



Consolidated Financial Results for the 3rd Quarter Fiscal 2020 and Full-Year Forecasts

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YEARS
Endeavor for Better

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Highlights

Consolidated Financial Results (1Q-3Q, 9 months)

Consolidated Financial Result

- ✓ Revenue: Grew 6% excluding FX impact, strong performance mainly driven by Medical
- ✓ Operating profit: Record high of ¥78.5 billion. Significant increase in all profit items
 - ✓ SG&A expenses decreased by ¥26.2 billion YoY and SG&A ratio to revenue improved 5.7pt YoY to 49.8%

Result by business segment

- ✓ Medical: Record-high revenue and OP driven by strong sales growth in China (+31%)
- ✓ Scientific Solutions: Record-high operating profit

Full-Year Performance Forecasts

- ✓ Revenue and OP revised upward based on progress up to 3Q

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Consolidated Financial Results and Business Overview for the 3Q of Fiscal 2020 (FY Ending March 31, 2020)

3Q of Fiscal 2020 (1) Consolidated Financial Results

- 1** Revenue: Up driven by solid performance in the Endoscopic Solutions, Therapeutic Solutions and Scientific Solutions Divisions (excl. FX impact +6%)
- 2** Operating profit: Record-high OP in 1Q-3Q (9 months) due to steady progress in streamlining SG&A expenses and decreased one-time expenses in the same period last year

(Billions of yen)	1Q-3Q (Apr. - Dec.)				3Q (Oct. - Dec.)			
	FY2019	FY2020	YoY	After foreign exchange adjustment	FY2019	FY2020	YoY	After foreign exchange adjustment
Revenue	581.0	1 595.1	+2%	+6%	199.2	205.9	+3%	+8%
Gross profit (% of revenue)	378.4 (65.1%)	380.9 (64.0%)	+1%	+5%	129.6 (65.0%)	130.3 (63.3%)	+1%	+6%
Selling, general and administrative expenses (% of revenue)	322.5 (55.5%)	296.4 (49.8%)	-8%	-6%	110.2 (55.3%)	99.7 (48.4%)	-10%	-7%
Other income and expenses	-35.3	-6.1	-	-	-1.8	-3.1	-	-
Operating profit (% of revenue)	20.6 (3.5%)	2 78.5 (13.2%)	+281%	+322%	17.6 (8.8%)	27.5 (13.4%)	+57%	+79%
Profit before tax (% of revenue)	13.6 (2.3%)	74.2 (12.5%)	-	-	16.4 (8.2%)	25.6 (12.4%)	+57%	-
Profit attributable to owners of parent (% of revenue)	6.5 (1.1%)	59.1 (9.9%)	-	-	12.0 (6.0%)	23.1 (11.2%)	+92%	-
EPS	¥5	¥45			-	-		
¥/US\$	¥111	¥109			¥113	¥109		
¥/Euro	¥129	¥121			¥129	¥120		
¥/CNY	¥17	¥16			¥16	¥15		

3Q of Fiscal 2020 (2) Results by Business Segment

- 1** ESD: OP significantly increased due to sales growth and SG&A streamlining, even after adjusting for one-time expenses (¥9.7 billion*) in the same period last year
- 2** TSD: Progressing well in all areas, resulting in higher revenue and profit
- 3** SSD: Record-high OP in 1Q-3Q due to sales growth in biological microscopes and industrial products, and improved SG&A efficiency
- 4** IMD: Operating loss decreased due to decreased one-time expenses in the same period last year

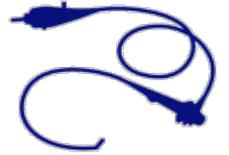
1Q-3Q (Apr. - Dec.)

(Billions of yen)		1Q-3Q (Apr. - Dec.)			
		FY2019	FY2020	YoY	After foreign exchange adjustment
Endoscopic Solutions (ESD)	Revenue	303.8	315.1	+4%	+8%
	Operating profit	65.8	1 91.6	+39%	+48%
Therapeutic Solutions (TSD)	Revenue	160.6	163.6	+2%	+6%
	Operating profit	20.8	2 22.5	+9%	+15%
Scientific Solutions (SSD)	Revenue	73.2	76.6	+5%	+8%
	Operating profit	5.0	3 8.0	+62%	+79%
Imaging (IMD)	Revenue	38.3	34.7	-9%	-6%
	Operating profit	-13.1	4 -7.4	+ ¥5.8 billion	+ ¥6.1 billion
Others	Revenue	5.0	5.0	-1%	-1%
	Operating profit	-2.2	-1.8	+ ¥0.4 billion	+ ¥0.4 billion
Elimination and Corporate	Operating profit	-55.6	-34.4	+ ¥21.2 billion	+ ¥21.1 billion
Consolidated Total	Revenue	581.0	595.1	+2%	+6%
	Operating profit	20.6	78.5	+281%	+322%

