

CONFIDENTIAL



Olympus Corporation
\$500,000,000 5.526% Senior Notes due 2031

Olympus Corporation, a joint stock corporation incorporated with limited liability under the laws of Japan, is offering \$500,000,000 aggregate principal amount of 5.526% senior notes due 2031 (the “notes”). We will pay interest on the notes on March 16 and September 16 of each year, beginning on March 16, 2027.

The notes will be our general unsecured senior obligations and will have the same rank in liquidation as all of our other unsecured and unsubordinated debt (except for statutorily preferred obligations) and without any preference among themselves. The notes will be issued only in registered form in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof.

We may redeem the notes, in whole or in part, at any time prior to August 16, 2031 at the make-whole price determined in the manner described herein. We may also redeem the notes, in whole or in part, at any time on or after August 16, 2031 at a price equal to 100% of the principal amount being redeemed plus accrued and unpaid interest to, but excluding, the date of redemption. See “Description of the Notes—Optional Redemption.” In addition, we may, at our option and sole discretion, redeem the notes in whole, but not in part, upon the occurrence of certain changes in Japanese tax law. See “Description of the Notes—Optional Tax Redemption.” The notes will not otherwise be redeemable prior to the stated maturity and will not be subject to any sinking fund.

Approval in-principle has been received for the listing of the notes on the Official List of the Singapore Exchange Securities Trading Limited, or the Singapore Exchange. The Singapore Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this offering circular. Approval in-principle from, admission to the Official List of, and the listing of any notes on, the Singapore Exchange are not to be taken as an indication of the merits of this offering, us, our subsidiaries and associated companies (if any) or the notes.

Investing in the notes involves risks that are described in the “Risk Factors” section beginning on page 8 of this offering circular.

Price per note: 100.000% plus accrued interest, if any, from September 16, 2026

The notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The notes may not be offered or sold within the United States, except to qualified institutional buyers (“QIBs”), as defined in, and in reliance on, the exemption from registration provided by Rule 144A under the Securities Act, and to non-U.S. persons outside the United States in offshore transactions as defined in, and in reliance on, Regulation S under the Securities Act.

It is expected that delivery of the notes will be made through the book-entry facilities of The Depository Trust Company (“DTC”), and its participants, including Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”), on or about September 16, 2026.

Joint Bookrunners and Joint Lead Managers

J.P. Morgan

Citigroup

Offering Circular dated September 9, 2026.

IMPORTANT INFORMATION ABOUT THIS OFFERING CIRCULAR

No person has been authorized in connection with the offering to give any information or to make any representation not contained in this offering circular and, if given or made, such information or representation must not be relied upon as having been authorized by us, any initial purchaser or any affiliate of the initial purchasers. No action has been, or will be, taken to permit a public offering of the notes in any jurisdiction where action would be required for that purpose. Accordingly, the notes offered hereby may not be offered or sold, directly or indirectly, and this offering circular may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither delivery of this offering circular nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF US AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTES COVERED BY THIS OFFERING CIRCULAR HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE THE FOREGOING AUTHORITIES APPROVED THIS OFFERING CIRCULAR OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE UNDER THE LAWS OF THE UNITED STATES.

This offering circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire notes. Distribution of this offering circular to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of its contents without our prior written consent is prohibited. Each person receiving this offering circular acknowledges that (i) such person has not relied on any initial purchaser or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of such information or its investment decision and (ii) no person has been authorized to give any information or to make any representation concerning us or the notes offered by this offering circular other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or any initial purchaser.

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “FIEA”) and are subject to the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended) (the “Special Taxation Measures Act”). The notes may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan. See “Plan of Distribution.” In addition, the notes are not, as part of the distribution by the initial purchasers under the purchase agreement relating to the notes, at any time, to be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with us as described in Article 6, paragraph 4 of the Special Taxation Measures Act (a “specially-related person of ours”) (excluding an underwriter designated in Article 6, paragraph 12, item 1 of the Special Taxation Measures Act which purchases unsubscribed portions of the notes from the other underwriters) or (ii) a Japanese financial institution, designated in Article 3-2-2, paragraph 29 of the Order for Enforcement of the Act on Special Measures Concerning Taxation of Japan (Cabinet Order No. 43 of 1957, as amended) (the “Cabinet Order”). **BY SUBSCRIBING FOR THE NOTES, THE INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS A BENEFICIAL OWNER THAT IS, (I) FOR JAPANESE TAX PURPOSES, NEITHER (X) AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION, NOR (Y) AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER CASE IS A SPECIALLY-RELATED PERSON OF OURS (EXCLUDING AN UNDERWRITER DESIGNATED IN ARTICLE 6, PARAGRAPH 12, ITEM 1 OF THE SPECIAL TAXATION MEASURES ACT WHICH PURCHASES UNSUBSCRIBED PORTIONS OF THE NOTES FROM THE OTHER UNDERWRITERS) OR (II) A JAPANESE FINANCIAL INSTITUTION OR FINANCIAL INSTRUMENTS BUSINESS OPERATOR, DESIGNATED IN ARTICLE 3-2-2, PARAGRAPH 29 OF THE CABINET ORDER.**

Interest payments on the notes will be subject to Japanese withholding tax unless it is established that such notes are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours, (ii) a Japanese designated financial institution as described in Article 6, paragraph 11 of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph or (iii) a Japanese public corporation, financial institution, financial instruments business operator or certain other entity which has received such payments through a Japanese payment handling agent, as provided in Article 3-3, paragraph 6 of the Special Taxation Measures Act, in compliance with the requirement for tax exemption under that paragraph.

Interest payments on the notes to an individual resident of Japan, to a Japanese corporation, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours (except for the Japanese designated financial institution and the Japanese public corporation, financial institution, financial instruments business operator and certain other entity described in the preceding paragraph) will be subject to deduction in respect of Japanese income tax at a rate of 15.315% of the amount of such interest.

The notes have not been and will not be registered under the Securities Act or with any securities authority of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The notes are being offered:

- in the United States only to QIBs, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A; or
- to non-U.S. persons outside the United States in offshore transactions as defined in, and in accordance with, Regulation S.

You are hereby notified that sellers of the notes may be relying on the exemption from the registration provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the notes and the distribution of this offering circular, see “Transfer Restrictions” and “Plan of Distribution.”

AVAILABLE INFORMATION

We have agreed, during any period that any of the notes are “restricted securities” (as defined in Rule 144 under the Securities Act) and we are neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting requirements pursuant to Rule 12g3-2(b) under the Exchange Act, to furnish to holders or designated prospective purchasers of the notes, in each case upon request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

DISCLOSURE OF DEMAND AND ALLOCATION

Each prospective purchaser who places an order for the notes consents to the disclosure by the initial purchasers to us of the prospective purchaser’s identity, the details of such order and the actual amount of notes subscribed, if any.

NOTICES

PROHIBITION OF SALES TO EEA RETAIL INVESTORS—The notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the European Economic Area, or the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended, or MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, or the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended, or the PRIIPs Regulation, for offering, selling or distributing the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering, selling or distributing the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS—The notes are not intended to be offered, sold, distributed or otherwise made available to, and should not be offered, sold, distributed or otherwise made available to, any retail investor in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (“DISC”) for offering, selling or distributing the notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

There are restrictions on the offer and sale of the notes in the United Kingdom. All applicable provisions of the Financial Services and Markets Act 2000, as amended, or the FSMA, with respect to anything done by any person in relation to the notes in, from, or otherwise involving, the United Kingdom must be complied with. See “Plan of Distribution—Selling Restrictions.”

This offering circular is for distribution only to persons who are outside the UK or who are inside the UK and (i) have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005, as amended, or the Financial Promotion Order, (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all of these persons together being referred to as “relevant persons”). This offering circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering circular relates is available only to relevant persons and will be engaged in only with relevant persons.

For a further description of restrictions on the offer and sale of the notes, see “Transfer Restrictions” and “Plan of Distribution.”

Notice Concerning Singapore—Section 309B(1)(c) Notification

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “CMP Regulations 2018”), we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA) that the notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this offering circular, “we,” “us,” “our,” “Olympus,” the “Company” and the “Olympus Group” refer to Olympus Corporation and its consolidated subsidiaries, or, as the context requires, Olympus Corporation on a non-consolidated basis.

The financial data in this offering circular is presented in Japanese yen. In this offering circular, references to “U.S. dollars,” “dollars,” “U.S.\$” and “\$” refer to the lawful currency of the United States, those to “Japanese yen,” “yen” and “¥” refer to the lawful currency of Japan, those to “Euro” and “euro” refer to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, and those to “S\$” refer to the lawful currency of the Republic of Singapore.

In this offering circular, amounts presented in millions or billions of yen or thousands or millions of dollars have been rounded to the nearest unit or tenth of a unit. All percentages have been rounded to the nearest percent or one-tenth of one percent, as the case may be. All other figures have been rounded to the nearest unit or one-tenth of a unit, as the case may be. Due to rounding, the total amounts presented in tables may not be equal to the sum of the individual figures shown.

Our audited consolidated financial statements as of and for the year ended March 31, 2026 and as of and for the year ended March 31, 2025 included elsewhere in this offering circular have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, or IFRS.

Our unaudited condensed quarterly consolidated financial statements as of June 30, 2026 and for the three-month period ended June 30, 2026 included elsewhere in this offering circular have been prepared in accordance with IAS 34 Interim Financial Reporting.

We previously had four reportable segments: Endoscopic Solutions, Therapeutic Solutions, Scientific Solutions, and Others. However, from the three- and six-month period ended September 30, 2022, we changed to three reportable segments: Endoscopic Solutions, Therapeutic Solutions, and Others. The change was due to the classification of the Scientific Solutions business as a discontinued operation with the conclusion of a share transfer agreement in August 2022 related to the transfer of the Scientific Solutions business, which we had spun off in April 2022 into our formerly consolidated subsidiary EVIDENT Co., Ltd. (“Evident”), to a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP (“Bain Capital”). The transfer of our ownership stake in Evident was completed in April 2023. As a result, the Scientific Solutions business was classified as a discontinued operation from the three- and six-month period ended September 30, 2022 and accordingly is not included in our results from continuing operations for the fiscal years ended March 31, 2022, 2023 and 2024 presented elsewhere in this offering circular.

From the three-month period ended June 30, 2024, we further changed to two reportable segments: Endoscopic Solutions and Therapeutic Solutions, and have presented the information in the same manner for the fiscal year ended March 31, 2024. This was because our orthopedic business included in the former Others reporting segment was classified as a discontinued operation as a result of the completion of the sale of that business to Polaris Capital Group Co., Ltd. (“Polaris Capital Group”) on July 12, 2024. As a result of this transaction, the operations previously in the former Others reporting segment other than the orthopedic business that were considered continuing operations were excluded from our reportable segments as they were expected to be immaterial for the fiscal year ended March 31, 2025. Since we cannot retroactively restate consolidated financial information for the years ended March 31, 2022 and 2023 to reflect the classification of our orthopedics business as a discontinued operation without unreasonable efforts, it is not practical to present consolidated financial information for these periods on a restated basis and we have therefore presented such financial statements for those periods elsewhere in this offering circular on the basis prior to the classification of the orthopedics business as a discontinued operation.

On April 1, 2025, we reorganized the previous Endoscopic Solutions and Therapeutic Solutions businesses to Gastrointestinal Solutions Division (“GIS”) and Surgical & Interventional Solutions Division (“SIS”). In conjunction with this reorganization, the reportable segments have been changed from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS.

As a result of the sale of our orthopedic business included in the former Others reporting segment, financial information for our reportable segments for the years ended March 31, 2024 and 2025 contained in our consolidated financial statements as of and for the year ended March 31, 2025 are presented based on the classification of our previous reportable segments and the classification of our orthopedic business included in the former Others reporting segment as discontinued operations. Further, as a result of the reorganization of our reportable segments from Endoscopic Solutions and Therapeutic Solutions to GIS and SIS, financial information for our reportable segments for the years ended March 31, 2025 and 2026 and for the three-month periods ended June 30, 2025 and 2026 contained in our consolidated financial statements as of and for the year ended March 31, 2026 and condensed quarterly consolidated financial statements as of and for the three-month period ended June 30, 2026, respectively, is presented based on the current classification of our reportable segments.

Unless otherwise indicated, all financial information included in this offering circular is presented in accordance with IFRS, which differs from accounting principles generally accepted in Japan, or Japanese GAAP, and from accounting principles generally accepted in the United States, or U.S. GAAP. Unless otherwise indicated, all financial information included in this offering circular is presented on a consolidated basis. Our fiscal year end is March 31 of each year. In addition to our reported financial results prepared under IFRS, we also use non-IFRS performance measures, including EBITDA, Net Debt and Free Cash Flow, to assess the operating performance of our business without the effect of items which we do not consider to be indicative of the results of our ongoing operations. As described in more detail below in “Selected Financial and Other Data—Non-IFRS Measures,” these non-IFRS measures reflect adjustments for a number of items that we believe are useful to separate so that key trends driving the performance of our business can be more clearly identified by investors. However, non-IFRS measures have a number of important limitations, including those described in “Selected Financial and Other Data—Non-IFRS Measures,” and should not be viewed as a substitute for financial information prepared in accordance with IFRS. It is important to note that these non-IFRS measures have no standardized meanings prescribed by IFRS and may not be comparable to the calculation of similar measures of other companies. Due to the limitations inherent in non-IFRS measures, investors should not solely rely on non-IFRS measures in assessing our performance and financial condition. See “Selected Financial and Other Data—Non-IFRS Measures” for more details.

INDUSTRY AND MARKET DATA

We make statements in this offering circular about the Japanese and global medical equipment industry and our competitive position therein. In addition, we include statistics relating to industry and general economic trends. We have made these statements on the basis of statistics and other information from third-party sources, such as governmental agencies, research institutes and industry or general publications that we believe are reliable. Although we have no reason to believe any of this information is inaccurate in any material respect, we have not independently verified and cannot assure the accuracy of the data provided by or derived from third-party sources.

FORWARD-LOOKING STATEMENTS

This offering circular contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements appear in a number of places in this offering circular and include statements regarding the intent, belief or current expectations of our management with respect to our business, results of operations and financial condition. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “outlook,” “plan,” “potential,” “predict,” “probability,” “project,” “risk,” “seek,” “should,” “target,” “will,” “would” and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate.

Potential risks and uncertainties include, without limitation, those identified and discussed in “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and elsewhere in this offering circular. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this offering circular. We disclaim any obligation to update, or to announce publicly any revision to, any of the forward-looking statements contained in this offering circular to reflect future actual events or developments.

ENFORCEMENT OF CIVIL LIABILITIES

Olympus Corporation is a joint stock corporation incorporated with limited liability under the laws of Japan. Certain of its directors and executive officers are non-residents of the United States. All or a substantial portion of the assets of Olympus Corporation and the assets of such non-resident persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or those persons or to enforce court judgments predicated upon the civil liability provisions of the U.S. federal or state securities laws against us or those persons in the United States. We have been advised by our Japanese counsel, Anderson Mori & Tomotsune, that there is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgments of U.S. courts brought before Japanese courts, of civil liabilities predicated solely upon the U.S. federal or state securities laws.

GLOSSARY

Certain medical equipment related terms and other terms are used in this offering circular to describe our business and financial performance. Some of the terms used in this offering circular may not correspond to common industry definitions for such terms.

The following is a list of certain defined terms used in this offering circular:

Term	Description
AI	stands for “artificial intelligence.”
Endoscopy systems	refers to integrated console systems and the related medical instruments that allow for the visualization of the interior of a hollow organ or part of the body.
Endotherapy	refers to the field of advanced, minimally invasive medical instruments and procedures.
EBUS-TBNA	stands for endobronchial ultrasound-guided transbronchial fine needle aspiration, a procedure that uses ultrasonic images in real time to guide the insertion of a needle into the lymph node via the trachea and bronchus for the collection by aspiration of cell or tissue samples.
EMR	stands for endoscopic mucosal resection, which enables the removal of small flat lesions such as early-stage cancers.
ERCP	stands for endoscopic retrograde cholangio pancreatography, a method for examining the biliary tract and pancreatic duct using a combination of endoscopic and radiographic techniques.
ESD	stands for endoscopic submucosal dissection, an endoscopic procedure that enables the removal of certain gastrointestinal lesions in a single piece.
EUS	stands for endoscopic ultrasound, which is a type of endoscopy using medical ultrasound technology to detect lesions that cannot be observed on the surface and are located deep within the organs.
FDA	stands for the U.S. Food and Drug Administration.
Reprocessors	refers to equipment designed to wash and disinfect various types of endoscope equipment.

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SUMMARY

This summary highlights selected information contained elsewhere in this offering circular. You should read this summary together with the more detailed information, including “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and our financial statements and related notes appearing elsewhere in this offering circular.

Overview

We are a global medtech company that manufactures and sells medical equipment around the world, with a presence in 40 countries or regions as of March 31, 2025. Our primary business is the production and sale of medical devices that can be used across the stages of the medical process from early diagnosis to minimally invasive therapy. GIS focuses on gastrointestinal endoscopy systems, endotherapy devices and medical services while SIS focuses on urology devices, respiratory devices and surgical endoscopy systems and surgical energy devices.

The stages for early diagnosis are detection, diagnosis and biopsy/collection. For detection, our video endoscopy systems are integrated consoles with an attached monitor for visual evaluation. For diagnosis, devices we produce such as magnifying endoscopes and ultrasound endoscopes support medical professionals by enabling a better understanding of patient conditions. For biopsy and collection, devices we produce such as biopsy forceps and cytology brushes allow medical professionals to collect samples to determine the appropriate course of action. For minimally invasive therapy, we produce an array of endoscopic therapy devices, surgical endoscopy systems for endoscopic surgery and therapeutic energy devices for general surgery.

In April 2025, we implemented a reorganization of business units and a restructuring of the organization with the aim of developing a more efficient and more patient- and customer-centric business. From the fiscal year ended March 31, 2026, our reportable segments “Endoscopic Solutions” and “Therapeutic Solutions” were changed to GIS and SIS. Through this reorganization, we aim to operate with greater speed, ensure consistency across the regions, break down silos, and reinforce our commitment to patient- and customer-centric growth.

For the year ended March 31, 2026, we had revenue of ¥1,010,676 million, operating profit of ¥97,120 million and profit attributable to owners of parent of ¥68,172 million. For the three-month period ended June 30, 2026, we had revenue of ¥240,400 million, operating profit of ¥28,951 million and profit attributable to owners of parent of ¥19,102 million.

Credit Highlights

We have stable revenue on a robust endoscopy ecosystem, reinforced by continuous strategic initiatives

We have a business platform built on long-term competitive strengths. Supported by stable and growing markets, our GIS and SIS businesses have delivered consistent topline growth despite challenging business environments. For the years ended March 31, 2025, and 2026, our GIS business had revenue of ¥674,043 million and ¥697,359 million and our SIS business had revenue of ¥322,759 million and ¥313,109 million, respectively. We also believe the markets in which we operate will continue to grow, as we estimate based on our own research and review of third-party data that between the fiscal year ended March 31, 2025 and the fiscal year ending March 31, 2028, the GI endoscopy market will grow by a CAGR of 4% to 6% and the GI EndoTherapy market will grow by a CAGR of 5% to 7% and the respiratory market will grow by a CAGR of 7% to 8%, the upper-tract urology market will grow by a CAGR of 5% to 7% and the lower-tract urology market will grow by a CAGR of 6% to 8%. See “Risk Factors—Risks Related to Our Business Operations—The size and growth trajectory of our operating markets and our market share have not been established with precision and may be smaller than we estimate, and even if our market share is as large as we have estimated, we may not be able to maintain or increase such market share.”

Further, our EVIS X1 gastrointestinal endoscopy systems are driving ongoing growth with what we believe to be a long runway ahead. Since our launch of EVIS X1 in 2020, we have expanded its functionality to support the next phase of growth and meet the potential replacement demand in our customer base for approximately 70,000 previously delivered units of our previous generation CV-190 and CV-290 video processors as of March 31, 2023 (on a cumulative basis, including units that have already been replaced). Our

medical service business has built this durable, platform-driven and resilient customer base through strong post-sale support, including maintenance and training services, establishing a resilient recurring revenue foundation and enabling further growth by meeting this ongoing replacement demand.

This recurring revenue mix has also driven steady sales. Our medical service business, which is currently part of our GIS business, underpins our standout business model and has long been a consistent, stable revenue engine for us. Revenue from our medical service business was approximately 30%, 30%, 35% of revenue for our former Endoscopic Solutions business for the fiscal years ended March 31, 2022, 2023 and 2024, respectively, and was approximately 30% and 30% of revenue for our GIS business for the fiscal years ended March 31, 2025 and 2026, respectively.

We also engage in ongoing global innovation to support continued expansion and have a robust pipeline of upcoming products that we believe will continue to support our sustainable growth trajectory in our GIS and SIS businesses. Building on secular tailwinds, we are kicking off new initiatives to unlock further growth and fortify our business platform. For example, we launched OLYSENSE, our cloud-based, integrated and scalable suite of apps and solutions with a subscription model in the United States and selected European countries in September 2025 and co-founded Swan EndoSurgical Inc. with Revival Healthcare Capital LLC (“Revival”) which will aim to develop new products in the field of robotics endoluminal surgery.

We have strengthened quality culture with ongoing remediation to enable steady progress.

In response to the FDA warning letters, we launched a broader remediation that goes beyond corrective actions, and aims for steady strengthening of our quality management. This strategy includes four key initiatives:

- *Establish a global quality management system.* We have implemented a quality management system with globally standardized processes while improving local elements and have prioritized key workstreams to strengthen compliance and governance towards a global rollout of the quality management system.
- *Design control and process control.* We have strengthened design control by revising design validation, updating records and training engineers and have strengthened process control with company-wide governance, validations and global standard operating procedure deployment.
- *Global complaint handling system.* We implemented a global IT system to centrally manage complaints and ensure consistent decisions. We also standardized complaint handling from collection to investigation, reporting and closure.
- *Strengthen quality and regulatory governance.* We appointed a chief quality officer (“CQO”) to lead the FDA remediation process and help sustain quality management system improvements with an eye towards enhancing our quality and regulatory governance towards a global rollout.

We continue to engage constructively and transparently with the FDA and remain focused on meeting regulatory expectations through execution of our remediation plan. With commitment from our president and CEO, Mr. Bob White, and through our core values, we are sustaining a culture of quality and patient safety and embedding these principles into the everyday behaviors of employees across the organization.

We have a disciplined financial policy to ensure financial resilience and strategic investment flexibility

Our disciplined financial policies provide a sound framework as we continue to execute on our strategy to return to market-leading growth. We intend to operate within BBB+ ratings during the normal course, but also intend to maintain flexibility to extend our leverage to be opportunistic within our inorganic strategy without crossing into speculative-grade credit rating territory. As part of our disciplined capital allocation strategy, we intend to invest in growth to create long-term value by accelerating sustainable growth through deployment of capital towards high-priority focus areas, complemented by opportunistic inorganic investments that align with our core competencies.

We also have a track record of disciplined financial management with leverage firmly under control, which enables flexible decision-making and supports timely strategic actions. For the years ended March 31, 2022, 2023, 2024, 2025 and 2026, our net debt to EBITDA ratio was 0.4x, 0.7x, (0.4)x, (0.1)x and 0.3x, respectively. For further information regarding our calculation of net debt and EBITDA, see “Selected Financial and Other Data—Non-IFRS Measures.”

Further, our multi-lever margin expansion program, which spans operational excellence and portfolio optimization, is progressing and improving productivity and cost efficiency. In the mid-term, we are targeting continued margin improvement from the fiscal year ended March 31, 2026 through introducing an operating model that shifts from a region-led to a division-led matrix, which includes streamlining our organization through a net reduction of approximately 2,000 positions as announced in November 2025, and accelerating productivity to increase run-rate savings. As a long-term driver of margin expansion, we aim to build manufacturing and supply chain resilience, driving cost of goods sold and selling, general and administrative expenses towards industry benchmarks.

We have a newly re-energized leadership team with strong execution capability

Our evolving management team leverages best-in-class talent with speed and decisiveness in decision-making and execution. We have a global industry-standard diverse board of directors engaged in transparent decision-making that anchors the execution of structural reforms and quality transformation. As of September 2026, ten out of eleven of our directors are outside directors and seven of our directors are non-Japanese. Our outside directors have diverse industry backgrounds, including experience in industrial companies, accounting, legal and financial investing.

Summary Risk Factors

Investing in the notes involves a number of risks, and prospective investors are urged to carefully consider the matters discussed under “Risk Factors” beginning on page 8 of this offering circular prior to making an investment in the notes.

Such risks include, but are not limited to:

- changes in global economic conditions and in demand for medical services;
- the highly competitive markets in which we operate;
- our exposure to the risks of global operations;
- our inability to successfully execute our business strategies, including those set forth in our updated corporate strategy;
- manufacturing our products is technically complex and highly regulated, and production or product quality problems may reduce sales or result in recalls and adversely affect our operating results and financial condition;
- interruption of manufacturing operations which could adversely affect our business;
- our inability to respond effectively to advances in technology, particularly in the field of artificial intelligence, or customer needs;
- our heavily regulated businesses and the risk that, if we fail to operate in compliance with both existing and future regulations, our business, reputation, financial condition or results of operations could be adversely affected;
- continued consolidation in the healthcare industry or additional governmental regulation or pricing controls in key markets, which could lead to downward pressure on pricing or limit or eliminate our ability to sell to certain of our significant market segments and which could have an adverse effect on our business, financial condition or results of operations;
- experiencing decreasing prices for our products and services and our inability to reduce our expenses, which may cause a material adverse effect on our business, results of operations, financial condition and cash flows;
- our investments in research and development not yielding the expected results;

- the size and growth trajectory of our operating markets and our market share have not been established with precision and may be smaller than we estimate, and even if our market share is as large as we have estimated, we may not be able to maintain or increase such market share;
- our dependence on the efforts and abilities of our management and other key employees and the risk if we are unable to attract and retain qualified employees, which could adversely affect our results of operations;
- our dependence on key information systems and services and exposure to information security risks;
- the risk that we may suffer losses in the event of a natural disaster, such as an earthquake, geopolitical threats, health emergencies or pandemics or other catastrophic events, in the markets in which we operate;
- the risks associated with strategic partnerships and M&A transactions;
- any difficulties in obtaining financing, which could limit our operational flexibility;
- if we have to recognize impairment losses;
- the adverse effect of foreign currency exchange rate fluctuations on our results of operations and financial condition;
- the challenges in managing risks relating to intellectual property rights;
- being subject to U.S. federal, state and international healthcare regulations, including anti-bribery, anti-corruption, anti-kickback and false claims laws, globally and the possibility that we may face substantial penalties if we fail to comply with such regulations and laws;
- the risk of litigation and other legal proceedings;
- internal controls which may not be effective in preventing future misstatements of our financial condition and results of operations;
- our inability to maintain adequate working relationships with healthcare professionals;
- misconduct by our officers, employees, subcontractors or other third parties which could subject us to losses and reputational harm; and
- the inadequacy of our insurance to cover future losses.

Company Information

Our principal executive office is located at 2951 Ishikawa-machi, Hachioji-shi, Tokyo, Japan 192-8507, and our telephone number is +81-42-642-2111. Our corporate website is <https://www.olympus-global.com/>. The information on our website does not constitute a part of this offering circular.

THE OFFERING

Securities Offered \$500,000,000 aggregate principal amount of 5.526% senior notes due 2031

Offering Price 100.000% plus accrued interest, if any, from September 16, 2026

Maturity Date September 16, 2031

Status of the Notes/Ranking The notes will be our direct, unsecured and unsubordinated general obligations and will have the same rank in liquidation as all of our other unsecured and unsubordinated debt (except for statutorily preferred obligations) and without any preference among themselves.

Minimum Denomination The notes will be in denominations of \$200,000 and integral multiples of \$1,000 in excess thereof.

Payment of Principal and Interest on the Notes The notes will bear interest at an annual rate of 5.526% accruing from September 16, 2026, payable semi-annually in arrears on March 16 and September 16 of each year, with the first interest payment to be made on March 16, 2027.

Interest on the notes will accrue from the date of original issuance or, if interest has already been paid, from the date on which it was most recently paid. We will compute interest on the basis of a 360-day year consisting of twelve 30-day months. Principal will be repaid at a price of 100% of the principal amount of the notes on the maturity date. If any date for payment of principal or interest (or additional amounts, if any) falls on a day that is not a business day, then payment of principal or interest (or additional amounts, if any) need not be made on such date but may be made on the next succeeding business day. Any payment made on such next succeeding business day in this situation shall have the same force and effect as if made on the original due date, and no additional interest shall accrue with respect to such payment for the period after such original due date. See “Description of the Notes—Principal and Maturity” and “Description of the Notes—Interest.”

Additional Amounts All payments of principal and interest in respect of the notes will be made without withholding or deduction for or on account of withholding taxes imposed or levied by or on behalf of Japan, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. If the payments are subject to Japanese withholding tax, we will pay such additional amounts (subject to certain exceptions) in respect of Japanese taxes as will result in the receipt of amounts otherwise receivable absent any withholding or deduction on account of such Japanese taxes. See “Description of the Notes—Taxation and Additional Amounts.”

References to principal or interest in respect of the notes shall be deemed to include any additional amounts which may be payable as set forth in the indenture.

Optional Redemption Prior to August 16, 2031 (one month prior to their maturity date) (the “Par Call Date”), we may redeem the notes at our option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

- (i) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the

redemption date (assuming the notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15.0 basis points less (b) interest accrued to (but excluding) the redemption date; and

(ii) 100% of the principal amount of the notes to be redeemed;

plus, in either case, accrued and unpaid interest thereon to (but excluding) the redemption date.

On or after the Par Call Date, we may redeem the notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to (but excluding) the redemption date.

See “Description of the Notes—Optional Redemption.”

Optional Tax Redemption The notes may be redeemed at any time, at our option and sole discretion, in whole, but not in part, subject to compliance with applicable regulatory requirements, and upon giving not less than 30 days’ nor more than 60 days’ notice of redemption to the trustee and the holders (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount of the notes together with interest accrued to (but excluding) the date fixed for redemption and any additional amounts thereon, if we have been or will be obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the issuance of the notes. See “Description of the Notes—Optional Tax Redemption.”

Use of Proceeds We intend to use the net proceeds from the sale of the notes for general corporate purposes including repaying outstanding bonds and bank loans.

Global Notes The notes will be initially represented by one or more global notes in definitive, fully registered form without interest coupons. The global notes will be deposited upon issuance with the custodian for DTC and registered in the name of DTC or its nominee. Beneficial interests in the global notes may be held only through DTC (or any successor clearing system that holds global notes) and its participants, including Euroclear and Clearstream.

Beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by the depositaries and their participants. The sole holder of the notes represented by the global notes will at all times be DTC or its nominee (or a successor of DTC or its nominee), and voting and other consensual rights of holders of the notes will be exercisable by beneficial owners of the notes only indirectly through the rules and procedures of the depositaries from time to time in effect. Beneficial interests in the global notes may not be exchanged for definitive notes except in the limited circumstances described under “Description of the Notes—Book Entry, Delivery and Form—Exchange of Global Notes for Definitive Notes.”

Security Numbers The security numbers for the notes are:

For the notes sold in reliance on Regulation S:

ISIN: USJ61240AR80
Common Code: 346441658
CUSIP: J61240 AR8

For the notes sold in reliance on Rule 144A:

ISIN: US68163WAB54
Common Code: 346441640
CUSIP: 68163W AB5

Governing Law The indenture is and the notes will be governed by and construed in accordance with the laws of the State of New York.

Rating It is expected that the notes will be rated Baa1 by Moody's Japan K.K. ("Moody's") and BBB+ by S&P Global Ratings Japan Inc. ("S&P").

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing and Trading Approval in-principle has been received for the listing of the notes on the Official List of the Singapore Exchange. The Singapore Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this offering circular. Approval in-principle from, admission to the Official List of, and the listing of any notes on, the Singapore Exchange are not to be taken as an indication of the merits of this offering, us, our subsidiaries and associated companies (if any) or the notes.

So long as the notes are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, in the event that the global note representing such notes is exchanged for definitive notes in certificated form, we will appoint and maintain a paying agent in Singapore, where the notes may be presented or surrendered for payment or redemption. In addition, in the event that the global note is exchanged for definitive notes in certificated form, an announcement of such exchange shall be made by us or on our behalf through the Singapore Exchange and such announcement shall include all material information with respect to the delivery of the definitive notes in certificated form, including details of the paying agent in Singapore.

Under the rules of the Singapore Exchange, the notes if traded on the Singapore Exchange, are required to be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, for so long as the notes are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, the notes if traded on the Singapore Exchange, will be traded in a minimum board lot size of \$200,000.

Trustee, Paying Agent, Transfer Agent and Notes Registrar The Bank of New York Mellon

RISK FACTORS

Prior to making an investment decision, you should carefully consider the risks described below as well as all the other information in this offering circular, including our consolidated financial statements and related notes and other financial information, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Selected Financial and Other Data.” The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that could adversely affect our business, financial condition and results of operations.

Our business, results of operations and financial condition could be materially and adversely affected by the factors discussed below. This offering circular also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks faced by us described below and elsewhere in this offering circular. See “Forward-looking Statements.”

Risks Related to Our Business Operations

We are affected by changes in global economic conditions and in demand for medical services.

We operate globally, and demand for our products and services is affected by the economic conditions in the countries and regions in which they are offered. Slower economic growth in our major markets, volatility in the currency and credit markets, high levels of unemployment or underemployment, reduced levels of capital expenditures, changes or anticipation of potential changes in government trade, fiscal, tax and monetary policies, government deficit reduction and budget negotiation dynamics, and other challenges that affect the global economy could adversely affect our businesses.

In developed countries, the rise in aging populations has driven demand for medical services, while economic growth has also led to heightened demand for medical procedures in developing economies. On the other hand, rising expenditures on healthcare have led to cost control initiatives relating to medical costs, particularly in developed countries. Such cost-saving initiatives may affect margins in the fields in which we operate because spending on healthcare services is materially impacted by budgetary policies in our major markets. If there is significant deterioration in the global economy or our key markets or if changes in budgetary priorities limit demand for our products and services, our business and financial condition could be adversely affected.

We operate in highly competitive markets.

We operate our businesses globally and compete with a variety of firms, including large multinational firms and smaller, specialized companies. For our GIS segment, our primary competitors include FUJIFILM Holdings Corporation and HOYA Corporation. For our SIS segment, our primary competitors include Boston Scientific Corporation and Cook Medical LLC (for urology); Johnson & Johnson Services, Inc., Medtronic plc, Boston Scientific Corporation and Cook Medical LLC (for respiratory-endotherapy); KARL STORZ SE & Co. KG, Stryker Corporation, Richard Wolf GmbH and Arthrex, Inc. (for surgical endoscopes); and Johnson & Johnson Services, Inc., Medtronic plc and Applied Medical Resources Corporation (for other therapeutic areas). Our competitors in particular geographic markets or product categories may have advantages over us, such as greater financial resources, technical knowhow, a broader product lineup and stronger marketing and research and development (“R&D”) resources, or a more diversified business model.

Our products generally compete based on factors such as product features, quality, familiarity to target customers, pricing and level of support services. In a global healthcare industry characterized by rapid changes in technology and product development, there is a risk that our products could lose competitiveness if our competitors are more successful in the development of new products, processes and technologies. In particular, innovation in areas such as minimally invasive procedures, digital health, robotics and AI-driven diagnostics has been accelerating amidst intensifying competition, transforming the competitive landscape in which we operate our businesses and accelerating further innovation. Our inability to compete effectively could result in a decline in our revenue or profitability and negatively affect our results of operations and financial condition.

We are exposed to the risks of global operations.

We are subject to the risks of global operations, including the following:

- uncertainties regarding regional political and economic developments;

- the impact of cultural and religious differences;
- difficulties in monitoring and coordinating research and development, marketing, supply-chain and other operations in a large number of jurisdictions;
- differences in, and risks related to, various laws, regulations and policies, including those relating to medical devices, as well as trade, capital and exchange controls;
- changes with respect to taxation, including imposition or increases of withholding and other taxes on remittances and other payments by our overseas subsidiaries; and
- complex sanctions and export control regimes in various countries such as Japan, the United States, the European Union (“EU”) and other jurisdictions, violations of which could lead to fines or other penalties.

In addition to the uncertainty caused by the war in Ukraine and the situation in the Middle East region, and trade tensions between major economies, including the United States and China, there is also uncertainty regarding additional tariffs in the United States, which has had a significant impact on global trade and supply chains. Changes in applicable tariffs or shipping costs could adversely affect the competitiveness of our products. Recent conflicts in the Middle East have also contributed to rising energy costs and increased inflation expectations, posing challenges for monetary policy and economic stability. Further, the expansion of sanctions and instability in logistics networks and energy supply may disrupt the procurement of raw materials and components. If, due to the realization of these or other risks, our operations in particular markets or regions are impacted, our results of operations and financial condition could be adversely affected.

We may be unable to successfully execute our business strategies, including those set forth in our updated corporate strategy.

In November 2025, we announced our updated corporate strategy, centered on strategic pillars of “Innovation-Driven Growth,” “Simplicity” and “Accountability” with an aim to develop innovations that we believe will set new standards in endoscopy-enabled care that better serve patients, customers and healthcare systems around the world. As part of this updated corporate strategy, we have begun shifting from a region-led model to a simpler matrix with division as the leading axis, aiming to deliver an even more seamless customer experience. In the course of the implementation of this new operating model and to maintain our continued year-on-year productivity gains and to improve efficiency and competitiveness, in November 2025 we also announced a global personnel optimization program which includes a workforce reduction of approximately 2,000 positions across the entire company starting from the fiscal year ended March 31, 2026 with the majority of the workforce reduction and anticipated savings expected to materialize during the fiscal year ending March 31, 2027. We have also been implementing other initiatives in pursuit of our mission to “make people’s lives healthier, safer and more fulfilling,” including our “Elevate” multi-year quality and regulatory transformation project announced in November 2023 and completed in March 2026 and our continuing remediation and broader improvement initiatives. See “Business—Credit Highlights—Quality culture and governance that clarifies ownership, elevates standards and drives consistent outcomes across the company.” In the fiscal year ended March 31, 2025, we recorded selling, general and administrative expenses of ¥11.1 billion and, in order to comply with quality laws and regulation for medical device of global regulatory authorities by strengthening our quality management systems, an expense of ¥19,350 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. In the fiscal year ended March 31, 2026, we recorded selling, general and administrative expenses of ¥10.3 billion and, in order to comply with quality laws and regulation for medical device of global regulatory authorities by strengthening our quality management systems, an expense of ¥10,781 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, MDR, and process design validation, in addition to other expense of ¥26.9 billion associated with the implementation of measures to reform the organizational structure at a global level and optimize the number of employees of Olympus Corporation, and we expect to continue incurring certain expenses related to our ongoing quality assurance and regulatory affairs initiatives. If the market and regulatory environment does not develop in line with the assumptions underlying our initiatives, however, it may become difficult to achieve our goals and we may not realize the expected benefits from our investments in our initiatives. If due to factors we did not recognize or evaluate adequately, including, but not limited to, a lack of depth or timeliness of market information or a misjudgment of market trends, customer needs or competitor activities, we need to revise our

planned initiatives, it may adversely impact our competitiveness. A variety of potential risks described herein, including but not limited to stronger than expected competition, difficulty in recruiting qualified personnel, adverse changes in legal, regulatory or tax regimes in the markets in which we manufacture or sell our products, challenges in adapting to changes in technology and customer preferences, or other unanticipated changes could cause us to fail to achieve the objectives of our business transformation initiatives.

The manufacture of our products is technically complex and highly regulated, and production or product quality problems may reduce sales or result in recalls and adversely affect our operating results and financial condition.

The manufacture of our products is technically complex and highly regulated, and as a result we may experience difficulties or delays. If we experience product quality issues, we could also lose or experience delays in renewing certifications or licenses that are necessary for operating our businesses, which could adversely affect our business reputation, results of operations and financial condition.

Product quality issues or defects may also result in product recalls. For example, in January 2025, we announced a voluntary recall of certain of our MAJ-891 endoscope accessory models; in September 2025, we announced a voluntary recall of certain lots of our ViziShot 2 FLEX model needles (and expanded this voluntary recall in January 2026 to cover all lots); in November 2025 we announced a voluntary global corrective action for bronchoscopes used with laser therapy equipment (which succeeded a similar field corrective action conducted on the same products in 2023); and in December 2025, we announced a voluntary corrective action for our single-use ligating device Polyloop. For the year ended March 31, 2026, our SIS segment recorded expenses of approximately ¥2.5 billion for the voluntary recall of certain surgical device products. Regardless of whether conducted voluntarily or pursuant to regulatory requirements, recalls may result in significant expenditures to collect and repair the affected products and may also result in reputational damage, both of which could adversely affect our business, results of operations and financial condition.

We work to continuously align our manufacturing resources with our production needs, including through sourcing from third parties. Risks in our manufacturing processes include but are not limited to the following:

- problems with business continuity, including as a result of a natural or other disaster or cyberattack, at one of our facilities or at a critical supplier or vendor;
- failure by us or by any of our vendors or suppliers to comply with applicable regulations and quality assurance guidelines, which could lead to manufacturing shutdowns, product shortages and delays in product manufacturing;
- problems with manufacturing, quality assurance/quality control or supply, or governmental approval delays;
- unexpected costs for maintenance or upgrading our manufacturing technology;
- failure of a third-party supplier to supply us with materials or semi-finished or finished products on time; and
- other manufacturing or distribution problems, including limits to manufacturing capacity due to regulatory requirements, changes in the types of products produced, physical limitations or other business interruptions that could impact continuous supply.

Any of the above may reduce sales, delay the launch of new products, result in recalls and adversely affect our business, financial condition and results of operations.

Interruption of manufacturing operations could adversely affect our business:

We have manufacturing and supply sites all over the world. However, the manufacturing of our endoscopy systems is concentrated in two factories in Japan and one factory in China. The endoscopes are manufactured at our Aizu factory and our Shirakawa factory produces video processors and light sources for endoscopes and ultrasound endoscopes. Certain endoscopes for the Chinese market are manufactured at our manufacturing site in Suzhou, China. Damage to these facilities in Japan or China as a result of natural disasters,

fires, explosions or otherwise, as well as issues in our manufacturing arising from a failure to follow specific internal protocols and procedures, compliance concerns relating to the quality systems regulation, equipment breakdown or malfunction, IT system failures or cybersecurity incidents, environmental hazard incidents or changes to environmental regulations or other factors, could adversely affect the manufacturing or distribution of our products. In the event of an interruption in manufacturing, we may be unable to move quickly to alternate means of producing and distributing affected products to meet customer demand. In the event of a significant interruption, we may experience lengthy delays in resuming production or distribution of affected products due to the need for regulatory approvals, and we may experience loss of market share, additional expense and harm to our reputation.

We may not respond effectively to advances in technology, particularly in the field of artificial intelligence, or customer needs.

Our businesses operate in fields characterized by rapid technological development. If we are not successful in anticipating industry changes, responding to and adopting or utilizing advances in technology to our advantage, and developing new or improved products based on such advances in a timely manner to meet the needs of our customers, we could experience difficulty in achieving our business objectives. To continue to compete effectively, we must continue to create, invest in or acquire advanced technology, incorporate this technology into our proprietary products, obtain regulatory approvals in a timely manner, and successfully manufacture and market our products. Currently, data science, machine learning and AI are all impacting our products and operations and the competitive landscape in which we operate, and the application of these technologies is rapidly evolving at the same time as new laws and regulations on AI are being developed in jurisdictions around the world. Recognizing this, we launched OLYSENSE, our cloud-based, integrated and scalable suite of apps and solutions with a subscription model in the United States and selected European countries in September 2025. In Europe, our OLYSENSE artificial intelligence-powered computer-aided detection portfolio (“CAD/AI”) currently includes our CADDIE, CADU and SMARTIBD products, while in the United States, CAD/AI includes CADDIE with detection capabilities only. Compliance with developing regulations may require significant expenditures or may limit our ability to effectively use these technologies. In particular, we expect to see increasing government and supranational regulation related to artificial intelligence use and ethics, which may significantly increase the burden and cost of R&D and compliance in this area. For example, the FDA issued guidance in January 2025 on the use of artificial intelligence in medical devices, requiring detailed risk management and review processes to obtain approvals. If we continue to develop and use AI systems subject to any government’s regulations, we will need to meet higher standards of data quality, transparency, monitoring and human oversight, and we would need to adhere to specific and potentially burdensome and costly ethical, accountability, and administrative requirements, with the potential for significant enforcement or litigation in the event of any perceived non-compliance. Further, the use of certain artificial intelligence technology can give rise to intellectual property risks, including compromises to proprietary intellectual property and intellectual property infringement. There is no assurance that we will be able to develop and launch successful new products and services or enhance our existing products and services in response to industry trends or other changes in customer preferences or needs. There can also be no assurance that the application of AI in our products and operations will be successful, or that we will not experience data security and privacy incidents in connection with our use of these technologies. Our failure to do so may have an adverse effect on our results of operations and financial condition.

Our businesses are heavily regulated. If we fail to operate in compliance with both existing and future regulations, our business, reputation, financial condition or results of operations could be adversely affected.

Our businesses are subject to extensive regulation and implementing and maintaining effective compliance programs is an ongoing challenge. We offer products that are subject to licensing requirements as well as regulation of manufacturing processes and marketing practices as medical devices under the U.S. Food, Drug, and Cosmetics Act, the European Medical Device Regulation (the “EU MDR”), the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices of Japan (Act No. 145 of 1960, as amended) (the “Pharmaceutical and Medical Device Act”), and similar laws applicable to medical devices in other countries around the world. Governmental regulations in the jurisdictions where we operate are constantly changing and may become increasingly stringent. The Ministry of Health, Labour and Welfare of Japan (the “MHLW”), the FDA and other foreign regulatory agencies, including the European Medicines Agency, regulate, among other things, with respect to medical devices: design, development, and manufacturing; testing, labeling, content and language of instructions for use and storage; clinical trials; product safety; marketing, sales and distribution; premarket clearance and approval; record keeping procedures; advertising and promotion; recalls and field safety corrective actions; post-market surveillance, including reporting of deaths or

serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury; post-market approval studies; and product import and export. In the EU, for example, the EU MDR includes significant additional pre-market and post-market requirements. Implementation of the EU MDR was extended to the end of 2027 for high-risk devices and to the end of 2028 for medium- and low- risk devices. Further, the regulations to which we are subject are complex and stringently enforced. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales. Failure to comply with applicable regulations could jeopardize our ability to sell our products and result in enforcement actions such as: warning letters; fines; injunctions; civil penalties; termination of distribution; recalls or seizures of products; delays in the introduction of products into the market; total or partial suspension of production; refusal to grant future clearances or approvals; withdrawals or suspensions of current clearances or approvals, resulting in prohibitions on sales of our products; and in the most serious cases, criminal penalties. In November 2022, the FDA issued a warning letter to Aizu Olympus Co., Ltd., a consolidated subsidiary of ours that operates our Aizu factory in Japan, in December 2022, the FDA issued a warning letter to Olympus Medical Systems Corporation, a consolidated subsidiary of ours, and in March 2023, the FDA issued another warning letter to Olympus Medical Systems Corporation regarding our Hinode factory. Further, in June 2025, the FDA issued an import alert for certain of our devices manufactured at our Aizu factory. In late 2025, the FDA conducted inspections at eight of our facilities in the U.S., Europe, and Japan (excluding our Aizu facility), thereby providing the agency an opportunity to review our ongoing operational and quality improvements. Certain inspections resulted in FDA observations. Many relate to activities that predate our recent changes, while others reflect areas where we need to further advance the maturity, consistency, and integration of our quality systems and processes. See “Business—Legal Proceedings, Recalls and Regulatory Matters” for more information on these warning letters, the import alert and the FDA observations. Further regulatory action could potentially be taken by the FDA depending upon the further progress of our remediation efforts, and any such further regulatory action could harm our reputation and have an adverse effect on our results of operations and financial condition. There can also be no assurance that our compliance policies and procedures will be sufficient to prevent future incidents. See “Supervision and Regulation.”

Certain jurisdictions, such as China, have centralized purchasing processes pursuant to which domestic companies may receive preferential status or foreign-sourced equipment may be subject to quotas or other restrictions, creating a competitive, difficult and volatile market for our products. There can be no assurance that such regulations will not have adverse effects on our business in the future. In the event that China or other jurisdictions implement more rigid centralized purchasing processes, quotas or other forms of regulations that limit our ability to conduct business, our results of operations may be adversely affected.

In addition to specifically tailored regulatory regimes, our global operations mean we are subject to a broad range of other legal requirements and regulations relating to areas such as manufacturing and product liability, data protection, intellectual property rights, antitrust, consumer protection, anti-corruption regimes, export control regimes and taxes in various countries. Through our internal management systems and education and training of employees, we strive to ensure compliance with legal requirements applicable to us, but any failure to comply with the terms of our licenses or applicable laws and regulations could lead to any of the following:

- loss of our licenses and approvals;
- governmental investigations and enforcement actions;
- claims from or litigation with customers or business partners, including due to breach of contractual terms;
- reputational damage to our brands or our group as a whole;
- inability to raise capital; or
- inability to execute on our business strategy.

Any of these outcomes could materially and adversely affect our business and our financial condition, liquidity and results of operations. Future changes in applicable legal requirements and related guidelines could also result in increased compliance costs.

Continued consolidation in the healthcare industry or additional governmental regulation or pricing controls in key markets could lead to downward pressure on pricing or limit or eliminate our ability to sell to certain of our significant market segments, which could have an adverse effect on our business, financial condition or results of operations.

In the United States, initiatives and reforms by legislators, regulators and third-party payers to curb the rising cost of healthcare, and to increase access to care, have catalyzed a consolidation of aggregate purchasing power within the markets in which we sell our products. Our products are purchased principally by hospitals, physicians and other health care providers around the world that typically bill various third-party payers, including government programs, authorities or agencies (e.g., Medicare and Medicaid in the U.S.) and private health plans, for the health care supplies and services provided to their patients. Governments and payers may institute changes in health care delivery or payment systems that may reduce funding for services or encourage greater scrutiny of health care costs. The ability of customers to obtain appropriate reimbursement for their products and services is critical to the success of medical technology companies because it affects which products customers purchase and the prices they are willing to pay. Increasingly, payers and health systems require robust health economic evidence and real-world outcomes data, including comparative effectiveness, budget impact, and total cost of care analysis, to support coverage, procurement, and continued use, which may require us to fund post-market studies, registries, or other evidence generated in the respective country to maintain or expand access. Reimbursement and funding vary by country and can significantly impact the acceptance of new products and technologies and the use of established products and technologies. Where coverage exists, access may depend on availability, timing, and adequacy of coding, billing, and payment mechanisms and claims processing practices. We may find limited demand for otherwise promising new products unless reimbursement approval is obtained from private and governmental third-party payers. In some circumstances, coverage or reimbursement may be granted on a conditional basis, and may be reduced, restricted or withdrawn if data, utilization, or reassessment do not support the expected clinical outcomes or economic value. Additionally, clinical guidelines, health technology assessment determinations, and payer or government reassessments of clinical and economic value may result in changes in coverage and use. These and any other legislative or administrative reforms to the reimbursement systems in the U.S., Japan, China, or other countries in a manner that significantly reduce or eliminate reimbursement for procedures using our medical devices, including price regulation, site of service requirements, competitive bidding and tendering, coverage and payment policies, comparative effectiveness of therapies, heightened clinical data requirements, technology assessments and managed-care arrangements, could have a material adverse effect on our business, financial condition or results of operations.

Additionally, healthcare system reforms are being continuously implemented in Japan and overseas with the aim of curbing medical care costs and improving the quality of life of patients by improving the safety and efficacy of healthcare services. A growing number of countries have instituted or are contemplating introducing regional or national tender processes driven primarily by price. In some cases, such processes may favor local companies over multinational companies like us. As the healthcare industry consolidates, competition to provide products and services is expected to continue to intensify, resulting in pricing pressures, decreased average selling prices and the exclusion of certain suppliers from important market segments. We expect that market demand, government regulation, third-party coverage and reimbursement policies, government contracting requirements and societal pressures will continue to change the worldwide healthcare industry, resulting in further business consolidations and alliances among our customers, which may increase competition, exert further downward pressure on the prices of our products and services and may adversely impact our business, financial condition or results of operations.

If we experience decreasing prices for our products and services and we are unable to reduce our expenses, there may be a material adverse effect on our business, results of operations, financial condition and cash flows.

We may experience pressure to decrease prices for certain of our products and services due to the influence of managed care organizations, group purchasing organizations, integrated delivery networks and other types of third-party payers on our customers, increased market power of our customers as the medical device industry consolidates and increased competition among medical engineering and manufacturing services providers. We have also recently experienced, and may continue to experience, rising costs due to inflation. If the prices for our products and services change for any reason or inflation continues to rise, we may be unable to sufficiently reduce our expenses or offset rising costs through increased prices to customers. If the prices for our products and services decrease and we are unable to reduce our expenses, our business, results of operations, financial condition and cash flows will be adversely affected.

Our investments in research and development may not yield the expected results.

In the medical fields in which we operate, the product development process from the research stage to commercialization can be lengthy, including due to regulatory and licensing requirements. For that reason, we develop medium- to long-term development strategies pursuant to which we invest in research and development and facilities for new technologies, products and production processes. We are subject to the risk that subsequent developments and market changes may cause us to change our research priorities or abandon specific initiatives. Any such changes in the future could have an adverse effect on our results of operations and financial condition.

In addition, there can be no assurance that, in markets with changing and diverse customer needs and significant competition, the products we develop will achieve the market acceptance and sales levels we target. New technologies and products introduced by competitors could render our products unexpectedly obsolete, resulting in reduced demand. There can be no assurance that our efforts to understand and address customer needs will be effective or that we will do so in a timely manner. Any failure by us to recognize and react to significant or unanticipated changes in market needs may have an adverse effect on our results of operations and financial condition.

The size and growth trajectory of our operating markets and our market share have not been established with precision and may be smaller than we estimate, and even if our market share is as large as we have estimated, we may not be able to maintain or increase such market share.

We estimate our market share based on third-party data and a number of internal estimates and assumptions. Specifically, our estimated market share in the GI endoscopy, GI EndoTherapy, urology and respiratory markets are based on internal models, which are derived from our analysis of internal market research (utilizing historical data), third-party market research and third-party public data. We also estimate the size and growth trajectory for certain of our core markets based on our own internal research and review of available third-party data and estimates. See “Summary—Credit Highlights,” “Business—Credit Highlights” and “Business—Our Business Operations.” While we believe our assumptions and the data underlying our estimates are reasonable, these assumptions and our estimates may not be correct. In particular, there may not be third-party estimates of our market size, market growth prospects and market share that allow us to validate the accuracy of our own internal estimates. As a result, our estimated market size, growth trajectory and market share could materially differ from our actual market size, growth trajectory and market share if our assumptions regarding these trends prove to be incorrect. If our market and market share are not as large as we believe, our business, financial condition and results of operations and business prospects could be materially and adversely affected.

We depend on the efforts and abilities of our management and other key employees and if we are unable to attract and retain qualified employees, it could adversely affect our results of operations.

In order to produce, develop and market our products and services and to execute our business strategies, we depend on the expertise and leadership of our senior management team and other key members of our organization. The loss of key members of our organization could delay or prevent the achievement of major business objectives. The market for qualified personnel is competitive, including in specific geographic regions and in specialized fields, and we are required to invest in the recruitment, training and retention of qualified individuals. Demographic changes and evolving workforce expectations are contributing to higher turnover rates and increasing the importance of attracting, developing, and retaining highly qualified personnel. Despite our efforts to retain them, key employees could terminate their employment with us for any reason or for no reason, and there can be no assurance that we will be able to attract or retain key employees and successfully manage them. Our inability to attract, integrate and retain qualified personnel, in areas such as research and development, manufacturing, sales and group corporate functions, may weaken our ability to implement our business transformation strategies and meet our objectives, which could ultimately adversely affect our business and results of operations.

We depend on key information systems and services and are subject to information security risks.

We depend on information systems and services across our business activities in managing manufacturing and supply chains, product orders and deliveries, business administration and other areas. As a result, the safety, reliability and effectiveness of our systems are important to our business. It is possible our systems may not function effectively or will be disrupted by events such as failures in cybersecurity, natural disasters, accidents, software, equipment or telecommunications failure, supplier failures or other events

unforeseen by us. In addition, technological advancements, particularly in AI and digitalization, introduce new and/or exacerbated risks, including cybersecurity threats and data privacy concerns. Recent periods have seen a general increase in cybersecurity threats, including ransomware attacks, and we have experienced cyberattacks on our systems in the past, which resulted in a temporary disruption to our business operations. We rely on third parties for the design and operation of our information systems. If our security, backup and disaster recovery measures are not adequate or implemented properly to avoid such disruptions or failures, any such issues impacting our systems could result in business disruption, remediation costs, and negatively affect our reputation, results of operations and financial condition.

In the ordinary course of business, we hold confidential or personal information about customers and other individuals and also seek to protect the confidentiality of trade secrets with respect to our own product development. We implement internal policies and regular training for employees with respect to the proper handling of such confidential information and implement customary security measures with respect to our information systems. There can be no assurance that our efforts to ensure the security and proper management of such information will be fully effective. If information is leaked or improperly accessed as a result of a third-party security breach, employee error or malfeasance, theft, computer viruses, defects in our management system or other irregularities, then:

- if patient information of our customers is leaked, our relationship with customers could be harmed and their operations and our provision of support services to them could be significantly disrupted;
- customer information or our proprietary business and product development information could be leaked, damaging our reputation and competitive position; and
- we could be subject to liability and regulatory action as a result of violating laws and regulations relating to the confidentiality of personal information, including the United States' Privacy and Security Rules under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and Health Information Technology for Economic and Clinical Health Act of 2009, California's Consumer Privacy Act and the EU's General Data Protection Regulation.

Any such developments could cause us to suffer reputational damage, incur costs for remediation or expose us to fines or claims for damages. In addition, compliance with any future changes to requirements relating to the handling of personal and confidential information could require us to incur systems development and other costs.

We may suffer losses in the event of a natural disaster, such as an earthquake, geopolitical threats, health emergencies or pandemics or other catastrophic events, in the markets in which we operate.

Japan and other regions in the world in which our manufacturing and other facilities are located are subject to the risk of natural disasters, including earthquakes, tidal waves, typhoons, floods, torrential heavy rain, landslides, volcanic eruptions, heavy snowfall and fires. In addition, other events outside our control, such as war, terrorism, riots, civil or political unrest or deliberate acts of sabotage could cause operational interruptions, or otherwise adversely affect certain of our manufacturing or other facilities. In the event of a major natural disaster or other uncontrollable event or accident, our facilities, particularly our production plants, may experience catastrophic loss, operations at such facilities may be halted, shipments of products may be suspended or delayed and large losses and expenses to repair or replace facilities may be incurred. Further, our global operations and interactions with healthcare systems, providers and patients around the world expose us to risks associated with public health crises, including epidemics and pandemics. Public health crises may continue to have an adverse impact on certain aspects of our business, including the demand for and supply of certain of our products, operations, supply chains and distribution systems, and our ability to generate cash flow. Such negative consequences could cause product shortages, significant losses of sales or require significant unexpected expenditures, and materially adversely affect our business, financial condition and results of operations.

We face risks associated with strategic partnerships and M&A transactions.

In connection with areas such as R&D, product development and sales and marketing, we enter into long-term partnerships with leading companies. For example, in December 2023, we announced that we entered into a new business alliance with Sony Corporation and Sony Olympus Medical Solutions for the purpose of product development of next-generation endoscope systems. Further, in July 2025, we entered into an agreement with Revival regarding an investment in a joint venture through Olympus Corporation of the Americas, a

consolidated subsidiary of ours, which as a result established Swan EndoSurgical Inc. which will aim to develop new products in the field of robotics endoluminal surgery. We believe such partnerships offer significant synergies with our businesses, but there can be no assurance we will realize the anticipated benefits of such partnerships or recoup any investments we make. In addition, the performance of our business alliances may be unpredictable due to factors beyond our control and we may encounter difficulties if our business goals and strategic objectives diverge from those of our business partners. If we are unable to successfully identify and establish relationships with potential long-term partners in the future or fail to realize the targeted benefits of partnerships we are able to enter into, our financial condition and results of operations could be adversely affected.

We also regularly evaluate and pursue acquisitions for reasons such as strengthening our product offerings, complementing existing lines of business, expanding geographically, accessing new technologies or pursuing other synergies. The pursuit and successful completion of acquisitions require the commitment of significant management and capital resources, and there is no assurance that we will be successful in identifying attractive opportunities or completing such acquisitions. Further, although we conduct a careful diligence process with respect to potential acquisitions, we may later discover unanticipated liabilities or other issues that diminish the value of the acquired business, and unforeseen problems that arise after an acquisition or unexpected market developments could prevent us from realizing anticipated benefits and synergies. Integrating the operations of acquired businesses with that of our own is a complex process that if not managed successfully could have an adverse impact not only on our ability to realize the benefits of a given acquisition but also on the results of our existing operations. If we are not able to achieve the anticipated benefits of our acquisitions, we could recognize impairment losses, we may not be able to recoup our investments, and our business, financial position and results of operations could be adversely affected.

We have also made in the past, and may make in the future, minority investments and/or co-investments in entities in which we do not have sole control, which present risks in addition to those that apply to other investments or acquisitions. We may not have the ability to control the policies, management or affairs of these entities, and generally we would not have that ability in any minority or co-investment in an entity. The interests of persons who control the entities in which we may invest may differ from our interests, and they may cause such entities to take actions that are not in our best interest, and we may become involved in disputes with such persons. Our inability to control entities in which we make minority or co-investments could negatively affect our ability to realize the strategic benefits of those investments. In addition, as part of systematically reviewing our business operations, we may dispose of businesses or investments that we no longer consider part of our core operations. It is possible, however, that relevant legal restrictions or changes in the financial condition of the related business may make it difficult to complete such disposition. In such case, or if we record a loss on disposition or impairment, our financial condition and results of operations could be adversely affected.

Any difficulties in obtaining financing could limit our operational flexibility.

Our sources of liquidity include borrowings from financial institutions and the issuance of corporate debt securities, and as of June 30, 2026 our bonds and borrowings in non-current liabilities totaled ¥179,765 million. Future changes in the financial markets could adversely affect our ability to obtain financing or increase our financing costs. For example, changes in business and economic conditions will impact interest rates and can cause periods of tightened credit availability and volatility in borrowing terms. In Japan, the Bank of Japan announced on March 19, 2024 that it would end its yield curve control policy and negative interest rate policy and set a target uncollateralized overnight call rate of around 0% to 0.1%. Subsequently, on July 31, 2024, the Bank of Japan announced its decision to raise the target for the uncollateralized overnight call rate to around 0.25%, which was raised to around 0.5% on January 24, 2025, to around 0.75% on December 19, 2025 and subsequently to around 1.0% on June 16, 2026. Any adverse change in our results of operations and financial condition could similarly increase the cost of, or restrict our access to, external financing. While we seek to diversify our sources of financing and implement a global cash management system across our group operations, there can be no assurance that such measures will be effective and that we will be able to obtain sufficient financing to support our operations and strategic initiatives on favorable terms or at all.

