

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



February 14, 2025

Company Name: Olympus Corporation
 Code Number: 7733
 (URL: <https://www.olympus.co.jp/>)
 Stock Exchange Listing: Prime Market of Tokyo Stock Exchange
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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 Nine Months of the Fiscal Year Ending March 31, 2025 (From April 1, 2024 to December 31, 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)	%
Nine months ended										
December 31, 2024	725,221	8.6	108,795	186.4	128,197	16.4	105,216	229.0	76,384	(67.6)
December 31, 2023	668,097	—	37,985	—	110,147	—	31,983	—	235,575	117.4

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share		Diluted earnings per share	
	(¥ million)	%	(¥ million)	%	(¥)	(¥)	(¥)	(¥)
Nine months ended								
December 31, 2024	76,384	(67.5)	96,477	(64.5)	66.43	66.31	66.43	66.31
December 31, 2023	235,212	117.4	271,408	87.7	191.59	191.15	191.59	191.15

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 the 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 nine months ended December 31, 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				
December 31, 2024	1,406,931	734,660	734,660	52.2
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	—	0.00	—		
Fiscal year ending March 31, 2025 (Forecast)				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	997,500	7.8	151,000	193.8	174,500	15.3	146,000	234.8	105,000	(56.7)	91.76

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: Yes

Newly included: None

Excluded: 2 companies (Olympus Terumo Biomaterials Corp., FH Ortho SAS)

(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 December 31, 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 December 31, 2024	49,941,388 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)

Nine months ended December 31, 2024	1,149,859,288 shares
Nine months ended December 31, 2023	1,227,698,134 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, including forecast of financial results, contained in these materials are based on information currently available to Olympus Corporation and on certain assumptions deemed to be reasonable. Accordingly, Olympus Corporation cannot make promises to achieve such forecasts. Actual business and other results may differ substantially due to various factors. Please refer to the section of "Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements" on page 7 of the attached material for the conditions that form the assumptions for the forecast and cautions concerning the use thereof.

(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 Nine-Month Period

In the nine months ended December 31, 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, a process that was completed on July 12, 2024. Due to this, profit (loss) from the Orthopedic Business has been classified as profit (loss) from discontinued operation, and it has been presented in the same manner for the nine months ended December 31, 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 the 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 nine months ended December 31, 2023.

Trends in overall business results

During the nine months ended December 31, 2024 the global economy continued to move towards recovery, but persistently high interest rate levels in Europe and the U.S., the impact of the ongoing slump in China’s real estate market, and other downside risks associated with overseas business conditions, as well as policy trends in the U.S. and the situation in the Middle East, 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 company 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)			
	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Increase (Decrease)	Increase (Decrease) ratio (%)
(1) Revenue	668,097	725,221	57,124	8.6
(2) Cost of sales	221,418	234,286	12,868	5.8
(3) Selling, general and administrative expenses	336,178	362,976	26,798	8.0
(4) Share of profit (loss) of investments accounted for using equity method/Other income/Other expenses	(72,516)	(19,164)	53,352	–
(5) Operating profit	37,985	108,795	70,810	186.4
(6) Adjusted operating profit	110,147	128,197	18,050	16.4
(7) Finance income (loss)	(6,002)	(3,579)	2,423	–
(8) Profit before tax	31,983	105,216	73,233	229.0
(9) Income taxes	25,085	28,859	3,774	15.0
(10) Profit from continuing operations	6,898	76,357	69,459	–
(11) Profit attributable to owners of parent	235,212	76,384	(158,828)	(67.5)
Exchange rate (Yen/USD)	143.29	152.57	9.28	–
Exchange rate (Yen/EUR)	155.29	164.83	9.54	–
Exchange rate (Yen/CNY)	19.98	21.15	1.17	–

(1) Revenue

Revenue increased by ¥57,124 million year on year to ¥725,221 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 ¥12,868 million year on year to ¥234,286 million. The cost-to-sales ratio improved by 0.8 percentage points year on year to 32.3% as a result of, among other factors, the disappearance of approximately ¥5,000 million in provisions made in the previous fiscal year for expenses associated with the voluntary recall of small intestine endoscope systems in the Endoscopic Solutions Business, and the impact of the foreign exchange rate.

(3) Selling, general and administrative expenses

Selling, general and administrative expenses increased by ¥26,798 million year on year to ¥362,976 million. The main factors are increases in research and development expenses related mainly to next-generation endoscopic systems and expenses related to the quality and regulatory transformation project 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 ¥19,164 million, and the profit or loss improved by ¥53,352 million year on year. In terms of other income, consolidated subsidiary, Olympus (Shenzhen) Industrial Ltd. received compensation income of approximately ¥1,200 million in relation to the return of usage rights for land and buildings in Shenzhen City, China, to the government of Shenzhen City. The same subsidiary also came to a settlement with Shenzhen Anpingtai Investment and Development Co., Ltd. This led to the reversal of provisions of approximately ¥1,100 million that had been recorded in the past based on estimates for losses associated with litigation, etc., resulting in a year-on-year increase of ¥2,472 million. With regard to other expenses, in the nine months ended December 31, 2024 and increase of approximately ¥800 million was recorded for special additional payment and other expenses associated with the provision of re-employment support services under the career support system for external opportunity and an increase of approximately ¥400 million yen impairment losses on development assets in the Endoscopic and Therapeutic Solutions Business. However, in addition to the disappearance of a loss recorded in the previous fiscal year of

approximately ¥50,800 million, which related to the discontinuation of the manufacture and sale of Veran Medical Technologies, Inc.'s electromagnetic navigation systems, there was a fall of approximately ¥1,200 million in one-off expenses related to the quality and regulatory transformation project Elevate, resulting in an overall year-on-year decline of ¥50,288 million.

(5) Operating profit

Reflecting the factors stated above, operating profit increased by ¥70,810 million year on year to ¥108,795 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 ¥18,050 million year on year to ¥128,197 million.

(7) Finance income (loss)

Finance loss, which reflects finance income and finance costs, improved ¥2,423 million year on year to ¥3,579 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 ¥73,233 million year on year to ¥105,216 million.

(9) Income taxes

The increased profit before tax led income taxes to increase by ¥3,774 million year on year to ¥28,859 million.

(10) Profit from continuing operations

The increased profit before tax led profit from continuing operations to increase by ¥69,459 million year on year to ¥76,357 million.