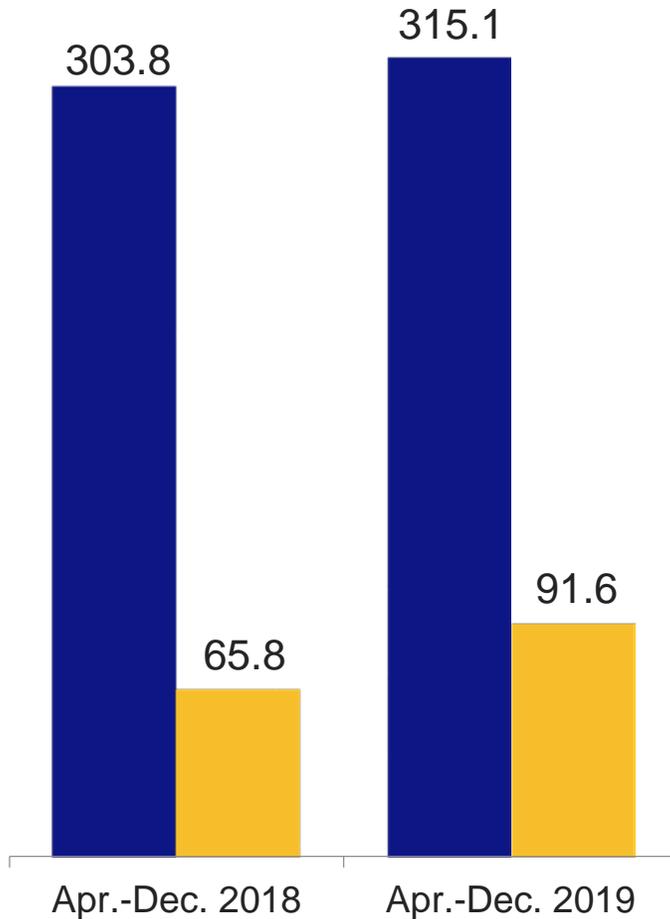
3Q (Oct. - Dec.)

		3Q (Oct. - Dec.)			
		FY2019	FY2020	YoY	After foreign exchange adjustment
		103.0	108.3	+5%	+10%
		24.2	31.8	+31%	+43%
		55.8	55.6	0%	+4%
		7.7	7.3	-5%	+5%
		25.9	26.9	+4%	+8%
		2.2	2.6	+22%	+48%
		12.7	13.4	+6%	+10%
		-3.9	-1.7	+ ¥2.2 billion	+ ¥2.1 billion
		1.8	1.6	-9%	-9%
		-0.8	-0.5	+ ¥0.3 billion	+ ¥0.3 billion
		-11.7	-12.0	- ¥0.3 billion	- ¥0.3 billion
		199.2	205.9	+3%	+8%
		17.6	27.5	+57%	+79%

3Q of Fiscal 2020 (3) Endoscopic Solutions Division (ESD)



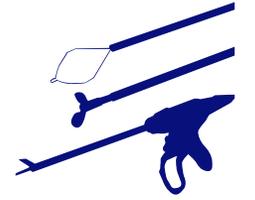
■ Revenue ■ Operating profit
(Billions of yen)



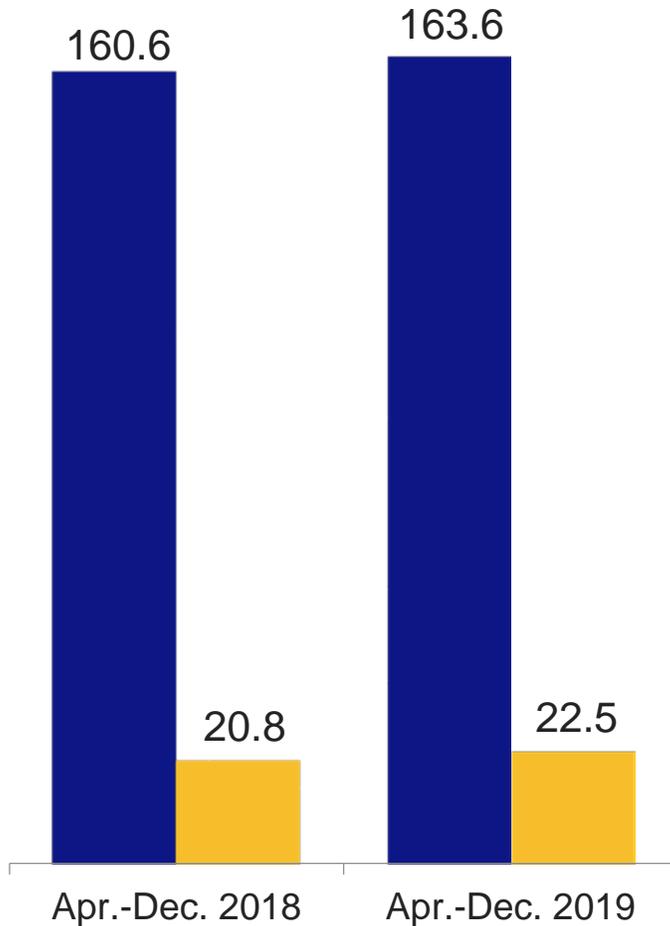
- ✓ **Revenue** Revenue up due to solid performance overseas (excl. FX impact +8%), driven by high growth of 37% in China
- ✓ **Operating profit** Operating profit significantly increased due to increased revenue and improved SG&A efficiency

