2021 Outlook

### Assumptions for FY2021 Outlook

- COVID-19 impact will gradually settle down by the end of 2Q (China is recovering)
- The operations of customers/hospitals will be gradually normalized and ours will be followed from 3Q. But a sharp economic recovery cannot be expected  
(Recognize the possibility of the second wave of COVID-19 as a risk scenario, and plan to update the outlook according to the situation)

### ESD TSD

- Expect continued restrictions on hospital visits to prevent the spread of infection
- Expect demand recovery to take time as the postponement and suspension of less urgent treatments and procedures is established in guidelines by academic societies in many countries
- Expect demand to gradually recover with deferred inspections and procedures coming back toward the end of FY2021

### SSD

- Biological microscope: Expect demand recovery to take time depending on the situation in hospitals and educational institutions such as universities
- Industrial: Expect postponement of investment centered on aerospace and auto industries

### IMD

- Some dealers are moving toward resuming business but still many regions are under severe outing restrictions. Online marketing (such as utilizing SNS) will need to be strengthened
- Expect demand in end consumer market to take more time

(Slide 18)

- Slide 18 lists our outlook for fiscal 2021.
- We are currently revising our plans for FY2021 and scheduled to disclose it at the another conference. Here, let me share our outlook and assumptions.
- We assume that the impact of COVID-19 will gradually settle down by the end of 2Q. For China, it could happen three months earlier.
- We also assume that hospital operations will be gradually normalized and we can resume usual activities in 3Q, but we expect the full demand recovery to take time in all divisions, particularly in IMD, which deals in consumer products.
- Our plans will be based on these assumptions, but considering the possibility of unexpected risks including the second wave of infection, we will update the plans according to the situation.
- There should be changes in the way we work and customer needs. We will reconsider our businesses and operation models centered on digitalization to fit the coming “new normal”.
- For example, we have already started a new marketing initiative in SSD by using online demonstrations and sales promotions.

## Cash Management for Stable Business Operations



### Securing liquidity of approx. ¥300 billion\*

- Issued ¥80 billion of commercial paper additionally and secured ¥210 billion of consolidated cash balance
- In addition to the above, maintain unused commitment lines (approx. ¥100 billion)



### Global cash management system

Enable us to carry out centralized and efficient currency management of the dollar, euro and yen on hand

\*as of the end of April 2020

(Slide 19)

- Let's turn to Slide 19.
- Assuming the possibility of the prolonged impact of COVID-19, cash management has become increasingly important to maintain stable business operations.
- As the first step, we have issued commercial papers additionally amounting to ¥80 billion to secure liquidity.
- As a result, consolidated cash balance as of the end of April stood at approximately ¥210 billion, an increase of ¥47 billion from the end of March, meaning that we have liquidity on hand equivalent to about three months' worth of sales.
- Moreover, starting from this April, we have implemented the global cash pooling for centralized and efficient cash management within the Olympus Group. This will enable us to quickly supply cash from a region having excess cash to another region having a shortage, thereby establishing more efficient and flexible cash management system, in an unexpected situation like now.

## Reviewing all costs/investments on a zero-basis to control SG&A



**Hiring freeze  
in principle**



**Postpone new  
projects**



**Review all planned  
expenses**

(Slide 20)

- Please turn to Slide 20.
- Under the current uncertainties, we have implemented the initial and the urgent cost control in April.
- We froze and reviewed the hiring plan, examined the start timing and priorities of new projects (to postpone if needed).
- We will continue to review costs depending on the situation.