(11) Profit attributable to owners of parent

As a result of recording a gain of approximately ¥349,000 million on the transfer of Scientific Solutions Business in discontinued operation during the nine months ended December 31, 2023, profit attributable to owners of parent decreased by ¥158,828 million year on year to ¥76,384 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 ¥152.57 against the USD (¥143.29 in the same period of the previous fiscal year), ¥164.83 against the EUR (¥155.29 in the same period of the previous fiscal year) and ¥21.15 against the CNY (¥19.98 in the same period of the previous fiscal year), which caused revenue, operating profit and adjusted operating profit to increase by ¥36,467 million, ¥16,891 million and ¥17,508 million, respectively, year on year.

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

	(Millions of yen)			
	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Increase (Decrease)	Increase (Decrease) ratio (%)
Revenue	419,316	459,527	40,211	9.6
Operating profit (loss)	83,580	93,893	10,313	12.3

Consolidated revenue in the Endoscopic Solutions Business amounted to ¥459,527 million (up 9.6% year on year), while operating profit amounted to ¥93,893 million (up 12.3% 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 positive year-on-year growth.

In Surgical Endoscopy, although China recorded lower revenue, revenue grew in North America, Europe, and APAC. Growth driven mainly by the solid performance of “VISERA ELITE III” surgical endoscopy system in APAC, which together with the effects of yen depreciation resulted in positive growth year on year.

In the medical services field, all regions, especially in Europe and North America, 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. This was due to an increase in revenue and the disappearance of approximately ¥5,000 million in provisions made in the previous fiscal year for expenses associated with the voluntary recall of small intestine endoscope systems, despite higher research and development expenses related mainly to next-generation endoscopic systems and expenses related to the quality and regulatory transformation project Elevate, and recording of an impairment losses on development assets of approximately ¥1,300 million as other expenses.

Therapeutic Solutions Business

	(Millions of yen)			
	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Increase (Decrease)	Increase (Decrease) ratio (%)
Revenue	247,226	265,342	18,116	7.3
Operating profit (loss)	(16,176)	42,347	58,523	–

Consolidated revenue in the Therapeutic Solutions Business amounted to ¥265,342 million (up 7.3% year on year), while operating profit amounted to ¥42,347 million (compared with an operating loss of ¥16,176 million in the same period of the previous fiscal 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.

In the urology field, there was an increase in sales of “SOLTIVE SuperPulsed Laser System” lithotripsy machines for kidney stones, and of resection electrodes for BPH (Benign Prostatic Hyperplasia).

In the respiratory field, sales of therapeutic devices and EBUS scopes 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 rose despite increases in research and development expenses and expenses related to the quality and regulatory transformation project Elevate. This was caused by increases in profit driven by higher revenue, the disappearance of a loss recorded in the previous fiscal year of approximately ¥50,800 million, which related to the discontinuation of the manufacture and sale of

Veran Medical Technologies, Inc.'s electromagnetic navigation systems, and a decrease of impairment losses on development assets of approximately ¥900 million as other expenses.

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

[Assets]

As of the end of the nine months ended December 31, 2024, total assets decreased by ¥127,285 million compared to the end of the previous fiscal year to ¥1,406,931 million. In current assets, cash and cash equivalents decreased by ¥120,676 million due mainly to a decline in cash flows from financing activities of ¥206,588 million, which more than offset an increase in cash flows from operating activities of ¥126,299 million. In addition, an income taxes refund led to income taxes receivable decreasing by ¥33,678 million. In non-current assets, other financial assets increased by ¥14,015 million mainly due to purchase of investment securities.

[Liabilities]

Total liabilities decreased by ¥104,759 million from the end of the previous fiscal year to ¥672,271 million. Bonds and borrowings decreased by ¥66,283 million due to the repayment of borrowings and the redemption of bonds, and other current liabilities decreased by ¥28,045 million due to a decrease in accrued expenses.

[Equity]

Total equity decreased by ¥22,526 million from the end of the previous fiscal year to ¥734,660 million. This decrease took place despite profit attributable to owners of parent of ¥76,384 million and an increase of ¥20,488 million in other components of equity, due mainly to exchange differences on translation of foreign operations, mainly as a result of share repurchase of ¥100,002 million and dividends of surplus of ¥20,981 million.

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. Furthermore, due to the share repurchase of ¥100,002 million based on the resolution passed at the meeting of the Board of Directors held on May 10, 2024, treasury shares increased by ¥21,373 million (widening negative balance in equity).

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 52.2%.

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

Cash and cash equivalents at the end of the nine months ended December 31, 2024 amounted to ¥220,257 million, a decrease of ¥120,676 million from the end of the previous fiscal year. The following are the cash flows for the nine months ended December 31, 2024.

[Cash flows from operating activities]

Net cash provided by operating activities for the nine months ended December 31, 2024 was ¥126,299 million (compared with ¥12,861 million used for the nine months ended December 31, 2023). Although payment of accrued expenses decreased mainly due to other payments of ¥18,705 million, this increase was driven mainly by profit before tax of ¥105,216 million and adjustment for depreciation and amortization of ¥49,219 million.

[Cash flows from investing activities]

Net cash used in investing activities for the nine months ended December 31, 2024 was ¥42,557 million (compared with ¥391,445 million provided for the nine months ended December 31, 2023). The main factors behind this were purchase of property, plant and equipment of ¥30,893 million and purchase of intangible assets of ¥13,430 million.

[Cash flows from financing activities]

Net cash used in financing activities for the nine months ended December 31, 2024 was ¥206,588 million (compared with ¥240,785 million used for the nine months ended December 31, 2023). The main factors behind this were payments for share repurchase of ¥100,002 million, repayment of borrowings and redemption of bonds of ¥70,035 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 nine months ended December 31, 2024 for continuing operations, excluding discontinued operations, was ¥70,188 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 Three Months of the Fiscal Year Ending March 31, 2025” released on August 7, 2024.

After taking into consideration progress in the third quarter relative to the assumption of the previous outlook and the impact of the external environment including China, we have revised the previously announced consolidated earnings forecasts as follows.

From the first quarter ended June 30, 2024, the Orthopedic Business was classified as a discontinued operation. 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 the discontinued operation have been excluded. The amount presented for profit attributable to owners of parent is the aggregate of continuing operations and discontinued operation.