(Billions of yen)	1Q-3Q (Apr. – Dec.)				3Q (Oct. – Dec.)			
	FY2019	FY2020	YoY	After foreign exchange adjustment	FY2019	FY2020	YoY	After foreign exchange adjustment
Revenue	303.8	315.1	+4%	+8%	103.0	108.3	+5%	+10%
Operating profit	65.8	91.6	+39%	+48%	24.2	31.8	+31%	+43%
Other income / expenses	-6.9	-0.6	-	-	0.1	-0.4	-	-
Operating margin	21.6%	29.1%		29.7%	23.5%	29.3%		30.6%

3Q of Fiscal 2020 (4) Therapeutic Solutions Division (TSD)



■ Revenue ■ Operating profit
(Billions of yen)



- ✓ **Revenue** Revenue increased as all areas, including endotherapy devices, grew (excl. FX impact +6%)
- ✓ **Operating profit** Operating profit increased due to increased revenue (excl. FX impact +15%)

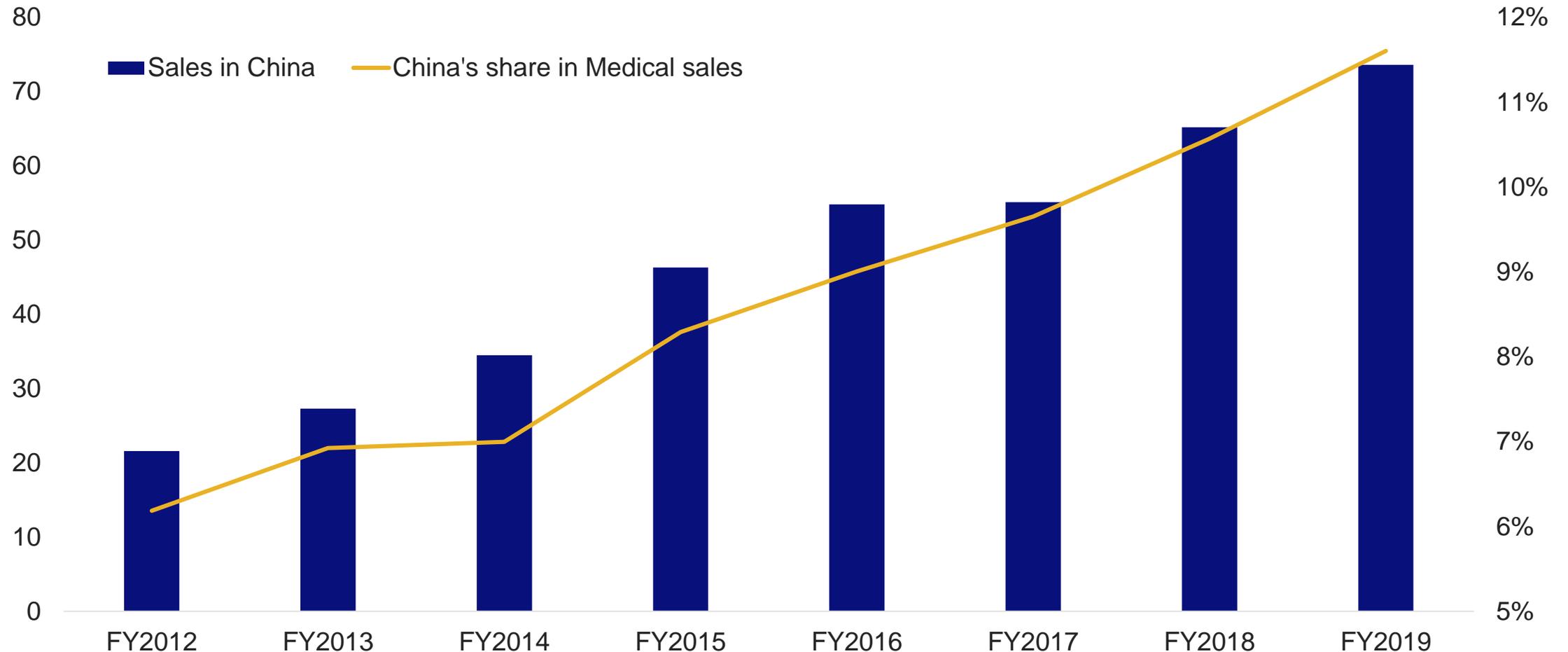
(Billions of yen)	1Q-3Q (Apr. – Dec.)				3Q (Oct. – Dec.)			
	FY2019	FY2020	YoY	After foreign exchange adjustment	FY2019	FY2020	YoY	After foreign exchange adjustment
Revenue	160.6	163.6	+2%	+6%	55.8	55.6	0%	+4%
Operating profit	20.8	22.5	+9%	+15%	7.7	7.3	-5%	+5%
Other income / expenses	0	-1.1	-	-	-0.1	-0.4	-	-
Operating margin	12.9%	13.8%		14.1%	13.7%	13.2%		13.9%

Chinese market continues to grow fast

China's share in Medical sales is growing rapidly and now accounts for about 12%

[Sales growth in China in Medical]

(Billions of yen)