We may have to recognize impairment losses.

Our consolidated assets include significant intangible assets and goodwill. As of June 30, 2026, we had ¥103,293 million in intangible assets, representing 6.8% of our total assets, and ¥240,131 million in goodwill, representing 15.7% of our total assets. We also have significant other long-lived assets such as manufacturing facilities utilized in our operations. Whenever events or changes in circumstances indicate that the carrying value

of a particular long-lived asset, a group of long-lived assets and/or goodwill may not be recoverable, we are required to perform an impairment test to determine whether such particular asset, group of long-lived assets and/or goodwill have become impaired, and we conduct an impairment test every year with regard to goodwill and other intangible assets with indefinite useful lives and those yet to be useable, regardless of any such indication. Impairment losses are recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of its value in use and fair value less cost of disposal. In calculating value in use, estimated future cash flows are discounted to the present value using the pretax discount rate reflecting the time value of money and risks specific to the asset. Therefore, we may be required to recognize an impairment loss as a result of any deterioration in our prospects. For example, for the year ended March 31, 2026, we recorded ¥8,564 million of impairment losses for capitalized development costs in our GIS and SIS segments. See Note 16 to our consolidated financial statements for the year ended March 31, 2026, included elsewhere in this offering circular for further information. Any impairment losses for long-lived assets or goodwill we recognize will increase our expenses and adversely affect our results of operations and financial condition.

Our results of operations and financial condition may be adversely affected by foreign currency exchange rate fluctuations.

Fluctuations in currency exchange rates could negatively affect our results of operations, financial position and cash flows. In the year ended March 31, 2026, 89.7% of our revenue was from outside of Japan. As a result, our results are impacted by changes in the value of the Japanese yen, in which a large portion of our costs and expenses are denominated, relative to currencies in which our sales are recorded, particularly the Euro, the U.S. dollar and the Chinese renminbi. Increases in the value of the Japanese yen will generally have a negative impact on our results of operations, while weakening of the Japanese yen may have a positive effect. To minimize the impact of exchange rate fluctuations we utilize hedging transactions against the Euro, U.S. dollar and renminbi. However, such transactions do not completely eliminate the impact of fluctuations in foreign currency exchange rates, and greater than expected movements in exchange rates could result in an adverse impact on our results of operations and financial condition.

We face challenges in managing risks relating to intellectual property rights.

We view intellectual property rights as important to each of our businesses and seek to manage and preserve our intellectual property rights. We have an extensive patent portfolio related to our products and regularly apply for additional patents. There may be jurisdictions that do not recognize or fail to protect our intellectual property rights. If we are unable to protect and exert our intellectual property rights, our results of operations and financial condition could be adversely affected.

We are also subject to the risk of infringement claims directed at us by third parties. Although we monitor our research and development operations to prevent infringement on the intellectual property rights of third parties, it may be difficult to confirm the status of intellectual property rights of third parties. If we are the subject of claims of infringement of the intellectual property rights of others, we could be exposed to claims for monetary compensation or demands to terminate the manufacturing and sale of infringing products. As a result, our results of operations and financial condition could be adversely affected.

We are subject to U.S. federal, state and international healthcare regulations, including anti-bribery, anti-corruption, anti-kickback and false claims laws, globally and could face substantial penalties if we fail to comply with such regulations and laws.

The relationships that we, and third parties that market and/or sell our products, have with healthcare professionals, such as physicians, hospitals, healthcare organizations and others, as well as government-affiliated companies and medical institutions, are subject to scrutiny under various state and federal laws often referred to collectively as healthcare fraud and abuse laws. In addition, the United States and other international government regulators have increased the enforcement of the Foreign Corrupt Practices Act, or the FCPA, and other anti-bribery and anti-kickback laws. We also must comply with a variety of other laws that impose extensive tracking and reporting related to all transfers of value provided to certain healthcare professionals and others. These laws and regulations are broad in scope and are subject to evolving interpretation and we have in the past been, and in the future could be, required to incur substantial costs to monitor compliance or to alter our practices. Violations of these laws may be punishable by criminal or civil sanctions, including substantial fines, imprisonment of current or former employees and exclusion from participation in governmental healthcare programs, any of which may have an adverse effect on our reputation, results of operations and financial condition. In the past we have been subject to criminal penalties for violations of the U.S. Anti-Kickback Statute and the FCPA, with all

obligations relating to such penalties satisfied and all complaints in connection therewith dismissed. However, there can be no assurance that our compliance measures and other policies and procedures will be sufficient to prevent future incidents. See “Supervision and Regulation—Medical Device Regulations—United States” for additional information.

We are subject to the risk of litigation and other legal proceedings.

In the ordinary course of business, we are subject to the risk of litigation and other legal proceedings from parties such as customers, business counterparties, competitors, employees, regulators and others in connection with claims such as breaches of contract, labor issues, intellectual property rights violations and leaks of confidential information, among others. In the event of material third party claims, our financial condition and results of operations could be adversely affected in the event of an adverse judgment or out-of-court settlement or if we are required to expend significant time and resources defending such claims. See “Business—Legal Proceedings, Recalls and Regulatory Matters.”

Our internal controls may not be effective in preventing future misstatements of our financial condition and results of operations.

In accordance with the FIEA, we are required to evaluate the effectiveness of our internal controls over financial reporting as of the end of our fiscal year and have our management’s assessment of internal controls audited by our independent auditor. We have established a system of internal controls to support appropriate and reliable financial reporting and seek to continue to improve those controls. There can be no assurance, however, that our internal controls will be fully effective in preventing misstatements or errors in our financial reporting, due to fraud, misconduct or other unanticipated factors. If material weaknesses are identified in our internal controls over financial reporting through our evaluation, including as validated by the audit procedures performed by our independent auditors, our ability to produce reliable financial reports on a timely basis could be adversely affected, resulting in damage to our reputation and a loss of confidence in our financial reporting by investors. Such failures could also result in violations of law, administrative sanctions and potential legal claims for damages. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met and thus are subject to inherent limitations. Changes in our business or operating environment after our internal controls were developed could also make them ineffective if we are not able to adjust our internal organization and procedures in response. We cannot be certain that our internal controls over financial reporting will prevent the risk of misstatements, errors and fraud.

We may be unable to maintain adequate working relationships with healthcare professionals.

We seek to maintain close working relationships with respected physicians and medical personnel in healthcare organizations such as hospitals and universities who assist in product research and development. We rely on these professionals to assist us in the development and improvement of proprietary products. If we are unable to maintain these relationships, our ability to develop, market and sell new and improved products could be further adversely affected.

Misconduct by our officers, employees, subcontractors or other third parties could subject us to losses and reputational harm.

Misconduct, fraud or other improper behavior of our officers, employees, agents, subcontractors, partners or other third parties could result in legal violations, regulatory sanctions, civil or criminal penalties or reputational or financial harm. The large, global scale of our business may create challenges in appropriately monitoring and preventing misconduct across our operations.

Our officers and employees have in the past been, and may in the future be, subject to civil and criminal penalties for such cases of fraud and misconduct. Misconduct by any of our officers, employees, subcontractors, partners or consultants could subject us to significant legal liabilities, civil or criminal penalties and regulatory sanctions, which could have a material adverse effect on our business.

Our insurance may not be adequate to cover future losses.

We maintain third-party insurance to cover our exposure to certain property and casualty losses, and certain of our operating entities maintain cybersecurity policies and are currently contemplating a global program to unify cybersecurity policies across our group. However, the coverage limits under our insurance policies may not be sufficient to fully cover unanticipated losses. In the event of losses exceeding our coverage limits, our results of operations could be adversely affected.

Risks Relating to the Notes

The notes are unsecured obligations.

Because the notes are unsecured obligations, payments due on the notes may be compromised if:

- we enter into bankruptcy, liquidation, reorganization, rehabilitation or other winding-up proceedings;
- we default in payment under our secured indebtedness or other unsecured indebtedness; or
- any of our indebtedness is accelerated.

If any of these events occurs, our assets may not be sufficient to pay amounts due on the notes. To the extent we have or incur secured debt, our assets will be subject to prior claims to the extent of the value of the assets securing such indebtedness.

The notes are subject to transfer restrictions.

The notes will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to persons reasonably believed to be QIBs in reliance on the exemption provided by Rule 144A, or pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws. In addition, subject to the conditions set forth herein and in the indenture, the notes may be transferred only if the principal amount of the notes transferred is at least U.S.\$200,000. For a further discussion of the transfer restrictions applicable to the notes, see “Transfer Restrictions” and “Plan of Distribution.”

There is no prior market for the notes, and the notes may have limited liquidity.

There is no existing market for the notes. Approval in-principle has been received for the listing of the notes on the Singapore Exchange. However, there can be no assurance that any active trading market for the notes will develop or be sustained or whether, or at what price, holders of the notes will be able to sell or otherwise transfer their notes. The liquidity of any trading market for the notes will depend upon the number of holders of notes, our results of operations and financial condition, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. Although the initial purchasers have informed us that they intend to make a market in the notes, the initial purchasers are not obligated to do so, and any such market-making activity will be subject to the limits imposed by applicable law and may be interrupted or discontinued at any time without notice. If an active trading market for the notes does not develop or is not sustained, the market price and liquidity of the notes may be adversely affected and you may be unable to resell the notes or may only be able to sell them at a substantial discount.

The indenture and the notes contain very limited restrictive covenants and provide limited protection in the event of a change in control.

The indenture and the notes do not contain any financial covenants or other restrictions on our ability to securitize our assets, or sell or otherwise dispose of our assets, our ability to pay dividends on our shares of common stock, our ability to incur indebtedness or our ability to issue new securities or repurchase our outstanding securities. In addition, there are only limited restrictions on our ability to pledge assets or to secure other indebtedness. These or other actions by us could adversely affect our ability to pay amounts due on the notes. In addition, the indenture and the notes do not contain any covenants or other provisions that afford more than limited protection to holders of the notes in the event of a change in control. See “Description of the Notes.”

The ratings on the notes could be lowered, suspended or withdrawn, and our credit ratings may not reflect all risks of an investment in the notes.

The notes are expected to be rated Baa1 by Moody’s and BBB+ by S&P. Our credit ratings may not reflect the potential impact of all risks relating to the market value of the notes. However, real or anticipated changes in our credit ratings will generally affect the market value of the notes.

In addition, other rating agencies may assign credit ratings to the notes with or without any solicitation from us and without any provision of information from us. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal, the assignment of new ratings that are lower than existing ratings, or a downgrade or potential downgrade. Such an event, or a similar development with respect to the ratings assigned to us, our subsidiaries or any of our respective securities could reduce the scope of potential investors in the notes and adversely affect the price and liquidity of the notes. We have no obligation to inform holders of the notes of any such downgrade, suspension, reduction or withdrawal.

USE OF PROCEEDS

We expect that the aggregate net proceeds from the offering of the notes, after deducting the initial purchasers' fees and other estimated expenses related to the offering, will be approximately \$495 million.

We intend to use the net proceeds from the sale of the notes for general corporate purposes including repaying outstanding bonds and bank loans.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our unaudited consolidated capitalization and indebtedness as of June 30, 2026 on an actual basis and on an adjusted basis to give effect to the offering and sale of the notes but not the use of proceeds thereof.

The information in the table below should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes included elsewhere in this offering circular.

	As of June 30, 2026	
	Actual	As adjusted
	(in millions of yen)	
Short-term debt:		
Bonds and borrowings (current)	¥ 139,127	¥ 139,127
Total short-term debt	139,127	139,127
Long-term debt:		
Bonds and borrowings (non-current)	179,765	179,765
Notes to be issued under this offering circular(1)	—	81,305
Total long-term debt	179,765	261,070
Equity:		
Share capital	124,643	124,643
Authorized—4,000,000,000 shares		
Issued—1,114,485,700 shares as of June 30, 2026		
Capital surplus	92,906	92,906
Treasury shares	(85,528)	(85,528)
Other components of equity	207,764	207,764
Retained earnings	408,117	408,117
Total equity attributable to owners of parent	747,902	747,902
Total equity	747,902	747,902
Total capitalization and indebtedness(2)	¥ 1,066,794	¥ 1,148,099

Notes:

- (1) The notes to be issued under this offering circular are based on the exchange rate of ¥162.61 to \$1.00, the rate as of June 30, 2026.
- (2) Total capitalization and indebtedness consists of total short-term debt, total long-term debt and total equity.

There has been no material change in our consolidated capitalization and indebtedness since June 30, 2026.

SELECTED FINANCIAL AND OTHER DATA

The following tables set forth our selected consolidated financial and other data. The data below should be read together with, and is qualified in its entirety by, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this offering circular. Our consolidated financial statements are prepared in accordance with IFRS, which differs from U.S. GAAP and Japanese GAAP.

The selected consolidated financial information as of and for the years ended March 31, 2024, 2025 and 2026 presented below is derived from and should be read together with our audited consolidated financial statements as of and for the years ended March 31, 2025 and 2026 included elsewhere in this offering circular. The selected consolidated financial information as of June 30, 2026 and for the three-month periods ended June 30, 2025 and 2026 presented below is derived from and should be read together with our unaudited condensed quarterly consolidated financial statements as of and for the three-month period ended June 30, 2026 included elsewhere in this offering circular. The selected consolidated financial information as of and for the years ended March 31, 2022 and 2023 is derived from our consolidated financial statements as of and for the years ended the same dates, which are not included in this offering circular. The historical results presented below are not necessarily indicative of results that you can expect for any future period and, for the historical results for interim periods, are not necessarily indicative of the full year results.

We previously had four reportable segments: Endoscopic Solutions, Therapeutic Solutions, Scientific Solutions, and Others. However, from the three- and six-month period ended September 30, 2022, we changed to three reportable segments: Endoscopic Solutions, Therapeutic Solutions, and Others due to the classification of the Scientific Solutions business as a discontinued operation from the three- and six-month period ended September 30, 2022. From the three-month period ended June 30, 2024, we further changed to two reportable segments, Endoscopic Solutions and Therapeutic Solutions, due to the classification of our orthopedic business included in the former Others reporting segment as a discontinued operation. On April 1, 2025, we reorganized the previous Endoscopic Solutions and Therapeutic Solutions businesses to GIS and SIS and changed our reportable segments from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Reclassification of Our Reportable Segments and Sale of Our Scientific Solutions and Orthopedic Businesses” for more information on the historical reclassification of our reporting segments.

	For the year ended March 31,					For the three-month period ended June 30,	
	2022	2023	2024	2025	2026	2025	2026
	(in millions of yen)						
Selected Statement of Profit or Loss Data ⁽¹⁾ :							
Revenue	¥ 750,123	¥ 881,923	¥ 925,752	¥ 997,332	¥ 1,010,676	¥ 206,512	¥ 240,400
Cost of sales	(243,423)	(285,074)	(307,320)	(313,635)	(356,586)	(71,383)	(83,573)
Gross profit	506,700	596,849	618,432	683,697	654,090	135,129	156,827
Selling, general and administrative expenses	(357,510)	(420,547)	(466,758)	(495,654)	(507,080)	(122,187)	(125,031)
Share of profit (loss) of investments accounted for using equity method	1,492	491	(358)	466	(3,700)	246	(1,120)
Other income	13,661	23,706	3,432	5,246	11,345	7,035	1,079
Other expenses	(18,155)	(13,890)	(103,361)	(31,293)	(57,535)	(3,626)	(2,804)
Operating profit	146,188	186,609	51,387	162,462	97,120	16,597	28,951
Finance income	1,351	3,860	2,520	3,449	6,171	1,445	1,433
Finance costs	(5,838)	(8,175)	(10,296)	(6,841)	(9,297)	(1,156)	(2,822)
Profit before tax	141,701	182,294	43,611	159,070	93,994	16,886	27,562
Income taxes	(31,074)	(44,304)	(8,546)	(41,270)	(25,822)	(7,895)	(8,460)
Profit from continuing operations	110,627	137,990	35,065	117,800	68,172	8,991	19,102
Profit from discontinued operations ⁽²⁾	5,343	5,623	207,864	55	—	—	—
Profit	¥ 115,970	¥ 143,613	¥ 242,929	¥ 117,855	¥ 68,172	¥ 8,991	¥ 19,102

	As of March 31,					As of
	2022	2023	2024	2025	2026	June 30,
						2026
	(in millions of yen)					
Selected Statement of Financial Position Data:						
Total current assets	¥ 694,605	¥ 726,357	¥ 800,340	¥ 679,558	¥ 706,308	¥ 637,480
Non-current assets:						
Property, plant and equipment	247,112	238,731	259,968	263,340	287,209	297,719

	As of March 31,					As of
	2022	2023	2024	2025	2026	June 30, 2026
	(in millions of yen)					
Goodwill	164,498	182,505	180,331	180,593	194,238	240,131
Intangible assets	120,361	115,183	91,961	93,971	101,032	103,293
Total non-current assets	663,394	781,951	733,876	753,715	830,854	888,994
Total assets	1,357,999	1,508,308	1,534,216	1,433,273	1,537,162	1,526,474
Total current liabilities	376,251	461,892	431,695	425,366	436,874	467,377
Total non-current liabilities	470,386	405,182	345,335	256,174	288,248	311,195
Total liabilities	846,637	867,074	777,030	681,540	725,122	778,572
Equity:						
Share capital	¥ 124,643	¥ 124,643	¥ 124,643	¥ 124,643	¥ 124,643	¥ 124,643
Capital surplus	91,239	92,150	92,032	92,433	93,101	92,906
Treasury shares	(45,589)	(28,086)	(102,017)	(27,923)	(26,631)	(85,528)
Other components of equity	34,818	77,280	149,127	141,613	198,596	207,764
Other components of equity related to disposal group held for sale	—	3,034	—	—	—	—
Retained earnings	305,057	371,064	493,401	420,967	422,331	408,117
Total equity attributable to owners of parent ...	510,168	640,085	757,186	751,733	812,040	747,902
Non-controlling interests	1,194	1,149	—	—	—	—
Total equity	511,362	641,234	757,186	751,733	812,040	747,902

For the years ended March 31, 2025 and 2026 and for the three-month periods ended June 30, 2025 and 2026 presented in the following table, the segment financial information is presented based on the classification of our reportable segments after the restructuring of the reportable segments from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS in our consolidated financial statements.

	As of and for the year ended March 31,		As of and for the three-month period ended June 30,	
	2025 ⁽⁴⁾⁽⁵⁾	2026 ⁽⁴⁾	2025 ⁽⁴⁾	2026 ⁽⁴⁾
	(in millions of yen, except percentages and ratios)			
Other data:				
Revenue by current reportable segment:				
Revenue for GIS	¥ 674,043	¥ 697,359	¥ 139,023	¥ 168,448
Revenue for SIS	322,759	313,109	67,428	71,923
EBITDA ⁽⁶⁾	228,812	164,336	32,811	46,259
EBITDA by current reportable segment:				
EBITDA for GIS	210,136	175,276	27,678	49,018
EBITDA for SIS	41,967	12,398	4,560	4,311
EBITDA margin ⁽⁷⁾	22.9%	16.3%	15.9%	19.2%
EBITDA margin by current reportable segment:				
EBITDA margin for GIS	31.2%	25.1%	19.9%	29.1%
EBITDA margin for SIS	13.0%	4.0%	6.8%	6.0%
Operating profit margin ⁽⁸⁾	16.3 %	9.6%	8.0%	12.0%
Operating profit margin by current reportable segment:				
Operating profit margin for GIS ⁽⁸⁾	25.4%	19.6%	13.0%	22.9%
Operating profit margin for SIS ⁽⁸⁾	4.7%	—	—	—
Net debt ⁽⁹⁾	¥ (23,430)	¥ 51,538	¥ 35,517	¥ 200,347
Net debt to EBITDA ratio	(0.1)x	0.3x		

For the years ended March 31, 2022, 2023, 2024 and 2025 presented in the following table, the segment financial information is presented based on the classification of our reportable segments prior to the restructuring of the reportable segments from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS in our consolidated financial statements.

	As of and for the year ended March 31,			
	(in millions of yen, except percentages and ratios)			
	2022	2023	2024	2025 ⁽⁵⁾
Other data⁽³⁾:				
Revenue by former reportable segment:				
Revenue for Endoscopic Solutions	¥461,547	¥551,823	¥586,652	¥636,301
Revenue for Therapeutic Solutions	275,586	318,207	337,338	360,687
EBITDA ⁽⁶⁾	204,039	250,201	116,580	228,812
EBITDA by former reportable segment:				
EBITDA for Endoscopic Solutions	166,727	190,264	146,185	184,864
EBITDA for Therapeutic Solutions	77,761	82,851	9,718	79,999
EBITDA margin ⁽⁷⁾	27.2%	28.4%	12.6%	22.9%
Operating profit margin ⁽⁸⁾	19.5%	21.2%	5.6%	16.3%
Net debt ⁽⁹⁾	¥ 83,555	¥170,728	¥ (41,317)	¥ (23,430)
Net debt to EBITDA ratio	0.4x	0.7x	(0.4)x	(0.1)x

Notes:

- (1) Since we cannot retroactively restate consolidated financial information for the years ended March 31, 2022 and 2023 to reflect the classification of our orthopedics business as a discontinued operation without unreasonable efforts, it is not practical to present consolidated financial information for these periods on a restated basis and we have therefore presented on the basis prior to the classification of the orthopedics business as a discontinued operation. As a result, consolidated financial information for these periods includes our former Others reporting segment which contained our orthopedics business.
- (2) Profits from discontinued operations for the years ended March 31, 2022, 2023 and 2024 represent profit from the Scientific Solutions business which was classified as a discontinued operation from the three-month period ended September 30, 2022. Profit from discontinued operations for the year ended March 31, 2025 represents profit from the orthopedic business included in the former Others reporting segment which was classified as a discontinued operation as a result of the completion of the sale of that business to Polaris Capital Group on July 12, 2024.
- (3) Since we cannot retroactively restate segment-level financial information for the years ended March 31, 2022, 2023 and 2024 to reflect the change from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS without unreasonable efforts, it is not practical to present segment-level financial information for these periods on a restated basis and we have therefore presented on the basis of the former segment classifications prior to this change.
- (4) On April 1, 2025, we reorganized the previous Endoscopic Solutions and Therapeutic Solutions businesses to GIS and SIS. In conjunction with this reorganization, the reportable segments have been changed from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS. As a result of these changes in our reportable segments, financial information for our reportable segments for the years ended March 31, 2025 and 2026 and for the three-month periods ended June 30, 2025 and 2026 is presented based on the current classification of our reportable segments.
- (5) Because our audited consolidated financial statements for the year ended March 31, 2026 included elsewhere in this offering circular include a different reportable segment presentation for the year ended March 31, 2025, we include both presentations for the year ended March 31, 2025.
- (6) EBITDA is calculated as the sum of operating profit and depreciation and amortization. For a discussion of EBITDA, see “—Non-IFRS Measures” below.
- (7) EBITDA margin is calculated as EBITDA divided by revenue.
- (8) Operating profit margin is calculated as operating profit divided by revenue.
- (9) Net debt is calculated as interest-bearing debt, defined as the sum of current and non-current bonds and borrowings, minus cash and cash equivalents. For a discussion of net debt, see “—Non-IFRS Measures” below.

Non-IFRS Measures

EBITDA

EBITDA is not a measure prescribed by IFRS but is a supplemental financial measure that we believe is useful for investors to assess the operating performance of our business without the effect of items which we do not consider to be indicative of the results of our ongoing operations.

EBITDA should not be considered as an alternative to measures presented in accordance with IFRS, as it has important limitations as analytical tools, because it excludes some, but not all, items that affect operating profit for the year. Our definition of EBITDA (which some companies define based on its acronym “earnings before interest, taxes, depreciation and amortization”) may not be comparable to similarly titled measures of other companies in our industry, which may define this or similarly titled measures differently, thereby diminishing their utility. The following table presents a reconciliation of EBITDA to operating profit for the periods indicated.

	For the year ended March 31,					For the three-month period ended June 30,	
	2022	2023	2024	2025	2026	2025	2026
	(in millions of yen)						
Reconciliation of EBITDA to operating profit:							
Operating profit	¥ 146,188	¥ 186,609	¥ 51,387	¥ 162,462	¥ 97,120	¥ 16,597	¥ 28,951
Add: Depreciation and amortization	<u>57,851</u>	<u>63,592</u>	<u>65,193</u>	<u>66,350</u>	<u>67,216</u>	<u>16,214</u>	<u>17,308</u>
EBITDA	¥ 204,039	¥ 250,201	¥ 116,580	¥ 228,812	¥ 164,336	¥ 32,811	¥ 46,259

For the years ended March 31, 2025 and 2026 and for the three-month periods ended June 30, 2025 and 2026 presented in the following two tables, the segment financial information is presented based on the classification of our reportable segments after the restructuring of the reportable segments from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS in our consolidated financial statements.

	For the year ended March 31,		For the three-month period ended June 30,	
	2025 ⁽¹⁾⁽²⁾	2026 ⁽¹⁾	2025 ⁽¹⁾	2026 ⁽¹⁾
	(in millions of yen)			

Reconciliation of EBITDA for GIS to segment operating profit:

Operating profit	¥ 171,441	¥ 136,359	¥ 18,141	¥ 38,646
Add: Depreciation and amortization	38,695	38,917	9,537	10,372
EBITDA	<u>¥ 210,136</u>	<u>¥ 175,276</u>	<u>¥ 27,678</u>	<u>¥ 49,018</u>

	For the year ended March 31,		For the three-month period ended June 30,	
	2025 ⁽¹⁾⁽²⁾	2026 ⁽¹⁾	2025 ⁽¹⁾	2026 ⁽¹⁾
	(in millions of yen)			

Reconciliation of EBITDA for SIS to segment operating profit:

Operating profit (loss)	¥ 15,265	¥ (14,986)	¥ (1,856)	¥ (2,404)
Add: Depreciation and amortization	26,702	27,384	6,416	6,715
EBITDA	<u>¥ 41,967</u>	<u>¥ 12,398</u>	<u>¥ 4,560</u>	<u>¥ 4,311</u>

For the years ended March 31, 2022, 2023, 2024 and 2025 presented in the following two tables, the segment financial information is presented based on the classification of our reportable segments prior to the restructuring of the reportable segments from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS in our consolidated financial statements.

	For the year ended March 31,			
	2022	2023	2024	2025 ⁽²⁾
	(in millions of yen)			
Reconciliation of EBITDA for				
Endoscopic Solutions to segment				
operating profit:				
Operating profit	¥133,204	¥152,769	¥104,684	¥141,398
Add: Depreciation and amortization	33,523	37,495	41,501	43,466
EBITDA	¥166,727	¥190,264	¥146,185	¥184,864
	For the year ended March 31,			
	2022	2023	2024	2025 ⁽²⁾
	(in millions of yen)			
Reconciliation of EBITDA for				
Therapeutic Solutions to segment				
operating profit:				
Operating profit (loss)	¥ 60,826	¥ 63,692	¥ (8,466)	¥ 61,453
Add: Depreciation and amortization	16,935	19,159	18,184	18,546
EBITDA	¥ 77,761	¥ 82,851	¥ 9,718	¥ 79,999

Note:

- (1) On April 1, 2025, we reorganized the previous Endoscopic Solutions and Therapeutic Solutions businesses to GIS and SIS. In conjunction with this reorganization, the reportable segments have been changed from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS. As a result of these changes in our reportable segments, financial information for our reportable segments for the years ended March 31, 2025 and 2026 and for the three-month periods ended June 30, 2025 and 2026 is presented based on the current classification of our reportable segments.
- (2) Because our audited consolidated financial statements for the year ended March 31, 2026 included elsewhere in this offering circular include a different reportable segment presentation for the year ended March 31, 2025, we include both presentations for the year ended March 31, 2025.

Net debt

Net debt is not a measure prescribed by IFRS but is a supplemental financial measure that we believe is useful for investors to assess the operating performance of our business without the effect of items which we do not consider to be indicative of the results of our ongoing operations.

Net debt should not be considered as an alternative to measures presented in accordance with IFRS, as it has important limitations as analytical tools. Our definition of net debt may not be comparable to similarly titled measures of other companies in our industry, which may define this or similarly titled measures differently, thereby diminishing their utility. The following table presents a reconciliation of net debt to interest-bearing debt for the periods indicated.

	As of March 31,					As of
	2022	2023	2024	2025	2026	June 30,
	(in millions of yen)					2026
Reconciliation of net debt to interest-bearing debt:						
Current bonds and borrowings	¥ 52,281	¥ 49,970	¥ 69,988	¥ 94,985	¥ 79,876	¥ 139,127
Non-current bonds and borrowings	333,846	290,087	229,628	134,117	159,700	179,765
Interest-bearing debt	386,127	340,057	299,616	229,102	239,576	318,892
Less: Cash and cash equivalents	302,572	169,329	340,933	252,532	188,038	118,545
Net debt	¥ 83,555	¥ 170,728	¥ (41,317)	¥ (23,430)	¥ 51,538	¥ 200,347

Notes:

- (1) Interest-bearing debt is defined as the sum of current and non-current bonds and borrowings.

Free Cash Flow

Free cash flow is not a measure prescribed by IFRS but is a supplemental financial measure that we believe is useful for investors to assess the operating performance of our business without the effect of items which we do not consider to be indicative of the results of our ongoing operations.

Free cash flow should not be considered as an alternative to measures presented in accordance with IFRS, as it has important limitations as analytical tools. Our definition of free cash flow may not be comparable to similarly titled measures of other companies in our industry, which may define this or similarly titled measures differently, thereby diminishing their utility. The following table presents a reconciliation of free cash flow to cash flows from operating activities for the periods indicated.

	For the year ended March 31,					For the three-month period ended June 30,	
	2022	2023	2024	2025	2026	2025	2026
	(in millions of yen)						
Reconciliation of free cash flow to cash flows from operating activities:							
Net cash provided by (used in) operating activities	¥ 169,729	¥ 98,490	¥ 42,365	¥ 190,463	¥ 100,585	¥ (15,203)	¥ 14,334
Add: Net cash (used in) provided by investing activities	(71,016)	(58,414)	359,992	(65,469)	(87,408)	(17,508)	(64,245)
Free cash flow	¥ 98,713	¥ 40,076	¥ 402,357	¥ 124,994	¥ 13,177	¥ (32,711)	¥ (49,911)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this offering circular. Our financial statements are prepared in accordance with IFRS, which differs in certain significant respects from accounting principles generally accepted in other countries, including U.S. GAAP and Japanese GAAP. The presentation in this section contains forward-looking statements that involve risks, uncertainties and assumptions, and are subject to the qualifications set forth under "Forward-Looking Statements." Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including but not limited to those set forth under "Risk Factors" and elsewhere in this offering circular.

Overview

We are a global medtech company that manufactures and sells medical equipment around the world. Our primary business is the production and sale of medical devices that can be used across the stages of the medical process from early diagnosis to minimally invasive therapy.

We record our results of operations under two reportable segments:

- **GIS.** Our GIS segment focuses on gastrointestinal endoscopy systems, gastrointestinal endotherapy products as well as medical repair services. For the year ended March 31, 2026 and the three-month period ended June 30, 2026, revenue (from outside customers) from our GIS segment represented 69.0% and 70.1%, respectively, of consolidated revenue for each period.
- **SIS.** Our SIS segment focuses on endoscopes and endotherapy products for use in urology and the respiratory field as well as surgical endoscopy systems. For the year ended March 31, 2026 and the three-month period ended June 30, 2026, revenue (from outside customers) from our SIS segment represented 31.0% and 29.9%, respectively, of consolidated revenue for each period.

Reclassification of Our Reportable Segments and Sale of Our Scientific Solutions and Orthopedic Businesses

We previously had four reportable segments: Endoscopic Solutions, Therapeutic Solutions, Scientific Solutions, and Others. However, from the three- and six-month period ended September 30, 2022, we changed to three reportable segments: Endoscopic Solutions, Therapeutic Solutions, and Others. The change was due to the classification of the Scientific Solutions business as a discontinued operation with the conclusion of a share transfer agreement in August 2022 related to the transfer of the Scientific Solutions business, which we had spun off in April 2022 into our formerly consolidated subsidiary Evident, to a special purpose company indirectly owned by funds advised by Bain Capital. The transfer of our ownership stake in Evident was completed in April 2023. As a result, the Scientific Solutions business was classified as a discontinued operation from the three- and six-month period ended September 30, 2022. Since we cannot retroactively restate consolidated financial information for the years ended March 31, 2022 and 2023 to reflect the classification of our orthopedics business as a discontinued operation without unreasonable efforts, it is not practical to present consolidated financial information for these periods on a restated basis and we have therefore presented such financial statements for those periods elsewhere in this offering circular on the basis prior to the classification of the orthopedics business as a discontinued operation.

From the three-month period ended June 30, 2024, we further changed to two reportable segments: Endoscopic Solutions and Therapeutic Solutions, and have presented the information in the same manner for the fiscal year ended March 31, 2024. This was because our orthopedic business included in the former Others reporting segment was classified as a discontinued operation as a result of the completion of the sale of that business to Polaris Capital Group on July 12, 2024. As a result of this transaction, the operations previously in the former Others reporting segment other than the orthopedic business that were considered continuing operations were excluded from our reportable segments as they were expected to be immaterial for the fiscal year ended March 31, 2025.

On April 1, 2025, we reorganized the previous Endoscopic Solutions and Therapeutic Solutions businesses to GIS and SIS. In conjunction with this reorganization, the reportable segments have been changed from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS. Following this change in the

reportable segments, our GI EndoTherapy products have been shifted from Therapeutic Solutions to GIS and our Surgical Endoscopy devices have been shifted from Endoscopic Solutions to SIS. From the three-month period ended June 30, 2026, “Others” was no longer presented as a separate reportable segment due to research and development or exploratory activities related to new businesses no longer meeting the definition of a business segment. The amounts previously recorded under the former Others reporting segment are now classified under “Adjustment.”

Factors Affecting Our Results of Operations

Revenue

We derive revenue principally from the following:

- in our GIS segment, sales as well as leases of medical devices, including endoscopy systems and endotherapy devices, as well as the provision of repair service for these products, to customers which are primarily medical institutions in Japan and overseas; and
- in our SIS segment, sales of medical devices, including urology devices, respiratory devices, surgical endoscopy systems and energy devices, among others, to customers which are primarily medical institutions in Japan and overseas.

Revenue that we generate is a function of the volume and price of the products that we sell and lease. The volume of products sold or leased is affected by various factors, including the following:

- *Demand.* Demand for our products is impacted by a variety of factors, including the incidence of the diseases for which our products are used in treatment. The reliability and accuracy of our products, and the availability of our products are also important factors driving demand.
- *Competition.* Competition with other manufacturers that offer similar functionality can significantly impact the volume of products that we sell. We are subject to competition from other manufacturers, which may develop and offer products with better performance, ease-of-use or safety features or lower cost, which could result in lower sales or leasing volumes of our products.
- *Advertising and promotion activities.* Our advertising and promotion activities for existing and new products can affect positively our sales and the volume of products that we lease.
- *Macroeconomic factors.* Macroeconomic factors, such as medical spending trends, which are generally affected by employment, wages and availability of medical insurance, as well as by external factors such as the conflict in the Middle East and its impact on supply chains, can have a significant impact on our sales.

The price of our products is generally affected by the following factors:

- *Costs of raw materials and components.* Costs of raw materials and components used in the production of our products are affected by our ability to negotiate favorable pricing terms with suppliers, as well as other factors outside of our control, such as supply and demand and unfavorable macroeconomic trends that can result in price increases, such as a rise in interest rates and inflation. The cost of raw materials and components can fluctuate substantially, and because many of the raw materials and components that we procure are sourced and traded internationally, our costs are also subject to changes as a result of movements in foreign exchange rates.
- *Competition.* Competition from other manufacturers exerts significant price pressure on our products.
- *Government policy and regulation.* The pricing of our products can be affected by government policy and regulation in many of the countries in which we operate, such as by requiring us to apply discounts or otherwise regulate the price of our products.

Revenue per Geographic Region

The following table shows revenue per country or geographic region for the years ended March 31, 2024, 2025 and 2026, and is accounted for based on the location of the customer.

	For the year ended March 31,		
	2024 ⁽¹⁾	2025	2026
	(in millions of yen)		
Japan	¥ 117,301	¥ 110,529	¥ 103,905
North America	351,249	413,896	405,493
Europe	236,770	254,620	281,070
China	106,335	95,738	82,452
Asia and Oceania	87,986	93,707	102,586
Others	26,111	28,842	35,170
Total	¥ 925,752	¥ 997,332	¥ 1,010,676

Note:

(1) Our orthopedic business included in the former Others reporting segment was classified as a discontinued operation as a result of the completion of the sale of that business to Polaris Capital Group on July 12, 2024. As a result, revenue from discontinued operations is not included.

Cost of Sales

Cost of sales consists mainly of the cost of raw materials and components used in the manufacturing of our products, which has generally been the largest component of cost of sales, which are impacted by similar factors as described above under “—Revenue.”

Selling, General and Administrative Expenses

Our selling, general and administrative expenses consist mainly of the following:

- *Personnel expenses.* Personnel expenses, which have generally been the largest component of selling, general and administrative expenses, consist of the wages, bonuses, legal welfare expenses and retirement benefits as well as personnel expenses incurred by the development division.
- *Depreciation.* Depreciation includes expenses related to the depreciation of property, plant and equipment used for administrative and back-office purposes, such as buildings for offices, as well as intangible asset amortization related to acquired businesses.
- *Advertising and promotion expenses.* Advertising and promotion expenses consist mainly of the expenses incurred in order to advertise our business.

Other Factors Affecting Our Results of Operations

Profit (loss) from Discontinued Operations

For the years ended March 31, 2024 and 2025, we recorded profit from discontinued operations of ¥207,864 million and ¥55 million, respectively. We recorded no profit or loss from discontinued operations for the year ended March 31, 2026. See Note 41 to our consolidated financial statements for the year ended March 31, 2025 included elsewhere in this offering circular for further information on loss from discontinued operations.

Impairment Losses on Property, Plant and Equipment

As of June 30, 2026, our recorded amount of property, plant and equipment was ¥297,719 million, constituting 19.5% of our total assets as of the same date. For information on depreciation and evaluation for impairment see “—Significant Accounting Policies—Impairment of Non-Financial Assets.”

Other Income and Other Expenses

Other income includes certain non-recurring income, such as gain on revision of retirement benefit plan, gain on sale of fixed assets, proceeds from government subsidies, reversal of allowance for doubtful accounts and

gain on subsidiary share transfers. In particular, in the year ended March 31, 2025, we recorded a gain related to the reversal of a provision that had been recorded in the past based on estimates for losses associated with the litigation involving Olympus (Shenzhen) Industrial Ltd., a consolidated subsidiary of ours, of ¥874 million.

Other expenses include certain non-recurring expenses, such as litigation- and legal proceedings-related costs, restructuring costs, impairment losses on business assets and provisions for additional tax payments.

Currency Fluctuations

Because of the international nature of our business, we are exposed to both translation and transaction risk stemming from currency exchange rate fluctuations. Translation risk is the risk relating to the consolidation of foreign currency denominated financial statements of overseas subsidiaries. Fluctuations in exchange rates affect the financial statements of overseas subsidiaries when translated into yen. Although such fluctuations could be substantial and significantly impact comparisons with prior periods and among various geographic markets, translation risk is a reporting consideration and does not reflect our underlying results of operations in local currency.

Transaction risk is the risk resulting from differences in the currency structure of our sales and costs. We are subject to transaction risk due mainly to fluctuations in the value of the Japanese yen, U.S. dollar and euro. Additionally, we diversify our operations in order to mitigate transaction risk by procuring raw materials on a global basis.

In general, decreases in the value of the U.S. dollar, euro and renminbi against yen have a negative impact on our results of operations and *vice versa*. We mainly use foreign exchange forward contracts and currency swaps to hedge some portions of our transactional risk with respect to the U.S. dollar and euro against yen for specified periods but there can be no assurance that such arrangements will be sufficient to protect us against adverse movements in foreign exchange rates for these and other currencies. See “—Market Risk—Exchange Rate Risk.”

The Foreign exchange gains and losses that we record as a result of the effect of currency fluctuations on our non-yen-denominated loan repayments are recorded under finance income and finance costs, respectively.

Significant Accounting Policies

The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements as well as the reported amounts of revenue and expenses during the reporting period. We base our estimates and assumptions on historical experiences and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions. We believe the following are our significant accounting policies. Significant accounting policies are defined as those that involve estimates requiring the application of management’s judgment to individual transactions to determine the most appropriate accounting treatment in circumstances where the use of different estimates could result in material changes to our financial condition or results of operations.

The below description includes certain of our significant accounting policies. For a complete description of our significant accounting policies, see Note 3 to our audited consolidated financial statements included elsewhere in this offering circular.

Inventories

Inventories are measured at the lower of cost or net realizable value. The costs of inventories are calculated principally by using the weighted average method, which include purchase cost, processing cost, and other costs incurred in bringing inventories to their present location and condition. Net realizable value is determined at the estimated selling price in the ordinary course of business less estimated cost required up to the completion of the process and estimated selling expenses.

Impairment of Non-Financial Assets

For the carrying amount of non-financial assets (excluding inventories, deferred tax assets, retirement benefit assets and non-current assets held for sale), we assess at the end of each reporting period whether there is

an indication of impairment. If any such indication exists, an impairment test is performed. However, goodwill, intangible assets with indefinite useful lives and those yet to be usable are tested for impairment in each period or whenever there is an indication of impairment.

Assets that are not individually tested in impairment testing are integrated into the smallest cash generating unit that generates cash inflows largely independent of cash inflows from other assets or asset groups. Corporate assets do not generate independent cash inflows. Therefore, if there is an indication that corporate assets may be impaired, the impairment test is performed based on the recoverable amount of the cash-generating unit to which the corporate assets belong.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and fair value less cost of disposal. In calculating value in use, estimated future cash flows are discounted to the present value using the pretax discount rate reflecting the time value of money and risks specific to the asset.

Impairment losses are recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses recognized in association with a cash-generating unit are recognized by first reducing the carrying amount of any allocated goodwill and then are allocated to other assets of the cash-generating unit on a pro-rata basis based on the carrying amount of each asset.

When there is an indication of reversal in respect of impairment losses recognized in prior periods and the recoverable amount of the asset or cash-generating unit exceeds its carrying amount, impairment losses are reversed. The carrying amount after reversal of impairment losses does not exceed the carrying amount that would have been determined when depreciation or amortization had been continued until the reversal occurred if any impairment loss had never been recognized for the asset. Impairment losses associated with goodwill are not reversed.

Measurement of Provisions

Provisions are recognized when we have present obligations as a result of past events, it is highly probable that outflows of economic resources will be occurred to settle the obligations, and reliable estimates of the obligations can be made.

Where time value of money is material, provisions are measured by discounting estimated future cash flows into present value by using the interest rate reflecting the time value of money as well as the risks inherent to the associated liabilities.

Contingent Liabilities

With regard to liabilities held by us as of the end of the reporting period that may be incurred, when it cannot be confirmed whether or not those are liabilities as of the end of the reporting period, or when the liabilities do not meet criteria for recognition of provisions, information on such liabilities is provided in the corresponding note on contingent liabilities, unless it is believed that the possibility of an outflow of economic resources by performance of the liabilities is remote at the end of the reporting period.

Measurement of Defined Benefit Obligation

Post-employment benefits. We adopt defined benefit pension plans and defined contribution pension plans. We calculate the present value of defined benefit obligations and associated current service cost as well as past service cost by using the projected unit credit method. The discount rate used for discounting to the present value of defined benefit obligations is determined by reference to market yields on high quality corporate bonds of which currency and due date are consistent with those of the post-employment benefit obligations. Asset or liability associated with a defined benefit plan is calculated by subtracting the fair value of plan assets from the present value of defined benefit obligations of each plan. Any difference due to remeasurement arising from defined benefit pension plans is recognized as other comprehensive income in the period when the difference arose, and immediately transferred to retained earnings. Past service costs are expensed as incurred. Contributions to defined contribution pension plans are recognized as expenses according to the period during which employees rendered the relevant services.

Short-term employee benefits. Short-term employee benefits are recognized as expenses in the period in which the employee renders the related service without discounting. When we have present legal or constructive obligations to make payments resulting from past services rendered by the employees and the amount can be estimated reliably, the amount estimated to be paid is recognized as a liability.

Other long-term employee benefits. We have a special leave system and incentive payment plans according to a specific number of service years as long-term employee benefits other than pension plans. The amount of obligations to other long-term employee benefits is recognized as a liability at the amount calculated by discounting the estimated amount of future benefits earned in exchange for service that employees provided in prior fiscal years and the current fiscal year to the present value.

Recoverability of Deferred Tax Assets

Deferred taxes are recognized for temporary differences, which are differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes at the end of the reporting period, tax losses carried forward and tax credits carried forward. Deferred tax assets or liabilities are not recognized for the following cases:

- Taxable temporary differences arising from the initial recognition of goodwill;
- Temporary differences on the initial recognition of assets or liabilities arising from a transaction, except a business combination, that affects neither accounting profit nor taxable profit and that arises neither equivalent amount of taxable temporary differences nor deductible temporary differences;
- Taxable temporary differences associated with investments in subsidiaries and associates when we are able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future; and
- Deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will not reverse in the foreseeable future, or when it is not probable that there will be sufficient taxable profits against which the deductible temporary differences can be utilized.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax credits carried forward and tax losses carried forward can be utilized. In principle, deferred tax liabilities are recognized for all taxable temporary differences.

In recognizing deferred tax assets, we assess the probability that deductible temporary differences or tax losses carried forward can be utilized against future taxable profits. In assessing the recoverability of deferred tax assets, the scheduled reversal of deferred tax liabilities, projected taxable profits and tax planning are taken into account.

Deferred tax assets and liabilities are measured based on tax rates and tax laws that have been enacted, or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if we have a legally enforceable right to offset current tax assets against current tax liabilities, and they are related to income taxes levied by the same taxation authority on the same taxable entity, or different taxable entities that intend either to settle on a net basis or to realize the tax asset or settle the liability simultaneously.

We and some of our domestic subsidiaries have adopted the Group Tax Sharing System.

Historical Results of Operations

The following table shows selected consolidated statements of profit or loss data for the years ended March 31, 2024, 2025 and 2026 and the three-month periods ended June 30, 2025 and 2026:

	For the year ended March 31,			For the three-month period ended June 30,	
	2024	2025	2026	2025	2026
	(in millions of yen)				
Continuing operations:					
Revenue	¥ 925,752	¥ 997,332	¥1,010,676	¥ 206,512	¥ 240,400
Cost of sales	(307,320)	(313,635)	(356,586)	(71,383)	(83,573)
Gross profit	618,432	683,697	654,090	135,129	156,827
Selling, general and administrative expenses	(466,758)	(495,654)	(507,080)	(122,187)	(125,031)
Share of (loss) profit of investments accounted for using equity method	(358)	466	(3,700)	246	(1,120)
Other income	3,432	5,246	11,345	7,035	1,079
Other expenses	(103,361)	(31,293)	(57,535)	(3,626)	(2,804)
Operating profit	51,387	162,462	97,120	16,597	28,951
Finance income	2,520	3,449	6,171	1,445	1,433
Finance costs	(10,296)	(6,841)	(9,297)	(1,156)	(2,822)
Profit before tax	43,611	159,070	93,994	16,886	27,562
Income taxes	(8,546)	(41,270)	(25,822)	(7,895)	(8,460)
Profit from continuing operations	35,065	117,800	68,172	8,991	19,102
Discontinued operations:					
Profit from discontinued operations	207,864	55	—	—	—
Profit	¥ 242,929	¥ 117,855	¥ 68,172	¥ 8,991	¥ 19,102
Profit attributable to:					
Owners of parent	242,566	117,855	68,172	8,991	19,102
Non-controlling interests	363	—	—	—	—
Profit	¥ 242,929	¥ 117,855	¥ 68,172	¥ 8,991	¥ 19,102

Segment Information

The following tables show a breakdown of consolidated revenue, operating profit, share of profit (loss) of investments accounted for using equity method, depreciation and amortization and impairment losses (non-financial assets) by reportable segment for the three-month periods ended June 30, 2025 and 2026 and consolidated revenue, operating profit, share of profit (loss) of investments accounted for using equity method, depreciation and amortization and impairment losses (non-financial assets), segment assets, investments accounted for using equity method and capital expenditures by reportable segment for the years ended March 31, 2024, 2025 and 2026.

Because our audited consolidated financial statements for the year ended March 31, 2026 included elsewhere in this offering circular present the year ended March 31, 2025 under a different reportable segment structure, we include both presentations below for the year ended March 31, 2025.

	For the three-month period ended June 30, 2026				
	Reportable Segment			Adjustment (3)(5)	Amount on consolidated financial statements
	Gastrointestinal Solutions	Surgical & Interventional Solutions	Total		
	(in millions of yen)				
Revenue:					
Revenue from outside customers	¥168,448	¥71,923	¥240,371	¥ 29	¥240,400
Total	168,448	71,923	240,371	29	240,400
Operating profit (loss)	38,646	(2,404)	36,242	(7,291)	28,951
Other items:					
Share of profit (loss) of investments accounted for using equity method	(1,292)	172	(1,120)	—	(1,120)
Depreciation and amortization	10,372	6,715	17,087	221	17,308
Impairment losses	—	274	274	—	274
	For the three-month period ended June 30, 2025				
	Reportable Segment			Adjustment (3)(4)(5)	Amount on consolidated financial statements
	Gastrointestinal Solutions	Surgical & Interventional Solutions	Total		
	(in millions of yen)				
Revenue:					
Revenue from outside customers	¥139,023	¥67,428	¥206,451	¥ 61	¥206,512
Total	139,023	67,428	206,451	61	206,512
Operating profit (loss)	18,141	(1,856)	16,285	312	16,597
Other items:					
Share of profit (loss) of investments accounted for using equity method	(5)	251	246	—	246
Depreciation and amortization	9,537	6,416	15,953	261	16,214
Impairment losses	—	—	—	53	53

For the year ended March 31, 2026						
	Reportable Segment				Adjustment (3)(4)(6)(7)	Amount on consolidated financial statements
	Gastrointestinal Solutions	Surgical & Interventional Solutions	Total	Other ⁽²⁾		
Revenue:						
Revenue from outside customers			¥			
	¥697,359	¥313,109	1,010,468	¥ 208	—	¥1,010,676
Total	697,359	313,109	1,010,468	208	—	1,010,676
Operating profit (loss)	136,359	(14,986)	121,373	(499)	¥(23,754)	97,120
Other items:						
Share of profit (loss) of investments accounted for using equity method	(4,437)	737	(3,700)	—	—	(3,700)
Depreciation and amortization	38,917	27,384	66,301	52	863	67,216
Impairment losses	5,253	5,790	11,043	—	1,042	12,085
Segment assets	735,067	555,240	1,290,307	1,464	245,391	1,537,162
Investments accounted for using equity method	377	1,020	1,397	—	—	1,397
Capital expenditures ⁽¹⁰⁾	61,880	29,464	91,344	—	895	92,239

For the year ended March 31, 2025						
	Reportable Segment				Adjustment (3)(6)(7)(8)	Amount on consolidated financial statements
	Gastrointestinal Solutions	Surgical & Interventional Solutions	Total	Other ⁽²⁾		
Revenue:						
Revenue from outside customers	¥674,043	¥322,759	¥ 996,802	¥ 530	—	¥ 997,332
Total	674,043	322,759	996,802	530	—	997,332
Operating profit (loss)	171,441	15,265	186,706	(474)	¥(23,770)	162,462
Other items:						
Share of profit (loss) of investments accounted for using equity method	(27)	493	466	—	—	466
Depreciation and amortization	38,695	26,702	65,397	142	811	66,350
Impairment losses	2,216	925	3,141	—	495	3,636
Segment assets	604,295	500,099	1,104,394	4,599	324,280	1,433,273
Investments accounted for using equity method	334	148	482	—	—	482
Capital expenditures ⁽¹⁰⁾	55,090	28,588	83,678	5	1,276	84,959

For the following two tables for the years ended March 31, 2025 and 2024, the segment financial information is presented based on the classification of our reportable segments prior to the restructuring of the reportable segments from the previous Endoscopic Solutions and Therapeutic Solutions to GIS and SIS in our consolidated financial statements.

For the year ended March 31, 2025						
	Reportable Segment				Adjustment (3)/(6)(7)	Amount on consolidated financial statements
	Endoscopic Solutions	Therapeutic Solutions	Total	Other ⁽²⁾		
	(in millions of yen)					
Revenue:						
Revenue from outside customers	¥636,144	¥360,658	¥ 996,802	¥ 530	—	¥ 997,332
Intersegment revenue ⁽¹⁾	157	29	186	—	¥ (186)	—
Total	636,301	360,687	996,988	530	(186)	997,332
Operating profit (loss)	141,398	61,453	202,851	(473)	(39,916)	162,462
Other items:						
Share of profit (loss) of investments accounted for using equity method	493	(27)	466	—	—	466
Depreciation and amortization	43,466	18,546	62,012	141	4,197	66,350
Impairment losses	2,599	542	3,141	—	495	3,636
Segment assets	672,499	474,492	1,146,991	5,401	280,434	1,432,826
Investments accounted for using equity method	148	334	482	—	—	482
Capital expenditures ⁽¹⁰⁾	56,486	21,588	78,074	5	6,880	84,959
For the year ended March 31, 2024						
	Reportable Segment				Adjustment (3)/(6)(7)	Amount on consolidated financial statements
	Endoscopic Solutions	Therapeutic Solutions	Total	Other ⁽²⁾		
	(in millions of yen)					
Revenue:						
Revenue from outside customers	¥586,617	¥337,331	¥ 923,948	¥1,804	—	¥ 925,752
Intersegment revenue ⁽¹⁾	35	7	42	—	¥ (42)	—
Total	586,652	337,338	923,990	1,804	(42)	925,752
Operating profit (loss)	104,684	(8,466)	96,218	(287)	(44,544)	51,387
Other items:						
Share of profit (loss) of investments accounted for using equity method	(332)	(26)	(358)	—	—	(358)
Depreciation and amortization	41,501	18,184	59,685	193	5,315	65,193
Impairment losses ⁽⁹⁾	10,890	44,315	55,205	—	775	55,980
Segment assets	637,036	469,186	1,106,222	3,905	424,089	1,534,216
Investments accounted for using equity method	—	479	479	—	—	479
Capital expenditures ⁽¹⁰⁾	50,674	19,295	69,969	50	9,324	79,343

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 revenues and corporate expenses that mainly consist of elimination of transactions among segments, as well as general and administrative expenses that are not attributable to reportable segments.
- (4) Adjustment for operating profit (loss) includes consideration of ¥5,995 million based on an agreement licensing usage to Evident.
- (5) From the first quarter ended June 30, 2026, due to research and development or exploratory activities related to new businesses no longer meeting the definition of a business segment, amounts previously recorded under "Other" have been reclassified to "Adjustment." The results for the first quarter ended June 30, 2025 have also been restated to reflect the change in categorization. The results for the fiscal years ended March 31, 2024, 2025 and 2026 have not been reclassified to reflect this change in classification as the impact is not material.
- (6) Adjustment for depreciation and amortization is the amount of depreciation and amortization related to corporate assets that are not attributable to reportable segments.
- (7) Adjustment for capital expenditures is the amount of increase in fixed assets related to corporate assets that are not attributable to reportable segments.
- (8) We reviewed the method for allocating shared expenses from the fiscal year ended March 31, 2026 and are now allocating expenses for basic research, etc. from company-wide shared functions to the business units. As a result of these changes, operating profit for our GIS segment decreased by ¥9,054 million, operating profit for our SIS segment decreased by ¥7,091 million, and operating loss for the adjustment decreased by ¥16,145 million.
- (9) The operating loss of our Therapeutic Solutions segment includes a loss of ¥51,886 million incurred from the discontinuation of manufacturing and sales of Veran Medical Technologies, Inc. products.
- (10) Capital expenditures consist of investments in property, plant and equipment and intangible assets.

Comparison of the Three-month Period Ended June 30, 2026 with the Three-month Period Ended June 30, 2025

Revenue. Revenue was ¥240,400 million in the three-month period ended June 30, 2026, an increase of ¥33,888 million, or 16.4%, from ¥206,512 million in the three-month period ended June 30, 2025. Of the increase, ¥29,425 million was attributable to our GIS segment and ¥4,495 million was attributable to our SIS segment.

GIS. Revenue of our GIS segment (from outside customers) was ¥168,448 million in the three-month period ended June 30, 2026, an increase of ¥29,425 million, or 21.2%, from ¥139,023 million in the three-month period ended June 30, 2025. The increase was due mainly to increased revenue in GI Endoscopy in North America, Europe, Asia and Oceania, increased revenue in GI EndoTherapy, primarily in North America and Europe, and increases in medical services revenue, primarily in Europe and North America.

SIS. Revenue of our SIS segment (from outside customers) was ¥71,923 million in the three-month period ended June 30, 2026, an increase of ¥4,495 million, or 6.7%, from ¥67,428 million in the three-month period ended June 30, 2025. The increase was due mainly to increased revenue in the urology business, primarily in Europe and North America, increased revenue in the respiratory business, primarily in North America and increased revenue in the surgical endoscopy business, primarily in Europe, and due to favorable foreign exchange impacts, partially offset by the lingering impacts of the ship-holds for some products in our respiratory and other therapeutic areas businesses.

Cost of sales. Cost of sales was ¥83,573 million in the three-month period ended June 30, 2026, an increase of ¥12,190 million, or 17.1%, from ¥71,383 million in the three-month period ended June 30, 2025. The increase was due mainly to the impact of the increase in U.S. tariffs.

Gross profit. As a result of the foregoing, gross profit was ¥156,827 million in the three-month period ended June 30, 2026, an increase of ¥21,698 million, or 16.1%, compared to gross profit of ¥135,129 million in the three-month period ended June 30, 2025.

Selling, general and administrative expenses. Selling, general and administrative expenses were ¥125,031 million in the three-month period ended June 30, 2026, an increase of ¥2,844 million, or 2.3%, from ¥122,187 million in the three-month period ended June 30, 2025.

Share of profit (loss) of investments accounted for using equity method. Share of loss of investments accounted for using equity method was ¥1,120 million in the three-month period ended June 30, 2026 compared to a share of profit of investments accounted for using equity method of ¥246 million in the three-month period ended June 30, 2025. The change was due mainly to a ¥1,292 million expense recorded in connection with our investment in Swan EndoSurgical, Inc., a joint venture with RVLHC SE Holdings, LLC in the three-month period ended June 30, 2026.

Other income. Other income was ¥1,079 million in the three-month period ended June 30, 2026, a decrease of ¥5,956 million, or 84.7%, from ¥7,035 million in the three-month period ended June 30, 2025. The decrease was due mainly to the absence of other income of ¥5,995 million recorded in the previous fiscal year based on an agreement licensing usage to Evident.

Other expenses. Other expenses were ¥2,804 million in the three-month period ended June 30, 2026, a decrease of ¥822 million, or 22.7%, from ¥3,626 million in the three-month period ended June 30, 2025. The decrease was due mainly to the elimination of ¥2,425 million in one-off expenses related to the quality and regulatory transformation project Elevate recorded in the previous fiscal year.

Operating profit. As a result of the foregoing, operating profit was ¥28,951 million in the three-month period ended June 30, 2026, an increase of ¥12,354 million, or 74.4%, from ¥16,597 million in the three-month period ended June 30, 2025.

GIS. Operating profit of our GIS segment (before adjustment) was ¥38,646 million in the three-month period ended June 30, 2026, an increase of ¥20,505 million, or 113.0%, from ¥18,141 million

in the three-month period ended June 30, 2025. The increase was due mainly to higher sales profit resulting from both increased revenue and the elimination of approximately ¥1,600 million in one-off expenses recorded in the previous fiscal year related to the quality and regulatory transformation project Elevate, partially offset by a ¥1,292 million expense recorded in connection with our investment in Swan EndoSurgical, Inc., a joint venture with RVLHC SE Holdings, LLC in the three-month period ended June 30, 2026.

SIS. Operating loss of our SIS segment (before adjustment) was ¥2,404 million in the three-month period ended June 30, 2026, an increase of ¥548 million from ¥1,856 million in the three-month period ended June 30, 2025. The increase was due mainly to the deterioration of the cost-of-sales ratio resulting from the impact of U.S. tariffs, partially offset by the elimination of approximately ¥800 million in one-off expenses related to the quality and regulatory transformation project Elevate recorded in the previous fiscal year.

Finance income. Finance income was ¥1,433 million in the three-month period ended June 30, 2026, a decrease of ¥12 million, or 0.8%, from ¥1,445 million in the three-month period ended June 30, 2025.

Finance costs. Finance costs were ¥2,822 million in the three-month period ended June 30, 2026, an increase of ¥1,666 million, or 144.1%, from ¥1,156 million in the three-month period ended June 30, 2025. The increase was due mainly to an increase in foreign exchange losses caused by the valuation losses on foreign exchange derivatives used to hedge U.S. dollar bonds.

Profit before tax. As a result of the foregoing, profit before tax in the three-month period ended June 30, 2026 was ¥27,562 million, an increase of ¥10,676 million, or 63.2%, from ¥16,886 million in the three-month period ended June 30, 2025.

Income taxes. Income taxes were ¥8,460 million in the three-month period ended June 30, 2026, an increase of ¥565 million, or 7.2%, from ¥7,895 million in the three-month period ended June 30, 2025.

Profit. As a result of the foregoing, profit in the three-month period ended June 30, 2026 was ¥19,102 million, an increase of ¥10,111 million, or 112.5%, from ¥8,991 million in the three-month period ended June 30, 2025.

Comparison of the Year Ended March 31, 2026 with the Year Ended March 31, 2025

Revenue. Revenue was ¥1,010,676 million in the year ended March 31, 2026, an increase of ¥13,344 million, or 1.3%, from ¥997,332 million in the year ended March 31, 2025. Of the increase, ¥23,316 million was attributable to our GIS segment, offset in part by a decrease in revenue of ¥9,650 million in our SIS segment.

GIS. Revenue of our GIS segment (from outside customers) was ¥697,359 million in the year ended March 31, 2026, an increase of ¥23,316 million, or 3.5%, from ¥674,043 million in the year ended March 31, 2025. The increase was due mainly to increased revenue in the GI Endoscopy business due to solid performance in Europe, Asia and Oceania, partially offset by decreased revenue in China due to heightened competition and policies favoring domestically manufactured products, increased revenue in the GI EndoTherapy business, primarily in North America, partially offset by the lingering impacts of the ship-holds for some products, and increased revenue in the medical services business, primarily in Europe.

SIS. Revenue of our SIS segment (from outside customers) was ¥313,109 million in the year ended March 31, 2026, a decrease of ¥9,650 million, or 3.0%, from ¥322,759 million in the year ended March 31, 2025. The decrease was due mainly to decreased revenue in the surgical endoscopy business, primarily in China and Japan, and decreased revenue in other therapeutic areas primarily due to the impact on surgical devices of ship holds, partially offset by increased revenue in the urology business, primarily in Europe and the UK and due to the processing of backlogged orders from the prior fiscal year, despite a decline in sales in North America due to the impact of ship-holds for certain products, and increased revenue in the respiratory business, primarily in North America and Europe, despite headwinds due to the impact of ship-holds for certain products.