In addition, foreign exchange rates assumed in the forecasts for the fourth quarter are ¥157 per USD, ¥163 per EUR, and ¥21 per CNY. The exchange rate assumptions for the full year, reflecting the results of the nine months ended December 31, 2024, are ¥153.68 per USD, ¥164.37 per EUR, and ¥21.11 per CNY (foreign exchange rates assumed in the previous forecast are ¥151 per USD, ¥163 per EUR, and ¥21 per 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)	1,009,000	176,000	197,500	170,000	121,000	105.72
Revised Forecast (B)	997,500	151,000	174,500	146,000	105,000	91.76
Increase (Decrease) (B-A)	(11,500)	(25,000)	(23,000)	(24,000)	(16,000)	(13.96)
Increase (Decrease) ratio (%)	(1.1)	(14.2)	(11.6)	(14.1)	(13.2)	(13.2)

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 December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	17	340,933	220,257
Trade and other receivables	17	197,599	188,762
Other financial assets	17	9,862	11,540
Inventories		190,030	197,102
Income taxes receivable		36,686	3,008
Other current assets		25,175	26,721
Subtotal		800,285	647,390
Assets held for sale	7	55	–
Total current assets		800,340	647,390
Non-current assets			
Property, plant and equipment	8	259,968	260,850
Goodwill	8	180,331	188,546
Intangible assets	8	91,961	93,267
Retirement benefit asset		36,815	37,908
Investments accounted for using equity method		479	360
Trade and other receivables	17	55,764	59,258
Other financial assets	17	34,146	48,161
Deferred tax assets		72,324	69,698
Other non-current assets		2,088	1,493
Total non-current assets		733,876	759,541
Total assets		1,534,216	1,406,931

(Millions of yen)

	Notes	As of March 31, 2024	As of December 31, 2024
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade and other payables	17	61,855	56,285
Bonds and borrowings	10,17	69,988	94,968
Other financial liabilities	17	27,673	23,551
Income taxes payable		38,658	43,117
Provisions	9	31,318	22,476
Other current liabilities		202,203	174,158
Total current liabilities		431,695	414,555
Non-current liabilities			
Bonds and borrowings	10,17	229,628	138,365
Other financial liabilities	17	62,238	65,114
Retirement benefit liability		20,586	22,057
Provisions		2,362	2,448
Deferred tax liabilities		11,989	10,573
Other non-current liabilities		18,532	19,159
Total non-current liabilities		345,335	257,716
Total liabilities		777,030	672,271
Equity			
Share capital		124,643	124,643
Capital surplus	11	92,032	92,395
Treasury shares	11	(102,017)	(123,390)
Other components of equity		149,127	169,615
Retained earnings		493,401	471,397
Total equity attributable to owners of parent		757,186	734,660
Total equity		757,186	734,660
Total liabilities and equity		1,534,216	1,406,931

(2) Condensed Quarterly Consolidated Statements of Profit or Loss

Nine months ended December 31, 2023 and 2024

		(Millions of yen)	
	Notes	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Continuing operations			
Revenue	6,13	668,097	725,221
Cost of sales	9	221,418	234,286
Gross profit		446,679	490,935
Selling, general and administrative expenses		336,178	362,976
Share of profit (loss) of investments accounted for using equity method		(354)	238
Other income	14,16	2,094	4,566
Other expenses	8,14	74,256	23,968
Operating profit	6	37,985	108,795
Finance income		1,873	2,718
Finance costs		7,875	6,297
Profit before tax		31,983	105,216
Income taxes		25,085	28,859
Profit from continuing operations		6,898	76,357
Discontinued operation			
Profit from discontinued operation	18	228,677	27
Profit		235,575	76,384
Profit attributable to:			
Owners of parent		235,212	76,384
Non-controlling interests		363	–
Profit		235,575	76,384
Earnings per share			
Basic earnings per share			
Continuing operations	15	¥5.32	¥66.41
Discontinued operation	15	¥186.27	¥0.02
Basic earnings per share	15	¥191.59	¥66.43
Diluted earnings per share			
Continuing operations	15	¥5.31	¥66.29
Discontinued operation	15	¥185.84	¥0.02
Diluted earnings per share	15	¥191.15	¥66.31

Three months ended December 31, 2023 and 2024

		(Millions of yen)	
	Notes	Three months ended December 31, 2023	Three months ended December 31, 2024
Continuing operations			
Revenue		236,504	251,192
Cost of sales		75,055	83,213
Gross profit		161,449	167,979
Selling, general and administrative expenses		117,697	125,069
Share of profit (loss) of investments accounted for using equity method		(120)	219
Other income		674	1,680
Other expenses		10,088	6,544
Operating profit		34,218	38,265
Finance income		701	840
Finance costs		885	2,694
Profit before tax		34,034	36,411
Income taxes		14,868	9,317
Profit from continuing operations		19,166	27,094
Discontinued operation			
Profit (loss) from discontinued operation		(250)	312
Profit		18,916	27,406
Profit attributable to:			
Owners of parent		18,916	27,406
Non-controlling interests		-	-
Profit		18,916	27,406
Earnings per share			
Basic earnings (loss) per share			
Continuing operations	15	¥16.05	¥23.96
Discontinued operation	15	¥(0.21)	¥0.28
Basic earnings per share	15	¥15.84	¥24.24
Diluted earnings (loss) per share			
Continuing operations	15	¥16.02	¥23.92
Discontinued operation	15	¥(0.21)	¥0.27
Diluted earnings per share	15	¥15.81	¥24.19

(3) Condensed Quarterly Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2023 and 2024

		(Millions of yen)	
	Notes	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit		235,575	76,384
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		(42)	115
Remeasurements of defined benefit plans		(171)	(395)
Total of items that will not be reclassified to profit or loss		(213)	(280)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		35,681	18,924
Cash flow hedges		365	1,449
Total of items that may be reclassified to profit or loss		36,046	20,373
Total other comprehensive income		35,833	20,093
Comprehensive income		271,408	96,477
Comprehensive income attributable to:			
Owners of parent		271,045	96,477
Non-controlling interests		363	-
Comprehensive income		271,408	96,477

Three months ended December 31, 2023 and 2024

	Notes	Three months ended December 31, 2023	Three months ended December 31, 2024
(Millions of yen)			
Profit		18,916	27,406
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		(96)	42
Remeasurements of defined benefit plans		90	(172)
Total of items that will not be reclassified to profit or loss		(6)	(130)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(20,782)	47,442
Cash flow hedges		1,529	(424)
Total of items that may be reclassified to profit or loss		(19,253)	47,018
Total other comprehensive income		(19,259)	46,888
Comprehensive income		(343)	74,294
Comprehensive income attributable to:			
Owners of parent		(343)	74,294
Non-controlling interests		-	-
Comprehensive income		(343)	74,294