Favorable factors in the Chinese market

Growth accelerated due to increased sales to secondary hospitals on the tailwind of Chinese government policies

Government policies

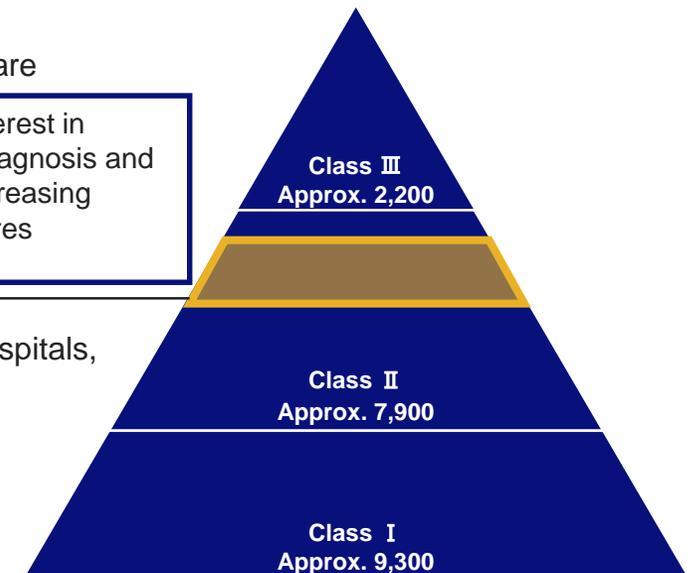
- ✓ 12th Five-Year Plan for Hygiene Business Development released (2011-2015)
 - ✓ Aim was to promote standardization of local medical institutions and improve medical standards at county-level hospitals.
- ✓ Healthy China 2030 released (2016)
 - ✓ Aim is to strengthen preventive medicine and sets forth “prevention of serious diseases” as a priority item
- ✓ 13th Five-Year Plan for Hygiene Business Development (2016-2020) released
 - ✓ Aiming to achieve a 55% early diagnosis rate for major cancer types in regions with a high incidence of chronic diseases and cancer
- ✓ State Council’s Opinions on Implementing the Healthy China Program released (2019)
 - ✓ Set numerical targets to promote early diagnosis and treatment and to improve the 5-year survival rate of cancer to 43.3% or more by 2022 and 46.6% or more by 2030.
- ✓ Working plan for overall improvement of comprehensive capabilities of county-level hospitals released (2019)
 - ✓ The Bureau of Medical Administration, National Health and Health Commission aims to raise the healthcare standards of 500 county-level hospitals and 500 TCM hospitals to the same level as a class III hospital or class III TCM hospital.

Initiatives by Olympus

- ✓ Supporting the education and training of physicians
 - ✓ We have our own training facilities in Beijing, Guangzhou and Shanghai, and joint training facilities in hospitals, and provide education and training opportunities for doctors
- ✓ Working together with hospitals and academic societies
 - ✓ Leveraging the trust we have cultivated since entering the market 50 years ago, we work together with hospitals and academic societies to jointly build and improve local medical environments

▪ Hospitals with an interest in advanced medical diagnosis and treatment and an increasing endoscopic procedures

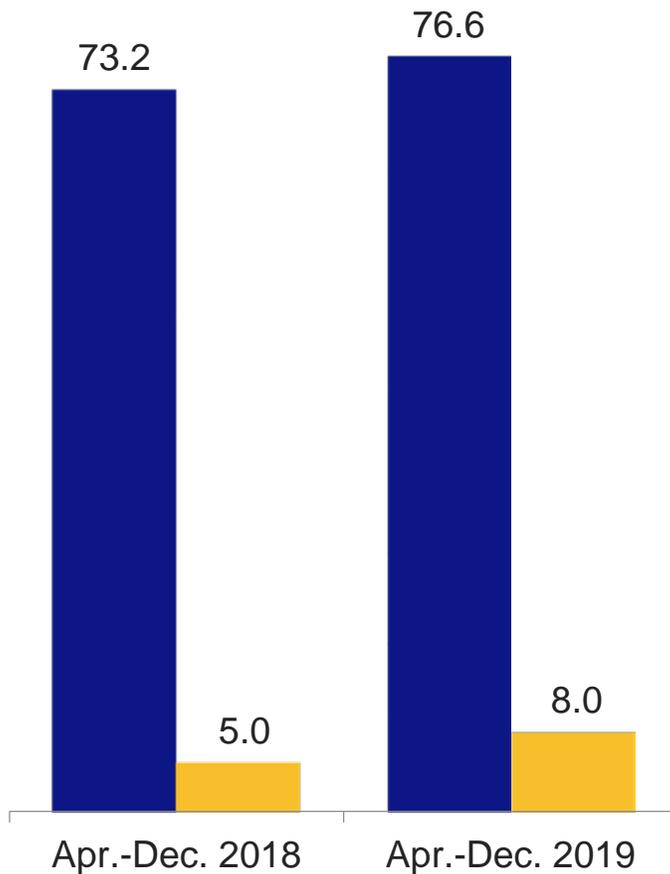
Potential market in China



3Q of Fiscal 2020 (5) Scientific Solutions Division (SSD)