Cost of sales. Cost of sales was ¥356,586 million in the year ended March 31, 2026, an increase of ¥42,951 million, or 13.7%, from ¥313,635 million in the year ended March 31, 2025. The increase was due mainly to the impacts of U.S. tariffs and the deterioration in the sales mix.

Gross profit. As a result of the foregoing, gross profit was ¥654,090 million in the year ended March 31, 2026, a decrease of ¥29,607 million, or 4.3%, compared to gross profit of ¥683,697 million in the year ended March 31, 2025.

Selling, general and administrative expenses. Selling, general and administrative expenses were ¥507,080 million in the year ended March 31, 2026, an increase of ¥11,426 million, or 2.3%, from ¥495,654 million in the year ended March 31, 2025. The table below sets forth the main components of our selling, general and administrative expenses for the years ended March 31, 2026 and 2025.

	For the year ended March 31,	
	2025	2026
	(in millions of yen)	
Personnel expenses	¥ 283,753	¥ 300,114
Depreciation	34,410	35,200
Advertising and promotion expenses	17,036	16,503

Personnel expenses. Personnel expenses included in selling, general and administrative expenses for the year ended March 31, 2026 were ¥300,114 million, an increase of ¥16,361 million, or 5.8%, from ¥283,753 million for the year ended March 31, 2025.

Depreciation. Depreciation included in selling, general and administrative expenses for the year ended March 31, 2026 was ¥35,200 million, an increase of ¥790 million, or 2.3%, from ¥34,410 million for the year ended March 31, 2025.

Advertising and promotion expenses. Advertising and promotion expenses for the year ended March 31, 2026 were ¥16,503 million, a decrease of ¥533 million, or 3.1%, from ¥17,036 million for the year ended March 31, 2025.

Share of profit (loss) of investments accounted for using equity method. Share of loss of investments accounted for using equity method was ¥3,700 million in the year ended March 31, 2026 compared to a share of profit of investments accounted for using equity method of ¥466 million in the year ended March 31, 2025. The change was due mainly to a ¥4,410 million expense recorded in connection with our investment in Swan EndoSurgical, Inc., a joint venture with RVLHC SE Holdings, LLC in the year ended March 31, 2026.

Other income. Other income was ¥11,345 million in the year ended March 31, 2026, an increase of ¥6,099 million, or 116.3%, from ¥5,246 million in the year ended March 31, 2025. The increase was due mainly to an income of ¥5,995 million recorded based on an agreement licensing usage to Evident and a ¥1,166 million gain on sale of buildings held by our consolidated subsidiary, Olympus Czech Group, s.r.o.

Other expenses. Other expenses were ¥57,535 million in the year ended March 31, 2026, an increase of ¥26,242 million, or 83.9%, from ¥31,293 million in the year ended March 31, 2025. The increase was due mainly to the recording of ¥26,872 million in expenses associated with the implementation of measures to reform the organizational structure at a global level and optimize positions, along with an impairment loss of ¥1,595 million on some intangible assets such as technology-related assets in our SIS segment, as well as impairment losses on capitalized development costs in our GIS and SIS segments, which were recognized as ¥5,179 million and ¥3,376 million respectively, partially offset by a decrease of ¥8,569 million in one-off expenses related to the quality and regulatory transformation project Elevate and the absence of ¥2,865 million in special additional payment and other expenses associated with the implementation of a career support system for external opportunities that were recorded in the previous fiscal year.

Operating profit (loss). As a result of the foregoing, operating profit was ¥97,120 million in the year ended March 31, 2026, a decrease of ¥65,342 million, or 40.2%, from ¥162,462 million in the year ended March 31, 2025.

GIS. Operating profit of our GIS segment (before adjustment) was ¥136,359 million in the year ended March 31, 2026, a decrease of ¥35,082 million, or 20.5%, from ¥171,441 million in the year ended March 31, 2025. The decrease was due mainly to the impact of U.S. tariffs and the deterioration in the sales mix as well as the recording of expenses of approximately ¥4,400 million for our joint investment with RVLHC SE Holdings, LLC in Swan EndoSurgical, Inc., the recording of approximately ¥14,100 million in expenses associated with the implementation of measures to

reform the organizational structure at a global level and optimize our positions, and an increase of ¥3,475 million in impairment losses on development assets, partially offset by a decrease of approximately ¥5,800 million in one-off expenses related to the quality and regulatory transformation project Elevate and the absence of the approximately ¥1,600 million recorded for the prior fiscal year as special additional payments and other expenses associated with the implementation of a career support system for external opportunities.

SIS. Operating loss of our SIS segment (before adjustment) was ¥14,986 million in the year ended March 31, 2026, compared to an operating profit of ¥15,265 million in the year ended March 31, 2025. This was due mainly to the impact of U.S. tariffs and the recording of a provision of approximately ¥2,500 million for expenses associated with the voluntary recall of certain surgical device products as well as approximately ¥6,700 million recorded in expenses associated with the implementation of measures to reform the organizational structure at a global level and optimize positions, ¥1,595 million recorded in an impairment loss on some intangible assets such as technology-related assets, and an increase in impairment losses on development assets of ¥2,522 million, partially offset by a decrease of approximately ¥2,800 million in one-off expenses related to the quality and regulatory transformation project Elevate.

Finance income. Finance income was ¥6,171 million in the year ended March 31, 2026, an increase of ¥2,722 million, or 78.9%, from ¥3,449 million in the year ended March 31, 2025. The increase was due mainly to a fair value measurement of options on Swan EndoSurgical, Inc. and a reduction in foreign exchange loss.

Finance costs. Finance costs were ¥9,297 million in the year ended March 31, 2026, an increase of ¥2,456 million, or 35.9%, from ¥6,841 million in the year ended March 31, 2025. The increase was due mainly to a fair value measurement of options on Swan EndoSurgical, Inc. and an increase in interest expenses accompanying a rise in a borrowing rate due to refinancing.

Profit before tax. As a result of the foregoing, profit before tax in the year ended March 31, 2026 was ¥93,994 million, a decrease of ¥65,076 million, or 40.9%, from ¥159,070 million in the year ended March 31, 2025.

Income taxes. Income taxes were ¥25,822 million in the year ended March 31, 2026, a decrease of ¥15,448 million, or 37.4%, from ¥41,270 million in the year ended March 31, 2025.

Profit from continuing operations. As a result of the foregoing, profit from continuing operations in the year ended March 31, 2026 was ¥68,172 million, a decrease of ¥49,628 million, or 42.1%, from ¥117,800 million in the year ended March 31, 2025.

Profit from discontinued operations. There was no profit or loss from discontinued operations in the year ended March 31, 2026, compared to a profit from discontinued operations of ¥55 million in the year ended March 31, 2025.

Profit. As a result of the foregoing, profit in the year ended March 31, 2026 was ¥68,172 million, a decrease of ¥49,683 million, or 42.2%, from ¥117,855 million in the year ended March 31, 2025.

Comparison of the Year Ended March 31, 2025 with the Year Ended March 31, 2024

Revenue. Revenue was ¥997,332 million in the year ended March 31, 2025, an increase of ¥71,580 million, or 7.7%, from ¥925,752 million in the year ended March 31, 2024. Of the increase, ¥49,527 million was attributable to Endoscopic Solutions and ¥23,327 million was attributable to Therapeutic Solutions.

Endoscopic Solutions. Revenue of Endoscopic Solutions (from outside customers) was ¥636,144 million in the year ended March 31, 2025, an increase of ¥49,527 million, or 8.4%, from ¥586,617 million in the year ended March 31, 2024. The increase was due mainly to increased revenue in the GI Endoscopy business due to favorable sales of our “EVIS X1” gastrointestinal endoscopy system in North America, partially offset by decreased sales in China due to increased competition and the impact of policies favoring domestic products, increased revenue in the Surgical Endoscopy business, primarily in North America and APAC driven by favorable performance of new

products related to surgical system integration, partially offset by decreased sales in China, and increased revenue in the Medical Services business due to increases in new contracts and stable sales of existing services contracts including maintenance services.

Therapeutic Solutions. Revenue of Therapeutic Solutions (from outside customers) was ¥360,658 million in the year ended March 31, 2025, an increase of ¥23,327 million, or 6.9%, from ¥337,331 million in the year ended March 31, 2024. The increase was due mainly to increased revenue in the GI EndoTherapy business due to increased sales in product groups for endoscopic retrograde cholangio pancreatography, increased revenue in the urology business due to increased sales of resection electrodes and “SOLTIVE SuperPulsed Laser System” lithotripsy machines, increased revenue in the respiratory business due to increased sales of therapeutic devices and EBUS-TBNA scopes, despite decreased revenue in other therapeutic areas, mainly reflecting an impact in Japan where we ceased handling of another company’s products.

Cost of sales. Cost of sales was ¥313,635 million in the year ended March 31, 2025, an increase of ¥6,315 million, or 2.1%, from ¥307,320 million in the year ended March 31, 2024. The increase was due mainly to the disappearance of provisions recorded in the Endoscopic Solutions business in the prior fiscal year, including approximately ¥5,200 million in costs associated with market correction measures for hi-flow insufflation units and approximately ¥5,000 million for expenses associated with the voluntary recall of small intestine endoscope systems.

Gross profit. As a result of the foregoing, gross profit was ¥683,697 million in the year ended March 31, 2025, an increase of ¥65,265 million, or 10.6%, from ¥618,432 million in the year ended March 31, 2024.

Selling, general and administrative expenses. Selling, general and administrative expenses were ¥495,654 million in the year ended March 31, 2025, an increase of ¥28,896 million, or 6.2%, from ¥466,758 million in the year ended March 31, 2024. The table below sets forth the main components of our selling, general and administrative expenses for the years ended March 31, 2024 and 2025.

	For the year ended March 31,	
	2024	2025
	(in millions of yen)	
Personnel expenses	¥ 261,625	¥ 283,753
Depreciation	34,799	34,410
Advertising and promotion expenses	15,630	17,036

Personnel expenses. Personnel expenses included in selling, general and administrative expenses for the year ended March 31, 2025 were ¥283,753 million, an increase of ¥22,128 million, or 8.5%, from ¥261,625 million for the year ended March 31, 2024.

Depreciation. Depreciation included in selling, general and administrative expenses for the year ended March 31, 2025 was ¥34,410 million, a decrease of ¥389 million, or 1.1%, from ¥34,799 million for the year ended March 31, 2024.

Advertising and promotion expenses. Advertising and promotion expenses for the year ended March 31, 2025 were ¥17,036 million, an increase of ¥1,406 million, or 9.0%, from ¥15,630 million for the year ended March 31, 2024.

Share of profit (loss) of investments accounted for using equity method. Share of profit of investments accounted for using equity method was ¥466 million in the year ended March 31, 2025, compared to a share of loss of investments accounted for using equity method of ¥358 million in the year ended March 31, 2024.

Other income. Other income was ¥5,246 million in the year ended March 31, 2025, an increase of ¥1,814 million, or 52.9%, from ¥3,432 million in the year ended March 31, 2024. The increase was due mainly to compensation of ¥1,170 million received by Olympus (Shenzhen) Industrial Ltd. in connection with the return of usage rights for land and buildings in Shenzhen City, China to the government of Shenzhen City as well as the reversal of provisions of ¥874 million that had been recorded in the past based on estimates for losses associated with litigation due to the settlement between Olympus (Shenzhen) Industrial Ltd. and Shenzhen Anpingtai Investment and Development Co., Ltd.

Other expenses. Other expenses were ¥31,293 million in the year ended March 31, 2025, a decrease of ¥72,068 million from ¥103,361 million in the year ended March 31, 2024. The decrease was due mainly to the

disappearance of a loss recorded in the prior fiscal year of ¥51,886 million, which related to the discontinuation of the manufacture and sale of Veran Medical Technologies, Inc.'s electromagnetic navigation systems, the absence of expenses of ¥1,966 million related to the conclusion and rescission of share purchase agreement of Taewoong Medical Co., Ltd., and decreases of impairment losses on development assets for Endoscopic Solutions and Therapeutic Solutions of ¥3,892 million and ¥1,898 million, respectively. In addition, there was a decline of impairment losses on research and development in progress for Endoscopic Solutions of ¥4,565 million, a decrease of ¥3,691 million in one-off expenses related to the quality and regulatory transformation project Elevate, and a decrease of ¥2,986 million in special additional payment and other expenses associated with the implementation of a career support system for external opportunities.

Operating profit (loss). As a result of the foregoing, operating profit was ¥162,462 million in the year ended March 31, 2025, an increase of ¥111,075 million, or 216.2%, from ¥51,387 million in the year ended March 31, 2024.

Endoscopic Solutions. Operating profit of Endoscopic Solutions (before adjustment) was ¥141,398 million in the year ended March 31, 2025, an increase of ¥36,714 million, or 35.1%, from ¥104,684 million in the year ended March 31, 2024. The increase was due mainly to an increase in revenue, the disappearance of approximately ¥5,200 million for costs associated with market correction measures for hi-flow insufflation units and the disappearance of approximately ¥5,000 million for expenses associated with the voluntary recall of small intestine endoscope systems, decreases of impairment losses on development assets of ¥3,892 million and impairment losses on research and development in progress of ¥4,565 million in the year ended March 31, 2024, both recorded in other expenses, and a fall of approximately ¥2,300 million in one-off expenses related to the quality and regulatory transformation project Elevate, partially offset by higher research and development expenses related mainly to next-generation endoscopic systems.

Therapeutic Solutions. Operating profit of Therapeutic Solutions (before adjustment) was ¥61,453 million in the year ended March 31, 2025, compared to an operating loss of ¥8,466 million in the year ended March 31, 2024. This was due mainly to increase in profit driven by higher revenue, the disappearance of other expenses recorded in the previous fiscal year, including a loss of ¥51,886 million, which related to the discontinuation of the manufacture and sale of Veran Medical Technologies, Inc.'s electromagnetic navigation systems, and expenses of ¥1,966 million, which related to the conclusion and rescission of the share purchase agreement of Taewoong Medical Co., Ltd., as well as decreases of impairment losses on development assets of ¥1,898 million, and expenses related to the quality and regulatory transformation project Elevate of approximately ¥1,300 million as other expenses, partially offset by an increase in research and development expenses.

Finance income. Finance income was ¥3,449 million in the year ended March 31, 2025, an increase of ¥929 million, or 36.9%, from ¥2,520 million in the year ended March 31, 2024. The increase was due mainly to a decrease in foreign exchange losses.

Finance costs. Finance costs were ¥6,841 million in the year ended March 31, 2025, a decrease of ¥3,455 million, or 33.6%, from ¥10,296 million in the year ended March 31, 2024. The decrease was due mainly to a decrease in foreign exchange losses.

Profit before tax. As a result of the foregoing, profit before tax in the year ended March 31, 2025 was ¥159,070 million, an increase of ¥115,459 million, or 264.7%, from ¥43,611 million in the year ended March 31, 2024.

Income taxes. Income taxes were ¥41,270 million in the year ended March 31, 2025, an increase of ¥32,724 million, or 382.9%, from ¥8,546 million in the year ended March 31, 2024.

Profit. As a result of the foregoing, profit in the year ended March 31, 2025 was ¥117,855 million, a decrease of ¥125,074 million, or 51.5%, from ¥242,929 million in the year ended March 31, 2024.

Liquidity and Capital Resources

Cash and Capital Requirements

Our cash and capital requirements are related mainly to our operating cash requirements, capital expenditures, debt service and repayments, as well as strategic investments and acquisitions and other

investments. To the extent that financing is necessary for capital intensive projects, we may consider the issuance of bonds and borrowings from financial institutions depending on their terms, such as when interest rates and pledges of collateral are favorable to us.

Operating Cash Requirements

We require cash on an ongoing basis to finance our regular operations. Our cash outlays include principally the costs related to the procurement of the raw materials and components used to manufacture our products, engage in research and development as well as selling, general and administrative expenses. Income tax payments also require significant cash outlays.

Capital Expenditures

Our capital expenditures consist of investments in property, plant and equipment and intangible assets. Specifically, such investments primarily consist of investments in new product development, manufacturing infrastructure, improving our sales network and replacing aging equipment. In the years ended March 31, 2024, 2025 and 2026, we invested ¥79,343 million, ¥84,959 million and ¥92,239 million on capital expenditures, respectively. For the year ending March 31, 2027, we expect to invest approximately ¥95 billion in capital expenditures.

For our GIS segment, we invested ¥61,880 million in capital expenditures during the year ended March 31, 2026. For our investments in Japan, we focused on investments in R&D assets, investments for sales promotion purposes, and investments in production facilities for next-generation endoscope systems. For our international investments, we focused on investments for sales promotion purposes and investments in R&D assets.

For our SIS segment, we invested ¥29,464 million in capital expenditures during the year ended March 31, 2026. For our investments in Japan, we focused on investments in R&D assets, investments for sales promotion purposes and investments to strengthen machinery and equipment, etc. in order to expand our product lineup and increase production. For our international investments, we focused on investments for sales promotion purposes and investments in R&D assets.

Debt Service and Contractual Obligations

We require significant funds for the service of our debt. As of March 31, 2026, bonds and borrowings in current liabilities on our consolidated statement of financial position were ¥79,876 million and bonds and borrowings in non-current liabilities on our consolidated statement of financial position were ¥159,700 million.

The following table sets forth our aggregate annual maturities of bonds and borrowings and lease liabilities within one year and over one year, as of March 31, 2026:

	Carrying amount	Contractual cash flows		
		Total	Within 1 year	Over one year
		(in millions of yen)		
Bonds and borrowings	¥ 239,576	¥ 249,472	¥ 83,288	¥ 166,184
Lease liabilities	66,309	75,430	14,418	61,012

We believe that the maturity ladder for our long-term debt is well-diversified. The following table sets forth the balance of amounts due under our loan agreements and outstanding bonds for each fiscal year as of March 31, 2026:

	For the year ending March 31,									
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
(in billions of yen)										
Loans	—	¥ 11.4	¥ 29.9	¥ 28.3	—	—	¥ 25.0	—	—	¥ 10.0
Bonds	¥ 79.9	—	¥ 15.0	—	¥ 39.9	—	—	—	—	—

Certain of our loan agreements with financial institutions are subject to financial covenants, such as covenants not to record operating losses for consecutive fiscal years and the maintenance of credit ratings.

Cash Flows

The following table shows our consolidated cash flow data for the three-month periods ended June 30, 2025 and 2026 and the years ended March 31, 2024, 2025 and 2026:

	For the year ended March 31,			For the three-month period ended June 30,	
	2024	2025	2026	2025	2026
	(in millions of yen)				
Cash and cash equivalents at beginning of period	¥ 205,512	¥ 340,933	¥ 252,532	¥ 252,532	¥ 188,038
Net cash provided by (used in) operating activities	42,365	190,463	100,585	(15,203)	14,334
Net cash provided by (used in) investing activities	359,992	(65,469)	(87,408)	(17,508)	(64,245)
Net cash (used in) provided by financing activities	(276,010)	(211,542)	(87,627)	22,461	(20,983)
Effect of exchange rate changes on cash and cash equivalents	9,074	(1,853)	9,956	(1,066)	1,401
Net increase (decrease) in cash and cash equivalents	135,421	(88,401)	(64,494)	(11,316)	(69,493)
Cash and cash equivalents at end of period	¥ 340,933	¥ 252,532	¥ 188,038	¥ 241,216	¥ 118,545

Comparison of the Three-month period Ended June 30, 2026 with the Three-month period Ended June 30, 2025

In the three-month period ended June 30, 2026, we had ¥14,334 million net cash provided by operating activities, ¥64,245 million net cash used in investing activities and ¥20,983 million net cash used in financing activities. As a result, cash and cash equivalents at the end of the three-month period ended June 30, 2026 decreased by ¥69,493 million from ¥188,038 million at the end of the year ended March 31, 2026 and decreased by ¥122,671 million from ¥241,216 million at the end of the three-month period ended June 30, 2025.

Net cash provided by operating activities was ¥14,334 million in the three-month period ended June 30, 2026 compared to net cash used in operating activities of ¥15,203 million in the same period of the previous year, due mainly to profit before tax of ¥27,562 million, partially offset by income taxes paid of ¥13,625 million.

Net cash used in investing activities increased by ¥46,737 million to ¥64,245 million in the three-month period ended June 30, 2026 from ¥17,508 million in the same period of the previous year, due mainly to the purchase of property, plant and equipment of ¥16,253 million and payments for the acquisition of BioProtect Ltd. (“BioProtect”) of ¥43,172 million.

Net cash used in financing activities was ¥20,983 million in the three-month period ended June 30, 2026, compared to net cash provided by financing activities of ¥22,461 million in the same period of the previous year, due mainly to payments for share repurchase of ¥60,000 million and dividends paid of ¥33,033 million, partially offset by financing through bonds and borrowings of ¥77,950 million.

Comparison of the Year Ended March 31, 2026 with the Year Ended March 31, 2025

In the year ended March 31, 2026, we had ¥100,585 million net cash provided by operating activities, ¥87,408 million net cash used in investing activities and ¥87,627 million net cash used in financing activities. As a result, cash and cash equivalents at the end of the year ended March 31, 2026 decreased by ¥64,494 million to ¥188,038 million, from ¥252,532 million at the end of the year ended March 31, 2025.

Net cash provided by operating activities decreased by ¥89,878 million to ¥100,585 million in the year ended March 31, 2026, from ¥190,463 million in the previous year, due mainly to profit before tax of ¥93,994 million and an adjustment for depreciation and amortization of ¥67,216 million, partially offset by income taxes paid of ¥62,374 million.

Net cash used in investing activities increased by ¥21,939 million to ¥87,408 million in the year ended March 31, 2026, from ¥65,469 million in the previous year, due mainly to the purchase of property, plant and equipment of ¥55,558 million and purchase of intangible assets of ¥26,865 million.

Net cash used in financing activities was ¥87,627 million in the year ended March 31, 2026, compared to ¥211,542 million in the previous year, due mainly to payments for share repurchase of ¥50,002 million, dividends paid of ¥22,556 million, and repayments of lease liabilities of ¥19,910 million.

Comparison of the Year Ended March 31, 2025 with the Year Ended March 31, 2024

In the year ended March 31, 2025, we had ¥190,463 million net cash provided by operating activities, ¥65,469 million net cash used in investing activities and ¥211,542 million net cash used in financing activities. As a result, cash and cash equivalents at the end of the year ended March 31, 2025 decreased by ¥88,401 million to ¥252,532 million, from ¥340,933 million at the end of the year ended March 31, 2024.

Net cash provided by operating activities increased by ¥148,098 million to ¥190,463 million in the year ended March 31, 2025, from ¥42,365 million in the previous year, due mainly to profit before tax of ¥159,070 million and depreciation and amortization of ¥66,456 million, partially offset by an increase in trade and other receivables of ¥27,725 million.

Net cash used in investing activities was ¥65,469 million in the year ended March 31, 2025 compared to net cash provided by investing activities of ¥359,992 million in the previous year, due mainly to the purchase of property, plant and equipment of ¥46,001 million and purchase of intangible assets of ¥19,208 million.

Net cash used in financing activities decreased by ¥64,468 million to ¥211,542 million in the year ended March 31, 2025, from ¥276,010 million in the previous year, due mainly to payments for share repurchase of ¥100,002 million, redemption of bonds and repayments of long-term borrowings of ¥70,035 million, dividends paid of ¥20,981 million, and repayments of lease liabilities of ¥19,302 million.

Market Risks

Exchange Rate Risk

We operate our businesses in several countries, operate businesses in multiple foreign currencies and face translation and transaction risks related to the fluctuation of foreign currency exchange rates in the markets where we are active. Our consolidated financial statements are presented in Japanese yen, and by translating the foreign currency financial statements of our foreign subsidiaries into yen, the amounts of our revenues from operations, net income attributable to owners of the parent, assets and net assets, on a consolidated basis, are affected by prevailing rates of exchange.

We enter into foreign exchange contracts to hedge against some of the risks related to our borrowings and business transactions, taking into account the cost of such transactions and the prospect of future movements of exchange rates. Hedge accounting is applied to the transactions that qualify for hedge accounting.

The following table illustrates the impact on profit before tax in our consolidated statements of profit or loss from financial instruments held by us at the end of each fiscal year if the Japanese yen appreciated by one Japanese yen against the U.S. dollar and the Euro. This analysis assumes that all other variables are held constant.

	For the year ended March 31,	
	2025	2026
	(in millions of yen)	
U.S. Dollar	¥ (166)	¥ 40
Euro	(142)	(52)

The following table illustrates the impact on revenue and operating profit in our consolidated statements of profit or loss at the end of the fiscal year ended March 31, 2026 if the Japanese yen depreciated by one Japanese yen against the U.S. dollar, the Euro and the renminbi. This analysis assumes that all other variables are held constant. These figures do not represent, and should not be regarded as representing, the expected impact on future revenue or operating profit.

	For the year ended March 31, 2026	
	Revenue	Operating Profit
	(in billions of yen)	
U.S. Dollar	¥ 2.9	¥ 0.5
Euro	1.7	0.5
Renminbi	3.9	1.7

Notes:

- (1) Amounts in the above table are related to continuing operations only.
- (2) Amounts in the above table are calculated on an annual basis based on results as of the fiscal quarter ended March 31, 2026.

Interest Rate Risk

While all our outstanding borrowings have fixed interest rates, we may consider raising funds in the future with variable interest rates and therefore may become exposed to interest rate risk. Interest rate risk mainly arises from non-current borrowings. When interest rates change, our variable rate obligations would rise and fall with the market, and we may face increased payments on our variable rate obligations if interest rates increase. Should we obtain variable interest rate funding, we intend to use interest rate swaps, which substantially fix interest rates, to mitigate interest rate risk. Hedge accounting would be applied to the transactions that qualify for hedge accounting.

Market Price Risk

We hold listed shares for strategic investment purposes, including facilitating business alliances. Market prices of listed shares may fluctuate depending on market economy trends as the prices are determined based on market principles. For listed shares, we regularly check market prices and the financial status of issuers (business counterparts), while reviewing holding positions continuously in consideration of relationships with business counterparts.

With regard to listed shares held by us at the end of each fiscal year, the following table shows the impact on other comprehensive income (before tax effect) in our consolidated statements of comprehensive income that would result from a 1% decline in market prices at the end of the applicable fiscal year. The analysis is based on multiplying the value of listed shares at the end of the applicable fiscal year by 1%.

	For the year ended March 31,			
	2025		2026	
	(in millions of yen)			
Impact on other comprehensive income (before tax effect)	¥	(4)	¥	(4)

Credit Risk

We are exposed to credit risks for trade receivables (notes and accounts receivable-trade), other receivables (accounts receivable-other) and other financial assets (operating loans and others). In accordance with accounting regulations, we regularly monitor the status of major business partners for trade receivables and operating loans, and we routinely check the management status of deadlines and balances for each business partner. We also monitor credit-impaired financial assets and their collection status.

Liquidity Risk

We raise funds via loans and as a result we are exposed to the possibility we could fail to make payment on the due date due to deterioration in the fund procurement environment. We monitor an ongoing forecast for fund demand, while always maintaining a sufficient margin in the unused portion of the contractual credit line and ensuring that loan agreements do not conflict with the borrowing limits or covenants (if applicable). In these forecasts, we take into account our borrowing and financing plan, compliance with covenants, adherence to internal targets for ratios related to our statements of financial position as well as applicable external regulatory and statutory requirements, such as a regulation of currency, if any.

Tariff refund procedures in the United States

On February 20, 2026, the U.S. Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act (“IEEPA”) are unlawful. Following that ruling, U.S. Customs and Border Protection (“CBP”) implemented procedures for the processing of IEEPA tariff refunds. Olympus Corporation of the Americas, our consolidated subsidiary, has initiated a refund process for the tariffs imposed in the U.S. under the IEEPA following the ruling. Olympus Corporation of the Americas received a portion of the amount sought in connection with this tariff refund claim following the conclusion of the first quarter ended June 30, 2026 and subsequently received an additional portion. However, since the eligibility and amount of refunds for these tariffs are determined following a review by CBP, uncertainty remains regarding the final amount and timing of any refunds.

BUSINESS

Overview

We are a global medtech company that manufactures and sells medical equipment around the world, with a presence in 40 countries or regions as of March 31, 2025. Our primary business is the production and sale of medical devices that can be used across the stages of the medical process from early diagnosis to minimally invasive therapy. GIS focuses on gastrointestinal endoscopy systems, endotherapy devices and medical services while SIS focuses on urology devices, respiratory devices and surgical endoscopy systems and surgical energy devices.

The stages for early diagnosis are detection, diagnosis and biopsy/collection. For detection, our video endoscopy systems are integrated consoles with an attached monitor for visual evaluation. For diagnosis, devices we produce such as magnifying endoscopes and ultrasound endoscopes support medical professionals by enabling a better understanding of patient conditions. For biopsy and collection, devices we produce such as biopsy forceps and cytology brushes allow medical professionals to collect samples to determine the appropriate course of action. For minimally invasive therapy, we produce an array of endoscopic therapy devices, surgical endoscopy systems for endoscopic surgery and therapeutic energy devices for general surgery.

In April 2025, we implemented a reorganization of business units and a restructuring of the organization with the aim of developing a more efficient and more patient- and customer-centric business. From the fiscal year ended March 31, 2026, our reportable segments “Endoscopic Solutions” and “Therapeutic Solutions” were changed to GIS and SIS. Through this reorganization, we aim to operate with greater speed, ensure consistency across the regions, break down silos, and reinforce our commitment to patient- and customer-centric growth.

History

We were established in October 1919 to manufacture microscopes in Japan. In 1921 we registered the Olympus trademark, and in 1949 we changed our name to Olympus Optical Co., Ltd. and listed on the Tokyo Stock Exchange.

From the 1960s to the 1980s we pursued a strategy of international expansion with the establishment of Olympus Optical Co. (Europa) GmbH in 1964, Olympus Corporation of America in 1968, a California location in 1979 and the opening of Beijing and Singapore offices in 1989. In the early 2010s we adopted a “Back to Basics” slogan and began shifting our resources to the medical field. As part of this strategy, we appointed a new management team and sold our information and communication business. In the late 2010s, we transitioned to focusing on sustainable growth and development and increased our production capacity for medical endoscope development and production at certain of our production sites in Japan.

In January 2019, we announced our “Transform Olympus” corporate transformation plan alongside our corporate strategy to achieve growth as a global medtech company, and in November 2019 we announced our medium- and long-term management strategy based on “Transform Olympus.”

In January 2021, we completed the sale of our imaging business to Japan Industrial Partners Inc., allowing us to concentrate our resources in our medical services business as part of our ongoing efforts to become a global medtech company.

In April 2022, we completed the spin-off of our Scientific Solutions business (which previously encompassed our Industrial and Life Science reporting segment) into Evident, a formerly wholly-owned subsidiary of ours, providing the business further autonomy and focusing our business on our endoscopic products and solutions. The transfer of our ownership stake in Evident was completed in April 2023.

In November 2025, we announced our updated corporate strategy, focused on innovation-driven growth to lead the next wave of innovation and expand to faster-growing segments, simplicity to move faster and operate smarter and accountability to instill a high-performance culture of ownership and execution, all with an aim to develop innovations that we believe will set new standards in endoscopy-enabled care that better serve patients, customers and healthcare systems around the world.

Credit Highlights

We have stable revenue on a robust endoscopy ecosystem, reinforced by continuous strategic initiatives

We have a business platform built on long-term competitive strengths. Supported by stable and growing markets, our GIS and SIS businesses have delivered consistent topline growth despite challenging business environments. For the years ended March 31, 2025, and 2026, our GIS business had revenue of ¥674,043 million and ¥697,359 million and our SIS business had revenue of ¥322,759 million and ¥313,109 million, respectively. We also believe the markets in which we operate will continue to grow, as we estimate based on our own research and review of third-party data that between the fiscal year ended March 31, 2025 and the fiscal year ending March 31, 2028, the GI endoscopy market will grow by a CAGR of 4% to 6% and the GI EndoTherapy market will grow by a CAGR of 5% to 7% and the respiratory market will grow by a CAGR of 7% to 8%, the upper-tract urology market will grow by a CAGR of 5% to 7% and the lower-tract urology market will grow by a CAGR of 6% to 8%. See “Risk Factors—Risks Related to Our Business Operations—The size and growth trajectory of our operating markets and our market share have not been established with precision and may be smaller than we estimate, and even if our market share is as large as we have estimated, we may not be able to maintain or increase such market share.”

Further, our EVIS X1 gastrointestinal endoscopy systems are driving ongoing growth with what we believe to be a long runway ahead. Since our launch of EVIS X1 in 2020, we have expanded its functionality to support the next phase of growth and meet the potential replacement demand in our customer base for approximately 70,000 previously delivered units of our previous generation CV-190 and CV-290 video processors as of March 31, 2023 (on a cumulative basis, including units that have already been replaced). Our medical service business has built this durable, platform-driven and resilient customer base through strong post-sale support, including maintenance and training services, establishing a resilient recurring revenue foundation and enabling further growth by meeting this ongoing replacement demand.

This recurring revenue mix has also driven steady sales. Our medical service business, which is currently part of our GIS business, underpins our standout business model and has long been a consistent, stable revenue engine for us. Revenue from our medical service business was approximately 30%, 30%, 35% of revenue for our former Endoscopic Solutions business for the fiscal years ended March 31, 2022, 2023 and 2024, respectively, and was approximately 30% and 30% of revenue for our GIS business for the fiscal years ended March 31, 2025 and 2026, respectively.

We also engage in ongoing global innovation to support continued expansion and have a robust pipeline of upcoming products that we believe will continue to support our sustainable growth trajectory in our GIS and SIS businesses. Building on secular tailwinds, we are kicking off new initiatives to unlock further growth and fortify our business platform. For example, we launched OLYSENSE, our cloud-based, integrated and scalable suite of apps and solutions with a subscription model in the United States and selected European countries in September 2025 and co-founded Swan EndoSurgical Inc. with Revival which will aim to develop new products in the field of robotics endoluminal surgery.

We have strengthened quality culture with ongoing remediation to enable steady progress.

In response to the FDA warning letters, we launched a broader remediation that goes beyond corrective actions, and aims for steady strengthening of our quality management. This strategy includes four key initiatives:

- *Establish a global quality management system.* We have implemented a quality management system with globally standardized processes while improving local elements and have prioritized key workstreams to strengthen compliance and governance towards a global rollout of the quality management system.
- *Design control and process control.* We have strengthened design control by revising design validation, updating records and training engineers and have strengthened process control with company-wide governance, validations and global standard operating procedure deployment.
- *Global complaint handling system.* We implemented a global IT system to centrally manage complaints and ensure consistent decisions. We also standardized complaint handling from collection to investigation, reporting and closure.

- *Strengthen quality and regulatory governance.* We appointed a CQO to lead the FDA remediation process and help sustain quality management system improvements with an eye towards enhancing our quality and regulatory governance towards a global rollout.

We continue to engage constructively and transparently with the FDA and remain focused on meeting regulatory expectations through execution of our remediation plan. With commitment from our president and CEO, Mr. Bob White, and through our core values, we are sustaining a culture of quality and patient safety and embedding these principles into the everyday behaviors of employees across the organization.

We have a disciplined financial policy to ensure financial resilience and strategic investment flexibility

Our disciplined financial policies provide a sound framework as we continue to execute on our strategy to return to market-leading growth. We intend to operate within BBB+ ratings during the normal course, but also intend to maintain flexibility to extend our leverage to be opportunistic within our inorganic strategy without crossing into speculative-grade credit rating territory. As part of our disciplined capital allocation strategy, we intend to invest in growth to create long-term value by accelerating sustainable growth through deployment of capital towards high-priority focus areas, complemented by opportunistic inorganic investments that align with our core competencies.

We also have a track record of disciplined financial management with leverage firmly under control, which enables flexible decision-making and supports timely strategic actions. For the years ended March 31, 2022, 2023, 2024, 2025 and 2026, our net debt to EBITDA ratio was 0.4x, 0.7x, (0.4)x, (0.1)x and 0.3x, respectively. For further information regarding our calculation of net debt and EBITDA, see “Selected Financial and Other Data—Non-IFRS Measures.”

Further, our multi-lever margin expansion program, which spans operational excellence and portfolio optimization, is progressing and improving productivity and cost efficiency. In the mid-term, we are targeting continued margin improvement from the fiscal year ended March 31, 2026 through introducing an operating model that shifts from a region-led to a division-led matrix, which includes streamlining our organization through a net reduction of approximately 2,000 positions as announced in November 2025, and accelerating productivity to increase run-rate savings. As a long-term driver of margin expansion, we aim to build manufacturing and supply chain resilience, driving cost of goods sold and selling, general and administrative expenses towards industry benchmarks.

We have a newly re-energized leadership team with strong execution capability

Our evolving management team leverages best-in-class talent with speed and decisiveness in decision-making and execution. We have a global industry-standard diverse board of directors engaged in transparent decision-making that anchors the execution of structural reforms and quality transformation. As of September 2026, ten out of eleven of our directors are outside directors and seven of our directors are non-Japanese. Our outside directors have diverse industry backgrounds, including experience in industrial companies, accounting, legal and financial investing.

Our Business Operations

The following is a description of our GIS and SIS segments.

Gastrointestinal Solutions Division (“GIS”)

In our GIS business, we use innovative capabilities in medical technology, therapeutic intervention and precision manufacturing to help healthcare professionals deliver diagnostic, therapeutic and minimally invasive procedures to improve clinical outcomes, reduce overall costs and enhance the quality of life for patients and their safety. Starting with the first gastroscope in 1950, our GIS portfolio has grown to include endoscopes and video imaging systems, as well as medical services. Our gastrointestinal endoscopes contribute to the early diagnosis of diseases, and our surgical endoscopes allow for minimally invasive treatments that reduce the burden placed on patient bodies. Based on our internal models, we believe we are first in market share in the GI endoscopy market, which we estimate has a market size between ¥300 and ¥400 billion, and second in the GI EndoTherapy market, which we estimate has a market size between ¥350 and ¥450 billion, in a total gastrointestinal market which we estimate has a market size between ¥650 and ¥850 billion, all as of July 31, 2025. We also believe we have room to grow, as we estimate based on our own research and review of third-party data that the GI endoscopy market will grow by a CAGR of 4% to 6% and the GI EndoTherapy

market will grow by a CAGR of 5% to 7% between the fiscal year ended March 31, 2025 and the fiscal year ending March 31, 2028. See “Risk Factors—Risks Related to Our Business Operations—The size and growth trajectory of our operating markets and our market share have not been established with precision and may be smaller than we estimate, and even if our market share is as large as we have estimated, we may not be able to maintain or increase such market share.”

We further categorize our GIS segment into three subsegments: (i) GI Endoscopy, which primarily focuses on gastrointestinal endoscopy systems and endoscopic ultrasound systems, (ii) GI EndoTherapy, which provides minimally invasive endoscopic devices for tissue sampling, lesion removal, stenting, anastomosis, and hemostasis in the diagnosis and treatment of gastrointestinal diseases, and (iii) medical services, which comprises general repairs and service contracts for our endoscopy systems.

For the year ended March 31, 2026, our GIS segment had revenue of ¥697,359 million, or 69.0% of our consolidated revenue. For the three-month period ended June 30, 2026, our GIS segment had revenue from outside customers of ¥168,448 million, or 70.1% of our consolidated revenue. For the three-month period ended June 30, 2026, revenue from our GIS segment consisted of approximately 45% for GI Endoscopy, 20% for GI EndoTherapy and 35% for medical services (such percentages are rounded to the nearest multiple of five and do not sum to 100%).

The following is a selection of the primary products and services in our GIS business:

- *GI Endoscopy.* Our gastrointestinal endoscopy systems, such as our EVIS X1, are integrated consoles which include a main body portion consisting of a monitor and a video system center with a built-in light source and an endoscope portion consisting of a videoscope. The video system center converts the electrical signals from an image sensor at the tip of a videoscope into video signals and displays them on a monitor. In addition to high-definition vision, the system supports various types of image processing including color enhancement and narrow band imaging (“NBI”). The latest units are integrated with a light source and come equipped with an LED with a long life span. To improve color reproductivity, the system has adopted five-color LEDs supporting violet, blue, green, amber, and red. It also has an automatic dimming feature (automatically adjusts the brightness) and a pump that transmits water and air. The endoscope consists of three parts: (i) the control section, (ii) the insertion section, and (iii) the connector section.
 - *Control Section.* The angulation knob on the control section is connected to the tip of the endoscope by a series of wires. By turning the angulation knob, the bending section at the distal end bends horizontally and vertically allowing for easier insertion into the body and the ability to view 360 degrees within body cavities. The endoscope also contains buttons (valves) for feeding air or water and for applying suction. Covering the opening in the air/water valve will feed air into the organ being observed and will gently expand it for a better view. Depressing this valve will feed water through the endoscope to wash the viewing lens. Depressing the suction valve will allow the doctor to use the endoscope to suction any fluids which are obscuring a good view of the tissue. Endotherapy devices can be passed through the instrument channel for performing endoscopic biopsy and other treatments.
 - *Insertion Section.* On the tip of the insertion section, there are four main parts: (i) an objective lens and image sensor, (ii) light guides that bring light from the light source through the endoscope, (iii) an instrument channel outlet where endotherapy devices can be pushed in and out (and also has a suction opening), and (iv) a nozzle for feeding water and air. The objective lens is typically a super-wide-angle lens in order to visualize a large area of tissue at one time. In order to view tumor tissue in a more detailed manner, some endoscopes have an optical zoom feature. They also support high-definition video displays. Light guide fiber bundles conduct light from the external light source through the endoscope to illuminate body cavities. Endotherapy devices are pushed in and out of the instrument channel for harvesting tissue (biopsy), removing tumors, cauterizing bleeding lesions, etc. The nozzle on the distal tip is used to clean the lens with water and expand body cavities by insufflating them with air.
 - *Connector section.* The connector section connects the endoscope with the video system center through the universal cord. Supply of air and water is also performed through this connection.

In addition to standard endoscopy, EUS using medical ultrasound technology is performed to detect lesions that cannot be observed on the surface and are located deep within the organs. These

examinations use an ultrasound gastrointestinal videoscope equipped with an ultrasound transducer installed on their tip, together with an ultrasound diagnostic system. In the digestive tract, this kind of endoscope is used to find tumors and cancers hidden below the surface of the GI tract and to examine varices in the esophagus. They are also used to find cancer, gallstones and pancreatic stones in the pancreas and biliary tract. Biopsy needles inserted under ultrasound guidance help diagnose hidden submucosal tumors and contribute to the diagnosis and management of pancreatic cysts.

Our GI Endoscopy business also includes our reprocessing products. Our endoscope reprocessors, such as the OER-6 model for the Japan market, are designed to wash and disinfect various types of endoscope equipment. Certain of our models are able to simultaneously disinfect two endoscopes and include a washing history function to support medical risk management. Our endoscope reprocessor equipment is generally capable of using either a ready-to-use disinfectant or a concentrated disinfectant sealed in dedicated cassette bottles.

- *GI EndoTherapy.* Our endotherapy products primarily consist of miniaturized catheter-based devices that can be inserted into the working channel of flexible endoscopes and be used to accomplish various diagnostic and therapeutic interventions, such as tissue sampling, stenting, anastomosis and hemostasis. Our ERCP and ultrasound products include our VisiGlide guidewires, which are designed for endoscopic treatment of the biliary and pancreatic ducts, our CleverCut3V sphincterotomes, which are designed for enhanced cannulation and safe sphincterotomy, and our SecureFlex EUS-FNB needles, which are designed for use with an ultrasound endoscope to obtain tissue or cell biopsies from lesions in areas such as the pancreas. Our ESD products include our electrosurgical knives, such as our DualKnife, ITknife and TriangleTipKnife products, which are a therapeutic device for removing larger early-stage lesions. Our electrosurgical knives have a ceramic insulator attached to the tip of the needle knife, which lowers the risk of perforation in the digestive tract and also enables large-scale mucosa removal. Our EMR products include our transparent caps (such as those in our D-206 line of products), which is equipped with a scope end-section, and is used to remove a lesion by suction in a procedure called “cap EMR” or “EMRC.”
- *Medical Services.* Our medical services are primarily focused on general repairs and service contracts for our endoscopy systems. Our repair services operate through repair bases worldwide, including the San Jose National Repair Service Center, which is the world’s largest endoscope repair center. Our repair centers are equipped for concentrated, authentic repairs, including full instrument disassembly and reassembly. See “—Production—Repair Centers.” We also provide repair services at facilities through field services primarily for stationary equipment such as reprocessors. Our service contracts are either single-year or multi-year contracts that include either partial or complete repair cost coverage. We also prioritize providing loaner products during the repair of defective products. We further provide failure prevention training and comprehensive support for customers’ uptime.

Recent Developments

We launched OLYSENSE, our cloud based, integrated and scalable suite of apps and solutions with a subscription model in the United States and selected European countries in September 2025. OLYSENSE is designed to enhance clinical and operational outcomes. The first apps aim to support clinicians detect, characterize, and analyze lesions throughout the upper and lower GI tract. In Europe, our OLYSENSE artificial intelligence-powered CAD/AI currently includes our CADDIE, CADU and SMARTIBD products, while in the United States, CAD/AI includes CADDIE with detection capabilities only.

Our CADDIE medical device software comprises a cloud-based AI app for colonoscopy that assists physicians in both detecting and characterizing colorectal polyps. The software is trained on a robust dataset and analyzes colonoscopy video frames to assist in identifying lesions, including high-risk types such as large polyps and hard-to-detect ones like sessile serrated lesions (“SSLs”).

Our CADU medical device software comprises a cloud-based AI app designed to support the detection of dysplasia in patients with Barrett’s Esophagus. By identifying and highlighting the areas with the highest likelihood of dysplasia in endoscopy images, CADU aims to support physicians in making more accurate clinical decisions.

Our SMARTIBD medical device software comprises a cloud-based AI app that supports objective assessment of ulcerative colitis through a MAYO scoring system. SMARTIBD can analyze visual characteristics and provide information to aid users and decrease subjectivity in the clinical decision-making process.

Surgical & Interventional Solutions Division (“SIS”)

We produce a variety of medical devices that are designed for use in urology and respiratory procedures as well as in ENT and general surgery.

Based on our internal models, we believe we are first in market share in the respiratory market, which we estimate has a market size between ¥130 and ¥185 billion, and second in the urology market, which we estimate has a market size between ¥275 and ¥340 billion for the upper-tract urology market and between ¥215 and ¥260 billion for the lower-tract urology market, all as of July 31, 2025. We also believe we have room to grow, as we estimate based on our own research and review of third-party data that the respiratory market will grow by a CAGR of 7% to 8%, the upper-tract urology market will grow by a CAGR of 5% to 7% and the lower-tract urology market will grow by a CAGR of 6% to 8%, all between the fiscal year ended March 31, 2025 and the fiscal year ending March 31, 2028. See “Risk Factors—Risks Related to Our Business Operations—The size and growth trajectory of our operating markets and our market share have not been established with precision and may be smaller than we estimate, and even if our market share is as large as we have estimated, we may not be able to maintain or increase such market share.”

We categorize our SIS segment into four subsegments: (i) urology, which primarily focuses on visualization (scopes), stone management (SOLTIVE SuperPulsed Laser), and benign prostatic hyperplasia (“BPH”) and bladder cancer (resection electrodes and electrosurgical generator (“ESG”) power supplies), (ii) respiratory, which primarily focuses on single-use aspiration needles and bronchoscopes, (iii) surgical endoscopy, which primarily focuses on surgical endoscopy systems, and (iv) other therapeutic areas, which primarily focuses on endoscopes used for ENT procedures and surgical energy devices used in laparoscopic and open surgical procedures.

For the year ended March 31, 2026, our SIS segment had revenue of ¥313,109 million, or 31.0% of our consolidated revenue. For the three-month period ended June 30, 2026, our SIS segment had revenue of ¥71,923 million, or 29.9% of our consolidated revenue. For the three-month period ended June 30, 2026, revenue from our SIS segment consisted of approximately 45% for urology, 20% for respiratory and 20% for surgical endoscopy and 15% for other therapeutic areas.

The following is a selection of the primary products in our SIS business:

- *Urology devices.*

Scopes. Scopes used in urology procedures include urology videoscopes, rigid cystoscopes and resectoscopes. Urology videoscopes, such as our flexible cystoscopes, access the bladder transurethrally to visualize the inside of the bladder and support high-definition imaging due to their high-performance imagers and are also capable of NBI. Rigid cystoscopes, such as our OES Elite rigid cystoscopes, are designed for precise and efficient examination of the urinary bladder and urethra. Our OES Elite rigid cystoscopes were designed with larger working channels that allow the use of slimmer cystoscopes for the same procedures, which supports patient comfort. Resectoscopes, such as our OES Pro model, are used to incise, resect, coagulate, or vaporize tissue through the urethra, combining imaging with a working element that carries an electrode.

Therapeutic devices. Therapeutic devices used in urology procedures include plasma resection systems for BPH and non-muscle-invasive bladder cancer (“NMIBC”), minimally invasive treatment devices for BPH and thulium fiber laser systems. Plasma resection systems, which include our Plasma+ portfolio or resection electrodes, vaporization electrodes and enucleation electrodes as well as our ESG-410 generator, provide a wide range of solutions for BPH and NMIBC treatment. Minimally invasive treatment devices include products such as our iTind minimally invasive treatment device that enables a patient to be treated at a doctor’s office or clinic, returning home the same day, and to achieve resolution of symptoms without a permanent implant left behind. Thulium fiber laser systems include our SOLTIVE SuperPulsed Laser System which is used for both the removal of stones in the urinary tract and for resection of soft tissue. Therapeutic devices also include certain products produced by BioProtect, which we acquired on June 1, 2026, such as balloon spacers which are designed for whole-gland spacing for prostate radiation therapies.

- *Respiratory devices.*

Scopes. Our primary scope for respiratory procedures is the bronchoscope. We manufacture three types of bronchoscopes for viewing the lungs and bronchial tubes: videoscopes, fiberscopes and a hybridscope which has both fiber optic and video components. Bronchoscopes may be inserted either through the mouth or the nose and can travel down to examine the smallest lumens of the bronchial tree. Videoscopes have an advantage in obtaining sharp pictures of the lung through their high quality sensors. Fiberscopes have an advantage in being smaller in diameter at the tip and therefore allow for deeper insertion into the distal portion of bronchial tubes. The hybrid type has a fiberoptic bundle in its tip and a sensor installed in its control section. This instrument incorporates advantages of both videoscope and fiberscope technology, with high insertability due to its small diameter while at the same time also producing high quality images. We produce both reusable bronchoscopes and, in the U.S. and selected EU countries, single-use bronchoscopes which enable on-demand access and can complement reusable bronchoscopes by offering flexibility in scope selection and workflow across care settings.

Endotherapy devices. Our endotherapy devices for use in respiratory procedures include aspiration needles and endobronchial valves. Aspiration needles are designed for use with an ultrasound bronchoscope and enable the collection of cell tissue samples from the trachea and bronchi through aspiration. Our ViziShot2 single-use aspiration needle provides access to difficult to reach lesions without compromising scope position. Endobronchial valves, such as our SVS models, are therapeutic devices for severe emphysema. They are used when medicines have no effect or when neither a lung reduction procedure nor transplant surgery is applicable. They are also used to treat postoperative prolonged air leaks arising from a pneumothorax or lung surgery. Some scope configurations include integrated endobronchial ultrasound which allows for imaging beyond the wall of the airway for the diagnosis of lung cancer and other diseases.

- *Surgical Endoscopy systems and surgical energy devices.*

Surgical endoscopy systems. Similar to our gastrointestinal endoscopy systems, our surgical endoscopy systems contain a main body consisting of a monitor, video system center and a light source, to which a videoscope, a camera head and rigid telescope can be connected. Our surgical endoscopy systems also offer peripheral devices, such as insufflators, which feed carbon dioxide gas into the abdominal cavity to create a working space for laparoscopic surgery. The surgical endoscopy systems include models supporting 3D imaging for enhanced depth perception, high-resolution 4K imaging for clearer visualization of fine details, and infrared (“IR”) imaging, as well as models that combine multiple imaging functions in a single system, such as our latest VISERA ELITE III system.

Surgical endoscopes and surgical energy devices. We also produce several types of endoscopes specifically for surgical purposes, such as rigid laparoscopes and flexible-tip video laparoscopes. These scopes are often used together with our surgical endoscopy systems to assist surgeons in obtaining clear endoscopic images on the monitor during surgical procedures. Surgical energy devices, such as our ESG-410 surgical energy platform and related devices, enable laparoscopic and open surgical procedures by providing tissue grasping, manipulation, dissection, coagulation and vascular control.

Recent Developments

In May 2026, we announced that, in connection with a disciplined review of and a focused redeployment of capital in our portfolio, we began a strategic review of our surgical endoscopy and other therapeutic areas businesses, which are included in the SIS segment. We have not committed to any specific timeline or other desired outcome and remain fully committed to our surgical endoscopy and other therapeutic areas customers and employees.

Mergers, Acquisitions and Divestitures

In recent years, we have conducted several mergers, acquisitions and divestitures in order to strategically expand certain aspects of our business and focus our efforts on achieving growth as a global medtech company. The following is a summary of our recent transactions.

Acquisition of BioProtect Ltd.

On June 1, 2026, we acquired BioProtect, a medical device manufacturer based in Israel that develops implant technologies designed to protect healthy tissues during radiation therapy and surgical procedures, making it a wholly owned subsidiary of ours. Through this acquisition, we will expand our portfolio in adjacent therapeutic areas related to endoscopy, including the gastrointestinal and urological fields, and strengthen solutions that address unmet medical needs in cancer treatment, particularly prostate cancer.

Acquisition of Sur Medical SpA Olympus product distribution business

On January 14, 2025, we acquired the business that sells our products from Sur Medical SpA through our consolidated subsidiary, Olympus Latin America, Inc. (“OLA”). Through this acquisition, OLA will establish a direct presence in the Chilean medical technology market under the administration of a new OLA subsidiary, Olympus Corporation Chile. Direct access to Chile’s growing healthcare market will enable a more efficient distribution of Olympus products and services to meet the needs of healthcare providers and their patients.

Sale of Orthopedic Business to Polaris Capital Group

On May 12, 2023, we announced our company strategy which is based on the three priorities of patient safety and sustainability, innovation for growth, and productivity. To improve our focus on these key areas, we determined that the transfer of Olympus Terumo Biomaterials Corporation, a consolidated subsidiary of ours, and FH Ortho SAS (the “FHO Group”) to Polaris Capital Group was the best way to improve the corporate value of our company group and to expand the orthopedic business. We entered into a put option agreement with PTCJ-6O Holdings KK and PTCJ-6F Holdings KK (special purpose companies established by Polaris Capital Group) on May 25, 2024, to transfer our orthopedic business which comprised Olympus Terumo Biomaterials Corporation and FHO Group. The transfer of the business in accordance with this agreement was completed on July 12, 2024. As a result, profit (loss) from the orthopedic business was classified as profit (loss) from discontinued operation from the three-month period ended June 30, 2024, and it was presented in the same manner for the fiscal year ended March 31, 2024.

Acquisition of Odin Vision

We acquired Odin Medical Ltd. (“Odin Vision”) on December 19, 2022, upon which it became a consolidated subsidiary of ours. Odin Vision, a cloud-AI endoscopy company with a strong portfolio of commercially available computer-aided detection/diagnostic (“CAD”) solutions and a deep innovation pipeline of cloud-enabled applications, is a strategic component of our broader digital strategy to improve patient care by transforming clinical and procedural workflows. Products developed by Odin Vision are already in use in our OLYSENSE CAD/AI products, having received approval from the FDA in July 2024 and the EU MDR in August 2024.

Sale of Scientific Solutions Business to Bain Capital

On August 29, 2022, we concluded a share transfer agreement related to the transfer of our Scientific Solutions business, which was centered on our formerly consolidated subsidiary Evident with K.K. BCJ-66, a special purpose company indirectly owned by funds advised by Bain Capital. This decision was concluded to accelerate growth, improve profitability and contribute to the enhancement of our corporate value as a whole by establishing management systems that match the characteristics of each business in the medical and scientific solutions fields. In light of a favorable market environment, we concluded that it would be in our best interest to transfer all shares of Evident to Bain Capital in order to allow Evident to develop its business with more agile and flexible decision-making based on market needs, leading to further growth as well as the development of more innovative solutions for its customers. The spin-off of that business was completed in April 2022. As a result, profit (loss) from the Scientific Solutions business was classified as profit (loss) from discontinued operation from the three-month period ended September 30, 2022. The transfer of our ownership stake in Evident was completed in April 2023.

Alliances and Partnerships

Joint Venture with Revival

In July 2025, we entered into an agreement with Revival regarding an investment in a joint venture through Olympus Corporation of the Americas, a consolidated subsidiary of ours, which as a result established

Swan EndoSurgical Inc. which will aim to develop new products in the field of robotics endoluminal surgery. We believe that the development of endoluminal robots could contribute to the widespread adoption of minimally invasive endoscopic surgery and improve medical outcomes, ultimately leading to better health and well-being for more patients.

Business Alliance with Sony

In 2012, we entered into a business and capital alliance with Sony Corporation, and in 2013 we established Sony Olympus Medical Solutions Inc. as a medical business joint venture. The objective of the joint venture was to align Sony's electronics technologies in areas such as digital imaging with our manufacturing and R&D experience, and in 2016, our joint venture began sales of the world's first 4K ultrahigh resolution surgical endoscopy system. In 2019, we purchased Sony's 5.05% holdings of our capital stock, ending the capital alliance, but our business alliance has continued. In December 2023, we announced that we entered into a new business alliance with Sony Corporation and Sony Olympus Medical Solutions for the purpose of product development of next-generation endoscope systems in which we will receive the technology and know-how necessary for the development of an imaging platform for next-generation endoscope systems and will entrust Sony Olympus Medical Solutions with a portion of the development.

Sales and Marketing and Education Initiatives

In October 2021, we completed a reorganization of our domestic sales functions as part of our strategy to achieve growth as a global medtech company. Previously, our domestic sales functions were separately handled by Olympus and Olympus Medical Science Sales Corp. These functions were centralized in our consolidated subsidiary, Olympus Marketing Corp., in order to strengthen the domestic sales structure in the medical field. We further consolidated our domestic sales by transferring all sales of our consolidated subsidiary, TmediX Corporation, to Olympus Marketing Corp. in April 2023. As collaboration of both companies is important from aspects of ensuring consistent governance as a sales function and optimizing the use of resources of both companies, we concluded that the combination would strengthen collaboration between both companies.

We have also progressed our efforts to develop a regional market strategy to capture demand in China and other emerging markets through localized sales and production, supported by physician education. As of the year ended March 31, 2025, emerging markets (which include Latin America, the Middle East and Africa, India and other emerging APAC countries including, but not limited to, Vietnam, Thailand and Malaysia, but excluding China) represented approximately 6% of our global sales, an approximately 26% CAGR from the year ended March 31, 2021.

In addition to our sales and marketing activities, we undertake a variety of long-term initiatives and short-term projects designed to provide education to healthcare professionals regarding the benefits and proper use of our products. The following is a summary of certain of our recent education initiatives.

Olympus Continuum

In February 2021, we launched Olympus Continuum, a comprehensive educational platform designed to provide healthcare professionals all over the world with learning opportunities and training to put their skills into practice and keep performing at their best potential. The Olympus Continuum program provides hands-on courses in 17 dedicated Olympus training labs as well as hospitals and other labs located around the world. The on-demand, digitally-enabled virtual training options as part of the Olympus Continuum program have increased access in emerging countries and hard-to-reach areas where it has historically been difficult for healthcare professionals to receive training or enroll in education programs because of limited course offerings and large geographical distances.

Production

Manufacturing Centers

Our manufacturing facilities are concentrated in Japan, Europe and the United States, with additional manufacturing centers located in each of China and Vietnam. We employ production methods at our manufacturing centers designed to enable continual quality improvements and reduce production lead times.

We currently offer several different models of endoscopes, and endoscope production requires sophisticated manufacturing technologies as well as high-mix, low-volume production systems. We generally

seek to develop components and equipment ourselves to avoid situations where the market may be unable to supply us with items that meet our expectations for craftsmanship. As the components of endoscopes have very intricate structures, we are unable to use ready-made blades for their production. Therefore, each time we need to develop new endoscope components, we start by creating custom blades and other tools capable of meeting our design specifications. The unique products we offer are the result of an ongoing, comprehensive process of in-house craftsmanship, which entails resolving issues on our own.

Our manufacturing center in the United States primarily produces surgical devices and disposables for our respiratory business. In Europe, rigid endoscopes mainly for urology, videoscopes, surgical energy devices, gynecology devices and hand instruments are produced at our facilities in Germany and Czech Republic, while workstations, pumps, tubing and molding are produced at our manufacturing centers in the United Kingdom.

Our manufacturing operations in Japan and Asia are based around the five factories in Aizu, Shirakawa, Aomori, Nagano and Hinode, Japan and our factories in China and Vietnam. Our factories in Japan develop and manufacture endoscope systems from basic components and have a unique strength in manufacturing that requires a high level of precision and assembly expertise on the part of the manufacturing staff. The endoscopes in Olympus' flexible endoscopy systems are manufactured at our Aizu factory. Products manufactured by our Shirakawa factory include video processors and light sources for endoscopes and ultrasound endoscopes. Our Aomori factory features production of endotherapy devices such as electrocautery snares for gastrointestinal polypectomy and devices for use in biliary ducts. Our Nagano factory features lens components, plastic parts and channel tubes used in our endoscope systems. Our Hinode Plant features assembly of transducers used in our ultrasound endoscopic systems as well as the manufacturing of certain ultrasound endoscopic systems. Our Vietnam factory, which was established as a satellite factory of the Aomori facility, also produces endotherapy devices. Our manufacturing site in Suzhou, China (Olympus (Suzhou) Medical Device, Co., Ltd.) was developed in response to the Chinese government's "Made in China 2025" and similar policies designed to promote domestic production of biotechnology and medical devices for use in the Chinese market and has begun to produce gastroscopes.

For additional information regarding our material properties, see "—Properties."

Repair Centers

Our primary business is based on the production of endoscopes, which are precision instruments used within the human body. Accordingly, high quality after-sales service is necessary to maintain safety and provide maximum functionality. In order for patients around the world to receive safe endoscopic examination and treatment, we have established an industry-leading global service network with over 200 repair centers worldwide. Our repair center in San Jose, California is our largest repair center, featuring service staff members that are able to conduct concentrated, authentic repairs, including full instrument disassembly and reassembly.

Research and Development

In the years ended March 31, 2024, 2025 and 2026, we invested ¥85,843 million, ¥103,888 million and ¥109,948 million in research and development (excluding discontinued operations) respectively, which are calculated as the sum of capitalized development costs and research and development expenditures recognized as expenses, as noted in the table below.

	For the year ended March 31,		
	2024	2025	2026
	(in millions of yen)		
Research and development investment:			
Additions through internal development	¥ 15,573	¥ 14,298	¥ 21,801
Research and development expenditures recognized as expenses ...	70,270	89,590	88,147
Total	<u>¥ 85,843</u>	<u>¥ 103,888</u>	<u>¥ 109,948</u>

Our group has positioned the corporate philosophy "Our Purpose" as "making people's lives healthier, safer and more fulfilling," following which we have been conducting R&D activities to achieve sustainable growth.