(4) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended December 31, 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							235,212	235,212	363	235,575
Other comprehensive income					38,867	(3,034)		35,833		35,833
Comprehensive income		–	–	–	38,867	(3,034)	235,212	271,045	363	271,408
Share repurchase	11			(141,650)				(141,650)		(141,650)
Disposal of treasury shares	11		(23)	23				0		0
Dividends from surplus	12						(20,057)	(20,057)	(183)	(20,240)
Transfer from retained earnings to capital surplus			50				(50)	–		–
Transfer from other components of equity to retained earnings					170		(170)	–		–
Share-based payment transactions	11		820	1,231				2,051		2,051
Equity transactions with non-controlling interests	11		(1,592)					(1,592)	(1,329)	(2,921)
Total transactions with owners		–	(745)	(140,396)	170	–	(20,277)	(161,248)	(1,512)	(162,760)
Balance at December 31, 2023		124,643	91,405	(168,482)	116,317	–	585,999	749,882	–	749,882

Nine months ended December 31, 2024

(Millions of yen)

	Notes	Equity attributable to owners of parent						Total equity
		Share capital	Capital surplus	Treasury shares	Other components of equity	Retained earnings	Total	
Balance at April 1, 2024		124,643	92,032	(102,017)	149,127	493,401	757,186	757,186
Profit						76,384	76,384	76,384
Other comprehensive income					20,093		20,093	20,093
Comprehensive income		–	–	–	20,093	76,384	96,477	96,477
Share repurchase	11			(100,002)			(100,002)	(100,002)
Disposal of treasury shares	11		(43)	43			0	0
Cancellation of treasury shares	11		(77,161)	77,161			–	–
Dividends from surplus	12					(20,981)	(20,981)	(20,981)
Transfer from retained earnings to capital surplus			77,012			(77,012)	–	–
Transfer from other components of equity to retained earnings					395	(395)	–	–
Share-based payment transactions	11		555	1,425			1,980	1,980
Total transactions with owners		–	363	(21,373)	395	(98,388)	(119,003)	(119,003)
Balance at December 31, 2024		124,643	92,395	(123,390)	169,615	471,397	734,660	734,660

(5) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)			
	Notes	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities			
Profit before tax		31,983	105,216
Profit before tax from discontinued operation	18	349,149	2
Depreciation and amortization		49,135	49,219
Impairment losses	8,14	42,805	2,493
Interest and dividend income		(1,735)	(2,558)
Interest expenses		4,220	3,857
Share of loss (profit) of investments accounted for using equity method		354	(238)
Gain on transfer of the Scientific Solutions Business	16,18	(349,030)	-
Decrease (increase) in trade and other receivables		13,523	3,887
Decrease (increase) in inventories		(20,956)	(9,741)
Increase (decrease) in trade and other payables		(6,049)	(3,281)
Increase (decrease) in retirement benefit liability		(2,208)	1,595
Decrease (increase) in retirement benefit asset		(626)	(1,250)
Increase (decrease) in provisions	9	2,378	(9,566)
Other		13,980	(18,705)
Subtotal		126,923	120,930
Interest received		1,732	2,556
Dividends received		3	2
Interest paid		(3,706)	(3,466)
Income taxes refund (paid)		(137,813)	6,277
Net cash provided by (used in) operating activities		(12,861)	126,299

		(Millions of yen)	
	Notes	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from investing activities			
Purchase of property, plant and equipment		(34,408)	(30,893)
Purchase of intangible assets		(11,425)	(13,430)
Purchase of investment securities		(15)	(8,455)
Proceeds from transfer of the Scientific Solutions Business	16,18	379,091	–
Proceeds from the transfer of the collagen business and dental product sales businesses	16	1,656	–
Proceeds from the transfer of the Orthopedic Business	16,18	–	1,950
Proceeds from sale of subsidiaries	16	4,429	–
Collection of loans receivable	18	52,931	3,989
Payments for contingent consideration		(1,946)	(4,572)
Amount recovered upon cancellation of share purchase agreement		–	7,603
Other		1,132	1,251
Net cash provided by (used in) investing activities		391,445	(42,557)
Cash flows from financing activities			
Repayments of lease liabilities		(14,887)	(14,400)
Repayments of long-term borrowings		(40,000)	(50,035)
Dividends paid	12	(20,057)	(20,981)
Dividends paid to non-controlling interests		(183)	–
Payments for share repurchase	11	(141,650)	(100,002)
Change in deposits due to share repurchase	11	(18,350)	–
Redemption of bonds	10	–	(20,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	11	(2,921)	–
Other		(2,737)	(1,170)
Net cash used in financing activities		(240,785)	(206,588)
Effect of exchange rate changes on cash and cash equivalents		5,261	2,170
Net increase (decrease) in cash and cash equivalents		143,060	(120,676)
Cash and cash equivalents at beginning of period		205,512	340,933
Cash and cash equivalents at end of period		348,572	220,257

(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 Note "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, Executive Chairperson and ESG Officer Yasuo Takeuchi, and Executive Officer and CFO Tatsuya Izumi on February 14, 2025.

(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 nine months ended December 31, 2023, decreased in significance, they have been included in "Other" from the nine months ended December 31, 2024. To reflect this change in the presentation method, we have reorganized our Condensed Quarterly Consolidated Financial Statements for the nine months ended December 31, 2023.

As a result, in the Condensed Quarterly Consolidated Statements of Cash Flows for the nine months ended December 31, 2023, the ¥13,793 million presented as "Other" and ¥187 million as "Loss (gain) on sale and retirement of fixed assets" in "Cash flows from operating activities" were reorganized into ¥13,980 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 nine months ended December 31, 2023, decreased in significance, they have been included in "Other" from the nine months ended December 31, 2024. To reflect this change in the presentation method, we have reorganized our Condensed Quarterly Consolidated Financial Statements for the nine months ended December 31, 2023.

As a result, in the Condensed Quarterly Consolidated Statements of Cash Flows for the nine months ended December 31, 2023, the ¥(49) million presented as "Other" and ¥1,181 million as "Proceeds from sale of property, plant and equipment" in "Cash flows from investing activities" were reorganized into ¥1,132 million in "Other."

(Cash flows from financing activities)

As “Net increase (decrease) in short-term borrowings and commercial papers” of “Cash flows from financing activities,” which had previously been listed independently in the nine months ended December 31, 2023, decreased in significance, they have been included in “Other” from the nine months ended December 31, 2024. To reflect this change in the presentation method, we have reorganized our Condensed Quarterly Consolidated Financial Statements for the nine months ended December 31, 2023.

As a result, in the Condensed Quarterly Consolidated Statements of Cash Flows for the nine months ended December 31, 2023, the ¥(2,734) million presented as “Other” and ¥(3) million as “Net increase (decrease) in short-term borrowings and commercial papers” in “Cash flows from financing activities” were reorganized into ¥(2,737) 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 nine months ended December 31, 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 nine months ended December 31, 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, a process that was completed on July 12, 2024.

As a result of the transfer, the financial materiality of the financial information with regard to the previous “Other businesses” 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 nine months ended December 31, 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.”