■ Revenue ■ Operating profit
(Billion Yen)



✓ Revenue

Biological microscopes performed well in all regions, while sales of industrial products increased driven by the new product effects for industrial videoscopes and steady growth of non-destructive testing equipment mainly in North America

✓ Operating profit

Revenue growth, coupled with efficient SG&A expenses control, led to record-high operating profit in both 1Q-3Q and 3Q

(Billions of yen)	1Q-3Q (Apr. – Dec.)				3Q (Oct. – Dec.)			
	FY2019	FY2020	YoY	After foreign exchange adjustment	FY2019	FY2020	YoY	After foreign exchange adjustment
Revenue	73.2	76.6	+5%	+8%	25.9	26.9	+4%	+8%
Operating profit	5.0	8.0	+62%	+79%	2.2	2.6	+22%	+48%
Other income / expenses	-0.2	-0.4	-	-	0	-0.2	-	-
Operating margin	6.8%	10.5%		11.2%	8.3%	9.8%		11.4%

3Q Fiscal 2020 (6) Imaging Division (IMD)



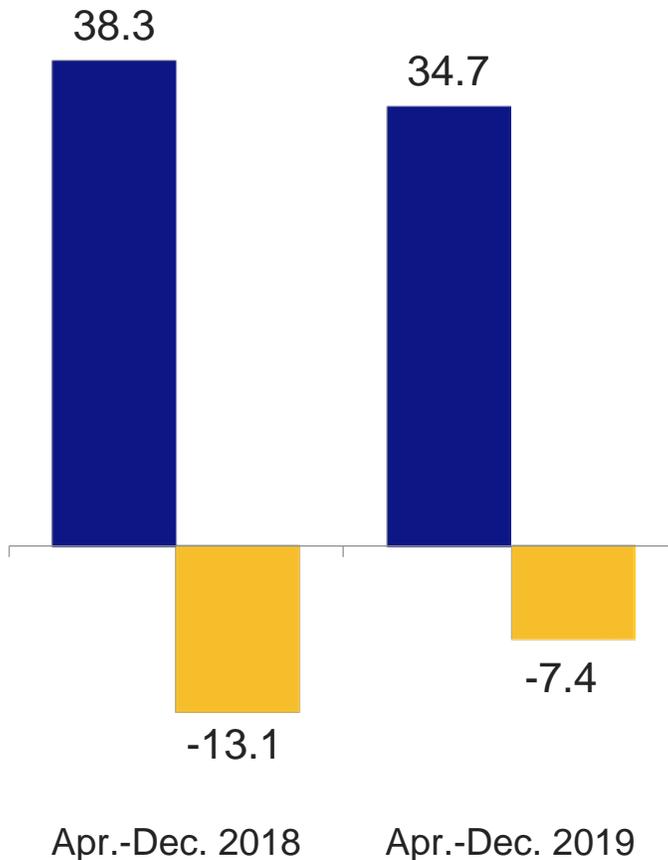
■ Revenue ■ Operating profit(loss)
(Billions of yen)

✓ Revenue

Revenues declined due to difficult business environment and lack of new products in the first half caused by the restructuring of manufacturing bases. Revenue in 3Q increased YoY due to the new product effects

✓ Operating profit(loss)

Operating loss decreased due to absence of restructuring expenses recorded last year and improved SG&A efficiency. In 3Q, the introduction of new mirrorless products increased gross profit and improved profitability



(Billions of yen)	1Q-3Q (Apr. – Dec.)				3Q (Oct. – Dec.)			
	FY2019	FY2020	YoY	After foreign exchange adjustment	FY2019	FY2020	YoY	After foreign exchange adjustment
Revenue	38.3	34.7	-9%	-6%	12.7	13.4	+6%	+10%
Mirrorless	28.2	26.0	-8%	-4%	9.4	10.7	+14%	+18%
Compact	5.9	5.0	-14%	-12%	1.9	1.5	-17%	-14%
Others	4.3	3.7	-13%	-10%	1.4	1.2	-13%	-9%
Operating profit(loss)	-13.1	-7.4	+¥5.8 billion	+¥6.1 billion	-3.9	-1.7	+¥2.2 billion	+¥2.1 billion
Other income / expenses	-6.8	-1.4	-	-	-1.5	-0.3	-	-
Operating margin	-	-	-	-	-	-	-	-

Statement of Financial Position

- ✓ Assets and liabilities increased due to the impact of adopting new lease standards under (IFRS No. 16)
- ✓ Total equity decreased due to share buy-back

(Billions of yen)	End of Mar. 2019	End of Dec. 2019	Change		End of Mar. 2019	End of Dec. 2019	Change
Current assets	456.0	483.6	+27.6	Current liabilities	287.5	281.5	-6.0
Inventories	153.6	167.9	+14.2	Bonds/loans payable	59.7	56.2	-3.5
Non-current assets	476.0	504.3	+28.3	Non-current liabilities	202.1	309.1	+107.0
Property, plant and equipment	176.9	205.5	+28.6	Bonds/loans payable	121.6	210.9	+89.3
Intangible assets and others	197.9	198.9	+1.0	Total equity	442.4	397.3	-45.1
Goodwill	101.2	99.8	-1.3	(Equity ratio)	47.3%	40.1%	-7.2pt
Total assets	932.0	987.9	+55.9	Total liabilities and equity	932.0	987.9	+55.9