## Olympus launched EVIS X1

# EVIS X1

### Olympus launched EVIS X1 in Europe and some parts of Asia, its most advanced endoscopy system to date

- Improve outcomes from disorders of the stomach, colon, and esophagus, as well as from bronchial diseases, by providing every endoscopist with innovative and proven tools
- A globally unified platform with broad compatibility
- AI under development as the next upcoming feature for this system

### Aim to introduce in respective markets as we obtain approval from the regulatory authorities



(Slide 21)

- We will look next at Slide 21.
- Even though the current situation still precludes us from carrying out business activities as planned, we have successfully launched the strategic product in endoscopic solutions division, which we believe will lead our growth in the future.
- We released EVIS X1, a next-gen endoscopy system, in Europe and some areas of Asia on April 23.
- The system adopts the new technologies to improve the quality of detecting, diagnosing and treating diseases by endoscope and aims to increase examination efficiency.
- It is also our first globally unified platform.
- In our efforts to spur further innovation, we are engaging in the development of next-gen technology incorporating artificial intelligence.
- With this system and other new technologies, we aim to support endoscopists worldwide and improve the quality of endoscopic diagnosis and treatment.
- In other regions, we will introduce the system in respective markets as we obtain the approval from the regulatory authorities.

## Upcoming Investor Events

### Conference Call for FY2021 Forecasts

**Date:** June 24, 2020 (Wed)

**Speaker:** Yasuo Takeuchi, President and CEO

### General Meeting of Shareholders

**Date:** July 30, 2020 (Thu)

#### Change of Record Date (Announced on Apr 30, 2020)

**Record date:** May 31, 2020 (Sun)

**Date of public notice:** May 15, 2020 (Fri)

**Method of public notice:** Electric public notice (to be posted on our website)  
(<https://www.olympus-global.com/ir/>)

(Slide 22)

- Next is the last slide. Slide 22 shows the schedule of our upcoming investor events.
- We will hold another session hosted by CEO Takeuchi on June 24 to provide Fiscal 2021 forecasts.
- As we have announced earlier, we have postponed our General Meeting of Shareholders on July 30.
- Following the postponement, the record date for voting rights for the meeting and year-end dividend has been changed from March 31 to May 31.
- We deeply apologize to our shareholders for the inconvenience and appreciate your understanding regarding this matter.
- This wraps up my presentation. Thank you for listening.

**OLYMPUS**

# 03 Appendix

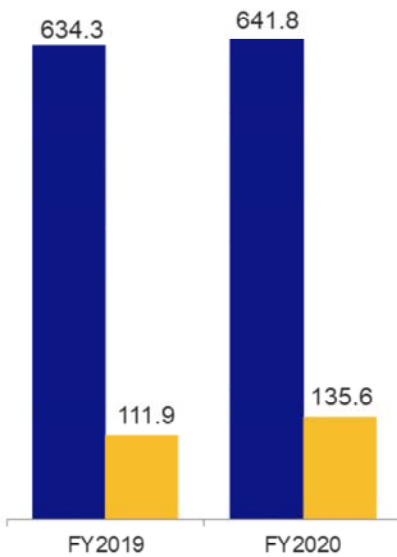


## Supplementary Materials: Fiscal 2020 by Business Segment

Billions of yen	Full Year (Apr. – Mar.)				Supplemental data	4Q (Jan. – Mar.)				Supplemental data	
	FY2019	FY2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment	FY2019	FY2020	YoY	After foreign exchange adjustment	After foreign exchange and Covid-19 adjustment	
ESD	Revenue	418.8	425.7	+2%	+5%	+6%	115.0	110.6	-4%	-1%	+2%
	Operating profit	89.8	109.4	+22%	+30%	+33%	24.0	17.8	-26%	-18%	-7%
TSD	Revenue	215.5	216.1	0%	+4%	+5%	54.9	52.5	-4%	-2%	+3%
	Operating profit	22.2	26.2	+18%	+26%	+36%	1.4	3.7	+161%	+184%	+347%
SSD	Revenue	104.2	105.2	+1%	+4%	+8%	31.0	28.6	-8%	-6%	+6%
	Operating profit	8.1	10.0	+23%	+37%	+60%	3.2	2.0	-37%	-28%	+29%
IMD	Revenue	48.7	43.6	-10%	-8%	-2%	10.3	8.9	-14%	-13%	+12%
	Operating profit(loss)	-18.3	-10.4	+¥7.9 billion	+¥8.1 billion	+¥9.0 billion	-5.1	-3.0	+¥2.1 billion	+¥2.0 billion	+2.9 billion
Others	Revenue	6.7	6.8	+2%	+2%	+2%	1.6	1.8	+12%	+12%	+12%
	Operating profit(loss)	-3.5	-2.7	+¥0.7 billion	+¥0.7 billion	+¥0.7 billion	-1.3	-0.9	+¥0.4 billion	+¥0.4 billion	+¥0.4 billion
Elimination and Corporate	Operating profit	-70.0	-49.0	+¥21.0 billion	+¥20.8 billion	+¥20.7 billion	-14.4	-14.5	-¥0.1 billion	-¥0.4 billion	-¥0.4 billion
Consolidated Total	Revenue	793.9	797.4	0%	+4%	+5%	212.8	202.3	-5%	-3%	+3%
	Operating profit	28.3	83.5	+195%	+232%	+259%	7.7	5.0	-35%	-8%	+92%