In 2019, we announced our "Transform Olympus" corporate transformation plan alongside our corporate strategy to achieve growth as a global medtech company. Based on the strategy, we have implemented

R&D process reforms to accelerate progress by adopting a front-loading approach and obtaining required technology through alliances and open innovation. Moreover, we are improving efficiency of the R&D activities and controlling the relevant costs through optimizing profitability and setting priorities based on thorough assessments of the projects. In connection with our “Elevate” multi-year program, we have implemented measures to improve design control, which is the structured process of objectively evaluating and verifying to assure that devices meet user needs, intended uses, and specified requirements.

For our GIS segment, our research and development activities primarily focus on developing medical devices, such as video endoscopy systems and endotherapy devices, which contribute to the early diagnosis of diseases and allow for minimally invasive treatments that reduce the burden placed on patient bodies. For our SIS segment, our research and development activities primarily focus on developing medical devices, such as respiratory devices, urology devices and surgical endoscopy systems, which contribute to minimally invasive procedures that reduce burden placed on patient bodies.

In addition to our core businesses, we also conduct research and development in emerging fields. These efforts include our initiatives to develop image analysis technology and AI techniques to enable early diagnosis of diseases and better observation as well as precision engineering expertise and robotics for minimally invasive procedures. One example of such activities is our OLYSENSE CAD/AI portfolio, which is our cloud based, integrated and scalable suite of apps and solutions which are powered by AI and are the first step in our OLYSENSE intelligent endoscopy ecosystem. As an extension of these efforts, we intend to roll out computer-aided metrics, which is AI that evaluates examination quality, in the U.S. and Europe as well as OLYSENSE Report, which can automatically generate clinical reports from examination images.

We are also developing what we believe is the world’s first cloud endoscopy system, in collaboration with NTT’s IOWN APN, a high-speed, low-latency network technology, to enable real-time image processing on a remote cloud server, rather than within the endoscope device itself. Further, we have developed our first cloud-based data analytics solution for hospitals, “Health Cloud for Clinical,” which is a recording and data management of various information generated during endoscopic examinations and aggregates extensive endoscopic data (such as the number of treatments and diagnoses of malignant diseases) and visualizing to provide feedback.

We have also entered into several strategic partnerships to promote R&D in emerging fields. For example, in June 2024 we established an R&D offshore development center in Hyderabad, India pursuant to a strategic agreement with HCLTech, supplementing our existing R&D centers in Japan, the United States and Europe by tapping into the region’s talent and applying it to R&D activities which we believe are necessary for our expansion efforts.

Intellectual Property

We have a significant worldwide patent portfolio of issued and pending patents. These patents and patent applications, together with proprietary technical know-how, are significant to our competitive position. We rely on the patent, copyright and trade secret laws of the countries in which we operate to protect our investment in research and development, manufacturing and marketing. We operate plants, sell products, participate in joint ventures and license our process technology in many foreign jurisdictions, including those having heightened risks for intellectual property. In some of these instances, we must disclose at least a portion of our technology to third parties or regulatory bodies. In these cases, we rely primarily on contracts and trade secret laws to protect the associated trade secrets. However, we may be unable to prevent third parties from using our intellectual property without authorization. Proceedings to protect these rights could be costly, and we may not prevail.

The failure of our patents or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how could result in significantly lower revenues, reduced profit margins and cash flows and/or loss of market share. We anticipate that, from time to time, we will receive communications from third parties asserting that we are infringing patents and other intellectual property rights of others or seeking indemnification against alleged infringement. Any claims of infringement brought forth by third parties could result in protracted and costly litigation, damages for infringement, and the necessity of obtaining a license relating to one or more of our products or current or future technologies, which may not be available on commercially reasonable terms or at all. Any intellectual property litigation and the failure to obtain necessary licenses or other rights could have a material adverse effect on our business, financial condition and results of operations.

Competition

We operate in the increasingly complex and challenging marketplace for medical technology. Technological advances and scientific discoveries have accelerated the pace of change in medical technology, the regulatory environment of medical products is becoming more complex and vigorous, and economic conditions have resulted in a challenging market. Companies of varying sizes compete in the global medical technology field, and some of our competitors are more specialized than us with respect to particular markets, and some have greater financial resources than us. Acquisitions and collaborations by and among companies seeking a competitive advantage also affect the competitive environment.

For our GIS segment, our primary competitors include FUJIFILM Holdings Corporation and HOYA Corporation. For our SIS segment, our primary competitors include Boston Scientific Corporation and Cook Medical LLC (for urology); Johnson & Johnson Services, Inc., Medtronic plc, Boston Scientific Corporation and Cook Medical LLC (for respiratory-endotherapy); KARL STORZ SE & Co. KG, Stryker Corporation, Richard Wolf GmbH and Arthrex, Inc. (for surgical endoscopes); and Johnson & Johnson Services, Inc., Medtronic plc and Applied Medical Resources Corporation (for other therapeutic areas). We compete on the basis of many factors, including price, quality, innovation, service, reputation, distribution and promotion. The impact of these factors on our competitive position varies among our various product and service offerings. In order to remain competitive in the industries in which we operate, we continue to make investments in research and development, quality management, quality improvement, product innovation and productivity improvement in support of our core strategies.

Environmental, Social and Governance (ESG)

As we strengthen our position as a global medtech company, we intend to maintain our commitment to ESG initiatives. In April 2021, we designated an officer in charge of ESG (the ESG Officer) to be responsible for our ESG initiatives and established the KPIs specified in our company strategy discussed below. The ESG Officer comprehensively manages ESG initiatives while monitoring the implementation progress of ESG measures. The ESG Officer also reports the status of the progress to the group executive committee and our board of directors for deliberation. We have also continued the Group-level ESG governance structure established in the fiscal year ended March 31, 2024, setting up the ESG Committee, which mainly consists of heads of respective functions to drive and monitor the implementation of the ESG strategy. Under the ESG Committee, working groups are set for some of ESG initiatives which require cross-functional approach to implement the strategy. In addition, the progress, outcomes and issues in the implementation of ESG strategy are regularly reported to the group executive committee and our board of directors.

In the fiscal year ended March 31, 2026, we developed a new ESG strategy, with the fiscal year ending March 31, 2027 as the first year, based on the previous ESG strategy developed in conjunction with the formulation of our company strategy in the fiscal year ended March 31, 2023 and continued under our new corporate strategy announced in November 2025. We maintained the previous six focus areas and twenty-four materiality topics and reviewed the quantitative and qualitative KPIs and targets previously set for each, based on Simplicity, a pillar of the new corporate strategy. The six focus areas of our ESG strategy are:

- *Healthcare Access and Outcomes.* We recognize the healthcare business as a domain conducive to our contributing to society by exercising our prowess in the areas in which we most excel. We will aim to contribute to society by delivering innovative products that facilitate greater healthcare outcomes and training opportunities for healthcare professionals. In this focus area, our top priority is contribution to health equity and access, which includes healthcare provider training and enablement and a strategy to improve accessibility to our products, which we have enabled through increased training in target emerging countries and regions as well as online and hybrid training with healthcare providers globally. Our high priorities include innovation for better healthcare outcomes and public awareness, building on early detection and treatment. We also look to focus on corporate citizenship and philanthropy to advance progress in this focus area.
- *Compliance, Product Quality and Safety.* As a company providing medical devices, our foremost priority should be the safety of patients. We are endeavoring to ensure observance of anti-corruption and other compliance measures and our complete accordance with the laws and regulations of the countries in which we operate to ensure the quality and safety of our products. In this focus area, our top priority is quality and safety in our products, services and solutions. Our high priorities include business ethics and compliance as well as privacy, information and cyber

security. We also look to focus on risk and crisis management, our risk culture, ethical marketing practices, innovation to improve manufacturing processes and tax transparency to advance progress in this focus area.

- *Responsible Supply Chain.* The stable provision of medical devices is indispensable to ensuring the stable availability of healthcare in society. In addition to fulfilling our responsibility to deliver a stable supply of our products, we will actively work together with our suppliers to address social issues, such as those involving the environment and human rights. In this focus area, our top priority is supply chain risk mitigation and resilience, which we have advanced through an expanded global supply chain visibility assessment covering all direct material suppliers, enabling us to identify risks and implement targeted mitigation. This proactive strategy strengthens resilience, enhances transparency and ensures long-term operational continuity and sustainable growth through a robust, agile supply chain framework. Our high priority is our human rights commitment in supply chain management.
- *Healthy Organization.* We define a healthy organizational culture as one in which each and every employee can perform at their best, and is engaged in a variety of initiatives towards its aim of becoming such an organization. In this focus area, our top priority is inclusion with high priorities of employee development and engagement and workplace safety and human rights.
- *Carbon Neutral Society and Circular Economy.* We recognize climate change as a serious issue that endangers the integrity of the global environment, as well as being an issue which affects our business activities. We will continue to promote a variety of ongoing initiatives towards the achievement of carbon neutrality into the future. In this focus area, our top priorities are control of Scope 1, 2 and 3 carbon emissions and circularity through product stewardship. Regarding our carbon emissions, we aim to achieve carbon neutrality across Scope 1 and 2 by the fiscal year ending March 31, 2031 and net-zero emissions across Scope 1, 2 and 3 by the fiscal year ending March 31, 2040. In order to reduce supplier emissions, we have requested that suppliers determine their emissions and set reduction targets in accordance with science-based targets. We are also implementing ongoing measures to reduce emissions from logistics, including switching to direct shipping and use of ships. We are also improving production processes and implementing energy-saving measures to reduce emissions, switching to fuels that produce less emissions and expanding the use of electric power derived from renewable energy by installing solar power generating facilities on the rooftops of in-house facilities, procuring renewable energy through long-term power purchase agreements and using green power certificates, among other initiatives. Our high priorities are water and waste management and climate risk resilience. We also look to focus on environmental reporting transparency to advance progress in this focus area.
- *Corporate Governance.* We have, over the course of many years, focused on strengthening our corporate governance to ensure that we remain a company that is trusted by our stakeholders. As a global med-tech company which operates globally and engages with diverse stakeholders across various countries and regions, we are committed to ensuring transparency in management, enhancing resilience and risk management, and disclosing information in an appropriate, fair, and timely manner. In this focus area, our top priority is corporate governance and reporting transparency, and we have advanced this priority through enterprise risk management conducted in the fiscal year ended March 31, 2025 based on our “Olympus Group Risk Management and Crisis Response Policy” and relevant internal rules, the results of which were reported to the group executive committee and our board of directors. We also look to focus on the involvement of other stakeholders to advance progress in this focus area.

The disclosure above includes forward-looking statements based on various assumptions and beliefs, but there can be no assurances as to our ability to implement these initiatives and achieve these targets. Certain of the assumptions and beliefs on which these targets are based relate to matters that are outside of our control, and other unanticipated events and circumstances could affect our ability to achieve the targets set forth above. As a result, we cannot and do not make any representations or assurances as to the achievability of such targets or whether our underlying assumptions are appropriate. You should be aware that actual results may vary, potentially materially, from the above forward-looking statements.

Properties

The following table shows, for us and for each of our subsidiaries, the region in which our major facilities are located, their book values and areas as of March 31, 2026:

Olympus Corporation

Name of Property (Location)	Segment	Book Value (millions of yen and thousands of square meters)					
		Buildings	Equipment/ Vehicles	Land (Area)	Lease assets (tangible)	Other	Total
Global Headquarters (Hachioji-shi, Tokyo)	Gastrointestinal Solutions Surgical & Interventional Solutions Management Division	¥20,361	¥758	¥2,363 (62m ²)	¥469	¥3,643	¥27,594
Hachioji Facility Technology Development Center Utsuki (Hachioji-shi, Tokyo)	Gastrointestinal Solutions Surgical & Interventional Solutions Management Division	2,170	—	4,231 (41)	13	187	6,601
Nagano Facility Tatsuno (Tatsuno-machi, Kamiina-gun, Nagano)	Gastrointestinal Solutions	6,747	348	1,122 (121)	17	12,066	20,300
Nagano Facility Ina (Ina-shi, Nagano)	Gastrointestinal Solutions	1,198	—	67 (26)	2	5	1,272
Shirakawa Facility (Nishigo-mura, Nishishirakawa-gun, Fukushima)	Gastrointestinal Solutions, Surgical & Interventional Solutions	2,830	23	—	5	754	3,612
Distribution Center Sagamihara (Minami-ku, Sagamihara-shi, Kanagawa)	Gastrointestinal Solutions, Surgical & Interventional Solutions	71	255	—	2	18	346
Hatagaya Former Headquarters (Shibuya-ku, Tokyo)	Management Division	—	—	280 (1)	—	—	280
Shinjuku Satellite Office (Shinjuku-ku, Tokyo)	Management Division	159	—	—	1	98	258
Properties leased to subsidiaries:							
Nagano Olympus Co., Ltd. (Tatsuno-machi, Kamiina-gun, Nagano)	Gastrointestinal Solutions	932	31	—	—	234	1,197
Aizu Olympus Co., Ltd. (Aizu-Wakamatsu-shi, Fukushima)	Gastrointestinal Solutions	3,588	—	—	—	1	3,589
Aomori Olympus Co., Ltd. (Kuroishi-shi, Aomori)	Gastrointestinal Solutions, Surgical & Interventional Solutions	2,027	—	184 (31)	—	—	2,211
Shirakawa Olympus Co., Ltd. (Nishigo-mura, Nishishirakawa-gun, Fukushima)	Gastrointestinal Solutions, Surgical & Interventional Solutions	—	20	—	—	139	159
Olympus Medical Systems Corp. (Hinode-cho, Nishitama-gun, Tokyo)	Gastrointestinal Solutions, Surgical & Interventional Solutions	385	—	—	—	—	385
Others	—	454	—	—	—	—	454
Social welfare facilities (dormitory for bachelors and company housing)	—	263	—	1,947 (16)	—	1	2,211
Others	—	164	159	—	180	11,378	11,881

Notes:

- (1) Book value is the book value in the non-consolidated financial statements in accordance with Japanese GAAP.
- (2) Others includes tools, furniture and fixtures, as well as construction in progress and intangible assets.
- (3) The main difference with IFRS is ¥2,407 million for right-of-use assets (intangible assets) and ¥1,110 million for right-of-use assets (land, buildings and structures).

Major properties of Olympus Medical Systems Corp.

Name of Property (Location)	Segment	Book Value (millions of yen and thousands of square meters)					Total
		Buildings	Equipment/ Vehicles	Land (Area)	Lease assets (tangible)	Other	
Hinode Plant (Hachioji-shi, Tokyo)	Gastrointestinal Solutions, Surgical & Interventional Solutions	¥ 77	¥531	¥1,440 (10m ²)	—	¥134	¥2,182
Management division, Ishikawa Facility (Hachioji-shi, Tokyo)	Gastrointestinal Solutions, Surgical & Interventional Solutions	—	946	—	¥ 42	5,025	6,013
Hachioji Facility Technology Development Center Utsuki (Hachioji-shi, Tokyo)	Gastrointestinal Solutions, Surgical & Interventional Solutions	—	311	—	1	1,516	1,828
Properties leased to other group companies:							
Nagano Olympus Co., Ltd. (Tatsuno-machi, Kamiina-gun, Nagano)	Gastrointestinal Solutions	¥8	¥1,686	—	—	¥218	¥1,912
Aizu Olympus Co., Ltd. (Aizu-Wakamatsu-shi, Fukushima)	Gastrointestinal Solutions	749	2,455	¥1,232 (76m ²)	—	564	5,000
Aomori Olympus Co., Ltd. (Kuroishi-shi, Aomori)	Gastrointestinal Solutions, Surgical & Interventional Solutions	345	1,392	420 (40)	—	194	2,351
Shirakawa Olympus Co., Ltd. (Nishigo-mura, Nishishirakawa-gun, Fukushima)	Gastrointestinal Solutions, Surgical & Interventional Solutions	127	812	868 (75)	—	441	2,248
Others	—	14	356	—	¥209	1,551	2,130

Notes:

- (1) Book values are based on Japanese GAAP.
- (2) Others includes tools, furniture and fixtures, as well as construction in progress and intangible assets.
- (3) The main difference with IFRS is ¥23,223 million for R&D assets.

Major properties of subsidiaries at overseas

Name of Subsidiary (Location)	Segment	Book Value (millions of yen and thousands of square meters)					Number of employees (persons)
		Buildings	Equipment/ Vehicles	Land (Area)	Lease assets (tangible)	Other	
Olympus Corporation of the Americas (Pennsylvania, U.S.A.)	Management Division, Gastrointestinal Solutions, Surgical & Interventional Solutions	¥14,467	¥648	—	¥2,204	¥17,319	1,001
Olympus America Inc. (Pennsylvania, U.S.A.)	Gastrointestinal Solutions Surgical & Interventional Solutions	4,195	84	¥937 (219m ²)	34,046	39,262	1,423
Gyrus ACMI, Inc. (Massachusetts, U.S.A.)	Surgical & Interventional Solutions	7,385	2,186	147 (43)	31,141	40,859	2,840
Olympus Vietnam Co., Ltd. (Dong Nai Province, Vietnam)	Gastrointestinal Solutions	4,079	854	—	189	5,122	1,453
Olympus (Beijing) Sales & Service Co., Ltd. (Beijing, China)	Gastrointestinal Solutions Surgical & Interventional Solutions	3,498	1	—	9,022	12,521	1,147
KeyMed (Medical & Industrial Equipment) Ltd. (Essex, U.K.)	Gastrointestinal Solutions, Surgical & Interventional Solutions	4,451	350	173 (55)	3,624	8,598	781
Olympus Europa SE & Co. KG (Hamburg, Germany)	Gastrointestinal Solutions Surgical & Interventional Solutions	24,698	125	—	6,206	31,029	674
Olympus Winter & Ibe Properties GmbH & Co. KG (Hamburg, Germany)	Gastrointestinal Solutions Surgical & Interventional Solutions	13,343	—	2,451 (50)	—	15,794	—
Olympus Winter & Ibe GmbH (Hamburg, Germany)	Gastrointestinal Solutions Surgical & Interventional Solutions	2,968	2,304	—	1,748	7,020	1,546
Medi-Tate Ltd. (Or-Akiva, Israel)	Surgical & Interventional Solutions	19	2	—	8,279	8,300	13

Notes:

- (1) Book values are based on IFRS.

- (2) The above does not include construction in progress and software in progress.
(3) Others includes tools, furniture and fixtures and intangible assets.

Employees

The following table lists the number of employees by segment as of March 31, 2026:

Gastrointestinal Solutions	17,938
Surgical & Interventional Solutions	6,856
Other	0
Corporate employees	3,344
Total	<u>28,138</u>

As of March 31, 2026, 4,390 of our employees were members of the Olympus Labor Union. We consider our labor-management relations to be stable.

Legal Proceedings, Recalls and Regulatory Matters

We are involved from time to time in claims, proceedings, litigation, recalls and regulatory matters in the ordinary course of our business. The outcomes of legal proceedings and regulatory matters are inherently unpredictable, subject to significant uncertainties, and could be material to our operating results and cash flows for a particular period. In addition, for some matters for which a loss is probable or reasonably possible, an estimate of the amount of loss or range of loss is not possible and we may be unable to estimate the possible loss or range of losses that could potentially result from the application of nonmonetary remedies.

Regulatory Matters

We are subject to a number of Japanese, European, U.S. federal and state, and other foreign laws and regulations that affect Olympus and its group companies conducting business and have encountered increased regulatory scrutiny in recent years in the United States related to the cleaning, disinfection and sterilization of medical instruments. For example, in March 2018, the FDA issued warning letters to manufacturers of reusable duodenoscopes on the market in the United States due to alleged noncompliance with orders to complete post-market surveillance studies relating to the cleaning and disinfection of such products. In addition, our subsidiary, Olympus Medical Systems Corp., entered into a plea agreement with the U.S. Department of Justice (the “DOJ”) in December 2018 for its failure to submit certain MDRs to the FDA. See “Supervision and Regulation—Medical Device Regulations—United States” below for additional information.

We have also encountered increased regulatory scrutiny in recent years in the United States related to the manufacturing of certain endoscope and endoscope accessory products. In November 2022, the FDA issued a warning letter to Aizu Olympus Co., Ltd., a consolidated subsidiary of ours that operates our Aizu factory, alleging that the methods used in or the facilities controls used for the endoscopes and automated endoscope reprocessors manufactured at the Aizu factory did not meet FDA standards, including allegations that we failed to establish and maintain proper design processes, failed to ensure testing validation in accordance with established procedure, and failed to establish and maintain procedures to ensure that design history records are maintained for all units produced. In December 2022, the FDA issued a warning letter to Olympus Medical Systems Corporation, a consolidated subsidiary of ours, alleging that our gastrointestinal and surgical endoscopes are misbranded and that we failed to timely submit an MDR to the FDA. In March 2023, the FDA issued another warning letter to Olympus Medical Systems Corporation regarding our Hinode factory, alleging that the methods used in or the facilities controls did not meet FDA standards, including allegations that we failed to establish and maintain procedures for implementing corrective and preventative actions upon receipt of complaints from customers, we failed to ensure that when changes or process deviations occur, we would review and evaluate the process and perform revalidation where appropriate and failed to adequately establish and maintain procedures for receiving, reviewing, and evaluating complaints. The March 2023 warning letter also alleged that we failed to adequately develop, maintain, and implement written MDR procedures.

In June 2025, the FDA issued an import alert for certain of our devices manufactured at our Aizu factory, including specific models of ureterorenoscopes, bronchoscopes, laparoscopes and automated endoscope reprocessors. The import alert indicates the FDA continues to have concerns relating to our outstanding alleged quality system regulation violations, as discussed above. The import alert prevents shipment of these devices into the U.S. The revenue generated by these devices in the U.S. accounted for approximately 1% of Olympus’ consolidated revenue for the fiscal year ended March 31, 2025.

In late 2025, the FDA conducted inspections at eight of our facilities in the U.S., Europe, and Japan (excluding our Aizu facility), thereby providing the agency an opportunity to review our ongoing operational and quality improvements. Certain inspections resulted in FDA observations. Many relate to activities that predate our recent changes, while others reflect areas where we need to further advance the maturity, consistency, and integration of our quality systems and processes. We are addressing these findings through a coordinated, enterprise-wide approach. Actions underway include a risk-based review of our product portfolio that prioritizes patient safety, continued global harmonization of quality systems, and targeted strengthening of our quality and regulatory teams. The inspection observations remain an open matter with the FDA, and we continue to communicate with the FDA regarding our remediation efforts.

As of the fiscal year ended March 31, 2026, remediation of the observations raised at the eight facilities inspected by the FDA is progressing, and we have strengthened our quality management systems for sustainability and to further imbed quality into our corporate structure. We also continue to engage with the FDA in productive dialogue focused on achieving a durable, compliant end state. With commitment from our President and CEO, Mr. Bob White, and through our core values, behaviors expressing those values and their impact on our company culture, we remain committed to sustaining a culture of quality and patient safety. However, further regulatory action could potentially be taken by the FDA depending upon the further progress of our remediation efforts.

Recalls and Corrective Actions

From time to time, we issue recalls and take other safety measures. For example, in January 2025, we announced a voluntary recall of certain of our MAJ-891 endoscope accessory models; in September 2025, we announced the voluntary recall of certain lots of our ViziShot 2 FLEX model needles (and expanded this voluntary recall in January 2026 to cover all lots); in November 2025 we announced a voluntary global corrective action for bronchoscopes used with laser therapy equipment (which succeeded a similar field corrective action conducted on the same products in 2023); and in December 2025, we announced a voluntary corrective action for our single-use ligating device Polyloop. For the year ended March 31, 2026, our SIS segment recorded expenses of approximately ¥2.5 billion for the voluntary recall of certain surgical device products. For products sold subject to a quality assurance warranty, we accrue after service costs expected to be incurred within the guarantee period. This provision for product warranties is calculated using prescribed standards based on after service costs actually incurred in the past. These warranty provisions are expected to be expended during the guarantee period (mostly within three years). As of March 31, 2026, the balance of our provision for product warranties was ¥6,667 million.

Litigation

We record a provision for loss on litigation to provide for losses related to litigation, with the expected amount of losses based on a reasonable estimate of the amount in light of the progress of the applicable lawsuits. These loss provisions are expected to be expended mostly within one year. As of March 31, 2026, the balance of our provision for loss on litigation was ¥1,068 million.

Olympus (Shenzhen) Industrial Ltd., or Olympus Shenzhen, a subsidiary located in Shenzhen, China, was party to litigation with Shenzhen Anping Tai Investment and Development Co., Ltd., or Anpingtai, related to compensation for consulting services provided by Anpingtai in 2014 in connection with a tax issue between Olympus Shenzhen and the Shenzhen Customs Authority. On July 30, 2018, the Shenzhen Intermediate People's Court ordered Olympus Shenzhen to pay \$30,774 thousand to Anpingtai for compensation and damages, with Anpingtai to return possession of two employee dormitories in exchange for such payment. Olympus Shenzhen filed an appeal to the Guangdong Higher People's Court on August 17, 2018, and on July 1, 2020, the Guangdong Higher People's Court vacated the previous judgment and remanded the case to the Shenzhen Intermediate People's Court to clarify certain facts. On December 31, 2021, the Shenzhen Intermediate People's Court dismissed Olympus Shenzhen's claims and ordered it to pay the consulting service fee and its delinquent charge to Anpingtai. Olympus Shenzhen objected to this judgement and filed an appeal to the High People's Court of Guangdong Province on January 24, 2022. On October 8, 2024, the High People's Court of Guangdong Province issued a civil mediation ruling to close the lawsuit between Olympus Shenzhen and Anpingtai. In accordance with the ruling, there shall be no dispute between Olympus Shenzhen and Anpingtai and neither party shall assert any right against the other party. As a result, a reversal of provision for loss on litigation of ¥874 million was recorded in Other income for the fiscal year ended March 31, 2025.

MANAGEMENT

Corporate Governance Structure

We have executive officers who are responsible for the execution of business duties. Our board of directors appoints our executive officers. The term of office of our executive officers expires at the last day of the fiscal year ending within one year after their appointment. Our board of directors, among our executive officers, appoints one or more representative executive officers. Each of our representative executive officers has the authority to represent us in the conduct of our affairs. Our board of directors may also appoint executive officers with title.

Our board of directors determines basic management policies, matters relating to the internal control systems and other important matters, and monitors the execution of the duties of directors and executive officers. Our articles of incorporation provide for our board of directors consisting of not more than fifteen members. Currently, we have eleven directors, of whom ten are independent outside directors, all of whom were elected at a general meeting of shareholders. The term of office of our directors expires at the close of the ordinary general meeting of shareholders held with respect to the last fiscal year ending within one year after their appointment. Our board of directors is chaired by an independent outside director. Our board of directors holds an ordinary meeting at least once every three months and an extraordinary meeting as necessary to resolve critical matters.

Our nominating committee determines matters related to human resources at the director and executive officer level and determines the content of proposals to be submitted to the general meeting of shareholders in relation to the appointment and dismissal of directors. The nominating committee consists of three or more committee members selected from among our directors by our board of directors, and independent outside directors constitute a majority of the members. An independent outside director serves as the chairperson.

Our compensation committee determines matters related to compensation of directors and executive officers, prescribes policy in relation to determining the details of compensation of directors and executive officers and, in accordance with such policy, determines compensation for directors and executive officers. The compensation committee consists of three or more committee members selected from among our directors by our board of directors, and independent outside directors constitute a majority of the members. An independent outside director serves as the chairperson.

Our audit committee carries out the duties of: (i) auditing the execution of the duties of directors and executive officers, and creating audit reports; (ii) determining the content of proposals to be submitted to the general meeting of shareholders in relation to the appointment, dismissal, and non-reappointment of independent auditors; and (iii) other duties prescribed by law or by our articles of incorporation, and other matters recognized as necessary by the audit committee. The audit committee consists of three or more members selected from among our directors by our board of directors, and independent outside directors constitute a majority of the members. An independent outside director serves as the chairperson. At least one member of the audit committee must be an individual who possesses extensive knowledge related to finance and accounting.

In addition, we hold meetings of the group executive committee, where our representative executive officer and executive officers deliberate on critical matters concerning business execution for the entire Olympus Group as entrusted to our executive officers by our board of directors and provide support for the decision-making of our executive officers where applicable to prevent decisions being made based solely on the discretion of an executive officer.

We are required to appoint and have appointed an independent auditor, which has the statutory duties of examining our financial statements to be submitted to the shareholders by an executive officer and preparing its audit report thereon. Ernst & Young ShinNihon LLC currently acts as our independent auditor.

Directors

The following tables provide information regarding our directors as of the date of this offering circular:

Name	Director Type	Director Since
Masato Iwasaki ⁽¹⁾	Independent Outside Director	June 2024
David Robert Hale ⁽¹⁾	Independent Outside Director	June 2019
Jimmy C. Beasley ⁽¹⁾	Independent Outside Director	June 2019
Sachiko Ichikawa ⁽¹⁾	Independent Outside Director	June 2021

Name	Director Type	Director Since
Kohei Kan ⁽¹⁾	Independent Outside Director	June 2022
Gary John Pruden ⁽¹⁾	Independent Outside Director	June 2022
Luann Marie Pendy ⁽¹⁾	Independent Outside Director	June 2023
Hiroshi Ishino ⁽¹⁾	Independent Outside Director	June 2025
Jean Luc-Butel ⁽¹⁾	Independent Outside Director	June 2026
Costa Saroukos ⁽¹⁾	Independent Outside Director	June 2026
Bob White	Director, President and Chief Executive Officer (CEO)	June 2025

Note:

(1) Outside directors stipulated under the Companies Act of Japan (Act No. 86 of 2005, as amended) (the “Companies Act”) and independent directors stipulated under the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

Name	Current positions and principal outside positions	Business experience
Masato Iwasaki	Independent Outside Director	Apr. 1985 Joined Takeda Pharmaceutical Company Limited
	Representative Director and Chief Executive Officer, Rock&Company K.K.	Apr. 2008 Senior Vice President and Head, Strategic Product Planning Department, Takeda Pharmaceutical Company Limited
	Senior Executive Fellow, IGPI Group, Inc.	Jun. 2010 Corporate Officer, Takeda Pharmaceutical Company Limited
	Outside Director, iGRID SOLUTIONS Inc.	Jan. 2012 Head of Chief Medical & Scientific Officer Office, Takeda Pharmaceuticals International, Inc.
		Apr. 2012 Senior Vice President, Pharmaceutical Marketing Division, Takeda Pharmaceutical Company Limited
		Jun. 2012 Director, Takeda Pharmaceutical Company Limited
		Apr. 2015 President, Japan Pharm Business Unit, Takeda Pharmaceutical Company Limited
		Apr. 2021 Japan General Affairs, Takeda Pharmaceutical Company Limited
		Jun. 2021 Representative Director, Takeda Pharmaceutical Company Limited
		Jun. 2022 Outside Director, JSR Corporation
		Jun. 2023 Chairperson of Economic, Fiscal, Financial, and Social Security Committee, KEIZAI DOYUKAI (Japan Association of Corporate Executives)
		Representative Director and Chief Executive Officer, Rock&Company K.K. (present)
		Jul. 2023 Senior Executive Fellow, Industrial Growth Platform, Inc. (currently IGPI Group, Inc.) (present)
		Sept. 2023 Drug Discovery Strategic Advisor, CellSource Co., Ltd.
		Jun. 2024 Outside Director, the Company (present)
		Dec. 2024 Outside Director, iGRID SOLUTIONS Inc.(present)

Name	Current positions and principal outside positions	Business experience	
David Robert Hale	Independent Outside Director	Sep. 2007	Joined The Parthenon Group (currently EY-Parthenon)
		Jan. 2009	Assigned as Analyst to Strategic Value Capital, an investment subsidiary of The Parthenon Group
	Co-Chief Executive Officer, ValueAct Capital Management L.P.	Jun. 2009	Senior Associate, The Parthenon Group
		May 2010	Principal, The Parthenon Group
		Jan. 2011	Joined ValueAct Capital Management L.P.
		Dec. 2012	Vice President, ValueAct Capital Management L.P.
		May 2014	Partner, ValueAct Capital Management L.P. (present)
		Mar. 2015	Director, MSCI Inc.
		Aug. 2015	Director, Bausch Health Companies Inc.
		Jun. 2019	Outside Director, the Company (present)
		Jun. 2021	Outside Director, JSR Corporation
		Aug. 2023	Co-Chief Executive Officer, ValueAct Capital Management L.P. (hereinafter called “VAC”), (present)
Jimmy C. Beasley	Independent Outside Director	Mar. 1986	Territory Manager, Roche Laboratories (Division of Hoffman La Roche)
		Jun. 1989	Various roles of increasing responsibility in sales and marketing including Vice President of Sales and Marketing, Bard Access Systems Division, C.R. Bard Inc.
		Jun. 2003	President, Bard Access Systems Division, C.R. Bard Inc.
		Apr. 2007	President, Bard Peripheral Vascular Division, C.R. Bard Inc.
		May 2009	Group Vice President, C.R. Bard Inc.
		Jun. 2013	Group President, C.R. Bard Inc.
		May 2018	Consultant and Executive Advisor to VAC (The executive advisor role is a consulting role to VAC; it is not an employee position. This consulting agreement finished at the end of March 2019.)
		Jun. 2019	Outside Director, the Company (present)

Name	Current positions and principal outside positions	Business experience	
Sachiko Ichikawa	Independent Outside Director	Apr. 1997	Registered as attorney, Joined Tanabe & Partners
	Partner, Tanabe & Partners	Jan. 2005	Registered as attorney of the State of New York
	Director, The Board Director Training Institute of Japan	Nov. 2009	Statutory Auditor, The Board Director Training Institute of Japan
	Outside Director, Azbil Corporation	Jan. 2011	Partner, Tanabe & Partners (present)
		Jun. 2015	Director, ANRITSU CORPORATION Director, The Board Director Training Institute of Japan
		Apr. 2018	Registered as certified public accountant of the U.S.A.
		May 2018	Corporate Auditor, Ryohin Keikaku Co., Ltd.
		Jun. 2020	Statutory Auditor, The Board Director Training Institute of Japan
		Jun. 2021	Outside Director, the Company (present) Outside Director, Tokyo Electron Ltd.
		Jun. 2022	Director, The Board Director Training Institute of Japan (present)
		Jun. 2024	Outside Director, Azbil Corporation (present)
Kohei Kan	Independent Outside Director	Sept. 1986	Registered as Certificated Public Accountant
	Chief, Kan Kohei Certified Public Accountant Office	Apr. 1987	Joined Mita Audit Corporation (currently Deloitte Touche Tohmatsu LLC)
	Board Member, International Federation of Accountants “IFAC”	Jun. 1998	Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
	Senior Advisor, The Japanese Institute of Certified Public Accountants	Nov. 2013	Board Member, Deloitte Tohmatsu Group and Deloitte Touche Tohmatsu LLC
		Nov. 2015	Chief Executive Officer, Deloitte Touche Tohmatsu LLC
	Outside Director, Kyowa Kirin Co., Ltd.	Jun. 2018	Senior Advisor, Deloitte Tohmatsu LLC
		Sept. 2018	Audit & Assurance Leader, Deloitte Asia Pacific Limited
		Jan. 2020	Senior Advisor, Deloitte Asia Pacific Limited
		Oct. 2020	Chief, Kan Kohei Certified Public Accountant Office (present)
		Nov. 2020	Board Member, International Federation of Accountants “IFAC” (present)
		Jan. 2022	Senior Advisor, The Japanese Institute of Certified Public Accountants (present)
		Jun. 2022	Outside Director, the Company (present)
		Mar. 2026	Outside Director, Kyowa Kirin Co., Ltd. (present)

Name	Current positions and principal outside positions	Business experience	
Gary John Pruden	Independent Outside Director	Oct. 1985	Joined Janssen Pharmaceutica, a division of Johnson & Johnson
	Independent Board Director, Lantheus Holdings Inc.	Jun. 1999	Director of Marketing, GI Franchise Marketing, Janssen Pharmaceutica
	Chief Executive Officer, GPS Med Tech Strategy Consulting LLC	May 2001	Vice President, Marketing, Primary Care Franchise, Janssen Pharmaceutica
	Independent Board Director, OSSIO, Inc.	Nov. 2002	Vice President, Marketing, CNS Franchise, Janssen Pharmaceutica
	Independent Board Director, Avisi Technologies, Inc.	Feb. 2004	President & Chief Operating Officer, Janssen-Ortho Canada INC
		Jan. 2006	Worldwide President, Ethicon Products Inc, a division of Johnson & Johnson
		Apr. 2009	Company Group Chairperson, Ethicon Franchise Inc.
		Jan. 2012	Worldwide Chairperson, Global Surgery Group, Johnson & Johnson
		Jun. 2015	Executive Vice President & Worldwide Chairperson, Medical Devices, Johnson & Johnson
		Dec. 2017	Independent Board Director, Motus GI Holdings Inc.
		Apr. 2018	Independent Board Director, Lantheus Holdings Inc. (present)
		Dec. 2019	Chief Executive Officer, GPS Med Tech Strategy Consulting LLC (present)
		Mar. 2020	Independent Board Director, OSSIO, Inc. (present)
Luann Marie Pendency		Jun. 2022	Outside Director, the Company (present)
		Jul. 2022	Independent Board Director, Avisi Technologies, Inc. (present)
	Independent Outside Director	Dec. 1987	Joined Abbott Laboratories
		Feb. 1998	Director, Quality Control Production Laboratories, Chemical and Agricultural Product Division, Abbott Laboratories
		Feb. 2007	Corporate Vice President, Global Quality & Regulatory Affairs, Hospira Inc
		Nov. 2008	Vice President, Corporate Quality, Medtronic Inc. (currently Medtronic plc.)
		Jun. 2014	Senior Vice President, Global Quality, Medtronic Inc. (currently Medtronic plc.)
		Nov. 2017	Senior Vice President, Regulatory Affairs & Global Quality, Medtronic plc.
		Jan. 2018	Senior Vice President, Chief Quality and Regulatory Affairs, Medtronic plc.
		Jun. 2023	Outside Director, the Company (present)

Name	Current positions and principal outside positions	Business experience	
Hiroshi Ishino	Independent Outside Director Honorary Advisor, Kansai Paint Co., Ltd. Outside Director, LIXIL Corporation	Apr. 1975	Joined Mitsubishi Corporation
		Dec. 1995	Director, Executive Vice President Isuzu Philippines Corporation*
		* A joint venture company with Mitsubishi Corporation, Isuzu Motors Limited, etc.	
		Mar. 2003	Joined Kansai Paint Co., Ltd.
		Jun. 2006	Director, Deputy General Manager, International Affairs, Kansai Paint Co., Ltd.
		Jun. 2008	Managing Director, Sales, Coatings Business, Kansai Paint Co., Ltd.
		Apr. 2010	Senior Managing Director, Sales, Kansai Paint Co., Ltd.
		Jun. 2011	Director, Senior Managing Executive Officer, Sales, International Affairs and Procurement, Kansai Paint Co., Ltd.
		Jun. 2012	Representative Director, Senior Managing Executive Officer, Sales, International Affairs and Procurement, Kansai Paint Co., Ltd.
		Apr. 2013	Representative Director, President, Kansai Paint Co., Ltd.
		Jun. 2019	Senior Corporate Advisor, Kansai Paint Co., Ltd.
		Jul. 2020	Outside Director, Nippon Sheet Glass Co., Ltd.
		Jun. 2023	Honorary Advisor, Kansai Paint Co., Ltd. (present)
		Jun. 2025	Outside Director, the Company (present)
		Jun. 2025	Outside Director, LIXIL Corporation (present)

Name	Current positions and principal outside positions	Business experience	
Jean Luc-Butel	Independent Outside Director	Jan. 1998	Corporate Officer, Global Consumer Healthcare President, Becton, Dickinson and Company
	Global Healthcare Advisor and President, K8 Global Pte. Ltd.	Nov. 1999	President, Johnson & Johnson Independence Technology
	Outside Director, Rani Therapeutics	Aug. 2003	President, Medtronic Asia Pacific Headquarters
	Outside Director, ICON Group	May 2008	Medtronic Inc. (currently Medtronic plc) Corporate Officer, Executive Committee member, Executive Vice President, International Group President
		Jan. 2012	International President, Baxter International Inc.
		Jul. 2015	Global Healthcare Advisor and President, K8 Global Pte. Ltd.(present)
		Jun. 2016	Outside Director, Takeda Pharmaceutical Company Limited
		Sep. 2017	Outside Director, Novo Holdings A/S
		Sep. 2021	Outside Director, Rani Therapeutics (present)
		Apr. 2022	Outside Director, ICON Group (present)
		Jun. 2026	Outside Director, the Company (present)
Costa Saroukos	Independent Outside Director	Jul. 2012	Executive Finance Director, Eastern Europe, Middle East and Africa Region Merck & Co.
	Chairperson, Director of the Board of Tanabe Pharma Corporation	Oct. 2013	Executive Finance Director of Greater China and Japan, Allergan Asia Limited
	Independent Non Executive Director, CSL Limited	Sep. 2014	Finance and Business Development Vice President of Asia Pacific Region, Allergan Asia Limited
		May 2015	Chief Financial Officer of the Europe and Canada Business Unit, Takeda Pharmaceutical Company Limited
		Apr. 2018	Global Chief Financial Officer, Takeda Pharmaceutical Company Limited
		Jun. 2019	Director, Takeda Pharmaceutical Company Limited
		Sep. 2025	Chairperson, Director of the Board, Mitsubishi Tanabe Pharma Corporation (currently Tanabe Pharma Corporation) (present)
		Dec. 2025	Independent Non Executive Director, CSL Limited (present)
		Jun. 2026	Outside Director, the Company (present)

Name	Current positions and principal outside positions	Business experience	
Bob White (Legal name: Robert John White)	Board Member (Supervisory Board), Koninklijke Philips N.V.	Jun. 1986	Joined International Business Machines Corporation
		Jan. 2000	Vice President, Sales and Supplier Solutions, Chemdex Corporation
		May 2001	Senior Vice President, Sales and Marketing, Accelrys Inc.
		Apr. 2003	Executive Vice President and Chief Operating Officer, SourceOne Healthcare Technologies Inc.
		Jan. 2006	President, Merge E-Med, Merge Healthcare Inc.
		Feb. 2007	Vice President, Diagnostic Imaging, GE Healthcare Technologies Inc.
		May 2010	General Manager, Patient Monitoring, Covidien plc. (currently Medtronic plc.)
		Aug. 2011	President, Respiratory and Monitoring Solutions, Global, Covidien plc. (currently Medtronic plc.)
		Jun. 2014	President, Emerging Markets, Covidien plc. (currently Medtronic plc.)
		Jan. 2015	Senior Vice President and President, APAC, Medtronic plc.
		Jan. 2018	Executive Vice President and Group President, Minimally Invasive Therapies Group, Medtronic plc.
		May 2020	Board Member, Smith & Nephew plc.
		Nov. 2020	Executive Vice President and President, Medical Surgical Portfolio, Medtronic plc.
		Oct. 2024	Board Member, Cadence, Inc.
		May 2025	Board Member (Supervisory Board), Koninklijke Philips N.V. (present)
		Jun. 2025	Representative Executive Officer, President and Chief Executive Officer (CEO), the Company (present) Director, the Company (present)

Executive Officers and Corporate Officers

The names and titles of our executive officers and corporate officers as of the date of this offering circular are as follows:

Name	Title
Bob White	Representative Executive Officer, President and Chief Executive Officer (CEO)
Simone Berger	Executive Officer and Chief Human Resources Officer (CHRO)
Keith William Boettiger	Executive Officer and Gastrointestinal Solutions Division Head
John Manfred de Csepel	Executive Officer and Chief Medical Officer (CMO)
Gabriela Castillo Kaynor	Executive Officer and Chief Strategy Officer (CSO) and ESG Officer
Seiji Kuramoto	Executive Officer and Surgical & Interventional Solutions Division Head
Syed Mukarram Naveed	Executive Officer and Chief Technology Officer (CTO)
Michael Angelo Parenti	Executive Officer and Chief Financial Officer (CFO)
David Michel Shan	Executive Officer and Chief Manufacturing and Supply Officer (CMSO)
Brian Barry	Executive Officer and Chief Quality Officer (CQO)
Neil Boyden Tanner	Executive Officer and Global General Counsel
Masahito Goto	Corporate Officer
Kota Ishibiki	Corporate Officer
Hironobu Kawano	Corporate Officer
Hiddenobu Kimura	Corporate Officer
Stephen Kneebone	Corporate Officer
Pedro Lazaro	Corporate Officer
Kanichi Matsumoto	Corporate Officer
Takeshi Ogura	Corporate Officer

Executive Compensation

The aggregate compensation, including bonuses, we paid to our directors, including outside directors, as a group for the year ended March 31, 2026 was ¥1,370 million.

Limitation on Liabilities of Directors or Executive Officers

Our articles of incorporation provide, in accordance with Article 426 of the Companies Act, that the liabilities of our directors or executive officers (including those retired from their offices) under Article 423, paragraph 1 of the Companies Act may be exempted by a resolution of our board of directors to the extent permitted under the relevant laws and regulations. As of the date of this offering circular, our board of directors has not made any such resolutions. They also provide, in accordance with Article 427 of the Companies Act, that we may enter into an agreement with our non-executive directors in order to limit their liabilities for damages attributable to their act under Article 423, paragraph 1 of the Companies Act; *provided, however*, that the limited amount under such agreement shall be the larger of the amount previously agreed, or the amount that the relevant laws and regulations prescribe. We have entered into such agreements with each of our non-executive directors.

Share Ownership

The following table shows the number of shares of our common stock owned by our directors as of March 31, 2026:

Directors	Number of shares owned⁽¹⁾
Masato Iwasaki	7,830
David Robert Hale	—
Jimmy C. Beasley	12,860
Sachiko Ichikawa	14,935
Kohei Kan	16,667
Gary John Pruden	11,512
Luann Marie Pandy	10,474
Hiroshi Ishino	4,729
Jean Luc-Butel	—
Costa Saroukos	—
Bob White	193,305

Note:

(1) “Number of shares owned” includes the number of equity interest held by each director through a company managing stock compensation of Olympus Corporation and the number of shares to be delivered under the stock compensation plan.

Executive Officers (excluding those who concurrently assume offices of directors)	Number of shares owned
Simone Berger	—
Keith William Boettiger	141,843
John Manfred de Csepel	59,748
Gabriela Castillo Kaynor	83,965
Seiji Kuramoto	31,712
Syed Mukarram Naveed	46,682
Michael Angelo Parenti	—
David Michel Shan	—
Boris Shkolnik	76,110
Neil Boyden Tanner	94,200

None of our directors or executive officers is the owner of more than one percent of the aggregate number of issued shares of our common stock, and no director or executive officer has voting rights with respect to our common stock that are different from those of any other holder of our common stock.

SUBSIDIARIES AND AFFILIATES

We conduct our business together with our subsidiaries and affiliates (being companies over which we have significant influence with respect to their finances, operations or businesses). As of March 31, 2026, we had 80 consolidated subsidiaries and three equity-method affiliates.

The following table presents information on our principal consolidated subsidiaries and equity-method affiliates as of March 31, 2026:

Name	Location	Main business	Issued capital (in millions of yen except where noted)	Voting rights directly or indirectly held by us (%)
<i>Principal consolidated subsidiaries:</i>				
Olympus Medical Systems Corp.	Tokyo, Japan	Manufacturing Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	90	100
Aizu Olympus Co., Ltd.	Fukushima, Japan	Manufacturing Gastrointestinal Solutions Business products	214	100
Aomori Olympus Co., Ltd.	Aomori, Japan	Manufacturing Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	26	100
Nagano Olympus Co., Ltd.	Nagano, Japan	Manufacturing Gastrointestinal Solutions Business products	100	100
Shirakawa Olympus Co., Ltd.	Fukushima, Japan	Manufacturing Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	80	100
Olympus Marketing Corp.	Tokyo, Japan	Sales of Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	96	100
TmediX Corporation	Tokyo, Japan	Leasing of Gastrointestinal Solutions Business products	50	100
Olympus-Supportmate Corp.	Tokyo, Japan	Administration services for domestic subsidiaries and affiliates	10	100
Olympus Corporation of the Americas	Pennsylvania, U.S.A.	Holding company of corporate planning and financial support to affiliated companies in Americas region	US\$ 15 thousand	100
Olympus America Inc.	Pennsylvania, U.S.A.	Sales of Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	US\$ 0 thousand	100
Olympus Latin America, Inc.	Florida, U.S.A.	Sales of Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	US\$ 0 thousand	100
Gyrus ACMI, Inc.	Massachusetts, U.S.A.	Manufacturing Surgical & Interventional Solutions Business products	US\$ 1 thousand	100
Olympus Innovation Ventures, LLC	Massachusetts, U.S.A.	Investment in Gastrointestinal Solutions Business and Surgical & Interventional Solutions Business	US\$ 0 thousand	100
Olympus Europa Holding SE	Hamburg, Germany	Holding company of corporate planning to affiliated companies in Europe region	EUR€ 1,000 thousand	100

Name	Location	Main business	Issued capital (in millions of yen except where noted)	Voting rights directly or indirectly held by us (%)
Olympus Europa SE & Co. KG	Hamburg, Germany	Holding company and sales of Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	EUR€ 100,000 thousand	100
Olympus Deutschland GmbH	Hamburg, Germany	Sales of Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	EUR€ 10,100 thousand	100
Olympus France S.A.S.	Rungis Cedex, France	Sales of Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	EUR€ 3,914 thousand	100
Olympus Winter & Ibe GmbH	Hamburg, Germany	Manufacturing Gastrointestinal Solutions business products and Surgical & Interventional Solutions Business products	EUR€ 8,182 thousand	100
KeyMed (Medical & Industrial Equipment) Ltd.	Essex, U.K.	Manufacturing and sales of Gastrointestinal Solutions Business products	UK£ 10 thousand	100
Arc Medical Design Limited	West Yorkshire, U.K.	Manufacturing Gastrointestinal Solutions Business products	UK£ 52 thousand	100
Olympus Global Treasury Services Limited	Essex, U.K.	Fund management of the whole group	UK£ 52,764 thousand	100
Odin Medical Ltd.	London, U.K.	Development of Gastrointestinal Solutions Business products	UK£ 1,404 thousand	100
Medi-Tate Ltd.	Or-Akiva, Israel	Development and manufacturing of Surgical & Interventional Solutions Business products	NIS 28 thousand	100
Olympus Corporation of Asia Pacific Limited	Hong Kong	Holding company of corporate planning to affiliated companies in Asia region	HK\$ 1,729,704 thousand	100
Olympus Hong Kong and China Limited	Hong Kong	Sales of Gastrointestinal Solutions Business products, Surgical & Interventional Solutions Business products	HK\$ 540,000 thousand	100
Olympus (China) Co., Ltd.	Beijing, P.R.C.	Holding company of corporate planning to affiliated companies in China	US\$ 31,000 thousand	100
Olympus (Beijing) Sales & Service Co., Ltd.	Beijing, P.R.C.	Sales of Gastrointestinal Solutions Business products, Surgical & Interventional Solutions Business products	US\$ 5,000 thousand	100
Olympus Trading (Shanghai) Limited	Shanghai, P.R.C.	Sales of Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	US\$ 1,000 thousand	100
Olympus (Suzhou) Medical Device Co., Ltd.	Suzhou, Jiangsu Province, P.R.C.	Manufacturing of Gastrointestinal Solutions Business products	RMB 190,000 thousand	100
Olympus Korea Co., Ltd.	Seoul, Republic of Korea	Sales of Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	KRW 18,000 million	100
Olympus Singapore Pte Ltd.	Singapore	Sales of Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	S\$ 330 thousand	100

Name	Location	Main business	Issued capital (in millions of yen except where noted)	Voting rights directly or indirectly held by us (%)
Olympus Vietnam Co., Ltd.	Vietnam	Manufacturing Gastrointestinal Solutions Business products	US\$ 24,000 thousand	100
Olympus Australia Pty Ltd.	Victoria, Australia	Sales of Gastrointestinal Solutions Business products and Surgical & Interventional Solutions Business products	A\$ 7,928 thousand	100
<i>Principal equity-method affiliate:</i>				
Sony Olympus Medical Solutions Inc.	Tokyo, Japan	Development of Surgical & Interventional Solutions Business products	50	49
Swan EndoSurgical, Inc.	Texas, U.S.A.	Development of Gastrointestinal Solutions Business products	US\$ 0 thousand	45

SUPERVISION AND REGULATION

Reflecting the broad range of our business, we are subject to a number of Japanese, European, U.S. federal and state, and other foreign laws and regulations that affect Olympus and its group companies conducting business. These may involve medical equipment-related, intellectual property, competition, consumer protection and taxation laws and regulations. The following is an overview of certain international laws and regulations with which our operations are required to comply. For a discussion of the Japanese laws and regulations applicable to our businesses, see “Japanese Laws and Regulations.”

Medical Device Regulations

The manufacture and distribution of our medical devices are subject to extensive government regulation by numerous government agencies outside Japan. There is a global trend toward increased regulatory activity related to medical products.

United States

Many of our products are classified as medical devices in the United States and are subject to the restrictions of comprehensive U.S. laws and regulations, which include, among others, the U.S. Food, Drug, and Cosmetic Act (the “FDCA”) and regulations issued or promulgated thereunder. The FDCA requires these products, when sold in the United States, to be safe and effective for their intended uses and to comply with the regulations administered by the FDA, the U.S. governmental agency that regulates the design, development, research, preclinical and clinical testing, introduction, manufacture, advertising, labeling, packaging, marketing, sale, servicing, distribution, import and export, post-market surveillance and record keeping for such products.

As a medical device manufacturer, we are required by the FDA to obtain either a Section 510(k) pre-market notification clearance, a pre-market approval (“PMA”) or *de novo* classification before introducing a new medical device or a new indication for use of an existing medical device into the U.S. market, unless an exemption applies. The type of marketing authorization is generally linked to the classification of the medical device, which is determined based on the risks the FDA determines to be associated with such device and the level of regulatory control deemed necessary to ensure the device’s safety and effectiveness. The 510(k) pre-market notification process requires us to demonstrate that our medical device is substantially equivalent to a legally marketed medical device. The PMA process is more rigorous and requires us to provide clinical and laboratory data to independently demonstrate that a medical device is safe and effective for its intended use. Alternatively, if we receive a determination from the FDA that a new medical device is not substantially equivalent or believe that a new medical device presents low to moderate risk and does not have an appropriate predicate, we could request a risk-based classification determination for the device in accordance with the *de novo* classification process, which is a route to market for novel medical devices that are low to moderate risk and are not substantially equivalent to a predicate device.

Our manufacturing facilities are subject to inspection on a routine basis by the FDA. We are required to adhere to the current Good Manufacturing Practices requirements, as set forth in the Quality Management Systems Regulation of the FDA, which require manufacturers to follow stringent design, testing, control, documentation and other quality assurance procedures during all phases of the device design and manufacturing process. If, as a result of these inspections, the FDA determines that our equipment, facilities, laboratories, or processes do not comply with applicable FDA regulations and conditions of product approval, the FDA may seek civil, criminal, or administrative sanctions and/or remedies against us, including the suspension of our manufacturing operations.

We must also comply with post-market surveillance regulations, including medical device reporting requirements under the Safe Medical Devices Act of 1990, which require that we review and report to the FDA any incident in which our products may have caused or contributed to a death or serious injury. We must also report any incident in which our product has malfunctioned if that malfunction would likely cause or contribute to a death or serious injury if it were to recur.

Our labeling and promotional activities are also subject to scrutiny by the FDA and, in certain circumstances, by the Federal Trade Commission. Medical devices approved or cleared by the FDA may not be promoted for unapproved or uncleared uses, otherwise known as “off-label” promotion. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses.

We have encountered increased regulatory scrutiny in recent years in the United States related to the cleaning, disinfection and sterilization of medical instruments. In March 2018, the FDA issued warning letters to manufacturers of reusable duodenoscopes on the market in the United States due to alleged noncompliance with orders to complete post-market surveillance studies relating to the cleaning and disinfection of such products. We received a warning letter and subsequently completed post-market surveillance studies while coordinating with and providing regular status reports to the FDA. In February 2020, we submitted the final report for such post-market surveillance studies. We are currently implementing a similar post-market surveillance study concerning a successor device that we began selling in the United States in 2020, and further regulatory action could potentially be taken by the FDA depending upon the future progress of this study and/or the results. In addition, our subsidiary, Olympus Medical Systems Corp., entered into a plea agreement with the U.S. Department of Justice (the “DOJ”) in December 2018, pursuant to which it agreed to pay a criminal fine in the amount of \$80 million and a criminal forfeiture in the amount of \$5 million for its failure to submit certain MDRs to the FDA. The plea agreement also required this subsidiary to retain an independent MDR expert to conduct periodic reviews of its procedures and MDR records to report on compliance with relevant medical device reporting requirements. The MDR expert is required to periodically report the findings from these reviews to the FDA and DOJ until 2022. This subsidiary retained a separate, independent expert to review and prepare periodic reports on device classification and market pathway decisions made by this subsidiary for certain devices sold in the United States under the terms of the plea agreement. The final required expert reports were submitted to the FDA and DOJ in November 2022. We believe that our subsidiary has complied with the terms of the plea agreement and that this subsidiary is dedicating sufficient resources and efforts to address the findings identified by its independent experts meant to ensure compliance with relevant laws and regulations. If this subsidiary were to breach the terms of the plea agreement, it could potentially be subject to additional penalties and such a finding could harm our reputation.

European Union

In the EU, our products are subject to regulation by the medical device laws of various EU member states, which for many years were based on the European Medical Device Directive (the “MDD”). In May 2017, the EU adopted the Medical Device Regulation to replace the MDD, and the EU MDR came into effect in May 2021. This new regulation imposes stricter requirements for the marketing and sale of medical devices than the MDD, including in the area of clinical evaluation requirements, quality systems and post-market surveillance. New medical devices to be introduced into the EU market will be required to obtain certification according to the new regulation, with the exception that devices with valid CE certificates issued pursuant to the MDD before May 2020 could be placed on the market until May 2024. The European Commission has extended the implementation period to the end of 2027 for high-risk devices and to the end of 2028 for medium and low risk devices. This new regulation requires additional resources to ensure compliance therewith and is expected to increase our compliance costs.

Other Jurisdictions

The manufacture and distribution of our medical devices are also regulated by comparable agencies in other jurisdictions in which they are manufactured or sold, including the regulations by the National Medical Product Administration in China and the MHLW and the Pharmaceuticals and Medical Devices Agency (“PMDA”) in Japan.

Data Privacy and Security Laws

As a global organization, we are subject to data privacy and security laws and regulations in numerous jurisdictions outside Japan as a result of having access to and processing confidential, personal and/or sensitive data in the course of our business.

In the United States, the Privacy and Security Rules under HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, restrict the use and disclosure of patient identifiable health information, mandate the adoption of standards relating to the privacy and security of such information, and require the reporting of certain security breaches with respect to such information. There is comparable legislation at the state level governing the use and protection of personal health information by healthcare providers. We are also subject to numerous other laws and legislative and regulatory initiatives at the federal and state levels addressing privacy and security concerns. Certain states have proposed or enacted legislation that will create new data privacy and security obligations for certain entities, such as the California Consumer Privacy Act, which came into effect January 1, 2020 and was recently amended and expanded by the

California Privacy Rights Act (“CPRA”) passed on November 3, 2020. For example, the CPRA includes requirements to provide detailed disclosures regarding the collection, use, and sharing of personal data, as well as to respond to consumer requests relating to the access to, deletion of, and sharing of personal information collected by covered businesses, and a consumer’s right to opt out of certain sales of their personal information. The CPRA also includes enforcement mechanisms, such as civil penalties for violations and a private right of action for certain data breaches, which can result in statutory damages.

In Europe, the EU General Data Protection Regulation (“EU GDPR”), enacted in May 2018, imposes stringent requirements for controllers and processors of personal data, including strict requirements relating to the validity of consent of data subjects, expanded disclosures about how personal data is used, requirements to conduct data protection impact assessments for “high risk” processing, limitations on retention of personal data, special provisions for “special categories of personal data” including health and genetic information of data subjects, mandatory data breach notification (in certain circumstances), “privacy by design” requirements, and direct obligations on service providers acting as processors. The EU GDPR also prohibits the international transfer of personal data from the European Economic Area (the “EEA”) to countries outside of the EEA unless made to a country deemed to have adequate data privacy laws by the European Commission or a data transfer mechanism has been put in place. Failure to comply with the requirements of the EU GDPR and the related national data protection laws of the EEA Member States may result in fines up to 20 million Euros or 4% of a company’s global annual revenues for the preceding financial year, whichever is higher. Moreover, the EU GDPR affords various data protection rights to individuals (i.e., the right to erasure of personal data) in certain circumstances, and the ability for data subjects to claim material and non-material damages resulting from infringements of the EU GDPR. Given the breadth and depth of changes in data protection obligations, maintaining compliance with the EU GDPR will require significant time, resources, and expense, and we may be required to put in place additional mechanisms ensuring compliance with evolving data protection rules.

In China, the China Cybersecurity Law requires personal data relating to Chinese citizens to be maintained on local, secured and trusted servers. Any collection, use, transfer or storage of personal information of a Chinese citizen should be based on the three principles of the China Cybersecurity Law (namely legitimacy, justification and necessity), undergo security assessments and require the consent of such citizen. The Personal Information Protection Law, which took effect on November 1, 2021, applies to the processing of personal information of individuals within the territory of the People’s Republic of China (“PRC”), defined as any kind of information related to an identified or identifiable individual as electronically or otherwise recorded and excludes anonymized information, as well as personal information processing activities outside the territory of PRC, for the purpose of providing products or services to natural persons located within PRC, for analyzing or evaluating the behaviors of natural persons located within PRC, or for other circumstances as prescribed by laws and administrative regulations.

Environmental Laws and Regulations

Our manufacturing and other operations are subject to the environmental, health and safety laws of various jurisdictions.

In the United States, the manufacture of some of our products involves chemicals that are regulated by the U.S. Environmental Protection Agency under the Toxic Substances Control Act. Our operations, products and services are also subject to various federal and state laws and regulations concerning the generation, storage, use and transportation of hazardous materials, emissions or discharges of substances into the environment, investigation and remediation of hazardous substances/materials at various sites, chemical constituents in products and end-of-life disposal/take-back programs for products sold.

The Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Directive limits the content of certain hazardous materials such as lead, mercury, and cadmium in the manufacture of electrical and electronic equipment, including our medical device products.

Export/Import Compliance

Due to our international operations, we are subject to the export/import control and economic sanctions laws and regulations of various jurisdictions. These various regulatory regimes are complex. From time to time we report to the regulatory authorities that oversee the use, sale and exportation/importation of our products and use of information related thereto.

In the United States, we are required to comply with, among others, the International Traffic in Arms Regulations administered by the U.S. Department of State, Directorate of Defense Trade Controls, the Export Administration Regulations administered by the U.S. Department of Commerce, Bureau of Industry and Security, the regulations administered by the U.S. Department of Treasury, Office of Foreign Assets Control and the import regulatory activities of the U.S. Customs and Border Protection and other U.S. government agencies.