Interest-bearing debt: 267.1 (up 85.8 from March 31, 2019)

Consolidated Cash Flows

- ✓ FCF: ¥60.7 billion of free cash flow in 1Q-3Q driven by operating profit increase in Medical
- ✓ Financial CF: Issued corporate bonds in December 2019
 - ✓ ¥30 billion on 0.06% for 3 years, ¥20 billion on 0.2% for 5 years

(Billions of yen)	1Q-3Q (Apr. - Dec.)		Change
	FY2019	FY2020	
Revenue	581.0	595.1	+14.0
Operating profit	20.6	78.5	+57.9
(% of revenue)	3.5%	13.2%	+9.7pt
CF from operating activities	36.6	105.7	+69.2
CF from investing activities	-43.8	-45.0	-1.2
Free cash flow	-7.3	60.7	+68.0
CF from financing activities	-51.6	-29.0	+22.6
Cash and cash equivalents at end of period	131.8	144.8	+13.1
Depreciation and amortization	43.0	50.5	+7.5
Capital expenditures	45.3	49.8	+4.5

02

Forecasts for Fiscal 2020

Fiscal 2020 Consolidated Forecasts

1 Including approximately 10 billion yen of duodenoscope related expenses as one-time cost, revenue and operating profit are revised upward based on 9 months results

(Billions of yen)		FY2020 (Forecasts announced on Nov 6)	FY2020 (New forecasts)	Change	% change from previous forecasts	FY2019 Full-year results
Revenue		1 800.0	810.0	+10.0	+1%	793.9
Gross profit		509.0	509.0	-	-	509.6
	(% of revenue)	(63.6%)	(62.8%)			(64.2%)
Selling, general and administrative expenses		413.0	410.0	-3.0	-1%	437.5
	(% of revenue)	(51.6%)	(50.6%)			(55.1%)
Other income and expenses		-6.0	-7.0	-1.0	- ¥1.0 billion	-43.8
Operating profit		1 90.0	92.0	+2.0	+2%	28.3
	(% of revenue)	(11.3%)	(11.4%)			(3.6%)
Profit before tax		86.0	87.0	+1.0	+1%	20.1
	(% of revenue)	(10.8%)	(10.7%)			(2.5%)
Profit attributable to owners of parent		63.0	64.0	+1.0	+2%	8.1
	(% of revenue)	(7.9%)	(7.9%)			(1.0%)
EPS		¥47	¥48			
¥/US\$		¥108	¥109			
¥/Euro		¥121	¥121			
¥/CNY		¥15	¥16			

Dividend forecast in FY2020

Year-end dividend of ¥10 per share
(No change)

Fiscal 2020 Forecasts by Business Segment

- 1** ESD, TSD, SSD: Revised upward due to progress through 3Q
- 2** IMD: Revised downward due to difficult business environment
- 3** Elimination and Corporate: Revised due to upfront investments for Transform Olympus

Billions of yen			FY2020 (Forecasts announced on Nov 6)	FY2020 (New forecasts)	Change	% change from previous forecasts
Endoscopic Solutions (ESD)	Revenue	1	420.0	429.0	+9.0	+2%
	Operating profit		105.0	110.0	+5.0	+5%
Therapeutic Solutions (TSD)	Revenue		217.0	220.0	+3.0	+1%
	Operating profit		30.0	31.0	+1.0	+3%
Scientific Solutions (SSD)	Revenue		106.0	107.0	+1.0	+1%
	Operating profit		11.0	11.0	-	-
Imaging (IMD)	Revenue	2	50.0	47.0	-3.0	-6%
	Operating profit(loss)		-7.0	-9.0	-2.0	- ¥2 billion
Others	Revenue		7.0	7.0	-	-
	Operating profit(loss)		-4.0	-3.0	+1.0	+ ¥1.0 billion
Elimination and Corporate	Operating profit	3	-45.0	-48.0	-3.0	+ ¥3.0 billion
Consolidated Total	Revenue		800.0	810.0	+10.0	+1%
	Operating profit		90.0	92.0	+2.0	+2%

Duodenoscope: Responding to the market

✓ **Disposable-endcap type duodenoscope: FDA cleared in Jan. 2020**

New product employs a detachable & disposable endcap (cover) to further facilitate cleaning and disinfection



✓ **Voluntary transition from fixed-endcap type duodenoscopes to new disposable-endcap type duodenoscopes to enhance easiness in manual cleaning**

Next Generation Gastrointestinal Endoscopy System

Aim to introduce earlier in markets that have been approved by the regulatory authorities