Nine months ended December 31, 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	419,316	247,226	666,542	1,555	–	668,097
Intersegment revenue (Note 1)	22	4	26	–	(26)	–
Total revenue	419,338	247,230	666,568	1,555	(26)	668,097
Operating profit (loss)	83,580	(16,176)	67,404	45	(29,464)	37,985
Finance income						1,873
Finance costs						7,875
Profit before tax						31,983
Other items						
Share of profit (loss) of investments accounted for using equity method	(346)	(8)	(354)	–	–	(354)
Depreciation and amortization	30,898	13,581	44,479	150	3,949	48,578
Impairment losses (reversal of impairment losses)	138	42,671	42,809	–	(4)	42,805

Notes:

- Intersegment revenue is based on actual market prices.
- 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.
- 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.
- The operating loss of the Therapeutic Solutions Business includes a loss of ¥50,830 million incurred from the discontinuation of manufacturing and sales of Veran Medical Technologies, Inc. products. Details are as described in Note “14. Other income and other expenses.” Such losses include impairment losses of ¥41,314 million. Details are as described in Note “8. Impairment of non-financial assets.”

Nine months ended December 31, 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	459,527	265,342	724,869	352	–	725,221
Intersegment revenue (Note 1)	116	22	138	–	(138)	–
Total revenue	459,643	265,364	725,007	352	(138)	725,221
Operating profit (loss)	93,893	42,347	136,240	(545)	(26,900)	108,795
Finance income						2,718
Finance costs						6,297
Profit before tax						105,216
Other items						
Share of profit (loss) of investments accounted for using equity method	260	(22)	238	–	–	238
Depreciation and amortization	32,200	13,842	46,042	118	2,952	49,112
Impairment losses	1,794	521	2,315	–	178	2,493

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

Breakdown of assets held for sale is as follows.

	(Millions of yen)	
	As of March 31, 2024	As of December 31, 2024
Assets		
Land	41	–
Buildings and structures	14	–
Total	55	–

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 were sold during the nine months ended December 31, 2024.

As of December 31, 2024 there were no assets categorized as assets held for sale.

8. Impairment of non-financial assets

The Olympus Group recognizes impairment losses when the recoverable amount of an asset falls below its carrying amount. Impairment losses related to non-financial assets are recorded in the Other expenses item of the condensed quarterly consolidated statement of profit or loss.

Business assets are mainly grouped according to business segment, while assets scheduled for disposal are grouped according to the assets to be disposed or sold, and idle assets are grouped individually.

The main impairment losses recognized in the nine months ended December 31, 2023 were as follows.

Following the discontinuation of the manufacture and sale of Veran Medical Technologies, Inc. (“VMT”) electromagnetic navigation systems, related non-current assets were written down to their recoverable amount, and an impairment loss of ¥41,314 million was recorded (¥20,041 million for goodwill; ¥15,929 million for technology-related assets; ¥247 million for trademarks; ¥3,568 million for research and development in progress; and ¥1,146 million for license usage rights). Since the completion of the acquisition, the non-current assets related to the manufacture and sale of VMT’s products included in Therapeutic Solutions segment had been tested for impairment using this business segment as the cash-generating unit, taking into account synergies with other assets in the Therapeutic Solutions Business segment. However, during the nine months ended December 31, 2023, it was found that it was difficult to achieve the original goal of early diagnosis and minimally invasive treatment of respiratory diseases in combination with existing respiratory products, which was assumed at the time of acquisition, and it was also found that the products did not meet the quality standards required internally. Due to the decision to terminate the development and sale of VMT’s products, the impairment test was performed separately for non-current assets incurred in connection with the acquisition of VMT, rather than on a business segment basis. The recoverable amount was the fair value less costs of disposal and, as the assets are difficult to sell, this amount was zero. It was classified as level 3 in the fair value hierarchy. Details regarding the fair value hierarchy are as described in Note “17. Financial instruments.”

VMT was acquired by the Olympus Group in December 2020, with the objective of combining VMT’s electromagnetic navigation systems and related devices with Olympus Corporation’s bronchoscope systems to enable early diagnosis and minimally invasive therapies for bronchial disease, and drive the growth of the Respiratory business. However, as a result of an independent investigation it became apparent that VMT’s technology and products did not conform to the quality standards of the Olympus Group, and accordingly Olympus Corporation discontinued shipments of said products in February 2023, since which time it has been engaged in further analysis and considering how to address the situation going forward. After putting the highest priority on the safety of patients during these deliberations, we concluded that improving the quality for these products to meet Olympus standards would incur enormous costs, and that a resumption of shipments would be significantly delayed at a time when the clinical needs of our customers are undergoing rapid change. Accordingly, on September 6, 2023 we took the decision to discontinue the manufacture and sale of these products. Loss amounts associated with the discontinuation of manufacture and sale of these products are as described in Note “14. Other income and other expenses.”

There were no significant impairment losses during the nine months ended December 31, 2024.

9. Provisions

Nine months ended December 31, 2023

(Voluntary recall of Olympus Corporation’s products)

In the nine months ended December 31, 2023, as a result of an independent market survey conducted by Olympus Corporation and of comparisons to in-house quality standards, we made the decision to implement a voluntary recall of small intestine endoscope systems in line with our policy of putting the highest priority on ensuring the safety of patients. A provision of ¥4,157 million for expenses associated with this market response was made in the cost of sales of the Endoscopic Solutions Business.

Nine months ended December 31, 2024

(Reversal of provision related to litigation involving consolidated subsidiary)

Following a civil mediation ruling in court to conclude a lawsuit, consolidated subsidiary Olympus (Shenzhen) Industrial Ltd. came to a settlement with Shenzhen Anpingtai Investment and Development Co., Ltd. This led to reversal of provisions that had been recorded in the past based on estimates for losses associated with litigation, etc. The amount of reversal of the provision is described in Note “14. Other income and other expenses.”

10. Bonds and borrowings

Nine months ended December 31, 2023

There were no significant transactions during the nine months ended December 31, 2023.

Nine months ended December 31, 2024

During the nine months ended December 31, 2024, Olympus Corporation redeemed the 25th unsecured corporate bonds of ¥20,000 million (interest rate 0.20%, due December 4, 2024).

11. Equity and other equity items

Nine months ended December 31, 2023

(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 14, 2023 and July 25, 2023. Due to this disposal, treasury shares decreased by 554,030 shares during the nine months ended December 31, 2024.

The impact of this disposal is that treasury shares decreased by ¥1,231 million.