Other nations' governments have implemented similar export/import control and economic sanction regulations, which may affect our operations or transactions subject to their jurisdictions.

Japanese Laws and Regulations

Pharmaceutical and Medical Device Act

Manufacturers and sellers of medical devices in Japan are subject to the supervision of the MHLW, primarily under the Pharmaceutical and Medical Device Act. Certain portions of the authority of the Minister of Health, Labour and Welfare (the "Minister") is delegated to prefectural governors and PMDA pursuant to the Pharmaceutical and Medical Device Act and regulations thereunder.

Under the Pharmaceutical and Medical Device Act, any person who intends to conduct in Japan the business of selling, leasing or providing medical devices that are manufactured (or outsourced to a third party for manufacturing) or imported by such person is required to obtain from the Minister a renewable, five-year license for the marketing authorization holder. The Minister has the power not to grant the license (i) if the methods of quality control of the medical device are not in conformity with the standards known as the Quality Management System, or QMS, stipulated by the ministerial ordinance of the MHLW, (ii) if the methods of post-sales safety control (collection and analysis of information and data necessary for proper use, including those related to quality, effectiveness and safety, and necessary measures to be taken based on the results thereof) of the medical device are not in conformity with the standards known as the Good Vigilance Practice, or GVP, stipulated by the ministerial ordinance of the MHLW or (iii) if an applicant falls under certain disqualifying provisions of the Pharmaceutical and Medical Device Act. Manufacturers and sellers that have obtained the license for the marketing authorization holder must appoint a general marketing supervisor in order to supervise product quality control and post-sales safety control. Such manufacturer and seller must also comply with various other items stipulated by the ministerial ordinances of the MHLW in the process of conducting the licensed business.

Any person who intends to conduct the business of manufacturing medical devices which will be sold in the Japanese market is also required to make for each factory with the Minister a renewable, five-year manufacturing registration in the case of medical devices to be manufactured in Japan, or a renewable, five-year registration of foreign manufacturers in the case of medical devices to be manufactured outside, and imported into, Japan. The Minister has the power not to grant a license if an applicant falls under certain disqualifying provisions of the Pharmaceutical and Medical Device Act.

In addition, any person who intends to market medical devices is required to obtain or make (i) product marketing approval from the Minister, (ii) marketing certification from a registered certification body or (iii) marketing notification for each kind of product, depending on the type of the medical devices. Most of our products, such as endoscope products, require marketing certification from a registered certification body for their marketing.

A marketing certification will not be granted if (i) an applicant has not obtained the license for marketing authorization holder as set out above, (ii) a factory manufacturing the product has not been registered to manufacture the relevant type of medical device as set out above, (iii) the relevant medical device does not comply with the required specification, purpose of use, efficacy or effects stipulated by the Minister or (iv) the methods of manufacturing control or quality control used in the factory manufacturing the medical device is not in conformity with the QMS standards, in case of certain types of medical devices designated by the ministerial ordinances of the MHLW.

An application for marketing certification must be accompanied by materials showing compliance with the required specification, purpose of use, efficacy and effects, as well as other standards stipulated by the Minister. In addition, an applicant for marketing certification must accept an inspection by a registered certification body as to whether or not the methods of manufacturing control or quality control used in the factory manufacturing the medical device is in conformity with the QMS standards. Such inspection is also imposed on holders of marketing certification every five years.

If any person who has the license for marketing authorization holder becomes aware of matters concerning the effectiveness and safety prescribed by the ministerial ordinance of the MHLW, such as an alleged harm due to a defect or infection occurring from use of the medical device, such person must report to the Minister in accordance with the ministerial ordinance of the MHLW generally within 15 or 30 days depending on the seriousness of the incident.

Furthermore, under the Pharmaceutical and Medical Device Act, the Minister or a prefectural governor may take various measures to supervise licensed marketing authorization holders or certain other parties in relation to medical devices. For example, the Minister or a prefectural governor may require licensed marketing authorization holders of medical devices to submit reports, and carry out inspections through PMDA at their factories or offices, if deemed necessary to monitor their compliance with the regulations and orders under the Pharmaceutical and Medical Device Act. The Minister has authority to order licensed marketing authorization holders or certain other parties to temporarily suspend the selling, leasing or providing of the medical device in order to prevent risks, or increases in risks, to the public health. Also, the Minister may revoke a license or order a temporary business suspension under certain limited circumstances, such as violation of laws relating to pharmaceuticals.

Personal Information Protection Law

The Personal Information Protection Act of Japan (Act No. 57 of 2003, as amended) (the “PIPA”) aims to protect personal information in the context of a society increasingly reliant on information technology. The PIPA contains various provisions including those that impose obligations on business enterprises, including us, which utilize personal information databases containing personal information of individuals such as names, birthdays and medical histories. Any business enterprise that utilizes a personal information database is required to:

- (i) specify the purpose of the use of the personal information as clearly as possible;
- (ii) refrain from using the personal information beyond such purpose without consent by the person to whom such information relates;
- (iii) notify the person to whom such information relates or publish the purpose of the use when or prior to acquiring the personal information;
- (iv) disclose the personal information if the person to whom such information relates requests;
- (v) refrain from providing the personal information to a third party without obtaining the prior consent of the person to whom such information relates, except in cases permitted under the PIPA;
- (vi) take necessary and appropriate measures to securely manage and prevent leakage, damage, and loss of the personal information;
- (vii) except where permitted under the PIPA, refrain from acquiring from a person without prior consent personal information classified as requiring special care, which is personal information (such as that relating to an individual’s race, creed, medical history, or criminal record) that the holder of the information must handle with particular care so as to not cause discrimination, prejudice, or any disadvantage to the person; and
- (viii) acquire a person’s consent to providing personal information to a third party outside Japan (excluding third parties or countries prescribed under the rules of the Personal Information Protection Commission).

Further, in certain cases, the person to whom such information relates may request the business enterprise to correct, supplement, refrain from using or erase the personal data.

DESCRIPTION OF THE NOTES

The following description of the notes is a summary of certain provisions of the notes and the Indenture. It does not purport to be complete. This summary is subject to and is qualified in its entirety by reference to all the provisions of the notes and the Indenture, including the definitions of certain terms used therein. We urge you to read those documents in their entirety prior to making an investment decision because they, and not this description, define the rights of holders of the notes. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. You may request copies of those documents upon written request from the corporate trust office of the trustee located at 240 Greenwich Street, New York, NY 10286, United States of America.

When we refer “we,” “our,” and “us” in this section, we mean Olympus Corporation, excluding, unless the context otherwise requires or as otherwise expressly stated, any existing or future subsidiaries. When we refer to a “holder” we mean the person in whose name the notes are registered.

The notes will be issued pursuant to an indenture dated December 8, 2021 between us and The Bank of New York Mellon, as trustee (the “Indenture”).

General

The notes will be issued only in fully registered form without interest coupons in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof. The notes will be represented by one or more registered notes in global form without coupons and in certain circumstances may be represented by registered notes in definitive form.

The Indenture and the notes do not contain any financial covenants or restrictions on our ability to pay dividends on our common stock, incur additional indebtedness, including senior indebtedness (other than as set forth below under “—Negative Pledge”), or issue new securities or repurchase existing securities. In addition, there are only limited restrictions on our ability to pledge assets or secure other indebtedness. The Indenture and the notes do not contain any covenants or other provisions to afford more than limited protection to holders of the notes in the event of a highly leveraged transaction or a change in control of us.

The notes have not been and will not be registered with the SEC, and are being offered and sold by the initial purchasers or their affiliates outside the United States in offshore transactions only to non-U.S. persons in reliance on Regulation S and by the initial purchasers or their affiliates inside the United States to QIBs in reliance on Rule 144A.

Status of the Notes

The notes will be our direct, unsecured and unsubordinated general obligations and will have the same rank in liquidation as all of our other unsecured and unsubordinated debt (except for statutorily preferred obligations) and without any preference among themselves.

Claims of the creditors of our subsidiaries will generally have priority with respect to the properties or assets of such subsidiaries over the claims of us and our creditors, including the holders of the notes. Accordingly, with respect to the properties and assets held by our subsidiaries, the notes will be effectively subordinated to creditors, including trade creditors, of our subsidiaries. The Indenture and the notes do not restrict the ability of our subsidiaries to incur indebtedness.

Principal and Maturity

The initial aggregate principal amount of the notes is \$500,000,000. The notes will mature on September 16, 2031. Principal will be repaid at maturity at a price of 100% of the principal amount of the notes. The notes will not be redeemable prior to maturity, except as set forth below under “—Optional Redemption” and “—Optional Tax Redemption,” and will not be subject to any sinking fund.

Interest

Interest on the notes will accrue at the rate per annum set forth on the cover page of this offering circular and described under “Summary—The Offering.”

We will pay interest on the notes semi-annually in arrears on March 16 and September 16 of each year (each an “interest payment date”), commencing on March 16, 2027. We will pay interest to the holders of record of the notes on the day that is 15 calendar days immediately preceding the relevant interest payment date, whether or not the record date is a Business Day. Interest on the notes will accrue from and including the date of original issuance or, if interest has already been paid, from and including the date on which it was most recently paid and will be paid to but excluding the relevant interest payment date. Interest on the notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months and by rounding to the nearest cent (half a cent being rounded upwards).

If any date for payment of principal of, premium (if any) or interest on (or Additional Amounts (as defined below), if any) the notes falls on a day that is not a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day. Any payment made on such next succeeding Business Day in this situation shall have the same force and effect as if made on the original due date, and no additional interest shall accrue with respect to such payment for the period after such original due date.

“Business Day” means, for the purpose of the Indenture and the notes, a day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in The City of New York or Tokyo.

Repurchase

We, or any subsidiary of ours, may at any time repurchase any or all of the notes in the open market or otherwise at any price. Subject to applicable law, neither we nor any subsidiary of ours shall have any obligation to offer to repurchase any notes held by any holder as a result of our or any subsidiary’s repurchase or offer to repurchase notes held by any other holder in the open market or otherwise.

Any notes so repurchased by us or any subsidiary of ours shall be cancelled.

Optional Redemption

Prior to August 16, 2031 (one month prior to their maturity date) (the “Par Call Date”), we may redeem the notes at our option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

- (i) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15.0 basis points less (b) interest accrued to (but excluding) the redemption date; and
- (ii) 100% of the principal amount of the notes to be redeemed;

plus, in either case, accrued and unpaid interest thereon to (but excluding) the redemption date.

On or after the Par Call Date, we may redeem the notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to (but excluding) the redemption date.

“Treasury Rate” means, with respect to any redemption date, the yield determined by us in accordance with the following two paragraphs.

The Treasury Rate shall be determined by us after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily)—H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities—Treasury constant maturities—Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the Treasury Rate, we shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury

constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 TCM is no longer published, we shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, we shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, we shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

Our actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error.

Notice of any redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the depository's procedures) at least 30 days but not more than 60 days before the redemption date to the trustee, the paying agent and each holder of notes to be redeemed.

In the case of a partial redemption, selection of the notes for redemption will be made pro rata, by lot or by such other method as the trustee in its sole discretion deems appropriate and fair. No notes of a principal amount of \$200,000 or less will be redeemed in part. If any note is to be redeemed in part only, the notice of redemption that relates to the note will state the portion of the principal amount of the note to be redeemed. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon surrender for cancellation of the original note. For so long as the notes are held by DTC (or another depository), the redemption of the notes shall be done in accordance with the policies and procedures of the depository.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

Optional Tax Redemption

The notes may be redeemed at any time, at our option and sole discretion, in whole, but not in part, subject to compliance with applicable regulatory requirements, and upon giving not less than 30 days' nor more than 60 days' prior notice of redemption to the trustee and the holders (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount of the notes together with interest accrued to (but excluding) the date of redemption and any Additional Amounts thereon, if we have been or will be obliged to pay any Additional Amounts with respect to such notes as a result of (a) except as described in (b) immediately below, any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the issuance of the notes or (b) in the case of any Succession Event (as defined below) where the successor entity is not organized under the law of, or tax resident in, Japan, any change in, or amendment to, the laws or regulations of the non-Japanese jurisdiction of the succeeding entity or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which

change or amendment becomes effective on or after the date of such Succession Event, and in either case such obligation cannot be avoided through the taking of reasonable measures available to us or the succeeding entity, as the case may be (an “Additional Amounts Event”).

Prior to the publication of any notice of such redemption, we shall deliver to the trustee (i) a certificate signed by an authorized officer stating that the conditions precedent to our right to so redeem the notes have been fulfilled and (ii) an opinion of independent legal advisors of recognized standing confirming that an Additional Amounts Event has occurred. The trustee shall be entitled to conclusively rely on and accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the holders.

No notice of redemption for an Additional Amounts Event shall be given sooner than 90 days prior to the earliest date on which we would actually be obliged to pay such Additional Amounts on a payment with respect to the notes.

Merger, Consolidation, Sale or Disposition

The Indenture provides that we may not merge or consolidate into any other corporation, entity or person (if we are not the continuing entity), or sell, lease or dispose of our properties and assets substantially as an entirety (including by way of a corporate split (*kaisha bunkatsu*)), whether as a single transaction or a number of transactions, related or not, to any other corporation, entity or person unless:

- such successor is organized and validly existing as a corporation and assumes or succeeds to our obligations under the notes and the Indenture (and, if such corporation is organized in a jurisdiction other than Japan, agrees to pay any Additional Amounts in respect of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of organization or tax residence of such corporation, or any authority therein or thereof having power to tax, corresponding to the obligation (and related carve outs) to pay Additional Amounts as described under “—Taxation and Additional Amounts” substituting such jurisdiction for references to “Japan”); and
- after giving effect thereto, no event of default with respect to the notes shall have occurred and be continuing (such permitted transaction, a “Succession Event”).

Taxation and Additional Amounts

All payments of principal, premium (if any) and interest in respect of the notes by us shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any political subdivision of, or any authority in, or of, Japan having power to tax (“Japanese Taxes”), unless such withholding or deduction is required by law as interpreted and enforced by the relevant authority. In such event, we shall pay to the holder of each note such additional amounts (all such amounts being referred to herein as “Additional Amounts”) as may be necessary so that the net amounts received by it after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of such note in the absence of such withholding or deduction, provided that no such Additional Amounts shall be payable in relation to any such withholding or deduction with respect to any payment on the notes:

- (i) to or for the benefit of a holder or beneficial owner of a note who is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Japanese Taxes in respect of such note by reason of its (A) having some present or former connection with Japan other than the mere holding of such note or (B) being a person having a special relationship with us as described in Article 6, paragraph 4 of the Special Taxation Measures Act (a “specially-related person of ours”);
- (ii) to or for the benefit of a holder or beneficial owner of a note who would otherwise be exempt from any such withholding or deduction but (A) who fails to comply with any applicable requirement to provide certification, information, documents or other evidence concerning its nationality, residence, identity or connection with Japan, including any requirement to provide Interest Recipient Information (as defined below) or to submit a Written Application for Tax Exemption (as defined below) to us or the paying agent, as appropriate, or (B) whose Interest Recipient Information is not duly communicated through the Participant (as defined below) and the relevant international clearing organization to the paying agent;

- (iii) to or for the benefit of a holder or beneficial owner of a note who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (A) a Designated Financial Institution (as defined below) that complies with the requirement to provide Interest Recipient Information or to submit a Written Application for Tax Exemption and (B) an individual resident of Japan or a Japanese corporation who duly notifies (directly, or through the Participant or otherwise) the paying agent of its status as not being subject to Japanese Taxes to be withheld or deducted by us, by reason of such individual resident of Japan or Japanese corporation receiving interest on the relevant note through a payment handling agent in Japan appointed by it);
- (iv) if the note is presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder of the note would have been entitled to such Additional Amounts on presenting the same for payment on any date during such period of 30 days;
- (v) to a holder of a note who is a fiduciary or partnership or is not the sole beneficial owner of the payment of the principal of, or any interest on, any note, where Japanese law requires the payment to be included for tax purposes in the income of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner, in each case, who would not have been entitled to such Additional Amounts had it been the holder of such note; or
- (vi) any combination of (i) through (v) above.

For the avoidance of doubt, none of us, the trustee, any paying agent or any other person shall be required to pay any Additional Amounts with respect to any withholding or deduction imposed on or in respect of any note pursuant to Sections 1471 to 1474 of the Internal Revenue Code of 1986, as amended, commonly referred to as FATCA, any treaty, law, regulation or other official guidance implementing FATCA or an intergovernmental agreement with respect thereto, or any agreement between us, the trustee, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA.

Where a note is held through a participant in an international clearing organization or through a financial intermediary, in each case, as prescribed by the Special Taxation Measures Act (each such participant or financial intermediary being referred to as a “Participant”), in order to receive payments free of withholding or deduction by us for, or on account of, Japanese Taxes, if the relevant beneficial owner of the note is (a) an individual non-resident of Japan or a non-Japanese corporation, having no permanent establishment in Japan, that in either case is not a specially-related person of ours or (b) a Japanese financial institution or financial instruments business operator falling under certain categories prescribed by Article 6, paragraph 11 of the Special Taxation Measures Act (a “Designated Financial Institution”), all in accordance with the Special Taxation Measures Act, such beneficial owner of the note must, at the time of entrusting a Participant with the custody of the note, provide certain information prescribed by the Special Taxation Measures Act and the cabinet order and other regulations thereunder to enable the Participant to establish that such beneficial owner of the note is exempted from the requirement for Japanese Taxes to be withheld or deducted (the “Interest Recipient Information”), and advise the Participant if the beneficial owner of the note ceases to be so exempted (including where the relevant beneficial owner of the note who is an individual non-resident of Japan or a non-Japanese corporation becomes a specially-related person of ours).

Where a note is not held through a Participant, in order to receive payments free of withholding or deduction by us for, or on account of, Japanese Taxes, if the relevant beneficial owner of the note is (a) an individual non-resident of Japan or a non-Japanese corporation, having no permanent establishment in Japan, that in either case is not a specially-related person of ours or (b) a Designated Financial Institution, all in accordance with the Special Taxation Measures Act, such beneficial owner of the note must, at or prior to each time of receiving interest, submit to us or the paying agent a claim for exemption from withholding tax (*hikazei tekiyo shinkokusho*) (a “Written Application for Tax Exemption”) in the form obtainable from us or the paying agent, as appropriate, stating, among other things, the name and address (and, if applicable, the Japanese individual or corporation ID number) of such beneficial owner of the note, the title of the notes, the relevant interest payment date, the amount of interest payable and the fact that such beneficial owner of the note is qualified to submit the Written Application for Tax Exemption, together with documentary evidence regarding its identity and residence. If a beneficial owner of the note provides information required to be stated in the Written Application for Tax Exemption in an electronic form prescribed by the Special Taxation Measures Act and the cabinet order and other regulations thereunder, such beneficial owner of the note will be deemed to have submitted a Written Application for Tax Exemption to the paying agent.

As used herein, the “Relevant Date” means the date on which any payment in respect of a note first becomes due, except that, if the full amount of the moneys payable has not been duly received by the paying agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of the notes in accordance with the Indenture.

By subscribing for the notes, an investor will be deemed to have represented that it is a beneficial owner that is, (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours; or (ii) a Designated Financial Institution. For more details regarding Japanese withholding tax, see “Taxation—Japanese Taxation.”

We will make any required withholding or deduction and remit the full amount withheld or deducted to the Japanese taxing authority in accordance with applicable law. We will use reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any tax, duty, assessment, fee or other governmental charge so withheld or deducted from the Japanese taxing authority imposing such tax, duty, assessment, fee or other governmental charge, and if certified copies are not available, we will use reasonable efforts to obtain other evidence satisfactory to the paying agent, and the paying agent shall make such certified copies or other evidence available to the holders or the beneficial owners of the notes upon reasonable request to the paying agent.

The obligation to pay Additional Amounts shall not apply to (A) any estate, inheritance, gift, excise, sales, transfer, personal property or any similar tax, duty, assessment, fee or other governmental charge or (B) any tax, duty, assessment, fee or other governmental charge that is payable otherwise than by withholding or deduction from payments of principal or interest on the notes. Except as otherwise set forth in the notes and in the Indenture, we shall pay all stamp, court, excise or other documentary taxes, charges or similar levies which may be imposed by Japan, the United States or any respective political subdivision or any taxing authority thereof or therein, with respect to the execution of the Indenture or as a consequence of the initial issuance, execution, delivery, registration or enforcement of the notes.

References to principal, premium (if any) or interest in respect of the notes shall be deemed to include any Additional Amounts due which may be payable as set forth in the notes and the Indenture.

Negative Pledge

So long as any of the notes remain outstanding, we will not create or permit to subsist any Lien (as defined below) on any of our property, assets or revenues, present or future, to secure, for the benefit of the holders of Public External Indebtedness (as defined below), payment of any sum owing in respect of any such Public External Indebtedness, any payment under any guarantee of any such Public External Indebtedness or any payment under any indemnity or other like obligation relating to any such Public External Indebtedness, unless contemporaneously therewith effective provision is made to secure the notes equally and ratably with such Public External Indebtedness with a similar Lien on the same property, assets or revenues securing such Public External Indebtedness for so long as such Public External Indebtedness are secured by such Lien. Notwithstanding the foregoing, this restriction will not apply to Liens on money paid to or money or securities deposited by us with a fiscal agent, trustee or depository to pay, defease or discharge in full over time our obligations in respect of other Public External Indebtedness (provided that such money or securities so paid or deposited, and the proceeds therefrom, will be sufficient to pay or discharge such obligations in full).

“Lien” means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such property or asset and any other right of or arrangement with any creditor to have its claims satisfied out of any property or assets, or the proceeds therefrom, prior to any general creditor of the owner thereof.

“Public External Indebtedness” means bonds, debentures, notes or other similar investment securities of ours or any other person evidencing indebtedness for borrowed moneys of, or any guarantees thereof, which (a) are either (i) by their terms payable, or confer a right to receive payment, in any currency other than Japanese yen or (ii) denominated in Japanese yen and more than 50% of the aggregate principal amount thereof is initially distributed outside of Japan by or with the authorization of the issuer thereof; and (b) are capable of being or are intended to be, quoted, listed, ordinarily dealt in or traded on a stock exchange or over-the-counter or other securities market outside Japan.

Events of Default and Remedies

Holders of the notes will have certain rights if an event of default occurs. References to an event of default mean any of the following:

- (a) we default for more than 30 days in the payment of interest or Additional Amounts in respect of any of the notes;
- (b) we fail to pay principal of or premium, if any, on the notes when that principal or premium, if any, is due and payable;
- (c) we default in the performance or observance of any covenant, condition or provision contained in the notes or in the Indenture for a period of 60 days after written notification requesting that we remedy such default shall first have been given to us (and to the trustee in the case of notice by the holders referred to below) by the trustee or holders of at least 25% in principal amount of the then outstanding notes;
- (d) we or any Significant Subsidiary (as defined below) becomes bound as a consequence of a default in respect of any indebtedness for borrowed moneys having a total principal amount then outstanding of at least \$10,000,000 (or its equivalent in any other currency or currencies) contracted or incurred prematurely to repay the same, or we or any Significant Subsidiary have defaulted in the repayment of any such indebtedness contracted or incurred at the later of the maturity thereof or the expiration of any applicable grace period therefor, or we or any Significant Subsidiary have failed to pay when properly called upon to do so, and after the expiration of any applicable grace period, any guarantee contracted or incurred by us or any Significant Subsidiary of any such indebtedness in accordance with the terms of any such guarantee; provided, however, that, prior to any judgment, if any such default is cured under such indebtedness, or it is waived by the holders of such indebtedness, in each case as may be permitted under the terms of such indebtedness, then such event of default shall be deemed to have been thereupon cured or waived;
- (e) a final and non-appealable order of a court of competent jurisdiction is made or an effective resolution of us is passed for our winding-up or dissolution except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction under which the continuing corporation or the corporation formed as a result thereof effectively assumes our entire obligations under the Indenture in relation to the notes;
- (f) an encumbrancer shall have taken possession, or a trustee or receiver shall have been appointed, in bankruptcy, civil rehabilitation, reorganization or insolvency of us, of all or substantially all of our assets and undertakings and such possession or appointment shall have continued undischarged and unstayed for a period of 60 days;
- (g) we stop payment (within the meaning of the bankruptcy laws of Japan) or (otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction) cease to carry on business or are unable to pay our debts generally as and when they fall due;
- (h) a decree or order by any court having jurisdiction shall have been issued adjudging us bankrupt or insolvent, or approving a petition seeking with respect to us reorganization or liquidation under bankruptcy, civil rehabilitation, reorganization or insolvency laws of Japan, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or
- (i) we initiate or consent to proceedings relating to us under bankruptcy, civil rehabilitation, reorganization or insolvency law of Japan or shall make a conveyance or assignment for the benefit of, or shall enter into any composition with, our creditors generally.

If an event of default with respect to the notes occurs and is continuing, then in every such case (other than an event of default specified in (g) or (h) above) the trustee or the holders of not less than 25% in principal amount of the outstanding notes may, and the trustee if requested in writing by holders of not less than 25% in principal amount of the outstanding notes shall, declare the principal amount of all the notes to be due and payable immediately, by a notice in writing to us (and to the trustee if given by holders), and upon any such declaration such principal amount shall become immediately due and payable.

Notwithstanding the foregoing, in the case of an event of default arising under subsection (g) or (h) above, the principal of and interest on all outstanding notes will become immediately due and payable without further action or notice.

“Significant Subsidiary” means any subsidiary (i) whose revenue, as shown by the latest audited financial statements of such subsidiary, constitute at least 10% of the consolidated revenue of us and our consolidated subsidiaries as shown by our latest audited consolidated financial statements or (ii) whose gross assets, as shown by the latest audited financial statements of such subsidiary, constitute at least 10% of the gross assets of us and our consolidated subsidiaries as shown on our latest audited consolidated financial statements.

Limitation on Suits

Other than the right to institute a suit for the enforcement of the payment of principal of, premium, if any, or interest on (including, in each case, any Additional Amounts, if applicable), any notes after the applicable due date specified in the notes, no holder of any note has any right to institute any proceeding with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture, unless:

- such holder has previously given written notice to the trustee of a continuing event of default;
- the holders of not less than 25% in aggregate principal amount of the notes shall have made written request to the trustee to institute proceedings in respect of such event of default in its own name as trustee;
- such holder or holders have offered to the trustee indemnity and/or security and/or pre-funding satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such written request;
- the trustee for 60 days after its receipt of such notice, request and offer of indemnity and/or security and/or pre-funding has failed to institute any such proceeding; and
- no direction inconsistent with such written request has been given to the trustee during such 60-day period by the holders of a majority in aggregate principal amount of the notes.

Discharge, Defeasance and Covenant Defeasance

We have the ability to eliminate most or all of our obligations on the notes prior to maturity if we comply, among other conditions, with the following provisions:

Discharge of Indenture. We may discharge all of our obligations, other than as to transfers and exchanges, under the Indenture after we have:

- (i) paid or caused to be paid the principal of and interest on all of the outstanding notes in accordance with their terms;
- (ii) delivered to the notes registrar for cancellation all of the outstanding notes; or
- (iii) irrevocably deposited with the trustee (or its agent) cash or U.S. government obligations in trust for the benefit of the holders of notes issued under the Indenture that have either become due and payable, or are by their terms due and payable, or are scheduled for redemption, within one year, in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on those notes. However, the deposit of cash or U.S. government obligations for the benefit of holders of notes that are due and payable, or are scheduled for redemption, within one year will discharge obligations under the Indenture relating only to such notes.

Defeasance of the Notes at Any Time. We may also discharge all of our obligations, other than as to transfers and exchanges, under the notes at any time (“Defeasance”). Alternatively, we may be released with respect to the notes from the obligations imposed by the covenants described above limiting the creation of security interests on assets, consolidations, mergers, asset sales and leases, and elect not to comply with those sections without creating an event of default (“Covenant Defeasance”).

Defeasance or Covenant Defeasance may be effected with respect to the notes only if, among other things:

- (i) we irrevocably deposit with the trustee (or its agent) cash or U.S. government obligations as trust funds in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on the notes; and

- (ii) we deliver to the trustee an opinion of counsel of recognized standing to the effect that:
 - (a) the beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Defeasance or Covenant Defeasance; and
 - (b) the beneficial owners will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Defeasance or Covenant Defeasance had not occurred.

In the case of a Defeasance, the opinion must be based on a ruling of the U.S. Internal Revenue Service or a change in U.S. federal income tax law occurring after the date of this offering circular.

Further Issuances

We reserve the right, from time to time, without the consent of the holders of the notes, to issue additional notes on terms and conditions identical to those of the notes offered hereby (other than the issue date, the issue price and, in some cases, the first interest payment date), which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the notes; provided, however, that if any additional notes are not fungible with the notes offered hereby for U.S. federal income tax purposes, such additional notes will have a separate CUSIP, ISIN, Common Code and/or similar identifying number from the notes offered hereby.

Indemnification of Judgment Currency

We will indemnify the trustee and each holder of a note to the full extent permitted by applicable law against any loss incurred by the trustee and the holder as a result of any judgment or order being given or made for any amount due under the notes and the judgment or order being expressed and paid in a currency, referred to as judgment currency, other than U.S. dollars and as a result of any variation as between (a) the rate of exchange at which the U.S. dollar is converted into the judgment currency for the purpose of the judgment or order and (b) the spot rate of exchange in The City of New York at which the trustee and the holder on the date that payment is made pursuant to the judgment or order is able to purchase U.S. dollars with the amount of the judgment currency actually received by the trustee and the holder.

Modification and Waiver

Modification and amendment of the notes and the Indenture may be made by us and the trustee with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding notes; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding note affected thereby:

- (i) change the maturity date of the principal or payment date of any interest or change any obligation of ours to pay any Additional Amounts,
- (ii) reduce the principal amount of, or rate of interest on, any note,
- (iii) affect the rights of holders of less than all the outstanding notes,
- (iv) change the place of payment where, or the coin or currency in which, any note or interest thereon is payable, or
- (v) impair the right of a holder to institute suit for the enforcement of any payment on or with respect to any note on or after the date when due;

provided, further, that no such modification may, without the consent of the holders of all notes outstanding at the time, alter the respective percentages of outstanding notes necessary, pursuant to the Indenture, to modify the terms of the notes, waive past defaults or accelerate the payment of the principal amount of the notes.

It shall not be necessary for any act of holders under the relevant section of the Indenture to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such act shall approve the substance thereof.

Notwithstanding the foregoing, without the consent of any holders of the notes, we and the trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Indenture, in form reasonably satisfactory to the trustee, for any of the following purposes:

- (i) to secure the notes, provided it does not breach the negative pledge,

- (ii) to evidence the succession of another corporation, entity or person to us and the assumption by any such successor of our covenants in the Indenture and the notes,
- (iii) to add to our covenants or to surrender any right or power in the Indenture conferred upon us for the benefit of the holders of the notes,
- (iv) to evidence and provide for the acceptance of appointment under the Indenture by a successor trustee,
- (v) to cure any ambiguity, to correct or supplement any provision in the Indenture which may be defective or inconsistent with any other provision in the Indenture or applicable laws, or to make any other provisions with respect to matters or questions arising under the Indenture, provided that such action shall not adversely affect the interests of the holders of the notes in any material respect,
- (vi) to establish the forms or terms of any subsequent series of debt securities to be issued under the Indenture, or
- (vii) to make any other change that does not adversely affect the interests of the holders of the notes in any material respect.

Paying and Transfer Agent and Notes Registrar

The Bank of New York Mellon, located at 240 Greenwich Street, New York, NY 10286, United States of America, will initially act as paying and transfer agent and notes registrar for the notes (collectively, the “agent”). We may change the paying agent, transfer agent or notes registrar without prior notice to the holders of the notes, and we or any of our subsidiaries may act as paying agent, transfer agent or notes registrar.

For so long as the notes are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, we will appoint and maintain a paying agent in Singapore, where the notes may be presented or surrendered for payment or redemption in the event that the global notes are exchanged for definitive notes. In addition, in the event that the global notes are exchanged for definitive notes, an announcement of such exchange shall be made by or on behalf of us through the Singapore Exchange and such announcement will include all material information with respect to the delivery of the definitive notes, including details of the paying agent in Singapore.

The Trustee

The trustee, The Bank of New York Mellon, is organized under the laws of the United States, with offices located at 240 Greenwich Street, New York, NY 10286, United States of America. The Indenture provides that during the existence of an event of default with respect to the notes, the trustee will exercise the rights and powers vested in it by the Indenture, and use the same degree of care and skill in the exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. In the absence of an event of default with respect to the notes, the trustee need only perform the duties specifically set forth in the Indenture.

The Indenture does not contain limitations on the rights of the trustee under the Indenture, should it be or become a creditor of ours, to obtain payment of claims. The trustee is not precluded from engaging in other transactions with us.

The trustee will be under no obligation to exercise any rights or powers vested in it by the Indenture at the request or direction of any holder, unless the requisite number of holders have instructed the trustee in writing and offered to the trustee security and/or indemnity and/or pre-funding reasonably satisfactory to it against the costs, expenses (including the properly incurred fees and expenses of its counsel) and liabilities which might be incurred by it in compliance with such request or direction.

Successor Trustee

Any successor trustee appointed pursuant to the terms of the Indenture shall have a combined capital and surplus of not less than \$50,000,000 and shall be a bank or trust company organized and doing business under the laws of the United States or of the State of New York, in good standing and having an office in the Borough of Manhattan, The City of New York.

Repayment of Funds

Any money deposited by us with the trustee or a paying agent in trust for payment of principal of or interest and any Additional Amounts on any note which remains unclaimed for two years after such principal,

interest or Additional Amounts have become due and payable and paid to the trustee shall, upon our written request, be repaid to us and all liability of the trustee or such paying agent with respect to such payments will cease, and to the extent permitted by law, the holder of that note shall thereafter look only to us for payment thereof.

Reporting Requirements

For as long as any notes are outstanding, we will promptly furnish to the trustee (for the benefit of the holders of the notes):

(i) (x) within three months after the end of each fiscal year, our consolidated statements of financial position and consolidated statements of profit or loss, changes in equity and cash flows in English and (y) within six months after the end of each fiscal year, an annual report in English including our consolidated statements of financial position and consolidated statements of profit or loss, changes in equity and cash flows prepared in accordance with IFRS and audited by independent auditors; and

(ii) as soon as practicable after the end of each interim period (other than the last interim period of a fiscal year), our interim consolidated statements of financial position and consolidated statements of profit or loss and cash flows in English prepared in accordance with IFRS, *provided that* interim consolidated statements of cash flows will not be required if disclosure of interim consolidated statements of cash flows is not required for such corresponding interim period for companies listed on the main board of the Tokyo Stock Exchange pursuant to the listing rules or other regulations generally applicable to such companies.

To the extent any reports or other documents are published by us on our investor relations website for such reports or documents or any other publicly available electronic medium, such reports or other documents shall be deemed to have been furnished to the trustee and the holders of the notes.

Governing Law; Consent to Jurisdiction and Service of Process; Communications

The Indenture is and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

We have irrevocably submitted to the non-exclusive jurisdiction of the courts of any New York State or United States federal court sitting in the Borough of Manhattan, The City of New York with respect to any action that may be brought in connection with the Indenture or the notes. As long as any of the notes remain outstanding, we will at all times have an authorized agent with an office in the Borough of Manhattan, The City of New York upon whom process may be served in any action arising out of or relating to the Indenture or the notes. We have appointed Cogency Global Inc. with offices located at 122 East 42nd Street, 18th Floor, New York, NY 10168 as our initial agent for such purpose.

Book Entry, Delivery and Form

The notes will initially be issued to investors only in book-entry form. The notes sold in reliance on Regulation S under the Securities Act will be initially in the form of one or more fully-registered global notes (the “Regulation S global notes”), and the notes sold in reliance on Rule 144A under the Securities Act will initially be in the form of one or more fully-registered global notes (the “Rule 144A global notes”). The global notes will be issued and registered in the name of Cede & Co., acting as nominee for DTC, which will act as securities depository for the notes. The global notes will initially be deposited with The Bank of New York Mellon, acting as custodian for DTC.

The notes (including beneficial interests in the global notes) will be subject to certain restrictions on transfer set forth in the notes and the Indenture and will bear a legend regarding the restrictions as set forth under “Transfer Restrictions.” Under certain circumstances, transfers may be made only upon receipt by the trustee of a written certification (in the form provided in the Indenture).

Prior to the 40th day after the later of the commencement of the offering and the closing date, a beneficial interest in a Regulation S global note may be transferred to a person who takes delivery in the form of an interest in a Rule 144A global note upon receipt by the transfer agent of a written certification (in the form provided in the Indenture) from the transferor to the effect that the transferor (i) reasonably believes that the transferee is a QIB purchasing for its own account (or for the account of one or more QIBs over which account it exercises sole investment discretion) and (ii) has notified the transferee of the restrictions on transfer set forth under “Transfer Restrictions.”

Beneficial interests in a Rule 144A global note may be transferred to a person who takes delivery in the form of an interest in a Rule 144A global note without any written certification from the transferor or the transferee. Beneficial interests in a Rule 144A global note may be transferred to a person who takes delivery in the form of an interest in a Regulation S global note only upon receipt by the transfer agent of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in compliance with the restrictions on transfer set forth under “Transfer Restrictions” and pursuant to and in accordance with Rule 903 or 904 of Regulation S under the Securities Act.

Any beneficial interest in one of the global notes that is transferred to an entity that takes delivery in the form of an interest in another global note will, upon transfer, cease to be an interest in such global note and become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interest in such other global note for as long as it remains such an interest.

Persons that acquire beneficial ownership interests in the global notes will hold their interests through DTC in the United States or through Euroclear or Clearstream in Europe, if they are participants of those systems, or indirectly through organizations that are participants in those systems. Euroclear and Clearstream will hold omnibus positions on behalf of their participants through customers’ securities accounts in Euroclear’s and Clearstream’s names on the books of their respective depositories, which in turn will hold those positions in customers’ securities accounts in the depositories’ names on the books of DTC. Unless and until definitive notes are issued, the only holder of the notes will be Cede & Co., as nominee of DTC, or the nominee of a successor depository. Beneficial owners will be permitted to exercise their rights only indirectly through DTC, Euroclear, Clearstream and their participants.

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with it. DTC also facilitates the settlement among its participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in its participants’ accounts, eliminating the need for physical movement of securities certificates. Participants in DTC include Euroclear and Clearstream, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its participants and by the New York Stock Exchange, the American Stock Exchange and the National Association of Securities Dealers. Access to the DTC system is also available to others, such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions among its participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries. The Euroclear system is operated by Euroclear Bank SA/NV, a bank incorporated under the laws of the Kingdom of Belgium as the “Euroclear operator.” All operations are conducted by the Euroclear operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear operator. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the initial purchasers or their affiliates. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing Use of Euroclear and the related operating procedures of the Euroclear system and applicable Belgian law. The Euroclear terms and conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear operator acts under the Euroclear terms and conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities

transactions between its participants through electronic book-entry changes in accounts of its participants, eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Monetary Institute. Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the initial purchasers or their affiliates. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant, either directly or indirectly.

Purchases of notes within the DTC system must be made by or through the DTC participants, which will receive a credit for the notes on DTC's records and on the records of Euroclear or Clearstream, if applicable. The ownership interest of each actual purchaser of notes, a beneficial owner of an interest in a global note, is in turn to be recorded on the DTC participants' and indirect participants' records.

Beneficial owners of interests in a global note will not receive written confirmation from DTC, Euroclear or Clearstream of their purchases, but they are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the DTC participants or indirect participants through which they purchased the notes. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of the DTC participants and indirect participants acting on behalf of beneficial owners of interests in a global note. Beneficial owners of interests in a global note will not receive certificates representing their ownership interests in the notes unless use of the book-entry system for the notes is discontinued.

DTC's Procedures for Notices, Voting and Payments

So long as DTC, or its nominee, is the registered owner or holder of a global note, DTC or that nominee, as the case may be, will be considered the sole owner or holder of the notes represented by the global note for all purposes under the notes and the Indenture. No beneficial owner of an interest in a global note will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture.

DTC has advised us that it will take any action permitted to be taken by a holder of notes, including the presentation of notes for exchange as described below, only at the direction of one or more of its participants to whose account DTC's interests in the global notes are credited and only in respect of that portion of the aggregate principal amount of notes as to which that participant or participants has or have given the direction.

Conveyance of notices and other communications by DTC to its participants, by those participants to its indirect participants, and by participants and indirect participants to beneficial owners of interests in a global note will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

In considering the interests of holders of the notes while title to the notes is registered in the name of a nominee of DTC, the trustee, the transfer agent, the paying agent and the notes registrar may (but will not be obliged to) rely conclusively upon any information made available to it by DTC as to the identity (either individually or by category) of its participants with entitlements to notes and may (but will not be obliged to) consider such interests as if such accountholders were the holders of the notes.

The paying agent will make payments of principal of and interest on the notes and send any notices in respect of the notes held in book-entry form to Cede & Co.

Payment of principal of and interest on the notes held in book-entry form will be made to Cede & Co. or another nominee of DTC in immediately available funds. DTC's practice is to credit its participants' accounts on the relevant payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on that payment date. Payments by DTC's participants and indirect participants to beneficial owners of interests in a global note will be governed by standing instructions and customary practices, and will be the responsibility of those participants and indirect participants and not of DTC or us, subject to any statutory or regulatory requirements that may be in effect from time to time. Payment of principal of and interest on the notes or other amounts to DTC is our responsibility, disbursement of these payments to participants is the responsibility of DTC, and disbursement of those payments to the beneficial owner of an interest in a global note is the responsibility of participants and indirect participants.

Except as described in this offering circular, a beneficial owner of an interest in a global note will not be entitled to receive physical delivery of notes. Accordingly, each beneficial owner of an interest in a global note must rely on the procedures of DTC to exercise any rights under the notes.

The laws of some states require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a global note to such persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of beneficial owners of interests in a global note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the global notes among participants, none of them is under any obligation to perform or continue to perform those procedures, and those procedures may be discontinued at any time. We will not have any responsibility for the performance by DTC, Euroclear, Clearstream or their participants or indirect participants under the rules and procedures governing them. DTC, Euroclear and Clearstream may discontinue providing their services as securities depository with respect to the notes at any time by giving notice to us. Under those circumstances, definitive notes would be delivered as described below.

The information in this section concerning DTC, Euroclear and Clearstream and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Exchange of Global Notes for Definitive Notes

No definitive notes will be issued in exchange for the global notes unless (i) DTC is at any time unwilling or unable to continue as a depository for the global notes or has ceased to be qualified to act as such as required by the Indenture and a successor depository is not appointed within 90 days or (ii) there shall have occurred and be continuing an event of default with respect to the notes and holders request the same in writing. Definitive notes delivered in exchange for beneficial interests in any global note will be registered in such names, and issued in such approved denominations, as directed by DTC or the successor depository, in accordance with its customary procedures, and will be issued without coupons.

The principal amount of the notes in definitive form will be payable by check, drawn on a bank in The City of New York, upon presentation and surrender of the notes at our offices or at the principal office of the paying agent in The City of New York or at such other place or places in the Borough of Manhattan, The City of New York as the trustee shall designate by notice to the holders of the notes. If we are acting as our own paying agent, interest on the notes in definitive form will be payable by check, drawn on a bank in The City of New York, mailed to the persons in whose names the notes, or one or more predecessor notes, are registered on each interest payment record date. Notwithstanding the foregoing, the person in whose name a note is registered may elect to receive payments of principal or interest by wire transfer in immediately available funds to a bank account in The City of New York designated by such person in a written notice received by the trustee (a) in the case of a payment of interest, no later than 15 calendar days prior to the interest payment date on which such payment is due and (b) in the case of payment of principal on the maturity date, no later than 15 calendar days prior to the maturity date, provided that in the case of such payment of principal, the note shall have been surrendered to the paying agent for payment together with such notice.

Enforcement

For the purposes of enforcement of the provisions of the Indenture against the trustee, the persons named in a certificate of the holder of any global note in respect of which a global note is issued will be recognized as the beneficiaries of the Indenture, to the extent of the principal amounts of their interests in the notes set out in the certificate of the holder, as if they were themselves the holders of the notes in such principal amounts.

Clearance and Settlement

The notes have been accepted for clearance through DTC, Euroclear and Clearstream.

Minimum Board Lot Size on the Singapore Exchange

The notes will be traded on the Singapore Exchange in a minimum board lot size of \$200,000 for so long as any of the notes are listed on the Singapore Exchange.

TAXATION

The following summaries are not intended to be a complete analysis of the tax consequences under Japanese or United States law as a result of the acquisition, ownership and sale of notes by investors. Potential investors should consult their own tax advisers on the tax consequences of acquisition, ownership, sale, and other relevant circumstances concerning the notes, including specifically the applicable tax consequences under Japanese or United States law, the law of the jurisdiction of their country of residence (if different) and any tax treaty between Japan and their country of residence.

Japanese Taxation

The following description is a summary of Japanese tax consequences (limited to national taxes) to holders of the notes, principally relating to such holders that are individual non-residents of Japan or non-Japanese corporations, having no permanent establishment in Japan, and applicable to interest and profit from redemption (as defined below) with respect to the notes, as well as to certain aspects of capital gains, inheritance and gift taxes.

The statements regarding Japanese tax laws set out below are based on the laws in force and as interpreted by the Japanese taxation authorities as at the date hereof and are subject to changes in the applicable Japanese laws or tax treaties, conventions or agreements or in the interpretation thereof after that date. Prospective investors should note that the following description of Japanese taxation is not exhaustive.

Interest and Profit from Redemption

Interest payments on the notes will be subject to Japanese withholding tax unless it is established that the notes are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours, (ii) a Japanese designated financial institution as described in Article 6, paragraph 11 of the Special Taxation Measures Act which complies with the requirement for tax exemption under that paragraph or (iii) a Japanese public corporation, financial institution, financial instruments business operator or certain other entity which has received such payments through a Japanese payment handling agent, as provided in Article 3-3, paragraph 6 of the Special Taxation Measures Act, in compliance with the requirement for tax exemption under that paragraph.

Interest payments on the notes to an individual resident of Japan, to a Japanese corporation, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours (except for the Japanese designated financial institution and the Japanese public corporation, financial institution, financial instruments business operator and certain other entity described in the preceding paragraph) will be subject to deduction in respect of Japanese income tax at a rate of 15.315% of the amount of such interest.

A legend containing a statement to the same effect as set forth in the preceding paragraphs will be printed on the relevant notes, as applicable, in compliance with the requirements of the Special Taxation Measures Act and regulations thereunder.

If the recipient of interest on the notes is a holder that is an individual non-resident of Japan or a non-Japanese corporation, having no permanent establishment in Japan, that in either case is not a specially-related person of ours, no Japanese income tax or corporation tax will be payable with respect to such interest whether by way of withholding, deduction or otherwise, if certain requirements are complied with, inter alia:

- (a) if the relevant notes are held through a participant in an international clearing organization, such as DTC, Euroclear and Clearstream, or through a financial intermediary, in each case, as prescribed by the Special Taxation Measures Act (each such participant or financial intermediary being referred to as a “Participant”), the requirement that such recipient, at the time of entrusting a Participant with the custody of the relevant notes, provide certain information prescribed by the Special Taxation Measures Act and the cabinet order and other regulations thereunder to enable the Participant to establish that the recipient is exempt from the requirement for Japanese tax to be withheld or deducted (the “Interest Recipient Information”), and advise the Participant if such recipient ceases to be so exempted (including where the recipient who is an individual non-resident of Japan or non-Japanese corporation becomes a specially-related person of ours), and that we prepare and file a certain confirmation prescribed by the Special Taxation Measures Act and the

cabinet order and other regulations thereunder with the competent local tax office in a timely manner based upon the Interest Recipient Information communicated through the Participant and the relevant international clearing organization; and

- (b) if the relevant notes are held not through a Participant, the requirement that such recipient submit to the relevant paying agent that makes payment of interest on the notes a Written Application for Tax Exemption, together with certain documentary evidence, at or prior to each time of receiving interest, and that we file the Written Application for Tax Exemption so received with the competent local tax office in a timely manner. If a recipient provides information required to be stated in the Written Application for Tax Exemption in an electronic form prescribed by the Special Taxation Measures Act and the cabinet order and other regulations thereunder, such recipient will be deemed to have submitted a Written Application for Tax Exemption to the paying agent.

Failure to comply with such requirements described above (including the case where the Interest Recipient Information is not duly communicated as required under the Special Taxation Measures Act and the cabinet order and other regulations thereunder) will result in the withholding by us of income tax at the rate of 15.315% of the amount of such interest.

The above-described exemption from Japanese income tax or corporation tax with respect to interest on the notes will not be applicable to any notes on which interest is calculated based on any of certain indices, including the amount of profits or assets of ours or a specially-related person of ours, as described in Article 6, paragraph 4 of the Special Taxation Measures Act and the cabinet order relating to the said paragraph 4 (“Taxable Linked Securities”).

If a recipient of interest on the notes is an individual non-resident of Japan or a non-Japanese corporation, having no permanent establishment in Japan, which is subject to Japanese withholding tax due to its status as a specially-related person of ours or for any other reason, (i) the rate of withholding tax may be reduced, generally to 10%, under an applicable tax treaty, convention or agreement, and (ii) if such recipient is not subject to Japanese tax under an applicable tax treaty, convention or agreement due to its status as a registered securities dealer in the relevant country, or for any other reason, no Japanese income tax or corporation tax will be payable with respect to such interest whether by way of withholding or otherwise; provided that, in either case (i) or (ii) above, such recipient shall submit required documents and information (if any) to the relevant tax authority.

If the recipient of any difference between the acquisition price of the notes and the amount which the holder receives upon redemption thereof (the “Profit from Redemption”) is a beneficial owner that is an individual non-resident of Japan or a non-Japanese corporation, having no permanent establishment in Japan, that in either case is not a specially-related person of ours, no income tax or corporation tax will be payable with respect to such Profit from Redemption.

Capital Gains, Inheritance and Gift Taxes

Gains derived from the sale of the notes, whether within or outside Japan, by a holder that is an individual non-resident of Japan or a non-Japanese corporation, having no permanent establishment in Japan, will not, in general, be subject to Japanese income or corporation tax.

Japanese inheritance and gift taxes at progressive rates may be payable by an individual who has acquired the notes as a legatee, heir or donee, even if the individual is not a Japanese resident.

No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable by holders of the notes in connection with the issue of the notes outside Japan.

Certain U.S. Federal Income Taxation

The following is a description of certain U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing of the notes, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person’s decision to acquire notes. This discussion applies to you only if you are a U.S. Holder who purchases notes in this offering at the “issue price,” which is the first price at which a substantial amount of the notes is sold to the public (not including bond houses, brokers or similar persons acting in the capacity of underwriters, placement agents or wholesalers), and who holds the notes as capital assets for U.S. federal income tax purposes. This discussion does not describe all of the

U.S. federal income tax consequences that may be relevant to you in light of your particular circumstances, including the special tax accounting rules set forth in Section 451(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), any minimum tax or Medicare contribution tax consequences, and differing tax consequences that may be applicable to you if you are, for instance:

- a financial institution;
- an insurance company;
- a regulated investment company or real estate investment trust;
- a dealer or trader in securities that uses a mark-to-market method of tax accounting;
- holding notes as part of a “straddle,” conversion transaction or integrated transaction;
- a person whose functional currency is not the U.S. dollar;
- holding notes in connection with a trade or business conducted outside the United States;
- an entity or arrangement treated as a partnership for U.S. federal income tax purposes; or
- a tax-exempt entity.

If you are an entity or arrangement treated as a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities. If you are a partnership or a partner in a partnership that will purchase or own notes, you should consult your tax advisor as to your particular U.S. federal income tax consequences of owning and disposing of the notes.

This summary is based on the Code, administrative pronouncements, judicial decisions, Treasury regulations, and the income tax treaty between the United States and Japan (the “Treaty”), changes to any of which subsequent to the date of this offering circular may affect the tax consequences described herein, potentially with retroactive effect. This summary does not address state, local or non-U.S. tax consequences, U.S. federal estate or gift tax consequences or any other consequences other than U.S. federal income tax consequences.

If you are considering the purchase of notes, you should consult your tax advisor with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

You are a U.S. Holder if for U.S. federal income tax purposes you are a beneficial owner of a note and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Interest

It is expected, and therefore this discussion assumes, that the notes will be issued without original issue discount for U.S. federal income tax purposes. Interest paid on a note will be taxable to you as ordinary income at the time it accrues or is received, in accordance with your method of accounting for U.S. federal income tax purposes. The amount of interest taxable as ordinary income will include amounts, if any, withheld in respect of Japanese taxes and any additional amounts paid with respect thereto as described under “Description of the Notes—Taxation and Additional Amounts.” See “—Japanese Taxation” for a discussion of the requirements for obtaining an exemption from Japanese withholding tax.

Interest paid on a note will constitute foreign-source income for U.S. federal income tax purposes. Subject to applicable limitations, some of which vary depending upon your particular circumstances, any Japanese income taxes withheld from interest payments on a note may be creditable against your U.S. federal income tax liability. However, Japanese withholding taxes on interest payments will not be creditable to the extent imposed due to a failure to provide the Interest Recipient Information or a Written Application for Tax Exemption (as described in “—Japanese Taxation”), or to the extent the taxes could have been reduced or eliminated under Japanese law or the Treaty. Because interest payments on the notes are generally exempt from Japanese withholding tax under the Treaty, if you are eligible for Treaty benefits you generally will not be entitled to a foreign tax credit for any Japanese tax withheld from interest payments on the notes. The rules governing foreign tax credits are complex. For example, Treasury regulations provide that, in the absence of an election to apply the benefits of an applicable income tax treaty, in order for foreign income taxes to be creditable, the relevant foreign income tax rules must be consistent with certain U.S. federal income tax principles, and we have not determined whether the Japanese income tax system meets these requirements. The U.S. Internal Revenue Service (the “IRS”) released notices that provide relief from certain of the provisions of the Treasury regulations described above for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). You should consult your tax advisor regarding the availability of foreign tax credits in your particular circumstances. Instead of claiming a credit, you may be able to deduct Japanese taxes (if any) in computing your taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all otherwise creditable foreign taxes paid or accrued in a taxable year.

Sale or Other Taxable Disposition of the Notes

Upon the sale or other taxable disposition of a note, you will recognize taxable gain or loss equal to the difference between the amount realized on the sale or disposition and your tax basis in the note. For these purposes, the amount realized does not include any amount attributable to accrued interest, which is treated as described under “—Interest” above. Your tax basis in a note will generally equal the amount you paid for such note.

Gain or loss realized on the sale or other taxable disposition of a note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of the sale or disposition the note has been held for more than one year. Long-term capital gains recognized by non-corporate taxpayers are eligible to be taxed at rates lower than those applicable to ordinary income. The deductibility of capital losses is subject to limitations. Gain or loss generally will be U.S.-source for purposes of computing your foreign tax credit limitation.

Backup Withholding and Information Reporting

Information reports may be required to be filed with the IRS in connection with payments on the notes and proceeds received from a sale or other disposition of the notes, unless you are an exempt recipient and demonstrate that fact, if required. You may also be subject to backup withholding on these payments and proceeds unless you provide your taxpayer identification number and otherwise comply with applicable requirements of the backup withholding rules or, if required, you provide proof of an applicable exemption. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Foreign Financial Asset Reporting

Certain U.S. Holders who are individuals (or certain specified entities) may be required to report information relating to the notes or non-U.S. financial accounts through which the notes may be held. You should consult your tax advisor regarding your reporting obligations with respect to the notes.

CERTAIN BENEFIT PLAN INVESTOR CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the notes, including beneficial interests in the notes, by (i) “employee benefit plans” within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), that are subject to Title I of ERISA, (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or provisions under any other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “Similar Laws”), and (iii) entities whose underlying assets are considered to include “plan assets” of any of the foregoing described in clauses (i) and (ii) (each of the foregoing described in clauses (i), (ii) and (iii) referred to herein as, a “Plan”).

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (a “Covered Plan”), and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Covered Plan or the management or disposition of the assets of such a Covered Plan, or who renders investment advice for a fee or other compensation to such a Covered Plan, is generally considered to be a fiduciary of the Covered Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control, conflicts of interest and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. A fiduciary of a Plan should consider the Plan’s particular circumstances and all of the facts and circumstances of the investment, including, but not limited to, the matters discussed above under “Risk Factors,” in determining whether an investment in the notes satisfies these requirements.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest,” within the meaning of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code. In addition, the fiduciary of the Covered Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code, and the transaction may need to be reversed.

The acquisition and/or holding of the notes (including beneficial interests in the notes) by a Covered Plan with respect to which we, an initial purchaser or any of our or their respective affiliates is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the notes are acquired and held in accordance with an applicable statutory or administrative prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued certain prohibited transaction class exemptions (“PTCEs”) that potentially may apply to the acquisition and holding of the notes or interests. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code for certain transactions including an issuance of securities, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Covered Plan involved in the transaction and provided further that the Covered Plan pays no more than, and receives no less than, adequate consideration in connection with the transaction. Each of the above-noted exemptions contains conditions and limitations on its application. Each fiduciary of a Covered Plan considering acquiring and/or holdings the notes (including beneficial interests in the notes) in reliance on any of these exemptions or any other exemption should carefully review the exemption in consultation with its legal advisors to assure it is applicable. There can be no assurance that any

such exemption will be available, or that all of the conditions of any such exemption will be satisfied, with respect to transactions involving the notes.

Plans (including entities) that are (or whose assets constitute the assets of) governmental plans (as defined in Section 3(32) of ERISA), church plans (as defined in section 3(33) of ERISA) that have not made an election under Section 410(d) of the Code and non-United States plans, while generally not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, may be subject to Similar Laws. Fiduciaries of any such Plans should consult with their legal advisors regarding the potential consequences of an investment in the notes under any applicable Similar Laws before purchasing any notes or beneficial interests therein.

Because of the foregoing, the notes (including beneficial interests in the notes) should not be purchased or held by any person investing the assets of any Plan, unless such purchase and holding will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or a violation of any applicable Similar Laws.

Representation

By acceptance of the notes or any beneficial interest therein, each purchaser and subsequent transferee of the notes will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to purchase or hold the notes (or any beneficial interest therein) constitutes assets of any Plan or (ii) the purchase, holding and subsequent disposition of the notes (or any beneficial interest therein) by such purchaser or transferee will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws, and none of us, the initial purchasers or any of our or their respective affiliates or representatives is a fiduciary of, or has been relied upon for any investment advice by, such purchaser or transferee in connection with its purchase, holding and disposition of the notes (or any beneficial interest therein), unless a statutory or administrative exemption applies (all of the applicable conditions of which are satisfied) or the transaction is not otherwise prohibited.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions or other violations, it is particularly important that fiduciaries or other persons considering purchasing or holding the notes (including any beneficial interest therein) on behalf of, or with the assets of, any Plan, consult with their advisors regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be necessary for, and if so applicable to, the purchase and/or holding of the notes.

Nothing herein may be construed as a representation or recommendation that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan or that such an investment is appropriate or advisable for Plans generally or any particular Plan.

Each purchaser and holder of the notes (including beneficial interests in the notes) has the exclusive responsibility for ensuring that its purchase and holding of the notes complies with the fiduciary responsibility rules of Title I of ERISA and does not violate the prohibited transaction rules of ERISA or Section 4975 of the Code or provisions of any applicable Similar Laws. Neither this discussion nor anything provided in this offering circular is or is intended to be investment advice directed at any potential Plan purchasers or at Plan purchasers generally and such purchasers of any notes (or beneficial interests therein) should consult and rely on their own advisors as to whether an investment in the notes is suitable for the Plan.

TRANSFER RESTRICTIONS

Because of the following restrictions, investors are advised to consult legal counsel prior to making any reoffering, resale, pledge or transfer of the notes.

The offering is being made in accordance with Rule 144A and Regulation S under the Securities Act. The notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction and, accordingly, may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except as set forth below.

Rule 144A Notes

Each purchaser of the notes offered hereby in reliance on Rule 144A will be deemed to have represented and agreed as follows:

- (1) It (A) is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act, or a QIB, (B) is aware that the sale of the notes to it is being made in reliance on Rule 144A, and (C) is acquiring the notes for its own account or for the account of a QIB, as the case may be.
- (2) It understands that the notes have not been and will not be registered under the Securities Act and may not be offered, resold, pledged or otherwise transferred except as permitted by the legend set forth in paragraph (3) below.
- (3) It understands that the notes will bear a legend to the following effect, unless Olympus Corporation determines otherwise in compliance with applicable law:

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). THE HOLDER HEREOF AGREES FOR THE BENEFIT OF OLYMPUS CORPORATION (THE “COMPANY”) THAT THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE COMPANY, (2) TO A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)) OR A PERSON WHO THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER IN ACCORDANCE WITH RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, PROVIDED THAT, AS A CONDITION TO THE REGISTRATION OF THE TRANSFER THEREOF, THE COMPANY OR THE TRANSFER AGENT MAY REQUIRE THE DELIVERY OF ANY DOCUMENTS, INCLUDING AN OPINION OF COUNSEL, THAT IT, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION (IF AVAILABLE), OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND OTHER JURISDICTIONS. THE HOLDER HEREOF, BY, PURCHASING OR ACCEPTING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOTIFY ANY PURCHASER OF THIS NOTE FROM THE HOLDER OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.”

- (4) Either (a) it is not, and is not acting on behalf of or with the assets of, an “employee benefit plans” within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), that is subject to Title I of ERISA or a plan, individual retirement account and other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or provisions under any other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “Similar Laws”), or (b) its purchase, holding and subsequent disposition of the notes (or any beneficial interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or

a violation under any applicable Similar Laws, and none of the Company, the initial purchasers or any of their respective affiliates or representatives is a fiduciary of, or has been relied upon for any investment advice by, such purchaser in connection with its purchase, holding and disposition of the notes (or any beneficial interest therein), unless a statutory or administrative exemption applies (all of the applicable conditions of which are satisfied) or the transaction is not otherwise prohibited.

Regulation S Notes

Each purchaser of the notes offered hereby in reliance on Regulation S will be deemed to have represented and agreed as follows:

- (1) It is acquiring such notes in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act.
- (2) It understands that such notes have not been and will not be registered under the Securities Act and, until 40 days after the closing of the offering, may not be offered, resold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons except in transactions pursuant to an exemption from registration under the Securities Act.
- (3) It understands that the notes will bear a legend to the following effect, unless Olympus Corporation determines otherwise in compliance with applicable law:

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY JURISDICTION AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. OLYMPUS CORPORATION (THE “COMPANY”) HAS AGREED THAT THIS LEGEND SHALL BE DEEMED TO HAVE BEEN REMOVED ON THE 41ST DAY FOLLOWING THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE FINAL DELIVERY DATE WITH RESPECT THERETO.”