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



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

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

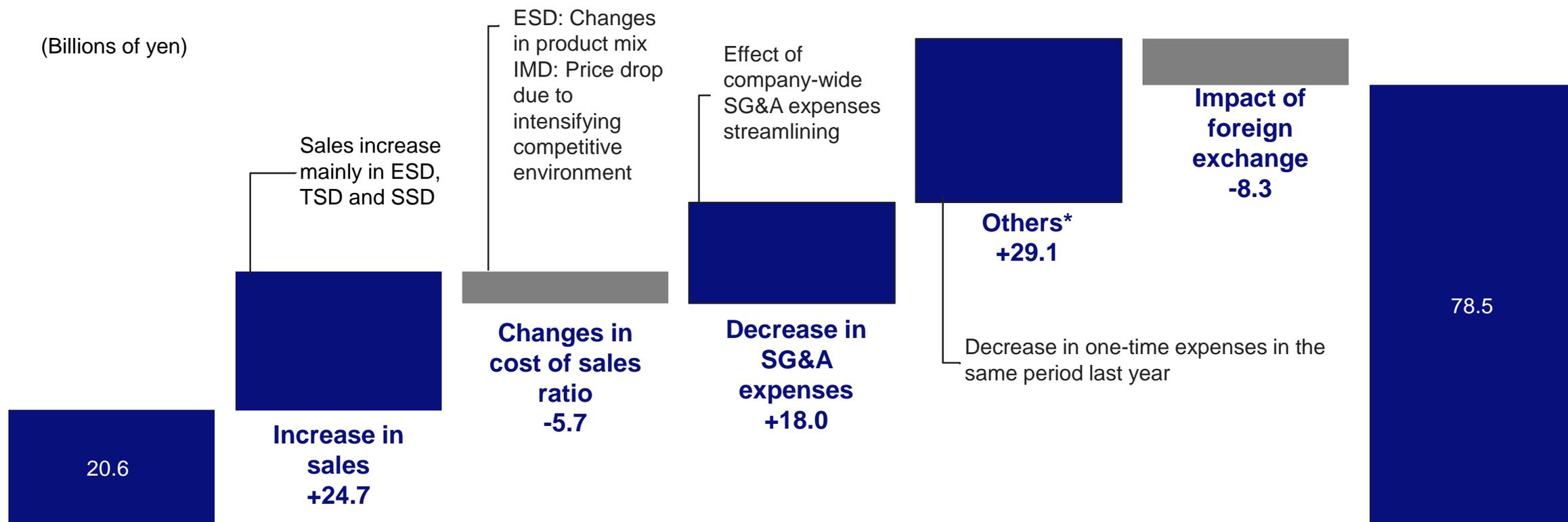
OLYMPUS

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

03 Appendix

Supplementary Materials: 3Q of Fiscal 2020 Factors That Affected Consolidated Operating Profit

1Q-3Q (Apr. – Dec.)



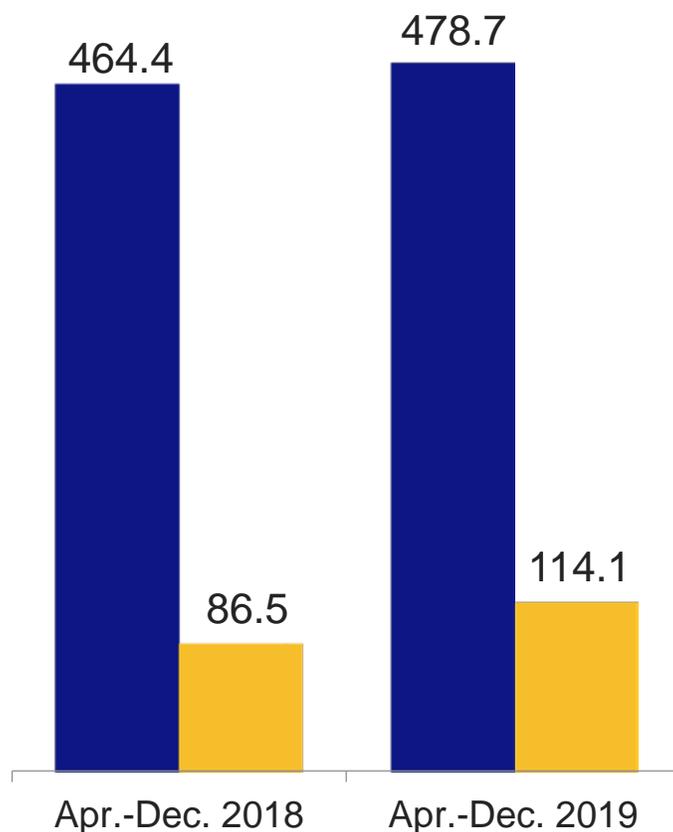
FY2019
Operating profit

- ※ Major one-time expenses in the same period last year
- Securities litigation settlements: ¥19.4 billion
 - Expenses associated with the plea agreement with the U.S. Department of Justice: ¥9.7 billion
 - Provision for litigation against Chinese manufacturing subsidiary: ¥3.8 billion
 - Restructuring for Chinese manufacturing subsidiary: ¥ 6.0 billion

FY2020
Operating profit

Supplementary Materials: 3Q of Fiscal 2020 Medical Business

■ Revenue ■ Operating profit
(Billions of yen)



- ✓ **Revenue** Record high revenue, mainly driven by strong sales momentum in China (excl. FX impact +7%)
- ✓ **Operating profit** Record high OP due to increased revenue in all areas and improved SG&A efficiency