(Share repurchase)

At meetings of the Board of Directors held on May 12, 2023 and November 9, 2023, 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 12, 2023:

1. Class of shares:	Common stock of Olympus Corporation
2. Total number of shares to be repurchased:	55,000,000 shares (maximum)
3. Total amount of shares to be repurchased:	¥100,000 million (maximum)
4. Repurchase period:	May 15, 2023 to January 31, 2024
5. Repurchase method:	Market purchase based on a discretionary trading contract on the Tokyo Stock Exchange

(2) Shares repurchased based on the above resolution by the Board of Directors

1. Total number of shares repurchased:	51,032,000 shares
2. Total amount of shares repurchased:	¥100,000 million
3. Repurchase period:	May 15, 2023 to November 8, 2023 (based on delivery date)

(3) Details of the resolution passed at the meeting of the Board of Directors held on November 9, 2023:

1. Class of shares:	Common stock of Olympus Corporation
2. Total number of shares to be repurchased:	53,000,000 shares (maximum)
3. Total amount of shares to be repurchased:	¥80,000 million (maximum)
4. Repurchase period:	November 10, 2023 to March 31, 2024
5. Repurchase method:	Market purchase based on a discretionary trading contract on the Tokyo Stock Exchange

(4) Shares repurchased based on the above resolution by the Board of Directors

- | | |
|--|---|
| 1. Total number of shares repurchased: | 19,625,600 shares |
| 2. Total amount of shares repurchased: | ¥41,650 million |
| 3. Repurchase period: | November 10, 2023 to December 31, 2023 (based on delivery date) |

(Equity transactions with non-controlling interests)

On August 4, 2023, the Olympus Group acquired all the shares of Olympus Terumo Biomaterials Corporation (“OTB”), raising its equity interest in OTB from 66.6% to 100%, and resulting in OTB becoming a wholly owned subsidiary of the Olympus Group. As a result, non-controlling interests and capital surplus decreased by ¥1,329 million and ¥1,592 million respectively in the nine months ended December 31, 2024.

Nine months ended December 31, 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 nine months ended December 31, 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 mainly conducted the disposal of treasury shares based on its restricted stock unit (RSU) system and performance share unit (PSU) system on June 10, 2024 and July 24, 2024. Due to these disposals, treasury shares decreased by 692,833 shares during the nine months ended December 31, 2024. The impact of this disposal is that treasury shares decreased by ¥1,425 million.

(Share repurchase)

At a meeting of the Board of Directors held on May 10, 2024, Olympus Corporation resolved items related to the repurchase of its own shares as provided for in Article 459, Paragraph 1 of the Companies Act and Article 32 of Olympus Corporation’s Articles of Incorporation, as well as the cancellation of treasury shares as provided for in Article 178 of the Companies Act. During the nine months ended December 31, 2024 share repurchases were carried out 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) Shares repurchased based on the above resolution by the Board of Directors

- | | |
|--|-----------------------------------|
| 1. Total number of shares repurchased: | 38,583,900 shares |
| 2. Total amount of shares repurchased: | ¥100,000 million |
| 3. Repurchase period: | May 13, 2024 to November 19, 2024 |

The cancellation of shares repurchased after December 31, 2024 in accordance with (2) above is described in Note “21. Subsequent events.”

12. Dividends

Dividends paid are as follows.

Nine months ended December 31, 2023

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 12, 2023	Common stock	20,057	16	March 31, 2023	June 6, 2023

Nine months ended December 31, 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

13. 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, a process that was completed on July 12, 2024.

As a result of the transfer, the financial materiality of the financial information with regard to the previous “Other businesses” will be reduced, and the organizational composition has therefore been changed as described above.

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:

Nine months ended December 31, 2023

	(Millions of yen)			
	Endoscopic Solutions	Therapeutic Solutions	Other	Total
Japan	50,973	34,162	739	85,874
North America	151,324	97,747	11	249,082
Europe	101,897	64,617	98	166,612
China	59,479	23,123	627	83,229
Asia and Oceania	42,388	21,714	80	64,182
Other	13,255	5,863	–	19,118
Total	419,316	247,226	1,555	668,097

Nine months ended December 31, 2024

(Millions of yen)				
	Endoscopic Solutions	Therapeutic Solutions	Other	Total
Japan	49,522	29,737	311	79,570
North America	189,003	114,088	3	303,094
Europe	109,661	70,910	–	180,571
China	49,448	20,514	23	69,985
Asia and Oceania	46,309	23,618	15	69,942
Other	15,584	6,475	–	22,059
Total	459,527	265,342	352	725,221

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 Solutions 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.

14. Other income and other expenses

(1) Other income

Major items of other income are as follows.

Nine months ended December 31, 2023

There are no significant transactions.

Nine months ended December 31, 2024

(Reversal of provision related to litigation involving consolidated subsidiary)

Following a civil mediation ruling in court to conclude a lawsuit, consolidated subsidiary Olympus (Shenzhen) Industrial Ltd. came to a settlement with Shenzhen Anpingtai Investment and Development Co., Ltd. This led to a ¥1,120 million reversal of provisions that had been recorded in the past based on estimates for losses associated with litigation, etc., which has been recorded in other income.

(Compensation income for return of fixed assets)

Consolidated subsidiary, Olympus (Shenzhen) Industrial Ltd. received compensation income of ¥1,174 million in relation to the return of usage rights for land and buildings in Shenzhen City, China, to the government of Shenzhen City, which was recorded in other income.

(2) Other expenses

Major items of other expenses are as follows.

Nine months ended December 31, 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 ¥16,989 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.

(Losses associated with the discontinuation of manufacture and sale of products from Veran Medical Technologies, Inc.)

A loss of ¥50,830 million (¥2,315 million for loss on valuation of inventories; ¥41,314 million for impairment loss on non-current assets (Note); ¥7,201 million for expenses related to the voluntary recall of products) associated with the discontinuation of manufacture and sale of products from Veran Medical Technologies, Inc.'s electromagnetic navigation systems was recorded in "Other expenses."

Note: Details of impairment losses on non-current assets are as described in Note "8. Impairment of non-financial assets."

(Impairment losses)

Olympus Corporation recognized impairment losses of ¥1,357 million on development assets in Therapeutic Solutions Business, which were written down to their recoverable amount since Olympus Corporation no longer expects them to generate the expected earnings at the time of acquisition due to such factors as changes in the market environment, and recorded the losses in "Other expenses."

(Implementation of career support system for external opportunity)

Olympus Corporation recorded ¥2,036 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.

Nine months ended December 31, 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 ¥15,781 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 ¥2,860 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.

(Impairment losses)

Olympus Corporation recognized impairment losses of ¥1,349 million and ¥448 million respectively on development assets in Endoscopic Solutions Business and Therapeutic Solutions Business, which were written down to their recoverable amount since Olympus Corporation no longer expects them to generate the expected earnings at the time of acquisition due to such factors as changes in the market environment, and recorded the losses in "Other expenses."