- (4) Either (a) it is not, and is not acting on behalf of or with the assets of, an “employee benefit plans” within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), that is subject to Title I of ERISA or a plan, individual retirement account and other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or provisions under any other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “Similar Laws”), or (b) its purchase, holding and subsequent disposition of the notes (or any beneficial interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws, and none of the Company, the initial purchasers or any of their respective affiliates or representatives is a fiduciary of, or has been relied upon for any investment advice by, such purchaser in connection with its purchase, holding and disposition of the notes (or any beneficial interest therein), unless a statutory or administrative exemption applies (all of the applicable conditions of which are satisfied) or the transaction is not otherwise prohibited.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions set forth in a purchase agreement, dated September 9, 2026, or the purchase agreement, between us and the initial purchasers named below, for whom J.P. Morgan Securities LLC and Citigroup Global Markets Inc. are acting as representatives, the initial purchasers have severally, and not jointly, agreed to purchase, and we have agreed to sell to the initial purchasers, the respective principal amount of the notes listed opposite their names below.

Initial purchasers	Principal amount of notes
J.P. Morgan Securities LLC	\$ 325,000,000
Citigroup Global Markets Inc.	175,000,000
Total	<u>\$ 500,000,000</u>

The initial purchasers have advised us that they propose initially to offer the notes at the issue price listed on the cover page of this offering circular. After the initial offering, the issue price, concessions or any other term of the offering may be changed. The initial purchasers have agreed to purchase the notes from us at a purchase price that reflects a discount from the issue price, and the initial purchasers will retain the difference between such purchase price and issue price as compensation.

The initial purchasers are entitled to be released and discharged from their obligations under, and to terminate, the purchase agreement in certain circumstances prior to paying us for the notes. If an initial purchaser defaults, the purchase agreement provides that the purchase commitments of the non-defaulting initial purchasers may be increased. The initial purchasers are offering the notes subject to their acceptance of the notes from us and subject to prior sale. The purchase agreement provides that the obligations of the several initial purchasers to pay for and accept delivery of the notes are subject to approval of certain legal matters by their counsel and to certain other conditions.

The purchase agreement provides that we will indemnify the initial purchasers and their affiliates against specified liabilities, including liabilities under the Securities Act, in connection with the offer and sale of the notes, and will contribute to payments the initial purchasers and their affiliates may be required to make in respect of those liabilities.

The notes are being offered by the initial purchasers or affiliates of certain of the initial purchasers outside the United States in offshore transactions to persons other than U.S. persons in reliance on Regulation S under the Securities Act and by the initial purchasers or their affiliates or other registered broker-dealers or selling agents in the United States to persons reasonably believed to be QIBs in reliance on Rule 144A under the Securities Act.

No Sale of Similar Securities

We have agreed that, during a period of 30 days following the date of the purchase agreement, we will not, without the prior written consent of the representatives of the initial purchasers, directly or indirectly, issue, sell, offer, contract or grant any option for the sale of, or otherwise transfer or dispose of, any other U.S. dollar-denominated senior debt securities of ours with a maturity greater than one year or any securities that are convertible into, or exchangeable for, the notes or such other U.S. dollar-denominated senior debt securities of ours.

Short Positions

In connection with this offering, the initial purchasers may purchase and sell the notes in the open market, subject to applicable laws and regulations. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves sales of notes in excess of the principal amount of notes to be purchased by the initial purchasers in this offering, which creates a short position for the initial purchasers. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the-counter market or otherwise. If the initial purchasers commence any of these transactions, they may discontinue them at any time.

The initial purchasers make no representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, the initial purchasers have no obligation to engage in these transactions, and these transactions, once commenced, may be discontinued at any time.

New Issue of the Notes

The notes are a new issue of securities with no established trading market. In addition, the notes are subject to certain restrictions on resale and transfer as described under “Certain Benefit Plan Investor Considerations” and “Transfer Restrictions.” Approval in-principle has been received for the listing of the notes on the Singapore Exchange. The notes will be traded on the Singapore Exchange in a minimum board lot size of \$200,000 for so long as the notes are listed on the Singapore Exchange. The initial purchasers have advised us that they presently intend to make a market in the notes after completion of this offering. Such market-making activity will be subject to the limits imposed by applicable laws. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. A liquid or active public trading market for the notes may not develop. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If such notes are traded, they may trade at a discount from the initial offering price, depending on the market for similar securities, our performance and other factors. See “Risk Factors—Risks Relating to the Notes—There is no prior market for the notes, and the notes may have limited liquidity.”

Settlement

We expect that delivery of the notes will be made to investors on or about September 16, 2026, which will be the fifth New York business day following the date of this offering circular (such settlement being referred to as “T+5”). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the delivery of the notes hereunder may be required, by virtue of the fact that the notes initially settle in T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery hereunder should consult their advisors.

Selling Restrictions

General

No action has been or will be taken by us that would permit a public offering of the notes, or possession or distribution of this offering circular, any amendment or supplement thereto, or any other offering or publicity material relating to the notes in any country or jurisdiction where, or in any circumstances in which, action for that purpose is required. Accordingly, the notes may not be offered or sold, directly or indirectly, and neither this offering circular nor any other offering or publicity material relating to the notes may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with applicable laws and regulations.

United States

The notes have not been registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S) or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The initial purchasers or U.S. affiliates of the initial purchasers may arrange for the sale of a portion of the notes in the United States exclusively to persons reasonably believed by them to be QIBs (as defined in Rule 144A) in reliance on the exemption from registration provided by Rule 144A under the Securities Act, and each United States purchaser of the notes is hereby notified that the offer and sale of the notes to it is being made in reliance upon such exemption. The offering of the notes to persons other than U.S. persons will be made outside the United States in offshore transactions in compliance with Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of the notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer is made otherwise than pursuant to Rule 144A under the Securities Act or another exemption from registration under the Securities Act. Each purchaser of the notes will be deemed to have made acknowledgements, representations and agreements as described under “Transfer Restrictions.”

Japan

The notes have not been and will not be registered under the FIEA, and are subject to the Special Taxation Measures Act. Each of the initial purchasers has represented and agreed that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any of the notes in Japan or to, or for the benefit of, any resident of Japan (which term as used in this item (i) means any person that is a resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan; and (ii) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any of the notes as part of its distribution under the purchase agreement at any time, to, or for the benefit of, any person other than a beneficial owner that is, (a) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours or (b) a Japanese financial institution, designated in Article 3-2-2, paragraph 29 of the Cabinet Order.

Member States of the European Economic Area

The notes may not be offered, sold, distributed or otherwise made available and will not be offered, sold, distributed or otherwise made available to any retail investor in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Directive (EU) 2016/97 where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by the PRIIPs Regulation, for offering, selling or distributing the notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering, selling or distributing the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United Kingdom

The notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA.

Consequently, no disclosure document required by DISC for offering, selling or distributing the notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

This offering circular is for distribution only to persons who are outside the UK or who are inside the UK and (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all of these persons together being referred to as “relevant persons”). This offering circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering circular relates is available only to relevant persons and will be engaged in only with relevant persons.

Hong Kong

The contents of this offering circular have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this offering circular, you should obtain independent professional advice.

The notes have not been, and will not be, offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” within the meaning of section 1 of Part 1 of Schedule 1 to the Securities

and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”), and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”), or which do not result in the document offering any shares or debentures to the public for subscription or purchase for cash or other consideration or calculated to invite offers by the public to subscribe for or purchase for cash or other consideration any shares or debentures or otherwise constitute an offer to the public within the meaning of the C(WUMP)O. No advertisement, invitation or document relating to the notes that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been or may be issued, or in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of section 1 of Part 1 of Schedule 1 to the SFO and any rules made under the SFO.

Notice to Prospective Investors in Singapore

No document or material has been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, no document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

- (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; or
- (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Switzerland

The offering of the notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act (the “FinSA”). This offering circular does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the notes.

The notes will not be listed or admitted to trading on the SIX Swiss Exchange or on any other trading venue (exchange or multilateral trading facility) in Switzerland.

Neither this offering circular nor any other offering or marketing material relating to the offering, the notes or the issuer has been or will be filed with or approved by any Swiss regulatory authority. In particular, this offering circular will not be filed with, and the offer of the notes will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and investors in the notes will not benefit from protection or supervision by such authority.

Canada

The notes may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and that are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts*, or NI 33-105, the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Stamp Taxes and Other Charges

Purchasers of the notes offered by this offering circular may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase and in addition to the offering price on the cover page of this offering circular.

Other Relationships

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the initial purchasers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking and commercial banking services for us or our subsidiaries and affiliates, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities), financial instruments (including bank loans), currencies and commodities for their own account (including purchasing the notes for their own account) and for the accounts of their customers, and such investment and securities activities may involve securities, instruments or assets of ours or related to our business. If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their respective affiliates may also make investment recommendations and may publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

LEGAL MATTERS

Certain Japanese legal matters will be passed upon for us by Anderson Mori & Tomotsune. The validity of the notes and certain U.S. legal matters will be passed upon for us by Davis Polk & Wardwell LLP and for the initial purchasers by Skadden, Arps, Slate, Meagher & Flom LLP, in each case in respect of New York state and U.S. federal securities law.

INDEPENDENT AUDITOR

Our consolidated financial statements as of March 31, 2025 and for the year then ended, and as of March 31, 2026 and for the year then ended included in this offering circular have been audited by Ernst & Young ShinNihon LLC, an independent auditor, as stated in their reports appearing herein.

With respect to our unaudited condensed quarterly consolidated financial statements as of June 30, 2026 and for the three-month period then ended included in this offering circular, Ernst & Young ShinNihon LLC has applied limited procedures in accordance with review standards for interim financial statements generally accepted in Japan. However, their review report with respect thereto, included herein, states that a review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan. Therefore, the degree of reliance on their report on such unaudited condensed quarterly consolidated financial statements should be restricted in light of the limited nature of the review procedures applied.

LISTING

Approval in-principle has been received for the listing of the notes on the Official List of the Singapore Exchange. For so long as the notes are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, in the event that the global note is exchanged for definitive notes, we will appoint and maintain a paying agent in Singapore, where the definitive notes in respect of such notes may be presented or surrendered for payment or redemption. In addition, in the event that the global note is exchanged for definitive notes, an announcement of such exchange will be made by us or on our behalf through the Singapore Exchange and such announcement will include all material information with respect to the delivery of the definitive notes, including details of the paying agent in Singapore.

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Note: This offering circular does not represent "Other Information" as described in the independent auditor's reports. Other information is defined in Revised Auditing Standards Committee Statement 720, "The Auditor's Responsibilities Relating to Other Information" issued by Japanese Institute of Certified Public Accountant.

Independent Auditor's Report

The Board of Directors
Olympus Corporation

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Olympus Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill of the Surgical & Interventional Solutions Division segment	
Description of Key Audit Matter	Auditor's Response
As described in (2) Impairment test for goodwill in Note 16 "Impairment of Non-financial Assets" to the Consolidated Financial Statements, Olympus Corporation (the Company) performed an impairment test for goodwill related to the Surgical & Interventional Solutions Division segment (cash generating unit) in the fiscal year ended March 31, 2026. As of March 31, 2026, the amount of goodwill for the Surgical & Interventional Solutions Division segment was ¥179,576 million (11.7% of total assets of the Consolidated Statement of Financial Position). In performing the impairment test for goodwill related to the Surgical & Interventional Solutions Division segment, the Company measures the recoverable amount based on value in use. Value in use is determined by discounting to present value the cash flows based on the business plan approved by management having a maximum term of five years as well as the terminal value, which is based on the growth rates after the term of the business plan. The main assumptions in determining value in use are as follows.	In considering the valuation of goodwill of the Surgical & Interventional Solutions Division segment, we performed the following audit procedures, among others: • We made inquiries of management and reviewed the minutes of the board of directors and other meetings to gain an understanding of strategies in the Surgical & Interventional Solutions Division, which is the basis of the business plan having a maximum term of five years. We made inquiries of management and discussed the following matters: • The consistency between the Corporate Strategy announced by the Company in November 2025 and the strategies in the Surgical & Interventional Solutions Division • The impact of the progress and future outlook of the improvement plan regarding the findings raised in the FDA warning letters, Import Alerts, and the latest FDA

• Growth rate and operating margin in the business plan • Discount rate These main assumptions involve uncertainty associated with management estimates and have a significant impact on determining value in use. Of these assumptions, the growth rate and the operating margin in the business plan are based on growth through the expansion of the Company's portfolio of treatment tools and devices, and dissemination of procedures. However, these are affected by the external environment, such as regulations on medical devices in the countries and regions where the Company operates its Surgical & Interventional Solutions Division, and competition with products of other companies. Selecting calculation methods and inputs for the discount rate requires a high degree of specialized knowledge in valuations. Considering that, in the fiscal year ended March 31, 2026, the costs associated with quality assurance and regulatory compliance for improvement activities implemented in response to the warning letters received from the United States Food and Drug Administration (FDA) in a prior fiscal year, the Import Alerts issued in the current fiscal year, and the latest FDA inspection continued to be incurred, along with heightened uncertainty in the external environment, we determined the valuation of goodwill of the Surgical & Interventional Solutions Division segment to be a key audit matter.	inspection on development activities on new products, the timing of product launch into the market, and estimates of future costs related to improvement activities • With regard to markets that have a significant impact on determining value in use, we compared the growth rate and operating margin used in the business plan with past results, market forecasts, and available external data. We also compared estimates of expenses to meet FDA requirements with related expenses and inspected and obtained an understanding of the estimated costs to be incurred in the future. We performed our own sensitivity analysis in which a certain level of stress was placed on risk factors included in the assumptions. • We involved valuation specialists from our network firms and performed the following procedures: • Regarding the discount rate, we compared the discount rate with the range set by the valuation specialists and evaluated the reasonableness of the method used to determine the discount rate and the reliability of external data used as the basis of determination. • We evaluated the reasonableness of the method used to determine value in use.
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Examination of expenses for organizational transformation and personnel optimization measures	
Description of Key Audit Matter	Auditor's Response
As described under Note 30 "Other Income and Other Expenses" to the Consolidated Financial Statements in the fiscal year ended March 31, 2026, the Company recorded ¥26,872 million for expenses for organizational transformation and personnel optimization measures in "Other expenses." On November 7, 2025, the Company announced a Corporate Strategy aimed at achieving sustainable growth. In order to steadily execute and achieve the objectives of this strategy, the Company decided to introduce a new operating model, and, accordingly, has determined to implement a global personnel optimization program. The program includes economic compensation for employees in applicable countries and regions. Management is required to exercise careful judgment in regards to the period that related expenses are recognized and their measurement methods, as these differ according to jurisdiction. Additionally, the total amount of these expenses has a significant impact on profit before tax.	In order to examine the reasonableness of the expenses related to transforming the organization on a global level and to implement personnel optimization measures, we performed the following audit procedures, among others: Overall • We made inquiries of management, inspected related materials, and obtained a management representation letter to consider whether estimates for the global personnel optimization program have been exhaustively recorded. Japan-specific • Regarding the economic compensation for employees in Japan, we selected samples from the economic compensation summary sheet as of March 31, 2026, inspected the application forms for the career support system for external opportunity or both the retirement terms notification letters and retirement agreement letters, reconciled them with the economic compensation summary sheet, and assessed the accuracy of the calculations in this sheet.

Therefore, we determined the examination of expenses for organizational transformation and personnel optimization measures to be a key audit matter.	• We reconciled the economic compensation summary sheet prepared by the accounting department with the list of employees scheduled to retire prepared by HR, and assessed the completeness of the sheet. • We assessed whether the list of employees scheduled to retire was consistent with the actual number of retirees after the reporting period. • We reconciled the expenses other than economic compensation with related evidence. Overseas subsidiaries-specific • Regarding the portion for overseas subsidiaries, we instructed the applicable component teams to consider the appropriateness of the timing of recognition and the reasonableness of the amounts recorded for the economic compensation and other compensation. We also held discussions and confirmed the amounts recorded with the component teams.
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Other Information

The other information comprises the information included in disclosure documents that contain audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to other information.

Responsibilities of Management, the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by IFRS Accounting Standards, matters related to going concern.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with IFRS Accounting Standards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements 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, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

The fees for the audits of the financial statements of Olympus Corporation and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2026 are 1,428 million yen and 68 million yen, respectively.

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 Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 7, 2026

/s/ Makoto Usui

Designated Engagement Partner
Certified Public Accountant

/s/ Masanori Enomoto

Designated Engagement Partner
Certified Public Accountant

/s/ Mitsuharu Konno

Designated Engagement Partner
Certified Public Accountant

Consolidated Statement of Financial Position
Olympus Corporation and Consolidated Subsidiaries
As of March 31, 2026

		(Millions of yen)	
	Notes	2025	2026
ASSETS			
Current assets			
Cash and cash equivalents	7,35	252,532	188,038
Trade and other receivables	8,35	204,183	236,833
Other financial assets	10,35, 40	2,392	28,421
Inventories	9	187,145	207,092
Income taxes receivable		4,382	13,255
Other current assets	11,40	28,475	32,669
Subtotal		679,109	706,308
Assets held for sale	12	449	—
Total current assets		679,558	706,308
Non-current assets			
Property, plant and equipment	13,40	263,340	287,209
Goodwill	14,40	180,593	194,238
Intangible assets	14	93,971	101,032
Retirement benefit asset	23	40,510	51,189
Investments accounted for using equity method	40	482	1,397
Trade and other receivables	8,35	64,200	84,223
Other financial assets	10,35	43,440	35,368
Deferred tax assets	37	65,400	70,716
Other non-current assets	11	1,779	5,482
Total non-current assets		753,715	830,854
Total assets		1,433,273	1,537,162

(Millions of yen)

	Notes	2025	2026
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade and other payables	17,35,40	61,420	80,646
Bonds and borrowings	18,35	94,985	79,876
Other financial liabilities	19,35	21,829	26,982
Income taxes payable		42,451	30,828
Provisions	20	16,001	16,318
Other current liabilities	21,22	188,680	202,224
Total current liabilities		425,366	436,874
Non-current liabilities			
Bonds and borrowings	18,35	134,117	159,700
Other financial liabilities	19,35	62,802	66,611
Retirement benefit liability	23	19,800	20,019
Income taxes payable		4,743	—
Provisions	20	2,095	9,632
Deferred tax liabilities	37,40	14,074	12,092
Other non-current liabilities	21,22	18,543	20,194
Total non-current liabilities		256,174	288,248
Total liabilities		681,540	725,122
Equity			
Share capital	24	124,643	124,643
Capital surplus	24	92,433	93,101
Treasury shares	24	(27,923)	(26,631)
Other components of equity	24	141,613	198,596
Retained earnings	24	420,967	422,331
Total equity attributable to owners of parent		751,733	812,040
Total equity		751,733	812,040
Total liabilities and equity		1,433,273	1,537,162

Consolidated Statement of Profit or Loss
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2026

		(Millions of yen)	
	Notes	2025	2026
Continuing operations			
Revenue	6,28	997,332	1,010,676
Cost of sales	9,13	313,635	356,586
	14,23		
Gross profit		683,697	654,090
Selling, general and administrative expenses	13,14	495,654	507,080
	23,29		
Share of profit (loss) of investments accounted for using equity method	6	466	(3,700)
Other income	30	5,246	11,345
Other expenses	16,30	31,293	57,535
Operating profit	6	162,462	97,120
Finance income	31,40	3,449	6,171
Finance costs	31,40	6,841	9,297
Profit before tax		159,070	93,994
Income taxes	37	41,270	25,822
Profit from continuing operations		117,800	68,172
Discontinued operation			
Profit from discontinued operation	34,41	55	—
Profit		117,855	68,172
Profit attributable to:			
Owners of parent		117,855	68,172
Profit		117,855	68,172
Earnings per share			
Basic earnings per share (yen)			
Continuing operations	32	102.94	61.32
Discontinued operation	32	0.05	—
Basic earnings per share	32	102.99	61.32
Diluted earnings per share (yen)			
Continuing operations	32	102.75	61.20
Discontinued operation	32	0.05	—
Diluted earnings per share	32	102.80	61.20

Consolidated Statement of Comprehensive Income
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2026

		(Millions of yen)	
	Notes	2025	2026
Profit		117,855	68,172
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	33	(78)	24
Remeasurements of defined benefit plans	33	3,123	5,296
Total of items that will not be reclassified to profit or loss	33	3,045	5,320
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	33	(9,630)	56,435
Cash flow hedges	33	2,194	524
Total of items that may be reclassified to profit or loss	33	(7,436)	56,959
Total other comprehensive income (loss)		(4,391)	62,279
Comprehensive income		113,464	130,451
Comprehensive income attributable to:			
Owners of parent		113,464	130,451
Comprehensive income		113,464	130,451

Consolidated Statement of Changes in Equity
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2025

(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
Profit						117,855	117,855
Other comprehensive income					(4,391)		(4,391)
Comprehensive income		–	–	–	(4,391)	117,855	113,464
Share repurchase	24			(100,002)			(100,002)
Disposal of treasury shares	24		(172)	172			0
Cancellation of treasury shares	24		(172,499)	172,499			–
Dividends from surplus	26					(20,981)	(20,981)
Transfer from retained earnings to capital surplus			172,431			(172,431)	–
Transfer from other components of equity to retained earnings					(3,123)	3,123	–
Share-based payment transactions	27		641	1,425			2,066
Total transactions with owners		–	401	74,094	(3,123)	(190,289)	(118,917)
Balance at March 31, 2025		124,643	92,433	(27,923)	141,613	420,967	751,733

For the fiscal year ended March 31, 2026

(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, 2025		124,643	92,433	(27,923)	141,613	420,967	751,733	751,733
Profit						68,172	68,172	68,172
Other comprehensive income					62,279		62,279	62,279
Comprehensive income		–	–	–	62,279	68,172	130,451	130,451
Share repurchase	24			(50,002)			(50,002)	(50,002)
Disposal of treasury shares	24		(98)	98			0	0
Cancellation of treasury shares	24		(49,032)	49,032			–	–
Dividends from surplus	26					(22,556)	(22,556)	(22,556)
Transfer from retained earnings to capital surplus			49,551			(49,551)	–	–
Transfer from other components of equity to retained earnings					(5,296)	5,296	–	–
Share-based payment transactions	27		247	2,164		3	2,414	2,414
Total transactions with owners		–	668	1,292	(5,296)	(66,808)	(70,144)	(70,144)
Balance at March 31, 2026		124,643	93,101	(26,631)	198,596	422,331	812,040	812,040

Note: Details of Share capital, Capital surplus, Retained earnings, Treasury shares and Other components of equity are described in Note “24. Share Capital and Other Components of Equity.”

Consolidated Statement of Cash Flows
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2026

		(Millions of yen)	
	Notes	2025	2026
Cash flows from operating activities			
Profit before tax		159,070	93,994
Profit before tax from discontinued operation	41	61	–
Depreciation and amortization		66,456	67,216
Impairment losses	16,30	3,636	12,085
Interest and dividend income		(3,308)	(2,522)
Interest expenses		4,628	4,816
Share of loss (profit) of investments accounted for using equity method		(466)	3,700
Decrease (increase) in trade and other receivables		(27,725)	(30,460)
Decrease (increase) in inventories		(3,410)	(10,666)
Increase (decrease) in trade and other payables		(1,926)	18,521
Increase (decrease) in retirement benefit liability		1,408	(498)
Decrease (increase) in retirement benefit asset		(1,197)	(735)
Increase (decrease) in provisions	20	(15,225)	6,068
Other		6,338	2,966
	Subtotal	188,340	164,485
Interest received		3,296	2,509
Dividends received		12	13
Interest paid		(4,194)	(4,048)
Income taxes refund (paid)		3,009	(62,374)
Net cash provided by operating activities		190,463	100,585

		(Millions of yen)	
	Notes	2025	2026
Cash flows from investing activities			
Purchase of property, plant and equipment		(46,001)	(55,558)
Purchase of intangible assets		(19,208)	(26,865)
Purchase of investment securities		(8,588)	(5,144)
Proceeds from the transfer of the Orthopedic Business	34,41	3,730	—
Payments for acquisition of subsidiaries	34,40	(3,881)	—
Payments for contingent consideration		(4,793)	(170)
Amount recovered upon cancellation of share purchase agreement		7,603	3,032
Other	40	5,669	(2,703)
Net cash used in investing activities		(65,469)	(87,408)
Cash flows from financing activities			
Proceeds from long-term borrowings	34	—	70,000
Repayments of lease liabilities	34	(19,302)	(19,910)
Repayments of long-term borrowings	34	(50,035)	(70,000)
Dividends paid	26	(20,981)	(22,556)
Payments for share repurchase		(100,002)	(50,002)
Proceeds from issuance of bonds	34	—	29,873
Redemption of bonds	34	(20,000)	(25,000)
Other		(1,222)	(32)
Net cash used in financing activities		(211,542)	(87,627)
Effect of exchange rate changes on cash and cash equivalents		(1,853)	9,956
Net increase (decrease) in cash and cash equivalents		(88,401)	(64,494)
Cash and cash equivalents at beginning of period		340,933	252,532
Cash and cash equivalents at end of period	7	252,532	188,038

Notes to the Consolidated Financial Statements

Olympus Corporation and Consolidated Subsidiaries

1. 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 consolidated financial statements comprise Olympus Corporation and its subsidiaries (hereinafter, the "Olympus Group") and interests in Olympus Corporation's associates.

The Olympus Group's business operations comprise the Gastrointestinal Solutions Division and Surgical & Interventional Solutions Division. Details of each business are as described in Note "6. Business Segments."

2. Basis of Preparation

- (1) Statement of the consolidated financial statements' compliance with IFRS Accounting Standards ("IFRS")

The consolidated financial statements of the Olympus Group have been prepared in accordance with IFRS issued by the International Accounting Standards Board. Since the requirements for a "Specified Company of Designated International Accounting Standards" set forth in Article 1-2 of the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" are satisfied, Olympus Corporation adopts the provisions of Article 312 of the same Regulation.

The Japanese language consolidated financial statements for the fiscal year ended March 31, 2026 were approved by Bob White, Director, Representative Executive Officer, President and CEO, and Michael Parenti, Executive Officer and CFO, on June 18, 2026.

Refer to (Tariff refund procedures in the U.S.) of Note 44 for details of material event which occurred subsequent to the date of the Japanese language consolidated financial statements, which required additional disclosures in these English language consolidated financial statements.

- (2) Functional currency and presentation currency

The Olympus Group's 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

(Consolidated Statement of Cash Flows)

(Cash flows from investing activities)

As "Collection of loans receivable" in "Cash flows from investing activities," which had previously been listed independently in the fiscal year ended March 31, 2025, decreased in significance, it has been included in "Other" from the fiscal year ended March 31, 2026. To reflect this change in presentation method, the consolidated financial statements for the fiscal year ended March 31, 2025 have been reclassified.

As a result, in the Consolidated Statement of Cash Flows for the fiscal year ended March 31, 2025, "Collection of loans receivable" in the amount of ¥4,283 million and ¥1,386 million previously presented as "Other" in "Cash flows from investing activities" were reclassified as "Other" in the amount of ¥5,669 million.

3. Material Accounting Policies

- (1) Basis of consolidation

- (i) Subsidiaries

A subsidiary is an entity that is controlled by the Olympus Group. The Olympus Group considers that it has control over an entity when it is exposed or has rights, to variable returns arising from its involvement with the entity, while having the ability to affect those returns through the exercise of its power over the entity. Financial statements of a subsidiary are consolidated from the date on which the Olympus Group obtains control over such subsidiary, until the date on which the control is lost.

All intergroup balances, transactions, unrealized profit or loss arising from intergroup transactions are eliminated on consolidation.

Comprehensive income of the subsidiaries is attributed to the owners of parent and to the noncontrolling interests even if this results in the non-controlling interests having a deficit balance.

Changes in Olympus Corporation's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any difference between the adjustment to the noncontrolling interests and the fair value of the consideration is recognized directly in equity attributable to owners of parent.

If the Olympus Group loses control over a subsidiary, any resulting gains or losses shall be recognized in profit or loss.

(ii) Associates and joint ventures

An associate is an entity over which the Olympus Group has significant influence on its financial and operating policies but does not have control or joint control. Investments in associates are accounted for by the equity method from the date the Olympus Group gains significant influence until the date it loses that influence.

A joint venture is an investee in which multiple parties, including Olympus Corporation and its subsidiaries, each has rights to the net assets of the investee under a joint agreement. Joint control is the contractually agreed sharing of control and exists only when decisions about the relevant activities require the unanimous consent of all parties sharing control.

Investments in associates and investments in joint ventures include goodwill recognized on acquisition.

(2) Business combinations

Business combinations are accounted for by using the acquisition method.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which a business combination occurs, the items for which the accounting treatment is incomplete are measured at provisional amounts, and adjustments to the provisional amounts are finalized during the measurement period within one year from the acquisition date.

Consideration for an acquisition is measured at the sum of the acquisition-date fair value of the assets transferred, liabilities assumed, and equity instruments issued by the Olympus Group in exchange for the control over the acquiree. Consideration for an acquisition includes contingent consideration. If consideration for an acquisition exceeds the fair value of identifiable assets and liabilities, such excess is recognized as goodwill in the Consolidated Statement of Financial Position. If, conversely, the consideration is less than the fair value, the difference shall be directly recognized in profit or loss in the Consolidated Statement of Profit or Loss. In addition, acquisition-related costs incurred shall be recognized in profit or loss.

(3) Foreign currency translations

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of each Group company using the exchange rate at the transaction date or an exchange rate that approximates it. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into functional currencies using the exchange rate at the end of the reporting period. Nonmonetary assets and liabilities denominated in foreign currencies measured at fair value are translated into functional currencies using the exchange rate at the date when such fair value was measured. Translation differences arising from translations and settlements are recognized in profit or loss for the period; provided, however, that translation differences arising from financial assets measured at fair value through other comprehensive income are recognized in other comprehensive income.

(ii) Financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rates at the end of the reporting period. Income and expenses are translated into Japanese yen using the average exchange rates for the fiscal year unless exchange rates significantly fluctuate during the period. Exchange differences on translation of foreign operations are recognized in other comprehensive income. Such translation differences of foreign operations are recognized in profit or loss for the period in which the foreign operations concerned are disposed of.

(4) Financial instruments

(i) Financial assets

(i) Initial recognition and measurement

The Olympus Group initially recognizes trade and other receivables on the date when they are incurred, and other financial assets at the transaction date when the Olympus Group becomes a party to the contract for the financial assets. At the initial recognition, financial assets are measured at fair value plus transaction costs, except for those measured at fair value through profit or loss.

(ii) Classification and subsequent measurement

The Olympus Group classifies the financial assets at initial recognition as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

(Financial assets measured at amortized cost)

Financial assets are classified into financial assets measured at amortized cost, on the condition that they meet both of the following criteria:

- Financial assets are held based on the business model to hold financial assets for the purpose of collecting contractual cash flows
- Contractual terms associated with financial assets give rise to cash flows on specified dates, consisting only of payment of the principal and interest on the principal balance

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method subsequent to the initial recognition.

(Financial assets measured at fair value through other comprehensive income)

Equity instruments such as shares held mainly for the purpose of maintaining or strengthening business relationships with investees are designated at initial recognition as financial assets measured at fair value through other comprehensive income.

Any change in fair value of equity financial assets measured at fair value through other comprehensive income is recognized in other comprehensive income subsequent to the initial recognition. If such assets are derecognized or the fair value decreases significantly, accumulated other comprehensive income is directly transferred to retained earnings.

Dividends from such financial assets are recognized in profit or loss.

(Financial assets measured at fair value through profit or loss)

Financial assets other than above are classified as financial assets measured at fair value through profit or loss.

Changes in fair value of financial assets measured at fair value through profit or loss are recognized in profit or loss subsequent to the initial recognition.

(iii) Impairment of financial assets

For financial assets measured at amortized cost, the Olympus Group recognizes allowance for doubtful accounts for expected credit losses.

The Olympus Group evaluates at the end of each reporting period whether there is a significant increase in credit risk of financial assets since initial recognition. When there is no significant increase in the credit risk since initial recognition, the amount equal to expected credit losses for 12 months are recognized as allowance for doubtful accounts. When there is a significant increase in credit risk since initial recognition, the amount equal to expected credit losses for the remaining life of the financial assets are recognized as allowance for doubtful accounts.

For trade receivables, contract assets and lease receivables, allowance for doubtful accounts are always recognized at the amount equal to expected credit losses for the remaining life of the assets.

With regard to financial assets on which impairment losses were previously recognized, when the amount of impairment losses decreased due to any event that occurred after the initial recognition of the impairment losses, the previously recognized impairment losses are reversed and recognized in profit or loss.

(iv) Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to receive the cash flows from the financial asset are assigned and substantially all the risks and rewards of ownership are transferred.

(ii) Financial liabilities

(i) Initial recognition and measurement

The Olympus Group initially recognizes financial liabilities at the transaction date when the Olympus Group becomes a party to the contract for the financial liabilities. All financial liabilities are measured at fair value at initial recognition, whereas financial liabilities measured at amortized cost are measured at the amount less directly attributable transaction costs.

(ii) Classification and subsequent measurement

Financial liabilities are classified into financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost at initial recognition.

Changes in fair value of financial liabilities measured at fair value through profit or loss are recognized in profit or loss subsequent to the initial recognition.

Financial liabilities measured at amortized cost are measured at amortized cost subsequent to the initial recognition, by using the effective interest method. Amortization by the effective interest method, as well as gains and losses associated with derecognition shall be recognized in profit or loss.

(iii) Derecognition

The Olympus Group derecognizes a financial liability when it is extinguished, namely when the obligation specified in the contract is discharged, cancelled or expires.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset, with the net amount presented in the Consolidated Statement of Financial Position, only if the Olympus Group holds a legal right to offset the recognized amounts, and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(iv) Derivatives and hedge accounting

The Olympus Group uses derivatives such as forward exchange contracts, interest rate swaps and interest rate currency swap contracts, as hedging instruments against foreign exchange risk and interest rate risk, and also holds derivatives such as long position call option assets and short position put option liabilities related to investments accounted for using the equity method. These derivatives are classified as financial assets measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss. Derivatives that meet criteria for hedge accounting are designated as hedging instruments, and hedge accounting is applied. For the application of hedge accounting, the Olympus Group officially makes designation and prepares documentation at the inception of the hedge, regarding the hedging relationship as well as the risk management objectives and strategies. Such document contains hedging instruments, hedged items, the nature of the risks to be hedged and the method for evaluating the hedging effectiveness. The Olympus Group continually evaluates whether the hedging relationship is effective prospectively.

The Olympus Group applies cash flow hedges to interest rate-related and interest rate currency related derivative transactions that meet the criteria for hedge accounting.

Of changes in fair value associated with hedging instruments in cash flow hedges, the effective portion is recognized in other comprehensive income, and recognized in other components of equity until the hedged transaction is executed and recognized in profit or loss. The ineffective portion is recognized in profit or loss.

The amount associated with hedging instruments recognized in other components of equity is transferred to profit or loss, at the point in time when the hedged transaction affects profit or loss. If a hedged item results in the recognition of a non-financial asset or a non-financial liability, the associated amount recognized in other components of equity is accounted for as adjustment to the initial book value of the non-financial asset or the non-financial liability.

When any forecast transaction is no longer expected to occur, hedge accounting is discontinued, and any related cumulative gain or loss that has been recognized as other components of equity is transferred to profit or loss. Even if hedge accounting was discontinued, the amount that had been recognized as other components of equity until hedge accounting was discontinued continues to be recognized in other components of equity until future cash flows occur when these future cash flows are expected to occur.

The Olympus Group does not use fair value hedges or net investment hedges in foreign operations.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash, readily available deposits, and short-term, highly liquid investments having maturities of three months or less of the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Inventories

Inventories are measured at the lower of cost or net realizable value. The costs of inventories are calculated principally by using the weighted average method, which include purchase cost, processing cost, and other costs incurred in bringing inventories to their present location and condition. Net realizable value is determined at the estimated selling price in the ordinary course of business less estimated cost required up to the completion of the process and estimated selling expenses.

(7) Property, plant and equipment

Property, plant and equipment is measured by using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses.

The costs of property, plant and equipment include any costs directly attributable to the acquisition of assets, dismantlement, removal and restoration costs as well as borrowing costs eligible for capitalization.

Except for assets that are not depreciated such as land, each asset is depreciated over its estimated useful life on a straight-line basis. The estimated useful lives of major asset items are as follows (excluding right-of-use assets):

- Buildings and structures: 2 to 50 years
- Machinery and vehicles: 2 to 10 years
- Tools, furniture and fixtures: 2 to 15 years

The estimated useful lives, residual values and depreciation methods are subject to review at the end of each reporting period, and any change is prospectively applied as a change in an accounting estimate.

(8) Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is not amortized and is tested for impairment in each period or whenever there is an indication of impairment. Impairment loss of goodwill is recognized in profit or loss.

Goodwill measurements at initial recognition are presented in “(2) Business combinations.”

(9) Intangible assets

Intangible assets are measured by using the cost model and are carried at cost less accumulated amortization and accumulated impairment losses.

The costs of intangible assets acquired separately include any costs directly attributable to the acquisition of the assets. Intangible assets acquired through business combinations are measured at fair value at the acquisition date. With regard to internally generated intangible assets, of the costs incurred during the development phase, the following are eligible for capitalization and recognized as development costs, whereas such costs that are not eligible are recognized as expenses when incurred.

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Olympus Corporation’s intention to complete the intangible asset and use or sell it.

- Olympus Corporation's ability to use or sell the intangible asset.
- The intangible asset is likely to create future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Olympus Corporation's ability to measure reliably the expenditure attributable to the intangible asset during its development.

Except for intangible assets with indefinite useful lives, each asset is amortized over the estimated useful life on a straight-line basis. The estimated useful lives of major asset items are as follows:

- Capitalized development costs: 4 to 8 years
- Software: 3 to 5 years
- Other: 3 to 15 years

The estimated useful lives and amortization methods are reviewed at the end of each reporting period, and any change is prospectively applied as a change in an accounting estimate.

Intangible assets with indefinite useful lives and those yet to be usable are not amortized and are tested for impairment in each period or whenever there is an indication of impairment.

(10) Leases

(i) Leases as lessee

Olympus Corporation introduces a single lessee accounting model, instead of classifying leases into operating leases and finance leases, and recognizes right-of-use assets representing its rights to use the underlying leased assets and lease liabilities representing its obligations to make lease payments for all leases, in principle.

Lease liabilities are measured at the present value of the total lease payments that are not paid at the commencement date. Right-of-use assets are initially measured at the initial measurement amount of lease liabilities adjusted for any initial direct costs, prepaid lease payments, restoration costs, etc.

Right-of-use assets are depreciated on a straight-line method over the shorter of their estimated useful lives and lease terms.

The lease term is estimated based on the non-cancellable period and adjusted for optional periods for which the Olympus Group is reasonably certain to exercise an option to extend or terminate the lease.

Furthermore, lease payments are categorized into amounts equivalent to the principal and interest of lease liabilities, and the amount equivalent to the interest apportioned to each fiscal period is calculated so as to achieve a constant rate of interest on the lease liabilities balance at each period-end, and recognized in profit or loss.

If the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration, at the start of the contract, the contract is deemed to be a lease or to contain a lease.

For short-term leases and leases for which the underlying asset is of low value, the Olympus Group does not recognize the right-of-use assets and lease liabilities but recognizes lease payments as expenses.

Right-of-use assets and lease liabilities are included in and presented as "Property, plant and equipment" and "Other financial liabilities" respectively on the Consolidated Statement of Financial Position.

(ii) Leases as lessor

Lease transactions involving the transfer of substantially all the risks and rewards associated with the ownership of the leased assets are classified as finance leases, while other types of lease transactions are classified as operating leases.

In finance lease transactions, the present value of gross investments in the lease is recognized as revenue at the commencement of the lease term, and the corresponding amount is recognized as lease receivables. Unearned finance income is apportioned at a constant rate on the net investment over the lease term and recognized as revenue in the period to which it is attributable.

In operating lease transactions, the relevant leased properties are recognized in the Consolidated Statement of Financial Position, and lease payments receivable are recognized as revenue over the lease terms on a straight-line method.

(11) Impairment of non-financial assets

For the carrying amount of non-financial assets (excluding inventories, deferred tax assets, retirement benefit assets and non-current assets held for sale), the Olympus Group assesses at the end of each reporting period whether there is an indication of impairment. If any such indication exists, an impairment test is performed. However, goodwill, intangible assets with indefinite useful lives and those yet to be usable are tested for impairment in each period or whenever there is an indication of impairment.

Assets that are not individually tested in impairment testing are integrated into the smallest cash-generating unit that generates cash inflows largely independent of cash inflows from other assets or asset groups. Corporate assets do not generate independent cash inflows. Therefore, if there is an indication that corporate assets may be impaired, the impairment test is performed based on the recoverable amount of the cash-generating unit to which the corporate assets belong.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and fair value less cost of disposal. In calculating value in use, estimated future cash flows are discounted to the present value using the pretax discount rate reflecting the time value of money and risks specific to the asset.

Impairment losses are recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses recognized in association with a cash-generating unit are recognized by first reducing the carrying amount of any allocated goodwill and then are allocated to other assets of the cash-generating unit on a pro-rata basis based on the carrying amount of each asset.

When there is an indication of reversal in respect of impairment losses recognized in prior periods and the recoverable amount of the asset or cash-generating unit exceeds its carrying amount, impairment losses are reversed. The carrying amount after reversal of impairment losses does not exceed the carrying amount that would have been determined when depreciation or amortization had been continued until the reversal occurred if any impairment loss had never been recognized for the asset. Impairment losses associated with goodwill are not reversed.

(12) Non-current assets and discontinued operation held for sale

Non-current assets or disposal groups that will be recovered principally through a sale transaction rather than through continuous use are classified as non-current assets or disposal groups held for sale if it is highly probable that they will be sold within one year, they are immediately available for sale in their current state, and the Olympus Group's management is committed to implementing a plan for their sale.

The Olympus Group shall not depreciate or amortize a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale, and shall measure a non-current asset or disposal group classified as held for sale at the lower of its carrying amount or fair value less costs to sell.

When businesses that are considered as units on which management decision is made have already been sold or fulfill the requirements to be classified as being held for sale, the Olympus Group classifies those businesses as discontinued operation.

(13) Provisions

Provisions are recognized when the Olympus Group has present obligations as a result of past events, it is highly probable that outflows of economic resources will be occurred to settle the obligations, and reliable estimates of the obligations can be made.

Where time value of money is material, provisions are measured by discounting estimated future cash flows into present value by using the interest rate reflecting the time value of money as well as the risks inherent to the associated liabilities.

(14) Contingent liabilities

With regard to liabilities held by the Olympus Group as of the end of the reporting period that may be incurred, when it cannot be confirmed whether or not those are liabilities as of the end of the reporting period, or when the liabilities do not meet criteria for recognition of provisions, information on such

liabilities is provided in the corresponding note on contingent liabilities, unless it is believed that the possibility of an outflow of economic resources by performance of the liabilities is remote at the end of the reporting period.

(15) Government grants

Government grants are recognized at fair value, if there is reasonable assurance that the Olympus Group will comply with the conditions attached to them and that will receive the grants. Government grants associated with expenses are recognized in revenue over the period when the expenses, which the grant is intended to compensate, are incurred. Government grants related to the acquisition of assets are recognized as deferred income and then recognized in profit or loss over the expected useful life of the relevant asset on a systematic basis.

(16) Employee benefits

(i) Post-employment benefits

The Olympus Group adopts defined benefit pension plans and defined contribution pension plans.

The Olympus Group calculates the present value of defined benefit obligations and associated current service cost as well as past service cost by using the projected unit credit method.

The discount rate used for discounting to the present value of defined benefit obligations is determined by reference to market yields on high quality corporate bonds of which currency and due date are consistent with those of the post-employment benefit obligations.

Asset or liability associated with a defined benefit plan is calculated by subtracting the fair value of plan assets from the present value of defined benefit obligations of each plan.

Any difference due to remeasurement arising from defined benefit pension plans is recognized as other comprehensive income in the period when the difference arose, and immediately transferred to retained earnings. Past service costs are expensed as incurred.

Contributions to defined contribution pension plans are recognized as expenses according to the period during which employees rendered the relevant services.

(ii) Short-term employee benefits

Short-term employee benefits are recognized as expenses in the period in which the employee renders the related service without discounting. When the Olympus Group has present legal or constructive obligations to make payments resulting from past services rendered by the employees and the amount can be estimated reliably, the amount estimated to be paid is recognized as a liability.

(iii) Other long-term employee benefits

The Olympus Group has a special leave system and incentive payment plans according to a specific number of service years as long-term employee benefits other than pension plans. The amount of obligations to other long-term employee benefits is recognized as a liability at the amount calculated by discounting the estimated amount of future benefits earned in exchange for service that employees provided in prior fiscal years and the current fiscal year to the present value.

(17) Equity

Common shares are recognized in share capital at their issue price. Expenses incidental to issuance of common shares are deducted at the amount net of tax effect from equity.

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized associated with the purchase, sale or retirement of treasury shares of Olympus Corporation. Any difference between the book value and the consideration received from the sale is recognized in equity.

(18) Stock-based compensation

The Olympus Group has adopted equity-settled stock option plans for directors, executive officers and corporate officers of Olympus Corporation, and senior management of Olympus Corporation and its subsidiaries, with the aim of enhancing awareness toward contributing to sustainable improvement of corporate value as well as further enhancing value sharing with shareholders of Olympus Corporation.

Stock option plans

Stock options are measured at fair value at the grant date and recognized as expenses over the vesting periods with corresponding increases to equity and taking into account the estimated number of options to be vested. The fair value of stock options is calculated using the Black-Scholes model.

Stock compensation system

Olympus Corporation has introduced a subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit) system and performance-based stock compensation (PSU: Performance Share Unit) system as a stock compensation system. The compensation calculated by reference to fair value of shares of Olympus Corporation is recognized in profit or loss as an expense, and the corresponding amount is recognized as an increase in equity.

(19) Revenue

With regard to contracts with customers, the Olympus Group recognizes revenue by applying the following steps (except for interest and dividend income, etc., under IFRS 9 “Financial Instruments” and lease payments receivable under IFRS 16 “Leases”).

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Olympus Group is principally engaged in the manufacturing and sales of endoscopic, therapeutic and other products. With regard to the sales of these products, the Olympus Group mainly recognizes revenue at the time of delivery of a product since in many cases it considers that the customer obtains control over the product and performance obligations are satisfied at the time of delivery of the product.

Revenue is measured at the amount of promised consideration in contracts with customers less discounts and rebates, and reduced by the amount of sales returns.

(20) Finance income and finance costs

Finance income mainly comprises interest income, dividend income, exchange gains and changes in fair value of financial assets and liabilities measured at fair value through profit or loss. Interest income is recognized as incurred using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Finance costs mainly comprise interest expenses, interest on bonds, exchange losses and changes in fair value of financial assets and liabilities measured at fair value through profit or loss. Interest expenses and interest on bonds are recognized as incurred using the effective interest method.

(21) Income taxes

Income taxes comprise current taxes and deferred taxes. These taxes are recognized in profit or loss, except in cases where they arise from items that are recognized directly in other comprehensive income or equity, and where they arise from business combinations.

(i) Current taxes

Current taxes are measured at an expected amount of taxes to be paid to or refunded from the tax authorities. The tax rates and tax laws used to determine the amount of taxes are tax rates and tax laws that have been enacted, or substantially enacted by the end of the reporting period.

With regard to uncertain tax positions of income taxes, the Olympus Group recognizes the reasonably estimated amount as assets or liabilities, when it is more likely than not, based on interpretations for the purpose of tax laws, that the tax positions will be sustained.

(ii) Deferred taxes

Deferred taxes are recognized for temporary differences, which are differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes at the end of the reporting period, tax losses carried forward and tax credits carried forward.

Deferred tax assets or liabilities are not recognized for the following cases:

- Taxable temporary differences arising from the initial recognition of goodwill
- Temporary differences on the initial recognition of assets or liabilities arising from a transaction, except a business combination, that affects neither accounting profit nor taxable profit and that arises neither equivalent amount of taxable temporary differences nor deductible temporary differences.

- Taxable temporary differences associated with investments in subsidiaries and associates when the Olympus Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will not reverse in the foreseeable future, or when it is not probable that there will be sufficient taxable profits against which the deductible temporary differences can be utilized.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax credits carried forward and tax losses carried forward can be utilized. In principle, deferred tax liabilities are recognized for all taxable temporary differences.

In recognizing deferred tax assets, the Olympus Group assesses the probability that deductible temporary differences or tax losses carried forward can be utilized against future taxable profits. In assessing the recoverability of deferred tax assets, the scheduled reversal of deferred tax liabilities, projected taxable profits and tax planning are taken into account.

Deferred tax assets and liabilities are measured based on tax rates and tax laws that have been enacted, or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if the Olympus Group has a legally enforceable right to offset current tax assets against current tax liabilities, and they are related to income taxes levied by the same taxation authority on the same taxable entity, or different taxable entities that intend either to settle on a net basis or to realize the tax asset or settle the liability simultaneously.

Olympus Corporation and some of its domestic subsidiaries have adopted the Group Tax Sharing System.

(22) Earnings per share

Basic earnings per share are calculated by dividing profit attributable to owners of parent by the weighted-average number of common shares outstanding, subject to the adjustment to the number of treasury shares for the corresponding period.

Diluted earnings per share are calculated reflecting adjustments for the effect of all potential dilutive common shares.

4. 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.

Information regarding the judgments made by the Olympus Group that may have material impacts on the consolidated financial statements is as follows:

- Scope of subsidiaries and associates (Note “3. Material Accounting Policies, (1) Basis of consolidation”)
- Accounting for arrangements containing leases (Notes “3. Material Accounting Policies, (10) Leases,” and “36. Leases”)
- Revenue (Notes “3. Material Accounting Policies, (19) Revenue,” and “28. Revenue”)

Information regarding accounting estimates and assumptions that may have material impacts on the consolidated financial statements is as follows:

- Valuation of inventories (Notes “3. Material Accounting Policies, (6) Inventories,” and “9. Inventories”)

Inventories are measured at cost. However, if net realizable value falls below the cost as of the end of the reporting period, inventories are measured at the net realizable value and any difference is recognized in cost of sales in principle. For unsold inventories that remain outside the operating cycle, the net realizable value, etc. is calculated by reflecting future demand and market trends. If the net realizable value decreased significantly due to a worse market environment than expected, losses may be incurred.

- Impairment of non-financial assets (Notes “3. Material Accounting Policies, (11) Impairment of non-financial assets,” and “16. Impairment of non-financial assets”)

The Olympus Group tests for impairment of property, plant and equipment, goodwill, and intangible assets in accordance with Note “3. Material Accounting Policies.” In the calculation of the recoverable amount in the impairment test, assumptions are made regarding future cash flows, discount rates, etc. These assumptions are determined based on management’s best estimates and judgment. However, they may be affected by the results of changes in uncertain future economic conditions, and if they require revision, they may have a significant impact on the consolidated financial statements.

- Measurement of provisions (Notes “3. Material Accounting Policies, (13) Provisions,” and “20. Provisions”)

Provisions are measured based on the best estimates for expenditures as of the fiscal year closing date expected to be required to settle future obligations. Estimates of expenditures expected to be required to settle future obligations are calculated based on a comprehensive consideration of possible future outcomes. Changes in uncertain future economic conditions may affect assumptions used to calculate the provisions. Accordingly, there are risks that such changes could result in significant adjustments to measurements of provisions in the future accounting periods.

- Contingent liabilities (Notes “3. Material Accounting Policies, (14) Contingent liabilities,” and “42. Contingent Liabilities”)

Contingencies are disclosed when an item could have a significant impact on future operations, taking into account all available evidence at the reporting date and considering the likelihood and monetary impact of the event.

- Measurement of defined benefit obligation (Notes “3. Material Accounting Policies, (16) Employee benefits,” and “23. Employee Benefits”)

For defined benefit pension plans, the net value of the defined benefit obligations and the fair value of plan assets is recognized as either liabilities or assets. Defined benefit obligations are calculated based on the same types of assumptions used in the actuarial calculation, which include estimates of the discount rate, the retirement rate, the mortality rate, and the rate of compensation increase. These assumptions are established by comprehensively judging a variety of available information, including market trends, such as interest rate changes. Uncertain future economic conditions or changes in social conditions may affect the assumptions used in the actuarial calculation. Accordingly, there are risks that such changes could result in significant adjustments to the measurements of defined benefit obligations in future accounting periods.

- Recoverability of deferred tax assets (Notes “3. Material Accounting Policies, (21) Income taxes,” and “37. Income Taxes”)

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, etc. can be utilized. Judgements on the likelihood that taxable income will be available are made based on the timing and amount of taxable income estimated based on the business plans including assumptions of the growth rate and operating margin. These estimates are determined based on management’s best estimates. However, they may be affected by the results of changes in uncertain future economic conditions and the actual results may differ from these forecasts.

5. New or Amended Standards or Interpretations Not Yet Adopted

The new or amended standards and interpretations that were issued by the date of approval of the consolidated financial statements and that have not been early adopted by the Olympus Group are primarily as follows: The impact of adopting the new IFRS Accounting standards on the Olympus Group's consolidated financial statements is under evaluation.

IFRS Accounting Standards		Mandatory adoption (from the fiscal year beginning)	Timing of adoption by the Olympus Group	Description of new standards and amendments
IFRS 7	Financial Instruments: Disclosures	January 1, 2026	Fiscal year ending March 31, 2027	Amendments to the disclosure requirements for financial assets measured at fair value through other comprehensive income
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	Fiscal year ending March 31, 2028	Introduces new requirements to improve companies' reporting of financial performance and provide investors with a better basis for analyzing and comparing companies

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 two reportable segments: "Endoscopic Solutions" and "Therapeutic Solutions." However, from the fiscal year ended March 31, 2026, we have changed to the following two reportable segments: "Gastrointestinal Solutions Division" and "Surgical & Interventional Solutions Division," and have presented the information in the same manner for the fiscal year ended March 31, 2025.

Effective April 1, 2025, the Olympus Group has implemented a reorganization of business units and a restructuring of the organization with the aim of developing a more efficient and a more patient-and customer-centric business. In conjunction with this reorganization of business units, the reportable segments have also been changed from the previous "Endoscopic Solutions" and "Therapeutic Solutions" to "Gastrointestinal Solutions Division" and "Surgical & Interventional Solutions Division." In addition, the role of company-wide shared functions has changed due to the focusing of the business portfolio, which has advanced further, and the specialization toward the medical business. Accordingly, we reviewed the method for allocating shared expenses and are now allocating expenses for basic research, etc. from these functions to the business units.

Furthermore, as a result of the recent organizational restructuring and the review of operating results management categories, intersegment revenues that had previously been recorded in "Endoscopic Solutions" and "Therapeutic Solutions" are now classified as revenues from transactions within the same segment, so the intersegment revenues are not recognized, and disclosure of these items has been discontinued from the fiscal year ended March 31, 2025. To ensure comparability, the results for the fiscal year ended March 31, 2025 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
Gastrointestinal Solutions	Gastrointestinal endoscopes, gastroenterology devices, medical services
Surgical & Interventional Solutions	Urology products, respiratory products, surgical endoscopes, energy devices, ENT products, gynecology products

(2) Revenue, business results and other items for reportable segments

Revenue, business results and other items for reportable segments are as follows: The accounting treatment used for reportable segments is the same as described in Note “3. Material Accounting Policies.”

Fiscal year ended March 31, 2025

(Millions of yen)						
	Reportable Segment			Other (Note 1)	Adjustment (Notes 2, 3, 4, 5, 6)	Amount on consolidated financial statements
	Gastro- intestinal Solutions	Surgical & Interventional Solutions	Total			
Revenue						
Revenue from outside customers	674,043	322,759	996,802	530	–	997,332
Total	674,043	322,759	996,802	530	–	997,332
Operating profit (loss)	171,441	15,265	186,706	(474)	(23,770)	162,462
Finance income						3,449
Finance costs						6,841
Profit before tax						159,070
Other items						
Share of profit (loss) of investments accounted for using equity method	(27)	493	466	–	–	466
Depreciation and amortization	38,695	26,702	65,397	142	811	66,350
Impairment losses	2,216	925	3,141	–	495	3,636
Segment assets	604,295	500,099	1,104,394	4,599	324,280	1,433,273
Investments accounted for using equity method	334	148	482	–	–	482
Capital expenditures	55,090	28,588	83,678	5	1,276	84,959

- Notes: 1. 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.
2. Adjustment for operating profit (loss) is corporate revenues and corporate expenses that mainly consist of elimination of transactions among segments, as well as general and administrative expenses that are not attributable to reportable segments.
3. Adjustment for segment assets is the amount related to corporate assets that are not attributable to reportable segments.
4. Adjustment for depreciation and amortization is the amount of depreciation and amortization related to corporate assets that are not attributable to reportable segments.
5. Adjustment for capital expenditures is the amount of increase in fixed assets related to corporate assets that are not attributable to reportable segments.
6. Olympus Corporation reviewed the method for allocating shared expenses from the fiscal year ended March 31, 2026 and is now allocating expenses for basic research, etc. from company-wide shared functions to the business units. As a result of these changes, operating profit for the Gastrointestinal Solutions segment decreased by ¥9,054 million, operating profit for the Surgical & Interventional Solutions segment decreased by ¥7,091 million, and the adjustment for operating loss decreased by ¥16,145 million.

Fiscal year ended March 31, 2026

(Millions of yen)						
	Reportable Segment			Other (Note 1)	Adjustment (Notes 2, 3, 4, 5)	Amount on consolidated financial statements
	Gastro- intestinal Solutions	Surgical & Interventional Solutions	Total			
Revenue						
Revenue from outside customers	697,359	313,109	1,010,468	208	–	1,010,676
Total	697,359	313,109	1,010,468	208	–	1,010,676
Operating profit (loss)	136,359	(14,986)	121,373	(499)	(23,754)	97,120
Finance income						6,171
Finance costs						9,297
Profit before tax						93,994
Other items						
Share of profit (loss) of investments accounted for using equity method	(4,437)	737	(3,700)	–	–	(3,700)
Depreciation and amortization	38,917	27,384	66,301	52	863	67,216
Impairment losses	5,253	5,790	11,043	–	1,042	12,085
Segment assets	735,067	555,240	1,290,307	1,464	245,391	1,537,162
Investments accounted for using equity method	377	1,020	1,397	–	–	1,397
Capital expenditures	61,880	29,464	91,344	–	895	92,239

- Notes: 1. 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.
2. Adjustment for operating profit (loss) is corporate revenues and corporate expenses that mainly consist of elimination of transactions among segments, as well as general and administrative expenses that are not attributable to reportable segments.
3. Adjustment for segment assets is the amount related to corporate assets that are not attributable to reportable segments.
4. Adjustment for depreciation and amortization is the amount of depreciation and amortization related to corporate assets that are not attributable to reportable segments.
5. Adjustment for capital expenditures is the amount of increase in fixed assets related to corporate assets that are not attributable to reportable segments.

(3) Information about products and services

This information is omitted as similar information has been disclosed in the above tables.

(4) Geographical information

Revenue and non-current assets of the Olympus Group by country or region were as follows:

	(Millions of yen)	
	2025	2026
Japan	110,529	103,905
North America	413,896	405,493
Europe	254,620	281,070
China	95,738	82,452
Asia and Oceania	93,707	102,586
Other	28,842	35,170
Total	997,332	1,010,676

Notes: 1. Revenue is based on the location of customers, classified by country or region.

2. Major countries or regions other than Japan were as follows:

- | | |
|----------------------|---|
| (1) North America | United States, Canada |
| (2) Europe | Germany, United Kingdom, France, etc. |
| (3) Asia and Oceania | Singapore, South Korea, Australia, etc. |
| (4) Other | Central and South America, Africa, etc. |

For the fiscal years ended March 31, 2025 and 2026, revenue from external customers in the United States was ¥386,469 million and ¥379,639 million, respectively. In no single country or region other than Japan and the United States was revenue from external customers significant in the fiscal years ended March 31, 2025 and 2026.

Non-current assets (excluding financial instruments, deferred tax assets, and retirement benefit assets)

	(Millions of yen)	
	2025	2026
Japan	144,602	149,986
Americas	204,976	235,330
Europe and Middle East	161,081	168,591
Asia and Oceania	29,024	34,054
Total	539,683	587,961

Notes: 1. Each geographic location is determined on the basis of geographic proximity.

2. Major countries and regions other than Japan were as follows:

- | | |
|----------------------------|--|
| (1) Americas | United States, Canada, Mexico, and Brazil |
| (2) Europe and Middle East | Germany, United Kingdom, France, etc. |
| (3) Asia and Oceania | Singapore, China, South Korea, Australia, etc. |

Within Americas, the balances of non-current assets (except financial instruments, deferred tax assets, and retirement benefit assets) in the United States were ¥198,423 million and ¥221,896 million as of March 31, 2025 and 2026, respectively. Within Europe and Middle East, the balances of non-current assets (except financial instruments, deferred tax assets, and retirement benefit assets) in Germany were ¥66,665 million and ¥69,574 million as of March 31, 2025 and 2026, respectively. The balances of non-current assets (except financial instruments, deferred tax assets, and retirement benefit assets) in any individual country and region other than Japan, the United States, and Germany were not material as of March 31, 2025 and 2026.

(5) Major customers

Information on revenue attributable to major customers for the fiscal years ended March 31, 2025 and 2026 was omitted because revenue attributable to each customer accounted for less than 10% of consolidated revenue.

7. Cash and Cash Equivalents

The breakdown of cash and cash equivalents in the Consolidated Statement of Financial Position is as follows: The balance of “Cash and cash equivalents” in the Consolidated Statement of Financial Position matches with the balance of “Cash and cash equivalents” in the Consolidated Statement of Cash Flows.

	(Millions of yen)	
	2025	2026
Cash and deposits	119,221	141,197
Short-term investments	133,311	46,841
Cash and cash equivalents in the Consolidated Statement of Financial Position	252,532	188,038

8. Trade and Other Receivables

The breakdown of trade and other receivables as of March 31, 2025 and 2026 was as follows:

	(Millions of yen)	
	2025	2026
Trade notes receivable and trade accounts receivable	153,752	179,984
Other receivables	17,796	13,918
Contract assets	347	290
Lease receivables	105,382	136,674
Allowance for doubtful accounts	(8,894)	(9,810)
Total	268,383	321,056
Current	204,183	236,833
Non-current	64,200	84,223
Total	268,383	321,056

Note: Trade and other receivables are presented net of allowance for doubtful accounts in the Consolidated Statement of Financial Position.

9. Inventories

The breakdown of inventories as of March 31, 2025 and 2026 was as follows:

	(Millions of yen)	
	2025	2026
Merchandise and finished goods	77,810	88,470
Work in progress	28,236	32,236
Raw materials and supplies	81,099	86,386
Total	187,145	207,092

The amounts of inventories recorded as cost of sales for the fiscal years ended March 31, 2025 and 2026 were ¥234,474 million and ¥248,439 million, respectively.

Write-downs of inventories recognized as expenses for the fiscal years ended March 31, 2025 and 2026 were ¥24,399 million and ¥31,955 million, respectively.

Inventories include materials not expected to be used for manufacturing within 12 months from the end of each fiscal year, but all of them are held within the Olympus Group's normal operating cycle. The corresponding carrying amounts at March 31, 2025 and 2026 were ¥3,270 million and ¥3,709 million, respectively.