## Supplementary Materials: Fiscal 2020 Medical Business

■ Revenue ■ Operating profit  
(Billions of yen)



✓ Revenue

Record high revenue for three consecutive years, mainly driven by strong sales momentum in China

✓ Operating profit

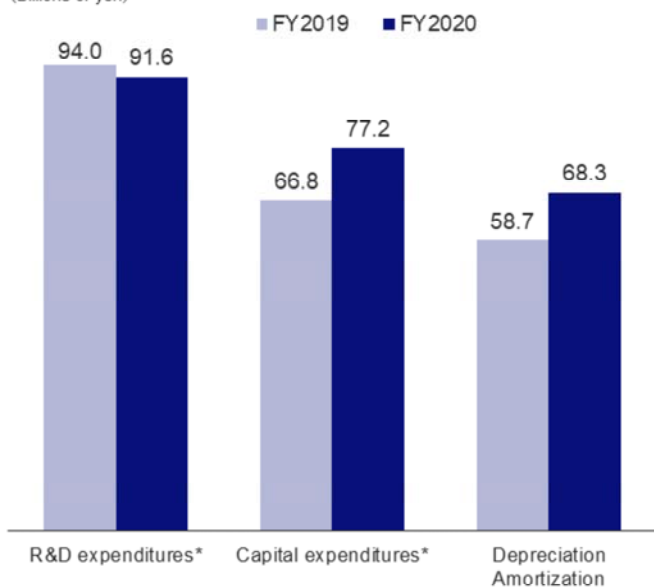
Significant increase in OP due to increased revenue and improved SG&A efficiency in ESD

(Billions of yen)	Full Year (Apr. – Mar.)				Supplemental data After foreign exchange and Covid-19 adjustment	4Q (Jan. – Mar.)				Supplemental data After foreign exchange and Covid-19 adjustment
	FY 2019	FY 2020	YoY	After foreign exchange adjustment		FY 2019	FY 2020	YoY	After foreign exchange adjustment	
Revenue	634.3	641.8	+1%	+5%	+6%	169.9	163.1	-4%	-2%	+2%
Gastrointestinal Endoscopes (GI)	340.9	346.4	+2%	+6%	-	93.2	88.3	-5%	-3%	-
Surgical Devices	211.1	210.4	0%	+3%	-	56.3	54.7	-3%	-1%	-
Endotherapy Devices	82.2	85.0	+2%	+5%	-	20.4	20.2	-3%	-1%	-
Operating profit	111.9	135.6	+21%	+29%	+34%	25.4	21.5	-15%	-7%	+13%
Other income / expenses	-12.4	-3.8	-	-	-	-5.5	-2.1	-	-	-
Operating margin	17.6%	21.1%		21.8%	23.3%	15.0%	13.2%		14.2%	17.5%

## Supplementary Materials: Expenditures etc.

### Full-Year

(Billions of yen)



(Billions of yen)	FY2019	FY2020
R&D expenditures* (a)	94.0	91.6
Capitalization of R&D expenditures (b)	9.4	23.0
R&D expenses in P/L (a-b)	84.6	68.6

(Billions of yen)	FY2019	FY2020
Amortization	7.6	7.2
	End of Dec, 2019	End of Mar, 2020
R&D assets	42.2	47.7

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