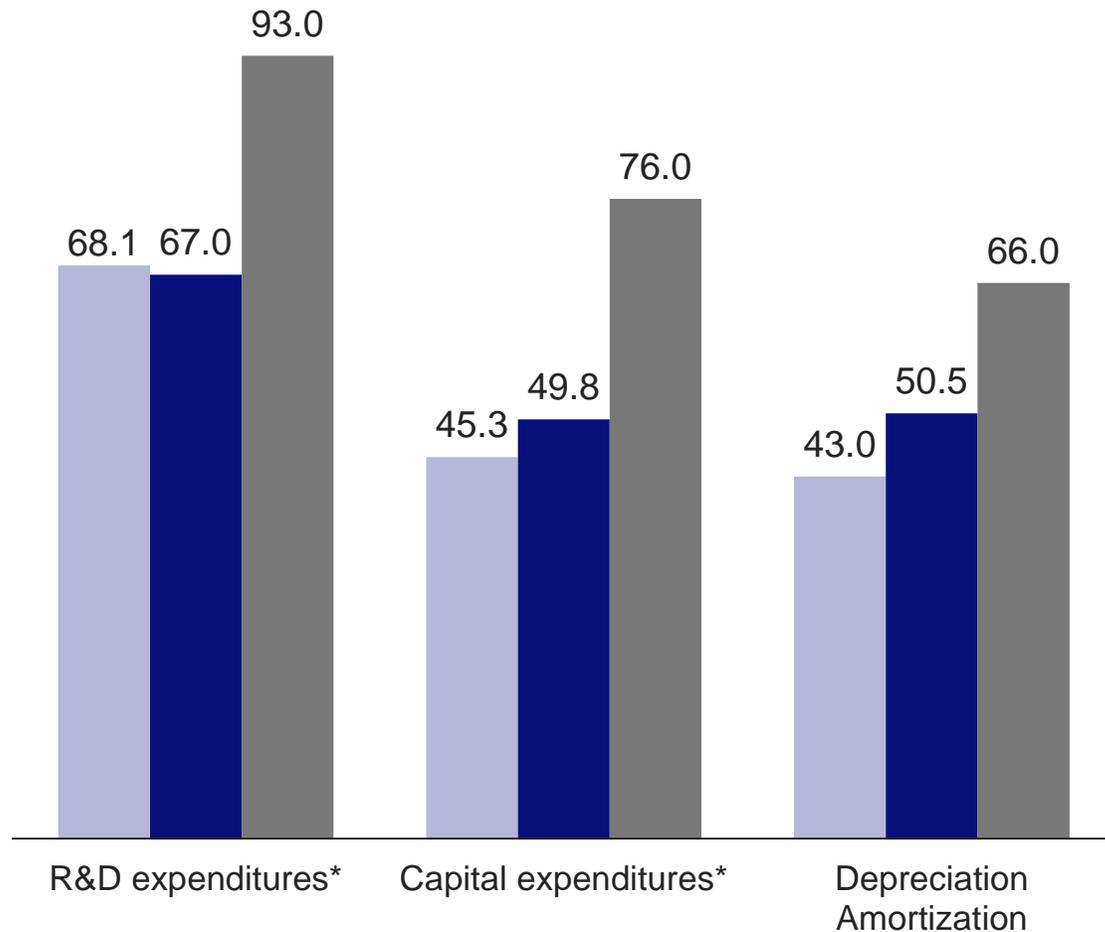
(Billions of yen)	1Q-3Q (Apr. – Dec.)				3Q (Oct. – Dec.)			
	FY2019	FY2020	YoY	After foreign exchange adjustment	FY2019	FY2020	YoY	After foreign exchange adjustment
Revenue	464.4	478.7	+3%	+7%	158.8	163.9	+3%	+8%
Gastrointestinal Endoscopes (GI)	247.8	258.2	+4%	+8%	83.8	90.0	+7%	+12%
Surgical Devices	154.9	155.7	+1%	+4%	54.1	52.1	-4%	+1%
Endotherapy Devices	61.8	64.8	+5%	+8%	20.9	21.7	+4%	+8%
Operating profit	86.5	114.1	+32%	+40%	31.8	39.1	+23%	+34%
Other income / expenses	-6.9	-1.7	-	-	0	-0.8	-	-
Operating margin	18.6%	23.8%		24.4%	20.1%	23.8%		24.9%

Supplementary Materials: Expenditures etc.

1Q-3Q (9 months) Results and Full-year Forecasts

(Billions of yen)

■ 1Q-3Q FY2019 ■ 1Q-3Q FY2020 ■ FY2020 (Forecasts)



(Billions of yen)	FY2019 1Q-3Q	FY2020 1Q-3Q	FY2020 (Forecasts)
R&D expenditures* (a)	68.1	67.0	930
Capitalization of R&D expenditures (b)	6.7	14.4	230
R&D expenses in P/L (a-b)	61.4	52.6	700

(Billions of yen)	FY2019 1Q-3Q	FY2020 1Q-3Q
Amortization	5.4	5.1

	End of Sep. 2019	End of Dec. 2019
R&D assets	37.7	42.2

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