10. Other Financial Assets

The breakdown of other financial assets as of March 31, 2025 and 2026 was as follows:

	(Millions of yen)	
	2025	2026
Financial assets measured at fair value through profit or loss		
Derivative assets	16,731	26,827
Equity securities and others	828	5,118
Financial assets measured at amortized cost		
Lease and guarantee deposits	3,168	3,077
Other	9,522	10,754
Financial assets measured at fair value through other comprehensive income		
Equity securities and others	15,583	18,013
Total	45,832	63,789
Current	2,392	28,421
Non-current	43,440	35,368
Total	45,832	63,789

11. Other Current Assets and Other Non-current Assets

The breakdown of other current assets and other non-current assets as of March 31, 2025 and 2026 was as follows:

	(Millions of yen)	
	2025	2026
Prepaid expenses	13,451	20,373
Consumption tax receivables	9,155	6,468
Other	7,648	11,310
Total	30,254	38,151
Current	28,475	32,669
Non-current	1,779	5,482
Total	30,254	38,151

12. Assets Held for Sale

The breakdown of assets held for sale is as follows:

	(Millions of yen)	
	2025	2026
Assets		
Land	299	—
Buildings and structures	150	—
Total	449	—

Assets categorized as assets held for sale as of March 31, 2025 were corporate assets, and were sold during the fiscal year ended March 31, 2026.

13. Property, Plant and Equipment

(1) Changes in property, plant and equipment

The changes in carrying amount, acquisition cost, and accumulated depreciation and accumulated impairment losses of property, plant and equipment were as follows:

Carrying amount

	(Millions of yen)					
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance at April 1, 2024	136,662	21,428	76,980	17,629	7,269	259,968
Additions	14,829	6,980	26,900	217	16,982	65,908
Additions through business combinations (Note 4)	–	–	177	–	–	177
Depreciation	(15,867)	(7,568)	(28,814)	(194)	–	(52,443)
Impairment losses	(410)	(19)	(315)	(55)	(109)	(908)
Sales and disposals	(3,115)	(330)	(4,320)	(53)	–	(7,818)
Transfer to assets held for sale	(150)	–	–	(299)	–	(449)
Reclassification	5,821	1,742	4,022	41	(10,421)	1,205
Exchange differences on translation of foreign operations	(849)	11	(1,071)	(99)	(45)	(2,053)
Decrease due to transfer of business	–	(99)	(357)	(75)	(18)	(549)
Other	64	(11)	140	1	108	302
Balance at March 31, 2025 (Note 4)	136,985	22,134	73,342	17,113	13,766	263,340
Additions	13,225	4,755	28,884	2,474	16,035	65,373
Depreciation	(17,109)	(7,380)	(28,002)	(173)	–	(52,664)
Impairment losses	(1,271)	(75)	(190)	(307)	(83)	(1,926)
Sales and disposals	(4,393)	(190)	(4,271)	(550)	–	(9,404)
Reclassification	6,112	1,369	4,507	299	(9,322)	2,965
Exchange differences on translation of foreign operations	9,670	1,151	7,382	452	819	19,474
Other	–	31	(29)	(1)	1	2
Balance at March 31, 2026	143,219	21,795	81,672	19,307	21,216	287,209

- Notes: 1. No borrowing costs were capitalized for the fiscal years ended March 31, 2025 and 2026.
2. Depreciation of property, plant and equipment is included in “Cost of sales,” “Selling, general and administrative expenses” and “Profit from discontinued operation” on the Consolidated Statement of Profit or Loss. Impairment losses are included in “Other expenses” and “Profit from discontinued operation” on the Consolidated Statement of Profit or Loss.
3. Changes in the carrying amount ¥2,336 million and ¥2,548 million by company housing Olympus Corporation contracted and loaned to employees is recorded “Additions” and “Sales and disposals” of “Buildings and structures” for the fiscal years ended March 31, 2025 and 2026, respectively. In addition, that has no impact on balance.
4. Provisional amounts for additions through business combinations and balance at March 31, 2025 have been revised in the fiscal year ended March 31, 2026 with respect to the acquisition of Sur Medical SpA in the fiscal year ended March 31, 2025, and figures have been retrospectively revised. For details, please see Note “40. Business Combinations.”

Acquisition cost

	(Millions of yen)					
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance at April 1, 2024	287,726	61,943	325,562	19,364	7,329	701,924
Balance at March 31, 2025	292,784	60,522	310,035	18,327	13,766	695,434
Balance at March 31, 2026	310,710	65,716	336,978	20,313	21,216	754,933

Accumulated depreciation and accumulated impairment losses

	(Millions of yen)					
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance at April 1, 2024	151,064	40,515	248,582	1,735	60	441,956
Balance at March 31, 2025	155,799	38,388	236,693	1,214	–	432,094
Balance at March 31, 2026	167,491	43,921	255,306	1,006	–	467,724

(2) Right-of-use assets

The carrying amount of right-of-use assets included in property, plant and equipment by underlying asset type was as follows:

	(Millions of yen)					
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land		Total
Balance at April 1, 2024		46,384	4,660	2,210	132	53,385
Balance at March 31, 2025		47,536	5,133	2,047	156	54,872
Balance at March 31, 2026		51,134	4,675	1,750	100	57,659

Note: Right-of-use assets increased during the fiscal years ended March 31, 2025 and 2026 by ¥17,367 million and ¥12,598 million, respectively.

14. Goodwill and Intangible Assets

(1) Changes in goodwill and intangible assets

The changes in carrying amount, acquisition cost, and accumulated amortization and accumulated impairment losses of goodwill and intangible assets were as follows:

Carrying amount

	(Millions of yen)				
	Goodwill	Intangible assets			Total
		Capitalized development costs	Software	Other	
Balance at April 1, 2024	180,331	59,641	12,698	19,622	91,961
Additions	–	–	4,488	265	4,753
Additions through internal development	–	14,298	–	–	14,298
Additions through business combinations (Notes 2, 3)	1,790	–	–	1,732	1,732
Amortization	–	(7,878)	(3,118)	(2,911)	(13,907)
Impairment losses	–	(2,557)	(171)	–	(2,728)
Sales and disposals	–	(43)	(3)	(142)	(188)
Reclassification	–	–	(866)	3	(863)
Exchange differences on translation of foreign operations	(1,528)	(321)	(41)	(81)	(443)
Decrease due to transfer of business	–	(270)	(17)	(412)	(699)
Other	–	46	16	(7)	55
Balance at March 31, 2025 (Note 3)	180,593	62,916	12,986	18,069	93,971
Additions	–	–	2,659	2,405	5,064
Additions through internal development	–	21,801	–	–	21,801
Amortization	–	(8,421)	(3,067)	(3,064)	(14,552)
Impairment losses	–	(8,564)	–	(1,595)	(10,159)
Sales and disposals	–	(6)	(45)	(205)	(256)
Reclassification	–	–	(191)	(1)	(192)
Exchange differences on translation of foreign operations	13,645	4,027	434	904	5,365
Other	–	(10)	–	–	(10)
Balance at March 31, 2026	194,238	71,743	12,776	16,513	101,032

- Notes: 1. Amortization of capitalized development costs is recorded as “Cost of sales” and “Profit from discontinued operation” on the Consolidated Statement of Profit or Loss. Amortization cost excluding capitalized development costs is recorded in “Cost of sales,” “Selling, general and administrative expenses” and “Profit from discontinued operation” on the Consolidated Statement of Profit or Loss. Impairment losses are recorded in “Other expenses” and “Profit from discontinued operation” on the Consolidated Statement of Profit or Loss.
2. Of additions through business combinations, major component included in “Other” is ¥1,732 million in customer related assets held by Sur Medical SpA. For details on business combinations, please see Note “40. Business Combinations.”
3. Provisional amounts for additions through business combinations and balance at March 31, 2025 have been revised in the fiscal year ended March 31, 2026 with respect to the acquisition of Sur Medical SpA in the fiscal year ended March 31, 2025, and figures have been retrospectively revised. For details, please see Note “40. Business Combinations.”

Acquisition cost

	(Millions of yen)				
	Goodwill	Intangible assets			
		Capitalized development costs	Software	Other	Total
Balance at April 1, 2024	180,331	95,191	69,069	179,357	343,617
Balance at March 31, 2025	180,593	102,529	67,469	150,227	320,225
Balance at March 31, 2026	194,238	110,641	72,005	160,434	343,080

Accumulated amortization and accumulated impairment losses

	(Millions of yen)				
	Goodwill	Intangible assets			
		Capitalized development costs	Software	Other	Total
Balance at April 1, 2024	–	35,550	56,371	159,735	251,656
Balance at March 31, 2025	–	39,613	54,483	132,158	226,254
Balance at March 31, 2026	–	38,898	59,229	143,921	242,048

(2) Significant intangible assets

Significant intangible assets recognized at March 31, 2025 are technology-related assets arising from the acquisition of Medi-Tate Ltd. by the Olympus Group on May 27, 2021. The carrying amount was ¥8,648 million, and the remaining amortization period was 11 years, as of March 31, 2026.

Significant intangible assets recognized at March 31, 2026 are technology-related assets arising from the acquisition of Medi-Tate Ltd. by the Olympus Group on May 27, 2021. The carrying amount was ¥8,290 million, and the remaining amortization period was 10 years, as of March 31, 2026.

(3) Research and development expenditures recognized as expenses

Research expenses and development costs that do not meet asset recognition criteria are recognized as expenses when incurred. Research and development expenditures recognized as expenses in continuing operations, excluding discontinued operation, in the fiscal years ended March 31, 2025 and 2026 were ¥89,590 million and ¥88,147 million, respectively.

15. Commitments

Commitments to acquire property, plant and equipment and intangible assets subsequent to March 31, 2025 and 2026 were as follows:

	(Millions of yen)	
	2025	2026
Property, plant and equipment	24,761	10,717
Intangible assets	112	912
Total	24,873	11,629

16. Impairment of Non-financial Assets

(1) Impairment losses

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 as “Other expenses” in the 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 breakdown of impairment losses by asset type was as follows:

	(Millions of yen)	
	2025	2026
Property, plant and equipment		
Buildings and structures	410	1,271
Machinery and vehicles	19	75
Tools, furniture and fixtures	315	190
Land	55	307
Construction in progress	109	83
Intangible assets		
Capitalized development costs	2,557	8,564
Software	171	—
Other	—	1,595
Total	3,636	12,085

Major impairment losses recognized in the fiscal year ended March 31, 2025 were as follows:

(Impairment losses on development assets)

Olympus Corporation recognized impairment losses of ¥1,704 million and ¥854 million on development assets in the Gastrointestinal Solutions Division and Surgical & Interventional Solutions Division, respectively, 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. 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.

Major impairment losses recognized in the fiscal year ended March 31, 2026 were as follows:

(Impairment losses on development assets)

Olympus Corporation recognized impairment losses of ¥5,179 million and ¥3,376 million on development assets in the Gastrointestinal Solutions Division and Surgical & Interventional Solutions Division, respectively, 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. 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.

(Impairment losses on other intangible assets)

Olympus Corporation recognized impairment losses of ¥1,595 million on some intangible assets such as technology-related assets in the Surgical & Interventional Solutions Division, 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. 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.

(2) Impairment test for goodwill

The breakdown of the carrying amount of goodwill corresponding to cash-generating units was as follows:

	(Millions of yen)	
	2025	2026
Gastrointestinal Solutions segment	13,448	14,662
Surgical & Interventional Solutions segment	167,145	179,576
Total	180,593	194,238

The Olympus Group tested goodwill for impairment on March 31, 2025 and 2026.

Individually significant goodwill carried on the Consolidated Statement of Financial Position is the goodwill allocated to the Gastrointestinal Solutions segment and Surgical & Interventional Solutions segment.

For impairment testing of goodwill, the recoverable amount is measured based on value in use.

Value in use is measured by discounting estimated future cash flows to present value. Estimated future cash flows is primarily based on a business plan approved by the management and considering a growth rate for the period after the term of the business plan.

Business plans have a maximum term of five years as a general rule. Business plans reflect management's assessment of future industry trends as well as historical data, and are prepared based on external and internal information. The estimated future cash flows are determined based on the business plans.

The growth rate for the period after the term of the business plans is determined based on market research reports for the industry in which the cash-generating unit (CGU) operates. The growth rate of "Gastrointestinal Solutions segment" and "Surgical & Interventional Solutions segment" is 1.5% - 6.3% and 2.3% - 3.8%, respectively, as of March 31, 2025, and 2.1% - 6.3% and 2.2% - 3.6%, respectively, as of March 31, 2026.

The discount rate is based on the pre-tax weighted average cost of capital of the cash-generating unit. The discount rates for the fiscal years ended March 31, 2025 and 2026, were 12.2% and 10.7% - 13.6%, respectively.

The main assumptions in estimating value in use are the growth rate and the operating margin in estimating future cash flows in the five-year business plan, the growth rate for the period after the business plan and the discount rate.

Value in use measured using the above rates amply exceeds the carrying amounts of the cash-generating units. Olympus Corporation believes that there is a low probability of significant impairment even if the key assumptions used in the impairment testing were to change within a range of reasonable foreseeability.

17. Trade and Other Payables

The breakdown of trade and other payables as of March 31, 2025 and 2026 was as follows:

	(Millions of yen)	
	2025	2026
Notes and account payable	40,391	46,945
Other payable	21,029	33,701
Total	61,420	80,646

18. Bonds and Borrowings

The breakdown of bonds and borrowings as of March 31, 2025 and 2026 was as follows:

	(Millions of yen)		Average interest rate (%)	Maturity
	2025	2026		
Current portion of bonds payable	24,992	79,876	2.14	December 2026
Current portion of long-term borrowings	69,993	–	–	–
Bonds (excluding current portion)	99,492	54,840	0.95	June 2028 to July 2030
Long-term borrowings (excluding current portion)	34,625	104,860	1.07	August 2027 to May 2035
Total	229,102	239,576		
Current	94,985	79,876		
Non-current	134,117	159,700		
Total	229,102	239,576		

Note: The average interest rate is the weighted average interest rate on the ending balance of borrowings. Bonds and borrowings are classified as financial liabilities measured at amortized cost.

The breakdown of bonds as of March 31, 2025 and 2026 was as follows:

Company	Bond name	Issue date	(Millions of yen)		Interest rate (%)	Maturity date
			2025	2026		
Olympus Corporation	26th unsecured bonds	July 18, 2020	24,992	–	–	July 2025
Olympus Corporation	27th unsecured bonds	July 19, 2020	24,930	24,943	0.47	July 2030
Olympus Corporation	Dollar-denominated unsecured bonds due 2026	December 8, 2021	74,562	79,876	2.14	December 2026
Olympus Corporation	28th unsecured bonds	June 17, 2025	–	14,956	1.24	June 2028
Olympus Corporation	29th unsecured bonds	June 17, 2025	–	14,941	1.45	June 2030
Total			124,484	134,716		

The breakdown of long-term borrowings, including current portion, as of March 31, 2025 and 2026 was as follows:

Financial institution	(Millions of yen)		Interest rate (%)	Maturity date
	2025	2026		
Japanese Bank	13,237	13,296	0.86	September 2029
Japanese Bank	1,484	1,490	0.73	September 2027
Japanese Bank	10,000	–	–	September 2025
Japanese Bank	9,823	9,897	0.53	August 2027
Japanese Bank	10,000	–	–	September 2025
Japanese Bank	9,814	9,874	0.55	June 2028
Japanese Bank	49,992	–	–	April 2025
Japanese Bank	–	25,000	1.48	May 2032
Japanese Bank	–	10,000	1.55	May 2035
Japanese Bank	–	20,000	1.07	June 2028
Japanese Bank	–	15,000	0.94	May 2029
Other	268	303		
Total	104,618	104,860		

19. Other Financial Liabilities

The breakdown of other financial liabilities as of March 31, 2025 and 2026 was as follows:

		(Millions of yen)	
		2025	2026
Financial liabilities measured at fair value through profit or loss			
Derivative liabilities		1,007	6,263
Contingent consideration		1,689	673
Financial liabilities measured at amortized cost			
Lease liabilities		62,465	66,309
Other		19,470	20,348
Total		84,631	93,593
		21,829	26,982
Current			
Non-current		62,802	66,611
Total		84,631	93,593

20. Provisions

The changes in provisions during the fiscal year ended March 31, 2026 were as follows:

(Millions of yen)					
	Provision for product warranties	Provision for loss on litigation	Provision for duodenoscopy market response	Other	Total
Balance at April 1, 2025	7,940	586	2,680	6,890	18,096
Increase during the year	6,000	864	243	9,046	16,153
Decrease (Provisions used)	(3,501)	(112)	(20)	(693)	(4,326)
Decrease (Provisions reversed)	(4,045)	(356)	(272)	(614)	(5,287)
Exchange differences on translation of foreign operations	273	86	—	955	1,314
Balance at March 31, 2026	6,667	1,068	2,631	15,584	25,950
Current	5,991	981	2,631	6,715	16,318
Non-current	676	87	—	8,869	9,632
Total	6,667	1,068	2,631	15,584	25,950

- Notes:
- Provision for product warranties included the ¥411 million expected to be needed for a voluntary recall of small intestine endoscope systems and provision of ¥513 million for market corrective measures for high-flow insufflation units.
 - Other provision includes a provision of ¥6,571 million recognized based on a reasonable estimate of potential future additional payments associated with matters involving uncertainties in tax interpretations related to past transactions that do not fall within the scope of income taxes.

(1) Provision for product warranties

For products sold subject to a quality assurance warranty, Olympus Corporation accrues after service cost and recall cost expected to be incurred within the guarantee period. After service cost is calculated using the prescribed standards, based on after service cost actually incurred in the past, and is expected to be expended during the guarantee period (mostly within three years). For recall cost, the amount deemed necessary for recalls was reasonably estimated and recorded as a provision. Decrease (Provisions reversed) mainly reflects changes in estimates of the amounts needed for a voluntary recall of small intestine endoscope systems and market corrective measures for high-flow insufflation units.

(2) Provision for loss on litigation

To provide for losses related to lawsuits or other litigation, in light of progress of the lawsuits, the expected amount of these losses is accounted for based on a reasonable estimate of the amount deemed necessary. These loss provisions are expected to be expended mostly within one year.

(3) Provision for duodenoscope market response

Olympus Corporation has decided to voluntarily replace the old type of duodenoscopes with a fixed tip cap with the new type with a removable tip cap, which is easier to clean and disinfect, against the background of obtaining regulatory approval for the new type of duodenoscopes with a removable tip cap in the United States. The amount deemed necessary to carry out this market response was reasonably estimated and recorded as a provision.

21. Other Current Liabilities and Other Non-current Liabilities

The breakdown of other current liabilities and other non-current liabilities as of March 31, 2025 and 2026 was as follows:

		(Millions of yen)	
		2025	2026
Accrued expenses		123,269	134,438
Contract liabilities		60,215	63,021
Other		23,739	24,959
	Total	207,223	222,418
Current		188,680	202,224
Non-current		18,543	20,194
	Total	207,223	222,418

22. Government Grants

Government grants included in other current liabilities and other non-current liabilities as of March 31, 2025 and 2026 were as follows:

		(Millions of yen)	
		2025	2026
Other current liabilities		276	238
Other non-current liabilities		1,207	991

Government grants were conditioned on acquiring equipment in a specific medical field in Japan and they are amortized over the useful life of their related assets on a straight-line basis.

There are no unfulfilled conditions or contingencies related to these grants.

23. Employee Benefits

Olympus Corporation and some of its consolidated subsidiaries have established defined benefit corporate pension plans, defined contribution pension plans and lump sum payment plans to fund employees' retirement benefits.

The defined benefit corporate pension plans are cash balance plans that use a point system. In these plans, points are awarded to the plan participants based on their job performance and interest points calculated using an interest crediting rate based on trends in market interest rates accumulate in the participants' hypothetical individual accounts.

The Olympus Group, its pension funds and institutions that manage its plan assets are legally required to faithfully administer and manage plan assets in the aim of providing reliable pension benefits to plan participants into the indefinite future. They fulfill their management responsibilities in accord with basic policies prepared by the funds.

The Olympus Group's retirement benefit plans are exposed to multiple risks, including investment risks associated with plan assets and interest rate risk associated with defined benefit obligations.

(1) Defined benefit plans

(i) Reconciliation of defined benefit obligations

The changes in defined benefit obligations were as follows:

	(Millions of yen)	
	2025	2026
Balance at April 1	159,890	150,402
Current service cost	5,637	4,989
Past service cost	—	60
Interest cost	4,951	5,398
Remeasurements of defined benefit plans		
Actuarial gains and losses arising from changes in demographic assumptions	96	(210)
Actuarial gains and losses arising from changes in financial assumptions	(9,552)	(8,082)
Other	268	1,204
Contributions by employees	228	247
Benefits paid	(9,828)	(8,703)
Effects of business combinations and disposals	(349)	—
Exchange differences on translation of foreign operations	(888)	6,084
Other	(51)	(9)
Balance at March 31	150,402	151,380

(ii) Reconciliation of fair value of plan assets

The change in the fair value of plan assets during the fiscal years ended March 31, 2025 and March 31, 2026 is presented below.

The Olympus Group conducts a financial verification based on Olympus Corporation's corporate pension rules at the end of every fiscal year to ascertain the extent of any funding deficit and determine whether contributions need to be recalculated.

In the fiscal year ending March 31, 2027, the Olympus Group plans to contribute ¥4,515 million to the plan.

	(Millions of yen)	
	2025	2026
Balance at April 1	176,119	171,112
Interest income	5,447	6,372
Remeasurements		
Return on plan assets	(4,775)	1,025
Contributions by employer	3,439	5,029
Contributions by employees	230	247
Benefits paid	(8,852)	(7,708)
Exchange differences on translation of foreign operations	(682)	6,601
Other	186	(128)
Balance at March 31	171,112	182,550

(iii) Reconciliation of defined benefit obligations and plan assets

The reconciliation between the defined benefit obligations and plan assets and the retirement benefit liability and asset recognized in the Consolidated Statement of Financial Position was as follows:

	(Millions of yen)	
	2025	2026
Present value of the funded defined benefit obligations	135,220	136,515
Fair value of plan assets	(171,112)	(182,550)
Subtotal	(35,892)	(46,035)
Present value of the unfunded defined benefit obligations	15,182	14,865
Net defined benefit liabilities (assets)	(20,710)	(31,170)
Amounts recognized in the Consolidated Statement of Financial Position		
Retirement benefit liability	19,800	20,019
Retirement benefit asset	(40,510)	(51,189)
Net defined benefit liabilities (assets)	(20,710)	(31,170)

(iv) Components of plan assets

The breakdown of plan assets by category was as follows:

	(Millions of yen)	
	2025	2026
Assets with quoted market prices in an active market		
Japanese equity securities	1,491	1,619
Cash and cash equivalents	14,554	17,094
Total	16,045	18,713
Assets without quoted market prices in an active market		
Overseas equity securities	6,271	7,100
Overseas debt securities	45,852	50,564
General account for life insurance companies	43,689	43,217
Jointly managed money trust	46,735	49,670
Other (Note)	12,520	13,286
Total	155,067	163,837
Total of plan assets	171,112	182,550

Note: Insurance contracts concluded through annuity buy-in transactions included in "Other" amounted to ¥9,551 million and ¥9,950 million as of the end of the fiscal years ended March 31, 2025 and 2026, respectively.

To reliably pay defined benefit obligations into the indefinite future, plan assets in the Olympus Group's corporate pension funds are managed safely and efficiently in the aim of generating medium- to long-term investment returns in excess of the minimum rate of return required to maintain the plans. To do so, the pension funds carefully ascertain their risk tolerance, determine an optimal asset allocation within those risk constraints and invest in a diversified portfolio of assets.

(v) Matters related to actuarial assumptions

The main significant actuarial assumptions used to measure present value of defined benefit obligations were as follows:

	2025	2026
Discount rate	3.74%	4.45%

(vi) Sensitivity analysis

In the event of a 0.5% change in the discount rate used in the actuarial calculation, the present value of the defined benefit obligations would be affected as shown below. This analysis assumes that all other variables remain constant. In actuality, however, the sensitivity analysis may be affected by changes in other assumptions.

	(Millions of yen)	
	2025	2026
Discount rate		
0.5% increase (decrease in obligations)	(8,147)	(7,794)
0.5% decrease (increase in obligations)	9,363	8,971

(vii) Weighted average duration

The weighted average durations of the defined benefit obligations were 12.4 years and 11.9 years as of March 31, 2025 and 2026, respectively.

(2) Defined contribution plans

The amounts recognized as expenses related to the defined contribution plans were ¥21,622 million and ¥24,305 million for the fiscal years ended March 31, 2025 and 2026, respectively, and included expenses recognized in relation to the public pension system.

24. Share Capital and Other Components of Equity

(1) Number of authorized shares, issued shares and treasury shares

The changes in the number of authorized shares, issued shares and treasury shares were as follows:

	Number of shares	
	2025	2026
Authorized shares	4,000,000,000	4,000,000,000
Issued shares (Note 1)		
As of April 1	1,215,146,700	1,139,116,300
Increase or decrease (Notes 2, 3)	(76,030,400)	(24,630,600)
As of March 31	1,139,116,300	1,114,485,700
Treasury shares (Note 4)		
As of April 1	49,514,907	11,305,636
Increase or decrease (Notes 5, 6)	(38,209,271)	2,077,548
As of March 31	11,305,636	13,383,184

- Notes:
1. All of the shares of Olympus Corporation are ordinary shares that have no par value and no limitations on the rights. Issued shares are fully paid.
 2. The decrease in the fiscal year ended March 31, 2025, was due to the cancellation of 37,446,500 shares of treasury shares and 38,583,900 shares of treasury shares conducted effectively on April 30, 2024 and January 31, 2025, respectively.
 3. The decrease in the fiscal year ended March 31, 2026, was due to the cancellation of 24,630,600 shares of treasury shares conducted effectively on November 28, 2025.
 4. Olympus Corporation has adopted stock option plans and utilizes treasury shares for delivery of shares due to exercise. Contract conditions and amounts are described in Note “27. Stock-based Compensation.”
 5. The main changes in the fiscal year ended March 31, 2025, were a decrease of 37,446,500 shares due to the cancellation of treasury shares conducted effectively on April 30, 2024, an increase of 38,583,900 shares due to the share repurchase conducted between May 13, 2024, and November 19, 2024 on a delivery date basis, and a decrease of 38,583,900 shares due to the cancellation of treasury shares conducted effectively on January 31, 2025.
 6. The main changes in the fiscal year ended March 31, 2026, were an increase of 27,630,600 shares due to the share repurchase conducted between July 30, 2025, and November 5, 2025 on a delivery date basis, and a decrease of 24,630,600 shares due to the cancellation of treasury shares conducted effectively on November 28, 2025.

(2) Capital surplus

Japan’s Companies Act provides that at least one-half of capital paid in or contributed in exchange for newly issued shares is to be classified as share capital and any amount not classified as share capital is to be classified as legal capital surplus included in capital surplus.

Additionally, legal capital surplus may be reclassified as share capital pursuant to a shareholder resolution at a General Meeting of Shareholders.

(3) Retained earnings

Japan’s Companies Act provides that one-tenth of the amount of reductions in surplus due to dividend distributions funded by the surplus is to be accumulated as legal capital surplus or legal retained earnings until the total of legal capital surplus and legal retained earnings equals one-quarter of share capital.

Accumulated legal retained earnings may be appropriated to reduce a capital deficit. They may also be utilized pursuant to a shareholder resolution at a General Meeting of Shareholders.

The amount of Olympus Corporation’s retained earnings distributable as dividends is measured based on the amount of retained earnings carried on Olympus Corporation’s accounting books prepared in accordance with accounting principles generally accepted in Japan.

Additionally, the Companies Act imposes certain restrictions on how the amount of retained earnings distributable as dividends is measured. Olympus Corporation distributes retained earnings within the constraints stipulated by those restrictions.

(4) Other components of equity

The changes in other components of equity were as follows:

	(Millions of yen)				
	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total
Balance at March 31, 2024	152,686	(3,958)	399	–	149,127
Other comprehensive income	(9,630)	2,194	(78)	3,123	(4,391)
Reclassification to retained earnings	–	–	–	(3,123)	(3,123)
Balance at March 31, 2025	143,056	(1,764)	321	–	141,613
Other comprehensive income	56,435	524	24	5,296	62,279
Reclassification to retained earnings	–	–	–	(5,296)	(5,296)
Balance at March 31, 2026	199,491	(1,240)	345	–	198,596

(i) Exchange differences on translation of foreign operations

Exchange differences that arise when foreign operations' financial statements prepared in a foreign currency are consolidated.

(ii) Cash flow hedges

Olympus Corporation hedges to avert the risk of changes in future cash flows. Changes in the fair value of derivatives designated as cash flow hedges are recognized in other comprehensive income to the extent the hedges are deemed effective.

(iii) Financial assets measured at fair value through other comprehensive income

Valuation gains/losses on financial assets measured at fair value through other comprehensive income.

(iv) Remeasurements of defined benefit plans

Changes in defined benefit obligations due to actuarial gains/losses and the effects of changes in actuarial assumptions; they are recognized in other comprehensive income when they occur and immediately transferred from other components of equity to retained earnings.

25. Capital Policy

To enhance its corporate value, the Olympus Group has adopted a basic policy, premised on maintaining a stable financial foundation, of continually returning value to shareholders while placing priority on investing in growth businesses.

The Olympus Group manages all of its equity and interest-bearing debt as components of its capital cost. In addition, the policy of the Olympus Group is to respond flexibly to investment opportunities while maintaining financial stability through the appropriate control of financial leverage. The Olympus Group is not subject to any significant capital restrictions (except for general provisions stipulated in Japan's Companies Act).

The Olympus Group has designated adjusted earnings per share (adjusted EPS) as an equity-related key performance indicator. In the company strategy announced on November 7, 2025, the Olympus Group has defined a target of achieving an adjusted EPS CAGR of more than 10% from the fiscal year ending March 31, 2027 through the fiscal year ending March 31, 2029 starting from the fiscal year ended March 31, 2026.

	(Yen)	
	2025	2026
Adjusted EPS (Notes 1, 2)	117.17	92.12

Notes: 1. This is EPS after adjusting special factors, and the amount differs from the amount shown in Note "32. Earnings per Share." In calculating adjusted EPS, other income and other expenses, etc., are excluded from profit, which is the basis for the calculation.

2. The Orthopedic Business has been classified as a discontinued operation from the six months ended September 30, 2024.

26. Dividends

Dividends paid during the fiscal year ended March 31, 2025 were as follows:

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 10, 2024 Board of Directors	Common stock	20,981	18	March 31, 2024	June 5, 2024

Dividends paid during the fiscal year ended March 31, 2026 were as follows:

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 13, 2025 Board of Directors	Common stock	22,556	20	March 31, 2025	June 5, 2025

Dividends for which the record date falls in the current fiscal year and the effective date is in the following fiscal year are as follows:

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 12, 2026 Board of Directors	Common stock	33,033	30	March 31, 2026	June 4, 2026

27. Stock-based Compensation

The Olympus Group has adopted equity-settled stock option plans for directors, executive officers and corporate officers of Olympus Corporation, and senior management of Olympus Corporation and its subsidiaries (hereinafter the “Employees of the Olympus Group”) with the aim of enhancing awareness toward contributing to sustainable improvement of corporate value as well as further enhancing value sharing with shareholders of Olympus Corporation.

(1) Stock Options

(i) Overview of stock option plans

Under the stock option plans, grantees are granted 400 shares of common stock of Olympus Corporation per subscription right to shares.

The grants are not subject to vesting conditions, but holders of subscription rights to shares may exercise their subscription rights to shares only during a 10-year period beginning one year from the day after the date on which they vacate their position as a director, executive officer or corporate officers of Olympus Corporation (for those who were appointed the Audit & Supervisory Board Members after vacating their position as a director or corporate officer, the date on which they vacate their position as an Audit & Supervisory Board Member). If not exercised within the exercise period, the options become null and void. Olympus Corporation introduced a restricted stock compensation system and performance-based stock compensation system from the fiscal year ended March 31, 2018, and new application of the stock option plan was suspended. No stock options have been granted since such time. The exercise period for stock options already granted ends on July 13, 2046.

(ii) Outline of stock options

	Grant date	Number of shares granted (shares)	Exercise price (Yen)	Exercise period
The first subscription rights to shares	August 26, 2013	160,400	1	From August 27, 2013 to August 26, 2043
The second subscription rights to shares	July 11, 2014	164,000	1	From July 12, 2014 to July 11, 2044
The third subscription rights to shares	July 13, 2015	154,800	1	From July 14, 2015 to July 13, 2045
The fourth subscription rights to shares	July 13, 2016	158,000	1	From July 14, 2016 to July 13, 2046

Note: The number of stock options is presented as the number of underlying shares.

(iii) Movement in number of stock options and weighted average exercise price

	2025		2026	
	Number of equity securities (shares)	Weighted average exercise price (Yen)	Number of equity securities (shares)	Weighted average exercise price (Yen)
Outstanding at beginning of year	282,400	1	211,600	1
Granted	—	—	—	—
Exercised	(70,800)	1	(47,600)	1
Expired	—	—	(4,800)	1
Outstanding at end of year	211,600	1	159,200	1
Exercisable at end of year	121,200	1	75,600	1

- Notes:
1. The number of stock options is presented as the number of underlying shares.
 2. The weighted average share prices of stock options at the time of exercise were ¥2,373 and ¥1,873 for the fiscal years ended March 31, 2025 and 2026, respectively.
 3. The weighted average remaining lives of unexercised stock options year were 20.0 years and 19.2 years as of March 31, 2025 and 2026, respectively.

(2) Performance-based stock compensation (PSU: Performance Share Unit) system

(i) Overview of Performance Share Unit (PSU) system (hereinafter the “PSU system”)

The PSU system is for executive officers and corporate officers of Olympus Corporation, and the Employees of the Olympus Group (hereinafter the “Eligible Persons”).

Under the PSU system, at the beginning of the performance evaluation period, the standard number of common stock units to be delivered after the end of the performance evaluation period is determined based on the amount of basic salary. The number of share units to be allotted is the number of the standard number of common stock units multiplied by the payment rate determined according to the degree of attainment at the end of the performance period. The Eligible Persons wholly transfer their rights to monetary compensation receivable equivalent to the number of such allotted share units as in kind property contributions and receive newly issued shares of Olympus Corporation’s common stock. The performance evaluation period is three fiscal years, and the Compensation Committee determines the payment rate within the predetermined range according to the degree of attainment, at the end of the performance evaluation period, of predetermined performance evaluation indicators and targets set by the Compensation Committee. The performance evaluation indicators and targets at the start of the performance evaluation period and the payment rate at the end of the performance evaluation period for corporate officers and the Employees of the Olympus Group are determined by the Representative Executive Officer.

(ii) Number of shares granted during the year and fair value at grant date

The weighted average fair value at the grant date under this plan for the fiscal years ended March 31, 2025 and 2026 were ¥2,271 and ¥2,081 respectively. The number of shares delivered correspond to the directors’ standard variable compensation calculated based on their position and adjusted within the predetermined range based on the degree of attainment, as of the end of the three fiscal years, of predetermined performance evaluation targets set by the Compensation Committee or Representative Executive Officer as described above in (2) (i).

(3) Restricted Stock Unit system

(i) Overview of Restricted Stock Unit system (hereinafter the “RSU system”)

The RSU system is for directors, executive officers and corporate officers of Olympus Corporation, and the Employees of the Olympus Group (hereinafter the “Eligible Persons”).

Under the RSU system, on the condition that the eligible persons remain employed by Olympus Corporation during the vesting period, the eligible persons are granted the right to acquire the predetermined number of shares of Olympus Corporation’s common stock based on the amount of basic salary, etc. at the beginning of the transfer restriction period, and receive the said shares at a predetermined time. The Eligible Persons wholly transfer all their rights to monetary compensation claims according to that number of granted units after the end of the vesting period as in kind property contributions and receive newly issued shares of Olympus Corporation’s common stock.

RSUs are paid as newly issued shares of the Company’s common stock for directors who live in Japan at the time of retirement in principle, and for directors who do not live in Japan after the standard vesting period in their region. The vesting period of RSUs for executive officers, corporate officers and the employees of the Olympus Group was three fiscal years until the fiscal year ended March 31, 2022, and the number of shares equivalent to all the granted units was delivered after the vesting period. From the fiscal year ended March 31, 2023, shares are delivered by one-third of the number of granted units each fiscal year.

(ii) Number of shares granted during the year and fair value at grant date

The weighted average fair value at the grant date under this plan for the fiscal years ended March 31, 2025 and 2026 were ¥2,288 and ¥2,060, respectively. As for the number of shares, Olympus Corporation’s common stock determined by Olympus Corporation in advance are delivered after the end of the vesting period as stated in (3) (i) above.

(4) Stock compensation expenses

	(Millions of yen)	
	2025	2026
Selling, general and administrative expenses	2,064	2,724

28. Revenue

(1) Disaggregation of Revenue

The Olympus Group reorganized the previous “Endoscopic Solutions” and “Therapeutic Solutions” to “Gastrointestinal Solutions Division” and “Surgical & Interventional Solutions Division” from the fiscal year ended March 31, 2026.

In conjunction with this organizational restructuring, the reportable segments have also been changed from the previous “Endoscopic Solutions” and “Therapeutic Solutions” to the “Gastrointestinal Solutions Division” and “Surgical & Interventional Solutions Division.”

Revenue recorded in the “Gastrointestinal Solutions Division” and “Surgical & Interventional Solutions Division” is stated as revenue, as these segments are the units for which separate financial information is available and according to which review is regularly conducted to decide how to allocate management resources and assess business performance. Revenue is geographically disaggregated by customer location. The relationship between the disaggregated revenue and revenue of each business segment is as follows:

To ensure comparability, the results for the fiscal year ended March 31, 2025 have also been restated to reflect the change in categorization.

For the fiscal year ended March 31, 2025

(Millions of yen)				
	Gastrointestinal Solutions	Surgical & Interventional Solutions	Other	Total
Japan	83,524	26,588	417	110,529
North America	264,701	149,113	82	413,896
Europe	169,669	84,951	–	254,620
China	71,720	24,003	15	95,738
Asia and Oceania	64,354	29,337	16	93,707
Other	20,075	8,767	–	28,842
Total	674,043	322,759	530	997,332
Revenue from contracts with customers	595,154	298,781	530	894,465
Revenue from other sources	78,889	23,978	–	102,867

Note: Revenue from other sources includes revenue from lease contracts as defined under IFRS 16.

For the fiscal year ended March 31, 2026

(Millions of yen)				
	Gastrointestinal Solutions	Surgical & Interventional Solutions	Other	Total
Japan	79,295	24,439	171	103,905
North America	264,926	140,567	–	405,493
Europe	192,047	89,022	1	281,070
China	63,493	18,937	22	82,452
Asia and Oceania	72,571	30,001	14	102,586
Other	25,027	10,143	–	35,170
Total	697,359	313,109	208	1,010,676
Revenue from contracts with customers	616,835	289,773	208	906,816
Revenue from other sources	80,524	23,336	–	103,860

Note: Revenue from other sources includes revenue from lease contracts as defined under IFRS 16.

(i) Gastrointestinal Solutions Division

The Gastrointestinal Solutions Division sells medical devices, including gastrointestinal endoscopes and gastroenterology devices, 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.

Regarding the sale of products by the Gastrointestinal Solutions Division, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. The revenue from the sale of products is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component. In respect of transactions that consist of multiple components, such as products and maintenance service, Olympus Corporation treats each component as a separate performance obligation when products to sell and services to render have an independent value on their own, and the total transaction amount is proportionally allocated based on the individual sales prices of the components.

In regard to maintenance contracts concerning medical devices, because performance obligations are satisfied over the passage of time, the transaction amount related to the contract with a customer is recognized as revenue spread evenly over the contract period. Generally, Olympus Corporation receives a consideration for a transaction in a lump sum as advance payment at the time the contract is concluded.

Lease transactions for medical devices as the lessor are recorded in accordance with Note “3. Material Accounting Policies, (10) Leases.” Olympus Corporation receives lease fees concerning leasing contracts based on payment conditions specified in individual contracts.

(ii) Surgical & Interventional Solutions Division

The Surgical & Interventional Solutions Division sells medical devices, including urology products, respiratory products, surgical endoscopes, energy devices, ENT products, and gynecology products, to customers who are primarily medical institutions in Japan and overseas.

Regarding the sale of products by the Surgical & Interventional Solutions Division, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. The revenue from the sale of products is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component.

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.

(2) Contract balances

The balances of receivables from contracts with customers, and contract assets and contract liabilities were as follows:

For the fiscal year ended March 31, 2025

	(Millions of yen)	
	April 1, 2024	March 31, 2025
Receivables from contracts with customers	146,956	149,076
Contract assets	220	347
Contract liabilities	65,616	60,215

For the fiscal year ended March 31, 2026

	(Millions of yen)	
	April 1, 2025	March 31, 2026
Receivables from contracts with customers	149,076	175,461
Contract assets	347	290
Contract liabilities	60,215	63,021

In the consolidated statement of financial position, receivables from contracts with customers and contract assets are included in trade and other receivables and contract liabilities are included in other current liabilities and other non-current liabilities.

Contract assets are related to consideration for performance that has been completed but not been charged on the reporting date. Contract assets are reclassified to receivables when the right to payment becomes unconditional. Contract liabilities are advances from customers who first made some or all of the payment even though service had not yet been provided to the customer, primarily for maintenance contracts.

The amounts of revenues from continuing operations recognized during the fiscal years ended March 31, 2025 and 2026 which were included in contract liabilities at the beginning of the period were ¥60,102 million and ¥55,283 million, respectively. In addition, for the fiscal years ended March 31, 2025 and 2026, the amounts of revenue recognized from performance obligation satisfied (or partly satisfied) in the previous period are immaterial.

(3) Transaction price allocated to the remaining performance obligations

The amounts of revenue by timing of satisfaction of remaining performance obligations are as follows:
Olympus Corporation has applied the practical expedient and does not disclose transactions of which the expected contract period is within one year or less.

	(Millions of yen)	
	2025	2026
Within 1 year	21,763	21,428
Over 1 year	11,842	12,500
Total	33,605	33,928

29. Selling, General and Administrative Expenses

Major items of selling, general and administrative expenses for the fiscal years ended March 31, 2025 and 2026 were as follows:

	(Millions of yen)	
	2025	2026
Personnel expenses (Note)	283,753	300,114
Depreciation	34,410	35,200
Advertising and promotion expenses	17,036	16,503

Note: Personnel expenses mainly include wages, bonuses, legal welfare expenses, expenses related to post-employment benefits, and personnel expenses incurred by the development division.

30. Other Income and Other Expenses

(1) Other income

Major items of other income are as follows:

For the fiscal year ended March 31, 2025

(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 ¥874 million reversal of provision 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 ¥1,170 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.”

For the fiscal year ended March 31, 2026

(Consideration based on an usage license agreement)

Olympus Corporation recorded ¥5,995 million in “Other income” as consideration based on an agreement licensing usage to Evident Corporation.

(Gain on sale of fixed assets)

Gain on sale of buildings held by consolidated subsidiary Olympus Czech Group, s.r.o. of ¥1,166 million was recorded in “Other income.”

(2) Other expenses

Major items of other expenses are as follows.

For the fiscal year ended March 31, 2025

(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 ¥19,350 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 ¥2,865 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 ¥1,704 million and ¥854 million on development assets in the Gastrointestinal Solutions Division and Surgical & Interventional Solutions Division, respectively, 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.”

For the fiscal year ended March 31, 2026

(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 ¥10,781 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.

(Impairment losses)

Olympus Corporation recognized impairment losses of ¥5,179 million and ¥3,376 million on development assets in the Gastrointestinal Solutions Division and Surgical & Interventional Solutions Division, respectively, 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.”

Olympus Corporation recognized impairment losses of ¥1,595 million on some intangible assets such as technology-related assets in the Surgical & Interventional Solutions Division, 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.”

(Measures concerning organization changes and personnel optimization)

Expenses of ¥26,872 million associated with the implementation of measures to reform the organizational structure at a global level and optimize the number of employees of Olympus Corporation were recorded as “Other expenses.”

31. Finance Income and Finance Costs

The breakdown of finance income and finance costs for the fiscal years ended March 31, 2025 and 2026 was as follows:

		(Millions of yen)	
		2025	2026
Finance income			
Interest income			
Financial assets measured at amortized cost		3,295	2,509
Dividends income			
Financial assets measured through other comprehensive income		12	13
Other (Note 3)		142	3,649
Total		3,449	6,171
Finance costs			
Interest expenses			
Financial liabilities measured at amortized cost		3,845	3,787
Interest on bonds			
Financial liabilities measured at amortized cost		782	1,029
Foreign exchange loss (Note 1)		2,020	13
Other (Note 3)		194	4,468
Total		6,841	9,297

- Notes: 1. Valuation gains or losses on currency derivatives that are not designated as hedges are included in foreign exchange gain or loss.
2. Fee income and expenses arising financial assets measured at amortized cost are immaterial.
3. Other includes changes in the fair value of options held under the agreement relating to investments in Swan EndoSurgical, Inc. by the Olympus Group and RVLHC SE Holdings, LLC ("Revival"). In the fiscal year ended March 31, 2026, changes in the fair value of these options resulted in the recognition of ¥3,528 million in finance income and ¥4,191 million in finance costs. Please refer to Notes "40. Business Combinations" for information on this agreement.

32. Earnings per Share

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

	2025	2026
Basic earnings per share (yen)		
Continuing operations	102.94	61.32
Discontinued operation	0.05	—
Basic earnings per share	102.99	61.32
Diluted earnings per share (yen)		
Continuing operations	102.75	61.20
Discontinued operation	0.05	—
Diluted earnings per share	102.80	61.20

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

	2025	2026
Profit used to calculate basic earnings per share and diluted earnings per share		
Profit attributable to owners of parent (Millions of yen)	117,855	68,172
Profit not attributable to common shareholders of parent (Millions of yen)	—	—
Profit used to calculate basic earnings per share (Millions of yen)	117,855	68,172
Continuing operations	117,800	68,172
Discontinued operation	55	—
Adjustment to profit (Millions of yen)	—	—
Profit used to calculate diluted earnings per share (Millions of yen)	117,855	68,172
Continuing operations	117,800	68,172
Discontinued operation	55	—

	2025	2026
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 (thousand shares)	1,144,343	1,111,780
Increase in number of shares of common stock		
Subscription rights to shares relating to stock options (thousand shares)	263	193
Common stock relating to PSU (thousand shares)	970	695
Common stock relating to RSU (thousand shares)	849	1,252
The weighted average number of shares of diluted common stock during the period (thousand shares)	1,146,425	1,113,920

33. Other Comprehensive Income

The breakdown of each component of other comprehensive income (including non-controlling interests) for the fiscal years ended March 31, 2025 and 2026 was as follows:

	(Millions of yen)	
	2025	2026
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income		
Amount arising during the year	(62)	43
Tax effect	(16)	(19)
Financial assets measured at fair value through other comprehensive income	(78)	24
Remeasurements of defined benefit plans		
Amount arising during the year	4,413	8,113
Tax effect	(1,290)	(2,817)
Remeasurements of defined benefit plans	3,123	5,296
Total of items that will not be reclassified to profit or loss	3,045	5,320
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations		
Amount arising during the year	(8,317)	56,278
Reclassification adjustments	(1,156)	–
Before tax effect	(9,473)	56,278
Tax effect	(157)	157
Exchange differences on translation of foreign operations	(9,630)	56,435
Cash flow hedges		
Amount arising during the year	2,146	5,923
Reclassification adjustments	1,018	(5,213)
Before tax effect	3,164	710
Tax effect	(970)	(186)
Cash flow hedges	2,194	524
Total of items that may be reclassified to profit or loss	(7,436)	56,959
Total other comprehensive income	(4,391)	62,279

34. Cash Flow Information

(1) Non-cash transactions

The major non-cash transactions are as follows:

	(Millions of yen)	
	2025	2026
Right-of-use assets acquired through lease transactions	17,374	12,598

(2) Liabilities arising from financing activities

The changes in liabilities arising from financing activities were as follows:

Fiscal year ended March 31, 2025

(Millions of yen)						
	Balance at April 1	Movement due to cash inflows/ outflows from financing activities	Non-cash items			Balance at March 31
			Increase due to new lease	Exchange differences on translation of foreign operations	Other	
Bonds (Note 1)	145,250	(20,000)	—	—	(766)	124,484
Long-term borrowings (Note 1)	154,366	(50,035)	—	(2)	289	104,618
Lease liabilities (Notes 1, 2)	60,943	(13,834)	17,374	(617)	(1,401)	62,465

- Notes: 1. Balances redeemable within one year are included.
2. Movement due to cash inflows/outflows from financing activities for lease liabilities does not include the portion related to financial liabilities of (¥5,468 million), which is part of the “Repayments of lease liabilities” totaling (¥19,302 million) in the Consolidated Statement of Cash Flows.

Fiscal year ended March 31, 2026

(Millions of yen)						
	Balance at April 1	Movement due to cash inflows/ outflows from financing activities	Non-cash items			Balance at March 31
			Increase due to new lease	Exchange differences on translation of foreign operations	Other	
Bonds (Note 1)	124,484	4,873	—	—	5,359	134,716
Long-term borrowings (Note 1)	104,618	—	—	35	207	104,860
Lease liabilities (Notes 1, 2)	62,465	(13,743)	12,598	5,807	(818)	66,309

- Notes: 1. Balances redeemable within one year are included.
2. Movement due to cash inflows/outflows from financing activities for lease liabilities does not include the portion related to financial liabilities of (¥6,167 million), which is part of the “Repayments of lease liabilities” totaling (¥19,910 million) in the Consolidated Statement of Cash Flows.

(3) Payments for acquisition of business

There is no income or expenses from significant business acquisitions during the fiscal years ended March 31, 2025 and 2026.

(4) Payments for acquisition of subsidiaries

A reconciliation of the consideration paid for the acquisition of subsidiaries and payments for acquisition was as follows:

	(Millions of yen)	
	2025	2026
Consideration for acquisitions paid in cash	(3,896)	—
Cash and cash equivalents of assets acquired, at the time the Olympus Group obtained control of the subsidiaries	15	—
Payments for acquisition of subsidiaries	(3,881)	—

Note: For details, please see Note “40. Business Combinations.”

(5) Loss of control

Fiscal year ended March 31, 2025

(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	5,634
Expenses related to transfer of businesses	(350)
Cash and cash equivalents of subsidiaries with the loss of control	(1,554)
Proceeds from the transfer of Orthopedic Business (Note)	3,730

Note: Proceeds from the transfer of Orthopedic Business are included in “Cash flows from investing activities” in the Consolidated Statement of Cash Flows.

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥435 million associated with the loss of control of Orthopedic Business in “Profit from discontinued operation” in the Consolidated Statement of Profit or Loss.

Fiscal year ended March 31, 2026

Not applicable.

35. Financial Instruments

(1) Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss for the Olympus Group.

The Olympus Group is mainly exposed to the credit risk of customers and business counterparts on financial assets measured at amortized cost and of financial institutions that are counterparties to derivatives held for hedging foreign currency fluctuations and other financial risks.

The Olympus Group manages credit risk pertaining to financial assets measured at amortized cost by conducting credit investigations on major external customers and controls of due dates and outstanding

balances by customers in accordance with internal regulations, while promptly identifying doubtful accounts caused by deteriorated financial conditions, etc., to reduce risks. Credit risk associated with derivatives is reduced by limiting transactions to highly creditworthy financial institutions.

Financial assets measured at amortized cost are mainly classified into “trade receivables” that consist of notes receivable, accounts receivable and lease receivables and “receivables other than trade receivables.” The Olympus Group provides allowance for doubtful accounts for each receivable as follows:

“Trade receivables” are classified into three categories: receivables to “debtors that are not facing serious problems in their management conditions,” receivables to “debtors that are facing serious problems in repaying their debts,” and receivables to “debtors that are bankrupt,” according to the debtors’ management and financial conditions at the end of the reporting period. Allowance for doubtful accounts is always recognized at an amount equal to expected credit losses for the remaining life of the assets for each category.

“Debtors that are not facing serious problems in their management conditions” refer to those that have no indication of problems in repaying their debts and no problems in ability to repay their debts. Allowance for doubtful accounts on receivables from the debtors in this category is recorded collectively using a provision ratio based on a historical loan loss ratio and future estimates.

“Debtors that are facing serious problems in repaying their debts” refer to those that are not in a state of bankrupt but are facing, or will likely face, serious problems in repaying their debts. Allowance for doubtful accounts on receivables from the debtors in this category is recorded based on the estimated collectable amount of the respective assets on an individual basis.

“Debtors that are bankrupt” refer to those that are legally or substantially bankrupt or in a state of serious financial difficulty with no prospect of revitalization. Allowance for doubtful accounts on receivables from the debtors in this category is recorded for all receivables excluding assets received as collateral or for credit enhancement.

The Olympus Group evaluates at the end of each reporting period whether there is a significant increase in credit risk of “receivables other than trade receivables” since initial recognition. When there is no significant increase in credit risk since initial recognition, the amount equal to expected credit losses for 12 months is recognized as allowance for doubtful accounts. When there is a significant increase in credit risk since initial recognition, the amount equal to expected credit losses for the remaining life of the financial assets is recognized as allowance for doubtful accounts.

“A significant increase in credit risk” refers to a situation in which there are serious problems in collectability of receivables at the end of the reporting period compared to that at the initial recognition. When evaluating whether or not there is a significant increase in credit risk, the Olympus Group takes into consideration reasonably available and supportable information, such as a debtor’s results of operations for past periods and management improvement plan, as well as past due information.

Allowance for doubtful accounts on “receivables other than trade receivables” is recognized using a method to estimate credit losses collectively or individually according to the extent of the debtor’s credit risk. However, when the debtors are in serious financial difficulty or legally or substantially bankrupt, allowance for doubtful accounts is recognized using a method to estimate credit losses individually by considering the receivables as credit-impaired financial assets.

Irrespective of the above classification, when it is clear that a financial asset in its entirety or a portion thereof cannot be recovered, such as a legal extinguishment of receivables, the carrying amount of the financial asset is directly amortized.

Information on allowance for doubtful accounts

The carrying amounts of financial assets subject to allowance for doubtful accounts were as follows:

These carrying amounts represent the maximum amount of exposure to credit risk.

(Millions of yen)				
Trade receivables	Debtors that are not facing serious problems in their management conditions	Debtors that are facing serious problems in repaying their debts	Debtors that are bankrupt	Total
Balance at March 31, 2025	255,713	4,696	254	260,663
Balance at March 31, 2026	312,341	5,222	386	317,949

There was no significant change that had a material impact on allowance for doubtful accounts for “Trade receivables” as of March 31, 2025 and 2026.

(Millions of yen)				
Receivables other than trade receivables	No significant increase in credit risk	Significant increase in credit risk		Total
		Non-credit-impaired financial assets	Credit-impaired financial assets	
Balance at March 31, 2025	25,294	4,685	595	30,574
Balance at March 31, 2026	22,697	4,938	623	28,258

There was no significant change that had material impacts on allowance for doubtful accounts for “Receivables other than trade receivables” as of March 31, 2025 and 2026.

The changes in allowance for doubtful accounts related to above financial assets were as follows:

(Millions of yen)				
	Receivables other than trade receivables			
	Trade receivables	No significant increase in credit risk	Significant increase in credit risk	
			Non-credit-impaired financial assets	Credit-impaired financial assets
Balance at April 1, 2024	5,341	1	4,557	668
Increase	824	–	117	–
Decrease	(1,096)	0	–	(1)
Other	(39)	–	–	(72)
Balance at March 31, 2025	5,030	1	4,674	595
Increase	1,058	9	230	2
Decrease	(731)	(1)	–	(1)
Other	418	1	–	28
Balance at March 31, 2026	5,775	10	4,904	624

(2) Liquidity risk

Liquidity risk is the risk that the Olympus Group may not be able to repay borrowings or settle other financial liabilities on their due dates.

Borrowings, bonds and other financial liabilities held by the Olympus Group are exposed to liquidity risk. Based on the report from each division, the finance division of the Olympus Group prepares and updates its cash flow plans on a timely basis and keeps its liquidity in hand over a certain ratio of consolidated revenue in order to manage liquidity risk.

Major financial liabilities by maturity date are as follows: Trade and other payables are not included in the tables below as they are settled within one year and their contractual cash flows are nearly equal to the carrying amount.

As of March 31, 2025

(Millions of yen)				
	Carrying amount	Contractual cash flows		
		Total	Within 1 year	Over 1 year
Non-derivative financial liabilities				
Bonds and borrowings	229,102	234,935	97,138	137,797
Lease liabilities	62,465	71,227	14,073	57,154
Derivative financial liabilities				
Currency derivatives	1,003	1,000	908	92
Interest rate derivatives	4	4	4	–

As of March 31, 2026

(Millions of yen)				
	Carrying amount	Contractual cash flows		
		Total	Within 1 year	Over 1 year
Non-derivative financial liabilities				
Bonds and borrowings	239,576	249,472	83,288	166,184
Lease liabilities	66,309	75,430	14,418	61,012
Derivative financial liabilities				
Currency derivatives	1,818	1,816	1,634	182

The Olympus Group does not expect the cash flows included in the maturity analysis to occur much earlier than anticipated or to differ significantly from the anticipated monetary amounts.

In addition to the items presented in the table above, there are short position put option liabilities related to investments accounted for using the equity method (hereinafter, “Put Options”). The Put Options may be exercised within the next six years. The Put Options are measured at fair value, using inputs such as the fair value of the underlying shares, the discount rate, volatility, and the achievement rate of certain targets agreed in advance by the Olympus Group and its co-investors. The carrying amount at the end of the fiscal year ended March 31, 2026 is ¥4,445 million. (For details on investments accounted for using the equity method, please refer to Note “40. Business Combinations (Formation of joint venture).”)

(3) Market risk

Market risk is the risk of fluctuations in fair value or future cash flows of financial instruments because of changes in market prices. Market risk includes foreign exchange risk which arises from changes in foreign exchange rates, interest rate risk which arises from changes in market interest rates and market price fluctuation risk which arises from changes in market prices of listed shares.

(i) Foreign exchange risk

The Olympus Group operates business activities worldwide. Accordingly, financial assets and liabilities arising from transactions denominated in currencies other than the functional currency are exposed to foreign exchange rate fluctuation risk. The Olympus Group mainly uses foreign exchange forward contracts and currency swaps to reduce the foreign exchange fluctuation risk.

(i) Foreign exchange forward contracts and currency swaps

The details of foreign exchange forward contracts and currency swaps were as follows:

	(Millions of yen)			
	2025		2026	
	Contract amount	Fair value	Contract amount	Fair value
Foreign exchange forward contracts:	103,991	(405)	159,278	(1,437)
U.S. dollar	49,469	(91)	85,729	(789)
Other currency	54,522	(314)	73,549	(648)
Currency swaps	96,368	16,133	109,593	22,704
Receive other currencies / pay Euro	18,929	15	24,491	(19)
Receive Euro / pay other currencies	2,679	0	5,162	9
Receive U.S. dollar / pay Japanese yen	74,760	16,118	79,940	22,714
Total	200,359	15,728	268,871	21,267

(ii) Sensitivity analysis of currency fluctuation risk

The following table illustrates the impact on profit before tax in the Consolidated Statement of Profit or Loss from financial instruments held by the Olympus Group at the end of each fiscal year if the Japanese yen appreciated by 1 Japanese yen against the U.S. dollar and the Euro. This analysis assumes that all other variables are held constant.

	(Millions of yen)	
	2025	2026
U.S. dollar	(166)	40
Euro	(142)	(52)

(ii) Interest rate risk

The Olympus Group's exposure to interest rate risk mainly relates to debt such as borrowings and bonds. Because the amount of interest is affected by fluctuations in market interest rates, the Olympus Group is exposed to interest rate risk of fluctuations in future cash flows of interest.

Mainly to limit an increase in the amount of interest paid in the future due to a rise in interest rates, the Olympus Group raises funds by procuring fixed rate long-term borrowings and issuing bonds at fixed interest rates. If funds are procured through long-term borrowings at a variable interest rate, the Olympus Group endeavors to stabilize cash flows by entering into an interest rate swap contract to receive a variable interest rate and pay a fixed interest rate with financial institutions and virtually fixing the borrowing rate.

As the impact of fluctuations in market interest rates on the Olympus Group's profit or loss is immaterial, the Olympus Group has determined that interest rate risk is not significant. Accordingly, no interest rate sensitivity analysis has been performed.

(iii) Market price risk

The Olympus Group holds listed shares for strategic investment purposes, including facilitating business alliances. Market prices of listed shares may fluctuate depending on market economy trends as the prices are determined based on market principles. For listed shares, the Olympus Group regularly checks market prices and the financial status of issuers (business counterparts), while reviewing holding positions continuously in consideration of relationships with business counterparts.

Sensitivity analysis of market price risk

With regard to listed shares held by the Olympus Group at the end of each fiscal year, the following table shows the impact on other comprehensive income (before tax effect) in the Consolidated Statement of Comprehensive Income that would result from 1% decline in market prices at the end of each fiscal year. The impact was calculated by multiplying listed shares at the end of each fiscal year by 1% for this analysis.

	(Millions of yen)	
	2025	2026
Other comprehensive income (before tax effect)	(4)	(4)

(4) Fair value

(i) Fair value hierarchy

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 fiscal year. There were no significant financial instruments transferred between the levels for the fiscal years ended March 31, 2025 and 2026.

(ii) 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.

Of derivative assets and liabilities, currency derivatives and interest-rate derivatives 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.

Long position call option assets (hereinafter, "Call Options") and short position put option liabilities (hereinafter, "Put Options") related to contingent considerations for business combinations and investments accounted for using the equity method are classified as level 3. Contingent considerations are stated at the estimates of future payability. Call Options and Put Options are measured using inputs such as the fair value of the underlying shares, the discount rate, volatility, and the achievement rate of certain targets agreed in advance by the Olympus Group and RVLHC SE Holdings, LLC ("Revival").

The fair value hierarchy of financial instruments measured at fair value is as follows:

As of March 31, 2025

(Millions of yen)				
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	–	16,731	–	16,731
Equity securities and others	–	–	828	828
Financial assets measured at fair value through other comprehensive income				
Equity securities and others	424	–	15,159	15,583
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	1,007	–	1,007
Contingent consideration	–	–	1,689	1,689

As of March 31, 2026

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	–	23,086	3,741	26,827
Equity securities and others	–	–	5,118	5,118
Financial assets measured at fair value through other comprehensive income				
Equity securities and others	427	–	17,586	18,013
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	1,818	4,445	6,263
Contingent consideration	–	–	673	673

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

	(Millions of yen)	
	2025	2026
Balance at April 1	7,718	15,987
Gains and losses (Note)		
Profit or loss	95	(11)
Other comprehensive income	53	40
Acquisition	8,587	8,853
Other	(466)	1,576
Balance at March 31	15,987	26,445

Note: Gains or losses recognized in profit or loss are included in “Finance income” or “Finance costs” in the Consolidated Statement 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 Consolidated Statement of Comprehensive Income.

Total gains or losses recognized in profit or loss included a gain of ¥95 million and a loss of ¥10 million on financial instruments held as of March 31, 2025 and 2026, respectively.