15. Per-share data

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

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Basic earnings per share		
Continuing operations	¥5.32	¥66.41
Discontinued operation	¥186.27	¥0.02
Basic earnings per share	¥191.59	¥66.43
Diluted earnings per share		
Continuing operations	¥5.31	¥66.29
Discontinued operation	¥185.84	¥0.02
Diluted earnings per share	¥191.15	¥66.31
	Three months ended December 31, 2023	Three months ended December 31, 2024
Basic earnings (loss) per share		
Continuing operations	¥16.05	¥23.96
Discontinued operation	¥(0.21)	¥0.28
Basic earnings per share	¥15.84	¥24.24
Diluted earnings (loss) per share		
Continuing operations	¥16.02	¥23.92
Discontinued operation	¥(0.21)	¥0.27
Diluted earnings per share	¥15.81	¥24.19

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

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit used to calculate basic earnings per share and diluted earnings per share		
Profit attributable to owners of parent	235,212	76,384
Profit not attributable to common shareholders of parent	-	-
Profit used to calculate basic earnings per share	235,212	76,384
Continuing operations	6,535	76,357
Discontinued operation	228,677	27
Adjustment to profit	-	-
Profit used to calculate diluted earnings per share	235,212	76,384
Continuing operations	6,535	76,357
Discontinued operation	228,677	27

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	1,227,698 thousand shares	1,149,859 thousand shares
Increase in number of shares of common stock		
Subscription rights to shares relating to stock options	294 thousand shares	274 thousand shares
Common stock relating to PSU	1,897 thousand shares	1,010 thousand shares
Common stock relating to RSU	615 thousand shares	857 thousand shares
Average number of shares of diluted common stock during the period	1,230,504 thousand shares	1,152,000 thousand shares

(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Profit (loss) used to calculate basic earnings per share and diluted earnings per share		
Profit attributable to owners of parent	18,916	27,406
Profit not attributable to common shareholders of parent	–	–
Profit (loss) used to calculate basic earnings per share	18,916	27,406
Continuing operations	19,166	27,094
Discontinued operation	(250)	312
Adjustment to profit	–	–
Profit (loss) used to calculate diluted earnings per share	18,916	27,406
Continuing operations	19,166	27,094
Discontinued operation	(250)	312

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	1,194,254 thousand shares	1,130,629 thousand shares
Increase in number of shares of common stock		
Subscription rights to shares relating to stock options	292 thousand shares	267 thousand shares
Common stock relating to PSU	1,668 thousand shares	1,033 thousand shares
Common stock relating to RSU	669 thousand shares	918 thousand shares
Average number of shares of diluted common stock during the period	1,196,883 thousand shares	1,132,847 thousand shares

16. Cash flow information

Nine months ended December 31, 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	418,166
Expenses related to transfer of businesses	(2,892)
Cash and cash equivalents of subsidiaries with the loss of control	(36,183)
Proceeds from the transfer of Scientific Solutions Business (Note)	379,091

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 ¥349,030 million associated with the loss of control of Evident under “Profit 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	4,429
Cash and cash equivalents of subsidiaries with the loss of control	(0)
Proceeds from sale of subsidiaries (Note)	4,429

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 gain of ¥104 million associated with the loss of control of GML under “Other income” in the Condensed Quarterly Consolidated Statements of Profit or Loss.

(Transfer of collagen business and dental product sales businesses)

(i) Overview of transaction

On March 28, 2023, Olympus Terumo Biomaterials Corporation, a consolidated subsidiary of Olympus Corporation, executed a company split agreement with GC Corporation for the transfer of the collagen products development, manufacture and sales business and dental products sales business, which are included in the other businesses of the Olympus Group. The transfer of the businesses in accordance with this agreement was completed on July 3, 2023. As a result, Olympus Corporation lost its control of the collagen business and the dental product sales business on that date.

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

	(Millions of yen)
	Amount
Current assets	158
Non-current assets	399
Total assets	557
Current liabilities	28
Non-current liabilities	–
Total liabilities	28

(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	1,769
Expenses related to transfer of businesses	(113)
Proceeds from the transfer of the collagen business and dental product sales businesses (Note)	1,656

Note: Proceeds from the transfer of the collagen business and dental product sales businesses 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 ¥1,127 million associated with the loss of control of the collagen business and dental product sales businesses under “Profit from discontinued operation” in the Condensed Quarterly Consolidated Statements of Profit or Loss.

Nine months ended December 31, 2024

(Transfer of Orthopedic Business)

(i) Overview of transaction

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. The transfer of the business in accordance with this agreement was completed on July 12, 2024. As a result of this, Olympus Corporation lost its control of Orthopedic Business on the same day.

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

	(Millions of yen)
	Amount
Current assets	10,122
Non-current assets	2,358
Total assets	12,480
Current liabilities	2,937
Non-current liabilities	1,093
Total liabilities	4,030

(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 (Note 1)	3,679
Expenses related to transfer of businesses	(175)
Cash and cash equivalents of subsidiaries with the loss of control	(1,554)
Proceeds from the transfer of Orthopedic Business (Note 2)	1,950

Notes: 1. The price has been adjusted and finalized under the agreement.
2. Proceeds from the transfer of Orthopedic 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 ¥331 million associated with the loss of control of Orthopedic Business under “Profit from discontinued operation” in the Condensed Quarterly Consolidated Statements of Profit or Loss.

17. 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 nine months ended December 31, 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 December 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	–	19,583	–	19,583
Equity securities and others	–	–	867	867
Financial assets measured at fair value through other comprehensive income				
Equity securities and others	460	–	16,332	16,792
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	2,719	–	2,719
Contingent consideration	–	–	2,005	2,005

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

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Balance at April 1	7,368	7,718
Gains and losses (Note)		
Profit or loss	4	148
Other comprehensive income	61	278
Purchases	301	8,455
Other	136	600
Balance at December 31	7,870	17,199

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 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 loss of ¥43 million and a gain of ¥148 million on financial instruments held as of the nine months ended December 31, 2023 and 2024, respectively.

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

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Balance at April 1	8,226	7,119
Settlement	(1,945)	(5,843)
Change in fair value	811	643
Other	624	86
Balance at December 31	7,716	2,005

(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 December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Lease receivables	86,238	86,085	100,152	100,212
Financial liabilities				
Bonds	145,250	139,324	128,771	124,293
Borrowings	94,372	94,225	94,555	93,895

18. 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 Note “16. Cash flow information.”

(i) Profit (loss) of discontinued operation

Profit (loss) of discontinued operation is as follows:

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Selling, general and administrative expenses	387	-
Other income (Note 1)	349,149	-
Other expenses (Note 2)	648	-
Operating profit	348,114	-
Finance income	-	-
Finance costs	-	-
Profit before tax	348,114	-
Income taxes (Note 3)	120,028	-
Profit from discontinued operation	228,086	-

- Notes: 1. Other income includes ¥349,030 million in the nine months ended December 31, 2023 for the gain on the transfer of Scientific Solutions Business.
2. Other expenses include ¥177 million in the nine months ended December 31, 2023 related to the spin-off of the Scientific Solutions Business and the strengthening of its management systems.
3. Income taxes of ¥120,028 million in the nine months ended December 31, 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	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net cash used in operating activities	(57,728)	-
Net cash provided by investing activities (Note)	431,091	-
Net cash provided by (used in) financing activities	-	-

- Note: Net cash provided by investing activities in the nine months ended December 31, 2023 includes proceeds from the transfer of the Scientific Solutions Business of ¥379,091 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, a process that was completed on July 12, 2024.

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 nine months ended December 31, 2023.

(i) Profit (loss) of discontinued operation

Profit (loss) of discontinued operation is as follows:

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	7,617	2,939
Cost of sales	2,863	989
Gross profit	4,754	1,950
Selling, general and administrative expenses	4,729	1,862
Other income	1,240	331
Other expenses	216	436
Operating profit (loss)	1,049	(17)
Finance income	3	22
Finance costs	17	3
Profit before tax	1,035	2
Income taxes	444	(25)
Profit from discontinued operation	591	27

(ii) Cash flows of discontinued operation

Cash flows of discontinued operation are as follows:

	(Millions of yen)	
Cash flows of discontinued operation	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net cash used in operating activities	(324)	(523)
Net cash provided by investing activities (Note)	846	4,770
Net cash used in financing activities	(3,230)	(43)

Note: Net cash provided by investing activities in the nine months ended December 31, 2024 includes proceeds from the transfer of the Orthopedic Business of ¥1,950 million and proceeds from the collection of loans receivable from Olympus Terumo Biomaterials Corporation of ¥3,101 million.

19. Business combinations

Nine months ended December 31, 2023

(Revised provisional amounts)

For the following business combination that occurred in the fiscal year ended March 31, 2023, provisional amounts have been revised during the fiscal year ended March 31, 2024. As a result, we have retrospectively revised the figures at the end of the fiscal year ended March 31, 2023 in the consolidated statements of financial position.

(Acquisition of Odin Medical Ltd.)

Odin Medical Ltd. became a consolidated subsidiary of Olympus Corporation on December 19, 2022, due to the acquisition of shares for cash consideration.

In the fiscal year ended March 31, 2024, the fair value of some assets acquired and liabilities assumed has been revised with respect to the measurement of the fair value of assets acquired and liabilities assumed as of the acquisition date in said business combination. Regarding said business combination, in the fiscal year ended March 31, 2024, initial measurement of assets acquired, liabilities assumed and goodwill has been finalized.

	(Millions of yen)		
	Provisional fair value	Subsequent	Revised fair value

	as of March 31, 2023	revision	
Fair value of consideration paid			
Cash	3,982	–	3,982
Contingent consideration	4,095	–	4,095
Total	8,077	–	8,077
Fair value of assets acquired and liabilities assumed			
Cash and cash equivalents	148	–	148
Other current assets	1	–	1
Property, plant and equipment	3	–	3
Intangible assets	2,434	1,521	3,955
Trade and other payables	(28)	–	(28)
Other current liabilities	(99)	–	(99)
Deferred tax liabilities	(606)	(380)	(986)
Other non-current liabilities	(74)	–	(74)
Fair value of assets acquired and liabilities assumed, net	1,779	1,141	2,920
Goodwill	6,298	(1,141)	5,157
Total	8,077	–	8,077

Nine months ended December 31, 2024

No items to report

20. Contingent liabilities

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

21. Subsequent events

(Business combination through acquisition)

(1) Outline of business combination

(i) Name and description of acquired business

Olympus Latin America (“OLA”), the regional headquarters for Olympus in Latin America, completed the purchase from leading medical equipment sales company Sur Medical SpA (“Surmedical,” headquartered in San Diego, Chile) of the business that sells Olympus products. Through this acquisition OLA established a new subsidiary, Olympus Corporation Chile, which will begin sales of medical devices under the guidance of OLA.

(ii) Primary reason for business combination

For more than ten years, Surmedical has helped to establish our leadership in the GI area as a partner to Olympus. It has also strengthened Olympus Corporation’s presence in the GI EndoTherapy market and built reliable medical device repair services.

Purchasing from Surmedical the business that sells Olympus products will enable the Company to roll out sales and business strategies for its own products in Chile going forward, and improve operational efficiency and customer service.

(iii) Acquired ratio of holding capital with voting rights

100%

(iv) Acquisition date

January 14, 2025

(v) Acquisition method to govern the acquired company

Cash consideration for the acquisition of shares

(2) Consideration for acquisition

Consideration for acquisition based on the agreement is USD23 million. Under the agreement, the price has not been finalized and is subject to price adjustment.

Because the fair value measurement of consideration paid, assets acquired and liabilities assumed as of the date of the business combination has not been completed as of the approval date of the Condensed Quarterly Consolidated Financial Statements, fair value as of the acquisition date and major breakdowns of consideration paid, assets acquired, and liabilities assumed, goodwill, acquisition-related expenses, and detailed information related to the impacts on the Olympus Group have not been disclosed.

(Cancellation of treasury shares)

At a meeting of the Board of Directors held on May 10, 2024, Olympus Corporation resolved to cancel treasury shares as provided for in Article 178 of the Companies Act, and cancelled the treasury shares on January 31, 2025.

Details of cancellation

- | | |
|--|--|
| 1. Class of shares: | Common stock of Olympus Corporation |
| 2. Number of shares cancelled: | 38,583,900 shares (3.28% of total number of issued shares before the cancellation) |
| 3. Date of cancellation: | January 31, 2025 |
| 4. Total number of issued shares after cancellation: | 1,139,116,300 shares |

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

February 14, 2025

The Board of Directors

Olympus Corporation

Ernst & Young ShinNihon LLC
Tokyo, Japan

Designated Engagement Partner	Certificated Public Accountant	Makoto Usui
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 December 31, 2024 (October 1, 2024 to December 31, 2024) and the nine months ended December 31, 2024 (April 1, 2024 to December 31, 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 December 31, 2024, its consolidated financial performance for the third quarter and nine months ended on that date, and the consolidated cash flows for the nine 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.