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

	(Millions of yen)	
	2025	2026
Balance at April 1	7,119	1,689
Settlement	(6,000)	(230)
Change in fair value	564	(939)
Incurrence	–	4,191
Other	6	407
Balance at March 31	1,689	5,118

(iii) 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)			
	2025		2026	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Lease receivables	105,382	105,176	136,674	135,370
Financial liabilities				
Bonds	124,484	120,093	134,717	129,643
Borrowings	94,611	93,145	104,860	98,652

(iv) Equity instruments

Equity instruments such as shares held mainly for the purpose of maintaining or strengthening business relationships with the investees are designated as financial assets measured at fair value through other comprehensive income. The fair values of equity instruments by major issuer were as follows:

(Millions of yen)	
Bond name	2025
Neptune Medical	5,981
Delfi Diagnostics, Inc.	4,020
Noah Medical Corporation	2,243
Neuspera Medical	1,495
OHARA INC.	424

(Millions of yen)	
Bond name	2026
Neptune Medical	5,701
Delfi Diagnostics, Inc.	4,299
Noah Medical Corporation	2,398
Neuspera Medical	1,599
OHARA INC.	427

The fair value at the date of sale and cumulative gains or losses on sales of equity instruments sold during the fiscal year based on Olympus Corporation's policy for equity securities and others held for strategic investment purposes were as follows:

(Millions of yen)		
	2025	2026
Fair value at the date of sale	—	—
Cumulative gains or losses on sale	—	—

The breakdown of dividends received recognized from equity instruments was as follows:

(Millions of yen)		
	2025	2026
Equity instruments derecognized during the year	–	–
Equity instruments held at the end of year	12	13
Total	12	13

(5) Hedge accounting

The Olympus Group raises a portion of funds through borrowings with variable interest rates and bonds in foreign currencies with fixed interest rates, and is exposed to interest rate risks and foreign exchange risks for foreign currency transactions within that scope. The Olympus Group uses interest rate swaps that virtually converts borrowings with variable interest rates into borrowings with fixed interest rates and interest rate and currency swaps that virtually converts bonds in foreign currencies with fixed interest rates into fixed rate bonds denominated in Japanese yen in order to hedge interest rate risk. The Group applies hedge accounting by designating the interest rate swaps as cash flow hedges.

For interest rate swaps, the notional amount, term (maturity) and underlying data for interest rate of the hedging instrument and the hedged item are to be matched, in principle. No ineffective portion was recognized as of March 31, 2025 and 2026.

For interest rate and currency swaps, the amount recognized in net gain or loss on the ineffective portion of the hedge for the fiscal year ended March 31, 2026, is not material.

A summary of interest rate swaps and interest rate and currency swaps designated as cash flow hedge was as follows:

As of March 31, 2025

(Millions of yen)					
	Notional amount	Over 1 year	Carrying amount (Note)		Interest rate
			Assets	Liabilities	
Interest rate swaps	10,000	–	–	4	Variable rate receipt: 6-month Japanese yen TIBOR Fixed rate payment: 1.3815%
Interest rate and currency swaps	74,760	74,760	16,118	–	Fixed rate receipt: U.S. dollar 2.143% Fixed rate payment: Japanese yen 0.6975%

As of March 31, 2026

(Millions of yen)					
	Notional amount	Over 1 year	Carrying amount (Note)		Interest rate
			Assets	Liabilities	
Interest rate and currency swaps	79,940	–	22,714	–	Fixed rate receipt: U.S. dollar 2.143% Fixed rate payment: Japanese yen 0.6975%

Note: The amounts in the consolidated statement of financial position are recorded in “Other financial assets” or “Other financial liabilities” of each current and non-current based on their maturity date.

The cash flow hedge reserve (before tax effect) regarding the above table was as follows:

(Millions of yen)		
	2025	2026
Interest rate swaps	(4)	–
Interest rate and currency swaps	(2,536)	(1,830)

Cash flow hedges recognized in the consolidated statement of comprehensive income and other comprehensive income (before tax effect) were as follows:

Fiscal year ended March 31, 2025

(Millions of yen)		
	Changes in the fair value recognized in other comprehensive income	Amount of reclassification adjustment from cash flow hedge to profit or loss (Note)
Interest rate swaps	18	60
Interest rate and currency swaps	2,128	958

Fiscal year ended March 31, 2026

(Millions of yen)		
	Changes in the fair value recognized in other comprehensive income	Amount of reclassification adjustment from cash flow hedge to profit or loss (Note)
Interest rate swaps	(0)	4
Interest rate and currency swaps	5,923	(5,217)

Note: The amounts included in the consolidated statement of profit or loss are recorded in "Finance income" or "Finance costs."

(6) Transfer of financial instruments

Transferred financial assets that are not derecognized in their entirety

The Olympus Group transfers a part of trade receivables to a third party in order to diversify fundraising channels and conduct stable fund procurement. The third party has recourse only to the transferred assets upon the debtors' default and cannot claim other assets of the Olympus Group. While the Olympus Group does not bear bad debt risk on a certain portion of the transferred receivables due to a contract with the third party, the full amount has been recognized in the consolidated statement of financial position because the financial assets in their entirety do not qualify for derecognition. The proceeds which arising on the transfer of the assets have been recorded as the associated liabilities and are settled when a payment is made for the transferred assets. The Olympus Group cannot use the transferred assets until the payment is made.

The carrying amounts of transferred assets and the associated liabilities when the Olympus Group continues to recognize all of the transferred assets as of March 31, 2025 and 2026 are as follows: They are recognized in "Trade and other receivables" and "Other financial liabilities," respectively, in the consolidated statement of financial position.

	(Millions of yen)	
	2025	2026
Transferred financial assets	29	—
Related liabilities	29	—
Net position of transferred financial assets	—	—

Note: The fair values are equivalent to the carrying amounts in the above table.

36. Leases

(1) Lessor

The Olympus Group leases endoscopes and other equipment under finance leases. It also leases endoscopes and other equipment, and property owned by Olympus Corporation as operating leases.

The business conditions of the customers, equipment usage, etc. are monitored regularly in order to manage the risks for the assets.

The breakdown of revenue under finance leases from continuing operations was as follows:

	(Millions of yen)	
	2025	2026
Lease income	24,086	25,181
Interest income	5,437	5,856

The breakdown of future lease payments receivable under finance leases was as follows:

	(Millions of yen)	
	2025	2026
Undiscounted lease payments to be received		
Within 1 year	44,453	53,197
More than 1 year, but within 2 years	27,999	36,308
More than 2 years, but within 3 years	19,344	26,429
More than 3 years, but within 4 years	9,456	13,243
More than 4 years, but within 5 years	3,362	3,728
More than 5 years	312	706
Total	104,926	133,611
Unguaranteed residual value	10,198	14,257
Unearned finance income	(9,742)	(11,194)
Net investment in the lease	105,382	136,674

The breakdown of revenue under operating leases from continuing operations was as follows:

	(Millions of yen)	
	2025	2026
Lease income	29,411	26,712
Variable lease payments (Note)	16,594	18,713

Note: Income that is not determined by an index or a rate.

The breakdown of future lease payments receivable under operating leases from continuing operations was as follows:

	(Millions of yen)	
	2025	2026
Within 1 year	16,491	14,987
More than 1 year, but within 2 years	10,390	9,143
More than 2 years, but within 3 years	5,038	4,788
More than 3 years, but within 4 years	2,481	2,835
More than 4 years, but within 5 years	1,365	1,445
More than 5 years	383	659
Total	36,148	33,857

(2) Lessee

The Olympus Group rents properties and other equipment as lessee.

Certain of the lease transactions have renew/purchase options or escalation clauses, but there are no significant restrictions on dividends, additional borrowings and additional leases provided by the lease contracts.

In addition, some lease contracts contain extension options and termination options.

There were no material leases that have not yet commenced among lease contracts concluded by the Olympus Group as of March 31, 2025 and 2026.

The book value of right-of-use assets by type of underlying asset and the increase in right-of-use assets are described in Note “13. Property, Plant and Equipment.”

The total amount of cash outflows related to leases were ¥22,362 million and ¥22,905 million for the fiscal years ended March 31, 2025 and 2026, respectively.

The breakdown of lease-related income and expenses for lessee of continuing operations were as follows:

	(Millions of yen)	
	2025	2026
Revenue from sublease of right-of-use assets	3	5
Depreciation of right-of-use assets by underlying asset class		
Land	194	173
Buildings and structures	7,821	8,539
Machinery and vehicles	3,435	3,307
Tools, furniture and fixtures	806	804
Interest expense under lease obligations	2,085	2,080
Expenses under short-term leases	499	528
Expenses under leases of low-value asset	954	986

Note: The balance of lease liabilities by date is described in Note “35. Financial Instruments.”

37. Income Taxes

(1) Deferred tax assets and liabilities

The breakdown of major deferred tax assets and liabilities by cause was as follows:

	(Millions of yen)	
	2025	2026
Deferred tax assets		
Inventories	7,926	10,166
Prepaid expenses	8,263	5,594
Accrued bonuses	6,112	6,771
Accrued expenses	6,433	10,032
Unrealized intercompany profits	20,222	23,292
Property, plant and equipment	10,798	13,931
Intangible assets	2,619	2,951
Interest rate swaps	1	–
Deferred gains or losses on hedges	776	592
Retirement benefit liability	2,543	1,452
Loss carryforwards	5,213	16,668
Lease liabilities	14,177	13,972
Provision for product warranties	9,034	7,727
Other	4,697	9,765
Total	98,814	122,913
Deferred tax liabilities		
Property, plant and equipment	(10,758)	(16,007)
Financial assets measured at fair value through other comprehensive income	(155)	(180)
Retirement benefit asset	(8,825)	(14,032)
Fair value differences on acquisition	(3,550)	(2,106)
Capitalized development costs	(5,055)	(15,081)
Retained profit of overseas subsidiaries	(2,454)	(2,656)
Right-of-use assets	(13,225)	(14,016)
Other	(3,466)	(211)
Total	(47,488)	(64,289)
Net deferred tax assets and liabilities	51,326	58,624

(Amendments to IAS 12 “Income Taxes”)

The Olympus Group has applied “International Tax Reform — Pillar Two Model Rules” (Amendments to IAS 12 “Income Taxes”) effective for the fiscal year ended March 31, 2024. The amendment clarifies that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the BEPS’s Pillar Two GloBE Rules (global minimum tax) by OECD. However, this standard makes a

temporary exception that requires an entity not to recognize or disclose information about deferred tax assets and liabilities related to the income taxes arising from the global minimum tax rules. The Olympus Group has applied the exception defined in IAS 12 and does not recognize or disclose information about deferred tax assets and liabilities related to the income taxes arising from the global minimum tax rules.

Loss carryforwards, deductible temporary differences and tax credits carried forward for which deferred tax assets have not been recognized were as follows: The tax base is presented.

	(Millions of yen)	
	2025	2026
Loss carryforwards	4,929	4,532
Deductible temporary differences	13,761	16,641
Tax credits carried forward	1,023	958
Total	19,713	22,131

Loss carryforwards for which deferred tax assets have not been recognized and expires as follows:

	(Millions of yen)	
	2025	2026
Within 4th year	–	–
5th year and thereafter	4,929	4,532
Total	4,929	4,532

Olympus Corporation does not recognize deferred tax liabilities for the temporary differences associated with undistributed profits of subsidiaries, etc. when Olympus Corporation is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Total temporary differences associated with the undistributed profits of subsidiaries which have not been recognized as deferred tax liabilities (income base) were ¥358,223 million and ¥354,111 million as of March 31, 2025 and 2026, respectively.

(2) Income tax expenses

The breakdown of income tax expenses was as follows:

	(Millions of yen)	
	2025	2026
Current tax expenses (Notes 1, 2)	34,749	35,043
Deferred tax expenses (Notes 3, 4, 5)	6,521	(9,221)
Total of income tax expenses	41,270	25,822

- Notes: 1. The current tax expense includes tax losses which were previously not recorded, tax credits or benefits resulting from temporary differences for prior periods. Consequently, the current tax expense for the fiscal years ended March 31, 2025 and 2026 decreased by ¥3,062 million and ¥271 million, respectively. In addition, the current tax expense for the fiscal year ended March 31, 2026 includes the corporation tax for the previous fiscal year of ¥2,066 million.
2. The amount of income taxes for global minimum tax included in current tax expenses were ¥4,743 million and ¥193 million for the fiscal years ended March 31, 2025 and 2026, respectively.
3. The deferred tax expense includes tax losses which were previously not recorded, tax credits or benefits resulting from temporary differences for prior periods. Consequently, the deferred tax expense increased by ¥200 million for the fiscal year ended March 31, 2025 and by ¥950 million for the fiscal year ended March 31, 2026, respectively.
4. The deferred tax expense includes devaluation of deferred tax assets and the reversal of devaluation of deferred tax assets which was previously recorded (assessment of recoverability of deferred tax assets). Consequently, the deferred tax expense decreased by ¥2,595 million for the fiscal year ended March 31, 2025 and increased by ¥1,111 million for the fiscal year ended March 31, 2026, respectively.
5. The deferred tax expense increased by ¥137 million for the fiscal year ended March 31, 2025 and decreased by ¥1,215 million for the fiscal year ended March 31, 2026 due to the effect of changes in tax rates in Japan and overseas.

(3) Income taxes recognized in other comprehensive income

Income taxes recognized in other comprehensive income are presented in Note “33. Other Comprehensive Income.”

(4) Reconciliation of effective tax rate

Reconciliation of the effective statutory tax rate and the average actual tax rate for the fiscal years ended March 31, 2025 and 2026 is as follows:

Olympus Corporation’s income taxes mainly include corporation tax, inhabitant tax and enterprise tax. The effective statutory tax rates calculated based on these taxes were 30.6% and 31.5% for the fiscal years ended March 31, 2025 and 2026, respectively. Overseas subsidiaries are subject to income taxes of the countries in which they operate.

	2025	2026
Effective statutory tax rate	30.6%	31.5%
Non-deductible expense, such as entertainment expenses	1.9	0.9
Non-taxable income, such as dividend income	(0.2)	(0.4)
Tax credit for experimental research cost and others	(2.7)	(8.2)
Different tax rates applied to subsidiaries	(5.3)	(1.7)
Subsidiaries reserve	0.7	0.0
Change in unrecognized deferred tax assets and liabilities	(3.5)	3.5
Change in deferred tax assets at the end of fiscal year due to changes in tax rates	0.1	(1.3)
Effects of organizational restructuring	5.6	–
Prior period tax adjustments	0.5	2.0
Other	(1.8)	1.2
Average actual tax rate	25.9%	27.5%

38. Major Subsidiaries

(1) Structured entities

Major subsidiaries as of March 31, 2026 were as follows:

Company name	Location	Main business	Voting rights held by Olympus Corporation (%)
(Consolidated subsidiaries)			
Olympus Medical Systems Corp. (Note 2)	Hachioji-shi, Tokyo	Manufacturing Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100
Aizu Olympus Co., Ltd.	Aizu-Wakamatsu-shi, Fukushima	Manufacturing Gastrointestinal Solutions Division products	100
Aomori Olympus Co., Ltd.	Kuroishi-shi, Aomori	Manufacturing Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100
Nagano Olympus Co., Ltd.	Tatsuno-machi, Kamiina-gun, Nagano	Manufacturing Gastrointestinal Solutions Division products	100
Shirakawa Olympus Co., Ltd.	Nishigo-mura, Nishishirakawa-gun, Fukushima	Manufacturing Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100
Olympus Marketing, Inc. (Note 2)	Hachioji-shi, Tokyo	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100
TmediX Corporation (Note 1)	Shinjuku-ku, Tokyo	Lease of products of the Gastrointestinal Solutions Division	100 [100]
Olympus-Supportmate Corp.	Hachioji-shi, Tokyo	Administration services for domestic subsidiaries and affiliates	100

Company name	Location	Main business	Voting rights held by Olympus Corporation (%)
Olympus Corporation of the Americas (Note 2)	Pennsylvania, U.S.A.	Holding company of corporate planning and financial support to affiliated companies in Americas region	100
Olympus America Inc. (Notes 1, 2, 3)	Pennsylvania, U.S.A.	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]
Olympus Latin America, Inc. (Note 1)	Florida, U.S.A.	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]
Gyrus ACMI, Inc. (Note 1)	Massachusetts, U.S.A.	Manufacturing Surgical & Interventional Solutions Division products	100 [100]
Olympus Innovation Ventures, LLC (Note 1)	Massachusetts, U.S.A.	Investment in Gastrointestinal Solutions Division and Surgical & Interventional Solutions Division	100 [100]
Olympus Europa Holding SE	Hamburg, Germany	Holding company of corporate planning to affiliated companies in Europe region	100
Olympus Europa SE & Co. KG (Notes 1, 2)	Hamburg, Germany	Holding company and sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]
Olympus Deutschland GmbH (Note 1)	Hamburg, Germany	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]
Olympus France S.A.S. (Note 1)	Rungis Cedex, France	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]
Olympus Winter & Ibe GmbH (Note 1)	Hamburg, Germany	Manufacturing Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]
KeyMed (Medical & Industrial Equipment) Ltd. (Note 1)	Essex, U.K.	Manufacturing and sales of Gastrointestinal Solutions Division products	100 [100]
Arc Medical Design Limited (Note 1)	West Yorkshire, U.K.	Manufacturing Gastrointestinal Solutions Division products	100 [100]
Olympus Global Treasury Services Limited	Essex, U.K.	Fund management of the whole group	100
Odin Medical Ltd.	London, U.K.	Development of Gastrointestinal Solutions Division products	100
Medi-Tate Ltd. (Note 1)	Or-Akiva, Israel	Development and manufacturing of Surgical & Interventional Solutions Division products	100 [100]
Olympus Corporation of Asia Pacific Limited (Note 2)	Hong Kong	Holding company of corporate planning to affiliated companies in Asia region	100
Olympus Hong Kong and China Limited (Note 1)	Hong Kong	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]
Olympus (China) Co., Ltd. (Note 1)	Beijing, P.R.C.	Holding company of corporate planning to affiliated companies in China	100 [100]
Olympus (Beijing) Sales & Service Co., Ltd. (Note 1)	Beijing, P.R.C.	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]
Olympus Trading (Shanghai) Limited (Notes 1, 2)	Shanghai, P.R.C.	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]

Company name	Location	Main business	Voting rights held by Olympus Corporation (%)
Olympus (Suzhou) Medical Device Co., Ltd. (Note 1)	Suzhou, Jiangsu Province, P.R.C.	Manufacturing Gastrointestinal Solutions Division products	100 [100]
Olympus Korea Co., Ltd.	Seoul, Republic of Korea	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100
Olympus Singapore Pte. Ltd. (Note 1)	Singapore	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]
Olympus Vietnam Co., Ltd.	Vietnam	Manufacturing Gastrointestinal Solutions Division products	100
Olympus Australia Pty Ltd. (Note 1)	Victoria, Australia	Sales of Gastrointestinal Solutions Division products and Surgical & Interventional Solutions Division products	100 [100]
47 others	—	—	—
(Equity-method companies)			
Sony Olympus Medical Solutions Inc.	Hachioji-shi, Tokyo	Development of Surgical & Interventional Solutions Division products	49
Swan EndoSurgical, Inc. (Notes 1, 4)	Texas, U.S.A.	Development of Gastrointestinal Solutions Division products	45 [45]
1 other	—	—	—

Notes: 1. Figures disclosed in parentheses in the “Voting rights held by Olympus Corporation” column represent voting rights held indirectly by Olympus Corporation.

2. The company falls under the category of “specified subsidiary.”
3. Olympus America Inc. accounts for more than one-tenth of consolidated revenue.
4. The company is a joint venture.
5. No company has filed a securities registration statement or securities report.

(2) Significant subsidiaries having non-controlling interests

During the fiscal years ended March 31, 2025 and 2026, there was no individually significant subsidiary having non-controlling interests.

39. Related-party Transactions

(1) Related-party transactions

Fiscal year ended March 31, 2025

	Name	Ownership (owned) ratio of voting rights, etc. (%)	Relationship with the relevant party	Description of transaction	Amount of transaction (Millions of yen)	Account	Balance at end of year (Millions of yen)
Officer	Yasuo Takeuchi	Ownership Direct 0.0	Director, Representative Executive Officer, Executive Chairperson and ESG Officer (Note 1)	Contribution in kind of monetary compensation claims (Note 6)	224	—	—
Officer	Stefan Kaufmann	Ownership Direct 0.0	Director, Representative Executive Officer, President and CEO (Note 2)	Contribution in kind of monetary compensation claims (Note 6)	204	—	—
Officer	Frank Drewalowski	Ownership Direct 0.0	Executive Officer and ESD Head (Note 3)	Contribution in kind of monetary compensation claims (Note 6)	69	—	—
Officer	Andre Heribert Roggan	Ownership Direct 0.0	Executive Officer and CTO (Note 4)	Contribution in kind of monetary compensation claims (Note 6)	59	—	—
Officer	Tetsuo Kobayashi	Ownership Direct 0.0	Executive Officer and CMSO	Contribution in kind of monetary compensation claims (Note 6)	38	—	—
Officer	Shigeto Ohtsuki	Ownership Direct 0.0	Executive Officer and CHRO	Contribution in kind of monetary compensation claims (Note 6)	22	—	—
Officer	Gabriela Castillo Kaynor	Ownership Direct 0.0	Executive Officer and CSO	Contribution in kind of monetary compensation claims (Note 7)	22	—	—
Officer	Yasumasa Masuda	Ownership Direct 0.0	Director (Note 5)	Contribution in kind of monetary compensation claims (Note 7)	22	—	—
Officer	Yasushi Shingai	Ownership Direct 0.0	Director (Note 5)	Contribution in kind of monetary compensation claims (Note 7)	15	—	—
Officer	Toshihiko Okubo	Ownership Direct 0.0	Director	Contribution in kind of monetary compensation claims (Note 6)	13	—	—

- Notes: 1. Having assumed the post of Director, Representative Executive Officer, Executive Chairperson, President and Chief Executive Officer, and ESG Officer on April 1, 2025, he assumed the post of Director, Representative Executive Officer, Executive Chairperson, and ESG Officer on June 1, 2025.
2. He departed due to resignation from the board of directors on October 28, 2024, and the above table shows transactions during the fiscal year ended March 31, 2025 related to his terms of office.
3. He assumed the post of Executive Officer and Gastrointestinal Solutions on April 1, 2025.
4. He resigned from the board of directors on March 31, 2025, and the above table shows transactions during the fiscal year ended March 31, 2026 related to his terms of office.
5. They resigned from the board of directors on June 26, 2024, and the above table shows transactions during the fiscal year ended March 31, 2026 related to their terms of office.
6. It is due to contribution in kind of monetary compensation claims accompanying PSU system and RSU system.
7. It is due to contribution in kind of monetary compensation claims accompanying RSU system.

Fiscal year ended March 31, 2026

	Name	Ownership (owned) ratio of voting rights, etc. (%)	Relationship with the relevant party	Description of transaction	Amount of transaction (Millions of yen)	Account	Balance at end of year (Millions of yen)
Officer	Yasuo Takeuchi	Ownership Direct 0.0	Director, Representative Executive Officer, Executive Chairperson and ESG Officer (Note 1)	Contribution in kind of monetary compensation claims (Note 5)	181	—	—
Officer	Boris Shkolnik	Ownership Direct 0.0	Executive Officer and CQO	Contribution in kind of monetary compensation claims (Note 5)	87	—	—
Officer	Frank Drewalowski	Ownership Direct 0.0	Executive Officer and Gastrointestinal Solutions (Note 1)	Contribution in kind of monetary compensation claims (Note 5)	71	—	—
Officer	Tetsuo Kobayashi	Ownership Direct 0.0	Executive Officer and CMSO (Note 1)	Contribution in kind of monetary compensation claims (Note 5)	53	—	—
Officer	Gabriela Castillo Kaynor	Ownership Direct 0.0	Executive Officer and CSO (Note 2)	Contribution in kind of monetary compensation claims (Note 5)	52	—	—
Officer	Neil Boyden Tanner	Ownership Direct 0.0	Executive Officer and GGC	Contribution in kind of monetary compensation claims (Note 6)	44	—	—
Officer	Shigeto Ohtsuki	Ownership Direct 0.0	Executive Officer and CHRO (Note 1)	Contribution in kind of monetary compensation claims (Note 5)	21	—	—
Officer	Sumitaka Fujita	Ownership Direct 0.0	Director (Note 3)	Contribution in kind of monetary compensation claims (Note 6)	20	—	—
Officer	John Manfred de Csepe	Ownership Direct 0.0	Executive Officer and CMO	Contribution in kind of monetary compensation claims (Note 6)	16	—	—
Officer	Seiji Kuramoto	Ownership Direct 0.0	Executive Officer and Surgical & Interventional Solutions (Note 4)	Contribution in kind of monetary compensation claims (Note 5)	16	—	—

- Notes: 1. They resigned from the position of Executive Officer on March 31, 2026, and the above table shows transactions during the fiscal year ended March 31, 2026 related to their terms of office.
2. She assumed the post of Executive Officer, CSO and ESG Officer on April 1, 2026.
3. He resigned from the board of directors on June 26, 2025, and the above table shows transactions during the fiscal year ended March 31, 2026 related to his terms of office.
4. He assumed the post of Executive Officer and Surgical & Interventional Solutions Division Head on April 1, 2026.
5. It is due to contribution in kind of monetary compensation claims accompanying PSU system and RSU system.
6. It is due to contribution in kind of monetary compensation claims accompanying RSU system.

(2) Remuneration for management executives

(Millions of yen)		
	2025	2026
Remuneration and bonuses, etc.	2,594	3,551
Stock compensation	1,001	1,819
Total	3,595	5,370

Note: The remuneration in the table above does not include a refund of ¥550 million for expenses related to income tax adjustments for the Executive Officer who is classified as both an Executive Officer and inside director and who retired due to resignation on October 28, 2024.

40. Business Combinations

Fiscal year ended March 31, 2025

(Acquisition of Sur Medical SpA)

(1) Outline of business combination

(i) Name and description of acquired business

Name of the acquired business: Sur Medical SpA (hereinafter “Surmedical”)

Description of business: Sales of medical devices

(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 Olympus Corporation 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) Acquisition-related expense

The acquisition-related expense of ¥105 million has been booked in “Selling, general and administrative expenses.”

(3) Fair value of consideration paid, assets acquired, and liabilities assumed as of the acquisition date

	(Millions of yen)
	Amount
Fair value of consideration paid	
Cash, etc.	4,541
Total	4,541
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	16
Trade and other receivables	701
Inventories	513
Other current assets	319
Property, plant and equipment	247
Intangible assets (excluding goodwill)	1,732
Trade and other payables	(44)
Other current liabilities	(337)
Deferred tax liabilities	(9)
Fair value of assets acquired and liabilities assumed, net	3,138
Goodwill	1,403
Total	4,541

Based on the fair value of consideration paid on the acquisition date, we have allocated the assets acquired and liabilities assumed. However, as this allocation is not yet complete, the above values represent provisional fair values based on the best estimates at present. In the event we can receive and evaluate additional information relating to facts and conditions present at the point of acquisition, we may adjust the above values for a period of one year from the acquisition date.

Goodwill mainly represents a rational estimate of the expected future excess earning power. Furthermore, the amount of goodwill recognized does not include the amount that is expected to be deductible for tax purposes.

(4) Impacts on the Olympus Group

Olympus Corporation omits making a description concerning profit or loss information of the said business combination on and after the acquisition date as well as profit or loss information under the assumption that the said business combination was conducted at the beginning of the fiscal year ended March 31, 2025. This is because the amount of impact on the consolidated statement of profit or loss due to such information is not material.

Fiscal year ended March 31, 2026

(Revised provisional amounts)

For the following business combination that occurred in the fiscal year ended March 31, 2025, provisional amounts have been revised during the fiscal year ended March 31, 2026. As a result, we have retrospectively revised the figures at the end of the fiscal year ended March 31, 2025 in the Consolidated Statements of Financial Position.

(Acquisition of Sur Medical SpA)

Sur Medical SpA's Olympus product sales business became a consolidated subsidiary of Olympus Corporation on January 14, 2025, due to the acquisition of shares for cash consideration.

In the fiscal year ended March 31, 2026, the fair value of certain 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, 2026, initial measurement of assets acquired, liabilities assumed and goodwill has been finalized.

Fair value of consideration paid, assets acquired, liabilities assumed, and amount of goodwill as of the acquisition date

	(Millions of yen)		
	Provisional fair value as of March 31, 2025	Subsequent revision	Revised fair value
Fair value of consideration paid			
Cash	4,541	(96)	4,445
Total	4,541	(96)	4,445
Fair value of assets acquired and liabilities assumed			
Cash and cash equivalents	16	—	16
Trade and other receivables	701	—	701
Inventories	513	—	513
Other current assets	319	24	343
Property, plant and equipment	247	(73)	174
Intangible assets	1,732	—	1,732
Trade and other payables	(44)	(5)	(49)
Other current liabilities	(337)	—	(337)
Deferred tax liabilities	(9)	(468)	(477)
Fair value of assets acquired and liabilities assumed, net	3,138	(522)	2,616
Goodwill	1,403	426	1,829
Total	4,541	(96)	4,445

The main adjustments to items at the end of the previous fiscal year resulting from this revision include increases of ¥91 million in other financial assets, ¥24 million in other current assets, ¥402 million in goodwill, ¥5 million in trade and other payables, and ¥442 million in deferred tax liabilities, as well as a decrease of ¥70 million in property, plant and equipment.

(Formation of joint venture)

At a meeting of the Board of Directors held on July 25, 2025, Olympus Corporation resolved to establish in the United States Swan EndoSurgical, Inc. (“Swan EndoSurgical”), a joint venture in the medical device business, with RVLHC SE Holdings, LLC (“Revival”), a fund operated by Revival Healthcare Capital specializing in the medical technology sector. The investment was made via consolidated subsidiary, Olympus Corporation of the Americas, on the same day.

Swan EndoSurgical is classified as a joint venture, as the decision-making regarding Swan EndoSurgical’s development activities in the field of endoluminal robotics is effectively made by agreement between Olympus Corporation and Revival.

(1) Establishment of joint venture and reason for investment

The Olympus Group believes that development of endoluminal robots will contribute to the spread of minimally invasive endoscopic surgery and improved medical outcomes, leading to better health and happiness for greater numbers of patients. We are proactively investing in endoluminal robotics through in-house research and development, as well as investments in startups.

As one of the options for achieving the development of endoluminal robots, the Olympus Group has invested in Swan EndoSurgical jointly with Revival, with the aim of developing new products in endoluminal robotics.

(2) Name and description of joint venture

Name: Swan EndoSurgical, Inc.

Description of business:

Development of endoluminal robot products

(3) Timing of initial investment in joint venture

July 25, 2025

(4) Ratio of equity acquired and investment amount

Ratio of equity acquired: 45%

Investment amount: USD29.3 million

The Olympus Group and Revival plan to make additional investments in Swan EndoSurgical over the next six years, dependent on Swan EndoSurgical achieving pre-set multi-year milestones. The total investment could reach up to USD458 million, with the Olympus Group’s share potentially amounting to USD206 million.

Swan EndoSurgical is classified as a joint venture to which the equity method is applied.

(5) Important contractual matters

Under this agreement, the Olympus Group has call options to acquire Revival’s equity in the joint venture (the “Call options”), while Revival has options to force the Olympus Group, under certain circumstances, to purchase Revival’s equity in the joint venture (the “Put options”).

(6) Major impacts on the Consolidated Financial Statements

The amount of investment in the joint venture is ¥4,410 million and it is included in “Other” under “Cash flows from investing activities” in the Consolidated Statements of Cash Flows. In addition, the impact on operating profit resulting from the formation of the joint venture is ¥(1,696) million. Regarding the Call options held by the Olympus Group and the Put options held by Revival included in the joint venture agreement, these are measured at fair value and recorded as assets and liabilities in the Olympus Group’s Consolidated Statement of Financial Position. Changes in their valuation are recorded as finance income (loss) in the Consolidated Statements of Profit or Loss. In the fiscal year ended March 31, 2026, finance income and finance costs of ¥3,528 million and ¥4,191 million, respectively, have been recorded. The fair value is classified as Level 3 and is calculated using inputs such as the fair value of the underlying shares, volatility, the achievement rate of certain targets agreed in advance by the Olympus Group and RVLHC SE Holdings, LLC (“Revival”), and the discount rate.

41. Discontinued Operation

(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.

(i) Profit (loss) of discontinued operation

Profit (loss) of discontinued operation is as follows:

	(Millions of yen)	
	2025	2026
Revenue	2,929	—
Cost of sales	987	—
Gross profit	1,942	—
Selling, general and administrative expenses	1,908	—
Share of profit (loss) of investments accounted for using equity method	—	—
Other income	436	—
Other expenses	428	—
Operating profit	42	—
Finance income	22	—
Finance costs	3	—
Profit before tax	61	—
Income taxes	6	—
Profit from discontinued operation	55	—

(ii) Cash flows of discontinued operation

Cash flows of discontinued operation are as follows:

Cash flows of discontinued operation	(Millions of yen)	
	2025	2026
Net cash used in operating activities	(467)	—
Net cash provided by investing activities (Note)	6,551	—
Net cash used in financing activities	(43)	—

Note: Net cash provided by investing activities in the fiscal year ended March 31, 2025 includes proceeds from the transfer of the Orthopedic Business of ¥3,730 million and proceeds from the collection of loans receivable from Olympus Terumo Biomaterials Corporation of ¥3,101 million.

42. Contingent Liabilities

The Olympus Group has no significant contingent liabilities.

43. Additional Information

(Additional investment in CVC)

The Olympus Group has decided to make an additional investment of USD150 million in Olympus Innovation Ventures, LLC (“OIV”), a corporate venture capital fund of an Olympus Corporation’s consolidated subsidiary.

The Olympus Group strives to fortify Olympus’ portfolio through focused investments; shape the future of endoscopy through OLYSENSE and robotics; enhance performance in China and set direction for emerging markets; and drive tuck-in M&As in close adjacencies. In order to take advantage of these opportunities and to create opportunities for the Olympus Group to grow, the Olympus Group has dedicated a new amount of funding to Olympus Innovation Ventures Fund II (“OIV Fund II”). OIV Fund II will allow the Olympus Group to continue to build relationships with early-stage companies and help nurture partnerships with relevant and compelling entrepreneurial teams.

The Olympus Group initially committed USD50 million for OIV through the Olympus Innovation Ventures Fund I (“OIV Fund I”). The Olympus Group intends to commit a total of USD150 million for OIV Fund II to enable it to identify, vet and invest in early-stage companies with differentiated technologies, in the same manner as OIV Fund I.

(Issuance of bonds)

At a meeting of the Board of Directors held on March 27, 2026, Olympus Corporation resolved to issue unsecured straight bonds denominated in USD.

Unsecured straight bonds denominated in USD

1. Total amount of issue:	USD500 million
2. Amount to be paid in:	90% or more of the face value of the bonds
3. Interest rate:	Benchmark interest rate + up to 120 basis points
4. Issuance period:	April 1, 2026 to March 31, 2027
5. Maturity:	5 years
6. Redemption method:	The bonds will be redeemed in full upon maturity.
7. Use of proceeds:	Redemption of corporate bonds and repayments of borrowings
8. Collateral / guarantee:	None

44. Subsequent Events

(Share repurchase and cancellation of treasury shares)

At a meeting of the Board of Directors held on May 12, 2026, 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, and carried out the following repurchase of its own shares.

(1) Reasons for the share repurchase and cancellation of treasury shares

To strengthen shareholder returns and to improve capital efficiency

(2) Details of items related to the repurchase

1. Class of shares:	Common stock of Olympus Corporation
2. Total number of shares to be repurchased:	46,000,000 shares (maximum) (4.18% of total number of issued shares (excluding treasury shares))
3. Total amount of shares to be repurchased:	¥60,000 million (maximum)
4. Repurchase period:	May 13, 2026 to March 31, 2027
5. Repurchase method:	(i) Market purchase through the off-auction own share repurchase trading system (ToSTNeT-3) (ii) Market purchase on the Tokyo Stock Exchange based on a discretionary trading contract

(3) Details of cancellation

1. Class of shares:	Common stock of Olympus Corporation
2. Number of shares to be cancelled:	All of the shares to be repurchased as stated in (2) above, excluding the number of shares expected to be allocated as future stock compensation, etc. (9,000,000 shares)
3. Date of cancellation:	April 30, 2027

- (4) Shares repurchased after the fiscal year ended March 31, 2026, based on the above resolution by the Board of Directors

(Delivery date basis)

- | | |
|--|-------------------|
| 1. Total number of shares repurchased: | 38,948,300 shares |
| 2. Total amount of shares to be repurchased: | ¥60,000 million |
| 3. Repurchase date | May 15, 2026 |

(Contract basis)

- | | |
|--|-------------------|
| 1. Total number of shares repurchased: | 38,948,300 shares |
| 2. Total amount of shares to be repurchased: | ¥60,000 million |
| 3. Repurchase date | May 13, 2026 |

(Substantial borrowings)

Olympus Corporation has arranged business financing and long-term working capital as follows:

- | | |
|-----------------------------|----------------------------------|
| 1. (1) Lender: | Hachijuni Nagano Bank, Ltd. |
| (2) Amount of borrowings: | ¥5,000 million |
| (3) Interest rate: | 2.23% (fixed rate) |
| (4) Borrowing date: | May 19, 2026 |
| (5) Maturity date: | May 19, 2032 |
| (6) Repayment method: | Lump-sum repayment upon maturity |
| (7) Collateral / guarantee: | None |
| 2. (1) Lender: | MUFG Bank, Ltd. |
| (2) Amount of borrowings: | ¥15,000 million |
| (3) Interest rate: | 2.61% (fixed rate) |
| (4) Borrowing date: | May 28, 2026 |
| (5) Maturity date: | May 30, 2033 |
| (6) Repayment method: | Lump-sum repayment upon maturity |
| (7) Collateral / guarantee: | None |

(Business combinations through acquisition)

(1) Outline of business combination

(i) Name and description of acquired business

Name of the acquired business	BioProtect Ltd. (hereinafter “BioProtect”)
Description of business	R&D and manufacturing of biodegradable rectal spacer balloon for prostate cancer

(ii) Primary reason for business combination

BioProtect is a medical device manufacturer based in Israel that develops implant technologies designed to protect healthy tissues during radiation therapy and surgical procedures. Its flagship product is a balloon-type implant that temporarily separates adjacent tissues within the body and naturally biodegrades after treatment. This biodegradable balloon represents a next-generation spacer that provides optimal and consistent rectal protection during radiation therapy for prostate cancer.

Through this acquisition, Olympus Corporation will expand its portfolio in adjacent therapeutic areas related to endoscopy, including the gastrointestinal and urological fields, and strengthen solutions that address unmet medical needs in cancer treatment, particularly prostate cancer.

Accordingly, we will further enhance our value proposition across the entire endoscopy-enabled care pathway, contributing to improved patient outcomes as well as our medium- to long-term corporate value.

(iii) Acquired ratio of holding capital with voting rights

100%

(iv) Acquisition date

June 1, 2026

(v) Acquisition method to govern the acquired company

Cash consideration for the acquisition of shares

(2) Consideration for the acquisition

The contractual amount of USD270 million will be adjusted and finalized under the agreement.

(3) Acquisition-related expense

The acquisition-related expense of ¥484 million has been booked in “Selling, general and administrative expenses”. Of this amount, acquisition-related expenses of ¥204 million were incurred in the fiscal year ended March 31, 2026, and acquisition-related expenses of ¥280 million were incurred in the fiscal year ending March 31, 2027.

(4) Fair value of consideration paid, assets acquired, and liabilities assumed as of the acquisition date

	(Millions of yen)
	Amount
Fair value of consideration paid	
Cash, etc.	43,380
Total	43,380
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	208
Trade and other receivables	531
Other financial assets (current)	45
Inventories	515
Other current assets	164
Property, plant and equipment	522
Other financial assets (non-current)	23
Deferred tax assets	66
Trade and other payables	(87)
Other current liabilities	(374)
Other financial liabilities (current)	(43)
Other financial liabilities (non-current)	(165)
Fair value of assets acquired and liabilities assumed, net	1,405
Goodwill	41,975
Total	43,380

Based on the fair value of consideration paid on the acquisition date, we have allocated the assets acquired and liabilities assumed. However, as fair value measurements of the consideration paid, assets acquired and liabilities assumed on the acquisition date, as well as the allocation of the consideration paid are not yet complete, the above values represent provisional fair values based on the best estimates at present. In the event we can receive and evaluate additional information relating to facts and conditions present at the point of acquisition, we may adjust the above values for a period of one year from the acquisition date.

Goodwill mainly represents a rational estimate of the expected future excess earning power. Furthermore, the amount of goodwill recognized does not include the amount that is expected to be deductible for tax purposes.

(5) Impacts on the Olympus Group

Olympus Corporation omits making a description concerning profit or loss information of the said business combination on and after the acquisition date as well as profit or loss information under the assumption that the said business combination was conducted at the beginning of the fiscal year ending March 31, 2027. This is because the amount of impact on consolidated statements of profit or loss due to such information is not material.

(Tariff refund procedures in the U.S.)

Olympus Corporation of the Americas, a consolidated subsidiary of the Olympus Corporation, has initiated a refund process for the tariffs imposed in the U.S. under the International Emergency Economic Powers Act (IEEPA), following the US Supreme Court's ruling that those tariffs were unlawful.

Subsequently Olympus Corporation of the Americas received a portion of the amount sought in connection with the tariff refund claim, following the conclusion of the fiscal year ended March 31, 2026.

Independent Auditor's Report

The Board of Directors
Olympus Corporation

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Olympus Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill of the Therapeutic solutions segment	
Description of Key Audit Matter	Auditor's Response
As described in (2) Impairment test for goodwill in Note 16 "Impairment of Non-financial Assets" to the Consolidated Financial Statements, Olympus Corporation (the Company) performed an impairment test for goodwill related to the Therapeutic solutions segment (cash generating unit) in the fiscal year ended March 31, 2025. As of March 31, 2025, the amount of goodwill for the Therapeutic solutions segment was ¥147,143 million (10.3% of total assets of Consolidated Statement of Financial Position). In performing the impairment test for goodwill related to the Therapeutic solutions segment, the Company measures the recoverable amount based on value in use. Value in use is determined by discounting to present value the cash flows based on the business plan approved by management having a maximum term of five years as well as the terminal value, which is based on the growth rates after the term of the business plan. The main assumptions in determining value in use are as follows.	In considering the valuation of goodwill of the Therapeutic solutions segment, we performed the following audit procedures, among others. • We made inquiries of management and reviewed the minutes of the board of directors and other meetings to gain an understanding of strategies in the Therapeutic Solutions Business, which is the basis of the business plan having a maximum term of five years. We made inquiries of management and discussed the following matters. • The consistency between the strategy announced by the Company in May 2023 and the strategies in the Therapeutic Solutions Business • The impact of the progress and future outlook of the improvement plan regarding the findings raised in the warning letters on development activities on new products, the timing of market entry for new products, and estimates of future costs related to improvement activities

• Growth rate and operating margin in the business plan • Growth rate for the period after the term of the business plan • Discount rate These main assumptions involve uncertainty associated with management estimates and have a significant impact on determining value in use. Of these assumptions, the growth rate and the operating margin in the business plan are based on growth through the expansion of the Company's portfolio of treatment tools and devices, and dissemination of procedures. However, these are affected by the external environment, such as regulations on medical devices in the countries and regions where the Company operates its Therapeutic Solutions Business, and competition with products of other companies. Moreover, forecasting the growth rate for the period after the term of the business plan requires a high level of judgment by management and involves uncertainty. Selecting calculation methods and inputs for the discount rate requires a high degree of specialized knowledge in valuations. Considering that, in the fiscal year ended March 31, 2025, the costs associated with quality assurance and regulatory compliance for improvement activities implemented in response to the warning letters received from the United States Food and Drug Administration (FDA) in a prior fiscal year continued to be incurred, along with heightened uncertainty in the external environment, we determined the valuation of goodwill of the Therapeutic solutions segment to be a key audit matter.	• With regard to markets that have a significant impact on determining value in use, we compared the growth rate and operating margin used in the business plan with past results, market forecasts, and available external data. We performed our own sensitivity analysis in which a certain level of stress was placed on risk factors included in the assumptions. • We involved valuation specialists from our network firms and performed the following procedures. • We compared the growth rate for the period after the term of the business plan with market forecasts and available external data. • Regarding the discount rate, we compared the discount rate with the range set by the valuation specialists and evaluated the reasonableness of the method used to determine the discount rate and the reliability of external data used as the basis of determination. • We evaluated the reasonableness of the method used to determine value in use.
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Valuation of deferred tax assets	
Description of Key Audit Matter	Auditor's Response
The Company recorded deferred tax assets of ¥65,400 million on the consolidated statement of financial position as of March 31, 2025 and, as described in Note 37 "Income Taxes" to the Consolidated Financial Statements, deferred tax assets before being offset against deferred tax liabilities totaled ¥98,815 million. As described in "(21) Income taxes" under "3. Material Accounting Policies" in Notes to the Consolidated Financial Statements, the Company and some of its subsidiaries in Japan have adopted the Group Relief System and recognize deferred tax assets to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax credits carried forward, and tax losses carried forward can be utilized.	In order to evaluate the adequacy of the determination of the recoverability of deferred tax assets, we performed the following audit procedures, among others. • We compared prior year business plans with actual results to evaluate the effectiveness of the estimation process used in formulating the business plan, which forms the basis for expected future taxable profit. • We compared the growth rate used in the business plan with past results, market forecasts, and available external data. In addition, we considered the operating margin based on past results and related materials. • We made inquiries with management and reviewed the minutes of the board of directors and other meetings to assess how the progress and future outlook of the improvement plan in

The estimate of the amount of taxable profit used in determining the recoverability of deferred tax assets is based on the business plan developed by management. However, the estimate involves significant judgments based on the growth rate and operating margin, which are the main assumptions of this plan, introducing a degree of uncertainty. Therefore, we determined the valuation of deferred tax assets to be a key audit matter.	response to the findings raised in the warning letters affects the business plan. • We considered the scheduling of the expected timing for the reversal of deductible temporary differences.
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Other Information

The other information comprises the information included in disclosure documents that contains audited consolidated financial statements but does not include the consolidated financial statements and our auditor's report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to other information.

Responsibilities of Management, the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by IFRS Accounting Standards, matters related to going concern.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with IFRS Accounting Standards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements 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, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

The fees for the audits of the financial statements of Olympus Corporation and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2025 are 1,423 million yen and 226 million yen, respectively.

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 Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 8, 2025

/s/ Makoto Usui

Designated Engagement Partner
Certified Public Accountant

/s/ Enomoto Masanori

Designated Engagement Partner
Certified Public Accountant

/s/ Mitsuharu Konno

Designated Engagement Partner
Certified Public Accountant

Consolidated Statement of Financial Position
Olympus Corporation and Consolidated Subsidiaries
As of March 31, 2025

		(Millions of yen)	
	Notes	2024	2025
ASSETS			
Current assets			
Cash and cash equivalents	7, 35	340,933	252,532
Trade and other receivables	8, 35	197,599	204,183
Other financial assets	10, 35	9,862	2,301
Inventories	9	190,030	187,145
Income taxes receivable		36,686	4,382
Other current assets	11	25,175	28,451
Subtotal		800,285	678,994
Assets held for sale	12	55	449
Total current assets		800,340	679,443
Non-current assets			
Property, plant and equipment	13	259,968	263,410
Goodwill	14	180,331	180,191
Intangible assets	14	91,961	93,971
Retirement benefit asset	23	36,815	40,510
Investments accounted for using equity method		479	482
Trade and other receivables	8, 35	55,764	64,200
Other financial assets	10, 35	34,146	43,440
Deferred tax assets	37	72,324	65,400
Other non-current assets	11	2,088	1,779
Total non-current assets		733,876	753,383
Total assets		1,534,216	1,432,826

(Millions of yen)

	Notes	2024	2025
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade and other payables	17, 35	61,855	61,415
Bonds and borrowings	18, 35	69,988	94,985
Other financial liabilities	19, 35	27,673	21,829
Income taxes payable		38,658	42,451
Provisions	20	31,318	16,001
Other current liabilities	21	202,203	188,680
Subtotal		431,695	425,361
Total current liabilities		431,695	425,361
Non-current liabilities			
Bonds and borrowings	18, 35	229,628	134,117
Other financial liabilities	19, 35	62,238	62,802
Retirement benefit liability	23	20,586	19,800
Income taxes payable		—	4,743
Provisions	20	2,362	2,095
Deferred tax liabilities	37	11,989	13,632
Other non-current liabilities	21	18,532	18,543
Total non-current liabilities		345,335	255,732
Total liabilities		777,030	681,093
Equity			
Share capital	24	124,643	124,643
Capital surplus	24	92,032	92,433
Treasury shares	24	(102,017)	(27,923)
Other components of equity	24	149,127	141,613
Retained earnings	24	493,401	420,967
Total equity attributable to owners of parent		757,186	751,733
Total equity		757,186	751,733
Total liabilities and equity		1,534,216	1,432,826

Consolidated Statement of Profit or Loss
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2025

		(Millions of yen)	
	Notes	2024	2025
Continuing operations			
Revenue	6, 28	925,752	997,332
Cost of sales	9, 13 14, 23	307,320	313,635
Gross profit		618,432	683,697
Selling, general and administrative expenses	13, 14 23, 29	466,758	495,654
Share of profit (loss) of investments accounted for using equity method	6	(358)	466
Other income	30, 34	3,432	5,246
Other expenses	16, 30	103,361	31,293
Operating profit	6	51,387	162,462
Finance income	31	2,520	3,449
Finance costs	31	10,296	6,841
Profit before tax		43,611	159,070
Income taxes	37	8,546	41,270
Profit from continuing operations		35,065	117,800
Discontinued operation			
Profit from discontinued operation	41	207,864	55
Profit		242,929	117,855
Profit attributable to:			
Owners of parent		242,566	117,855
Non-controlling interests		363	—
Profit		242,929	117,855
Earnings per share			
Basic earnings per share (yen)			
Continuing operations	32	28.60	102.94
Discontinued operation	32	171.31	0.05
Basic earnings per share	32	199.91	102.99
Diluted earnings per share (yen)			
Continuing operations	32	28.53	102.75
Discontinued operation	32	170.91	0.05
Diluted earnings per share	32	199.44	102.80

Consolidated Statement of Comprehensive Income
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2025

		(Millions of yen)	
	Notes	2024	2025
Profit		242,929	117,855
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	33	(20)	(78)
Remeasurements of defined benefit plans	33	4,682	3,123
Total of items that will not be reclassified to profit or loss	33	4,662	3,045
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	33	69,011	(9,630)
Cash flow hedges	33	(177)	2,194
Total of items that may be reclassified to profit or loss	33	68,834	(7,436)
Total other comprehensive income		73,496	(4,391)
Comprehensive income		316,425	113,464
Comprehensive income attributable to:			
Owners of parent		316,062	113,464
Non-controlling interests		363	—

Consolidated Statement of Changes in Equity
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2024

(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							242,566	242,566	363	242,929
Other comprehensive income					76,530	(3,034)		73,496		73,496
Comprehensive income		—	—	—	76,530	(3,034)	242,566	316,062	363	316,425
Share repurchase	24			(180,002)				(180,002)		(180,002)
Disposal of treasury shares	24		(43)	43				0		0
Cancellation of treasury shares	24		(104,795)	104,795				—		—
Dividends from surplus	26						(20,057)	(20,057)	(183)	(20,240)
Transfer from retained earnings to capital surplus			104,855				(104,855)	—		—
Transfer from other components of equity to retained earnings					(4,683)		4,683	—		—
Share-based payment transactions	27		1,457	1,233				2,690		2,690
Equity transactions with non-controlling interests			(1,592)					(1,592)	(1,329)	(2,921)
Total transactions with owners		—	(118)	(73,931)	(4,683)	—	(120,229)	(198,961)	(1,512)	(200,473)
Balance at March 31, 2024		124,643	92,032	(102,017)	149,127	—	493,401	757,186	—	757,186

For the fiscal year ended March 31, 2025

(Millions of yen)

	Notes	Equity attributable to owners of parent					Total	Total equity
		Share capital	Capital surplus	Treasury shares	Other components of equity	Retained earnings		
Balance at April 1, 2024		124,643	92,032	(102,017)	149,127	493,401	757,186	757,186
Profit						117,855	117,855	117,855
Other comprehensive income					(4,391)		(4,391)	(4,391)
Comprehensive income		–	–	–	(4,391)	117,855	113,464	113,464
Share repurchase	24			(100,002)			(100,002)	(100,002)
Disposal of treasury shares	24		(172)	172			0	0
Cancellation of treasury shares	24		(172,499)	172,499			–	–
Dividends from surplus	26					(20,981)	(20,981)	(20,981)
Transfer from retained earnings to capital surplus			172,431			(172,431)	–	–
Transfer from other components of equity to retained earnings					(3,123)	3,123	–	–
Share-based payment transactions	27		641	1,425			2,066	2,066
Total transactions with owners		–	401	74,094	(3,123)	(190,289)	(118,917)	(118,917)
Balance at March 31, 2025		124,643	92,433	(27,923)	141,613	420,967	751,733	751,733

Note: Details of Share capital, Capital surplus, Retained earnings, Treasury shares and Other components of equity are described in Note “24. Share Capital and Other Components of Equity.”

Consolidated Statement of Cash Flows
Olympus Corporation and Consolidated Subsidiaries
For the fiscal year ended March 31, 2025

		(Millions of yen)	
	Notes	2024	2025
Cash flows from operating activities			
Profit before tax		43,611	159,070
Profit before tax from discontinued operation	41	340,519	61
Depreciation and amortization		65,940	66,456
Impairment losses	16, 30	64,568	3,636
Interest and dividend income		(2,376)	(3,308)
Interest expenses		5,409	4,628
Share of loss (profit) of investments accounted for using equity method		358	(466)
Gain on transfer of the Scientific Solutions Business	34, 41	(349,037)	—
Decrease (increase) in trade and other receivables		(11,851)	(27,725)
Decrease (increase) in inventories		(19,072)	(3,410)
Increase (decrease) in trade and other payables		(5,935)	(1,926)
Increase (decrease) in retirement benefit liability		1,013	1,408
Decrease (increase) in retirement benefit asset		(3,269)	(1,197)
Increase (decrease) in provisions	20	9,083	(15,225)
Other		43,221	6,338
	Subtotal	182,182	188,340
Interest received		2,365	3,296
Dividends received		11	12
Interest paid		(4,803)	(4,194)
Income taxes refund (paid)		(137,390)	3,009
Net cash provided by operating activities		42,365	190,463

		(Millions of yen)	
	Notes	2024	2025
Cash flows from investing activities			
Purchase of property, plant and equipment		(46,425)	(46,001)
Purchase of intangible assets		(18,199)	(19,208)
Purchase of investment securities		(28)	(8,588)
Proceeds from transfer of the Scientific Solutions Business	34, 41	379,091	–
Proceeds from the transfer of the collagen business and dental product sales businesses	34	1,656	–
Proceeds from the transfer of the Orthopedic Business	34, 41	–	3,730
Payments for acquisition of subsidiaries	34, 40	–	(3,881)
Proceeds from sale of subsidiaries	34	4,472	–
Collection of loans receivable	41	53,373	4,283
Payments for contingent consideration		(2,966)	(4,793)
Expenditures based on share purchase agreement		(43,647)	–
Amount recovered upon cancellation of share purchase agreement		31,110	7,603
Other		1,555	1,386
Net cash provided by (used in) investing activities		359,992	(65,469)
Cash flows from financing activities			
Repayments of lease liabilities	34	(19,518)	(19,302)
Repayments of long-term borrowings	34	(40,000)	(50,035)
Dividends paid	26	(20,057)	(20,981)
Dividends paid to non-controlling interests		(183)	–
Payments for share repurchase		(180,002)	(100,002)
Redemption of bonds	34	(10,000)	(20,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(2,921)	–
Other		(3,329)	(1,222)
Net cash used in financing activities		(276,010)	(211,542)
Effect of exchange rate changes on cash and cash equivalents		9,074	(1,853)
Net increase (decrease) in cash and cash equivalents		135,421	(88,401)
Cash and cash equivalents at beginning of period		205,512	340,933
Cash and cash equivalents at end of period	7	340,933	252,532

Notes to the Consolidated Financial Statements

Olympus Corporation and Consolidated Subsidiaries

1. 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 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. We have changed its reportable segments from the six months ended September 30, 2024. Details of each business are as described in Note "6. Business Segments."

2. Basis of Preparation

(1) Statement of the consolidated financial statements' compliance with IFRS

The consolidated financial statements of the Olympus Group have been prepared in accordance with IFRS issued by the International Accounting Standards Board. Since the requirements for a "Specified Company of Designated International Accounting Standards" set forth in Article 1-2 of the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" are satisfied, Olympus Corporation adopts the provisions of Article 312 of the same Regulation.

The Japanese language consolidated financial statements for the fiscal year ended March 31, 2025 were approved by Yasuo Takeuchi, Director, Representative Executive Officer, Executive Chairperson and ESG Officer, and Tatsuya Izumi, Executive Officer and CFO, on June 19, 2025. These English language consolidated financial statements were approved by Bob White, Director, Representative Executive Officer, President and CEO, and Tatsuya Izumi, Executive Officer CFO subsequently on August 8, 2025.

Refer to (Share repurchase and cancellation of treasury shares, Investment in joint venture, and Consideration based on an agreement to license usage) of Note 43 for details of material event which occurred subsequent to the date of the Japanese language consolidated financial statements, which required additional disclosures in these English language consolidated financial statements.

(2) Functional currency and presentation currency

The Olympus Group's 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

(Consolidated Statement of Cash Flows)

(Cash flows from operating activities)

As "Loss (gain) on sale and retirement of fixed assets" in "Cash flows from operating activities," which had previously been listed independently in the fiscal year ended March 31, 2024, decreased in significance, it has been included in "Other" from the fiscal year ended March 31, 2025. To reflect this change in the presentation method, the consolidated financial statements for the fiscal year ended March 31, 2024 have been reclassified.

As a result, in the Consolidated Statement of Cash Flows for the fiscal year ended March 31, 2024, the ¥42,765 million presented as "Other" and ¥456 million as "Loss (gain) on sale and retirement of fixed assets" in "Cash flows from operating activities" were reclassified as ¥43,221 million in "Other."

(Cash flows from investing activities)

As "Proceeds from sale of property, plant and equipment" in "Cash flows from investing activities," which had previously been listed independently in the fiscal year ended March 31, 2024, decreased in significance, it has been included in "Other" from the fiscal year ended March 31, 2025. To reflect this change in the presentation method, the consolidated financial statements for the fiscal year ended March 31, 2024 have been reclassified.

As a result, in the Consolidated Statement of Cash Flows for the fiscal year ended March 31, 2024, the ¥84 million presented as “Other” and ¥1,471 million as “Proceeds from sale of property, plant and equipment” in “Cash flows from investing activities” were reclassified as ¥1,555 million in “Other.”

(Cash flows from financing activities)

As “Net increase (decrease) in short-term borrowings and commercial papers” in “Cash flows from financing activities,” which had previously been listed independently in the fiscal year ended March 31, 2024, decreased in significance, it has been included in “Other” from the fiscal year ended March 31, 2025. To reflect this change in the presentation method, the consolidated financial statements for the fiscal year ended March 31, 2024 have been reclassified.

As a result, in the Consolidated Statement of Cash Flows for the fiscal year ended March 31, 2024, the ¥(3,326) 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 reclassified as ¥(3,329) million in “Other.”

3. Material Accounting Policies

(1) Basis of consolidation

(i) Subsidiaries

A subsidiary is an entity that is controlled by the Olympus Group. The Olympus Group considers that it has control over an entity when it is exposed or has rights, to variable returns arising from its involvement with the entity, while having the ability to affect those returns through the exercise of its power over the entity. Financial statements of a subsidiary are consolidated from the date on which the Olympus Group obtains control over such subsidiary, until the date on which the control is lost.

All intergroup balances, transactions, unrealized profit or loss arising from intergroup transactions are eliminated on consolidation.

Comprehensive income of the subsidiaries is attributed to the owners of parent and to the noncontrolling interests even if this results in the non-controlling interests having a deficit balance.

Changes in Olympus Corporation’s ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any difference between the adjustment to the noncontrolling interests and the fair value of the consideration is recognized directly in equity attributable to owners of parent.

If the Olympus Group loses control over a subsidiary, any resulting gains or losses shall be recognized in profit or loss.

(ii) Associates

An associate is an entity over which the Olympus Group has significant influence on its financial and operating policies but does not have control or joint control. Investments in associates are accounted for by the equity method from the date the Olympus Group gains significant influence until the date it loses that influence.

Investments in associates include goodwill recognized on acquisition.

(2) Business combinations

Business combinations are accounted for by using the acquisition method.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which a business combination occurs, the items for which the accounting treatment is incomplete are measured at provisional amounts, and adjustments to the provisional amounts are finalized during the measurement period within one year from the acquisition date.

Consideration for an acquisition is measured at the sum of the acquisition-date fair value of the assets transferred, liabilities assumed, and equity instruments issued by the Olympus Group in exchange for the control over the acquiree. Consideration for an acquisition includes contingent consideration. If consideration for an acquisition exceeds the fair value of identifiable assets and liabilities, such excess is recognized as goodwill in the consolidated statement of financial position. If, conversely, the consideration is less than the fair value, the difference shall be directly recognized in profit or loss in the consolidated statement of profit or loss. In addition, acquisition-related costs incurred shall be recognized in profit or loss.

(3) Foreign currency translations

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of each Group company using the exchange rate at the transaction date or an exchange rate that approximates it. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into functional currencies using the exchange rate at the end of the reporting period. Nonmonetary assets and liabilities denominated in foreign currencies measured at fair value are translated into functional currencies using the exchange rate at the date when such fair value was measured. Translation differences arising from translations and settlements are recognized in profit or loss for the period; provided, however, that translation differences arising from financial assets measured at fair value through other comprehensive income are recognized in other comprehensive income.

(ii) Financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rates at the end of the reporting period. Income and expenses are translated into Japanese yen using the average exchange rates for the fiscal year unless exchange rates significantly fluctuate during the period. Exchange differences on translation of foreign operations are recognized in other comprehensive income. Such translation differences of foreign operations are recognized in profit or loss for the period in which the foreign operations concerned are disposed of.

(4) Financial instruments

(i) Financial assets

(i) Initial recognition and measurement

The Olympus Group initially recognizes trade and other receivables on the date when they are incurred, and other financial assets at the transaction date when the Olympus Group becomes a party to the contract for the financial assets. At the initial recognition, financial assets are measured at fair value plus transaction costs, except for those measured at fair value through profit or loss.

(ii) Classification and subsequent measurement

The Olympus Group classifies the financial assets at initial recognition as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

(Financial assets measured at amortized cost)

Financial assets are classified into financial assets measured at amortized cost, on the condition that they meet both of the following criteria:

- Financial assets are held based on the business model to hold financial assets for the purpose of collecting contractual cash flows
- Contractual terms associated with financial assets give rise to cash flows on specified dates, consisting only of payment of the principal and interest on the principal balance

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method subsequent to the initial recognition.

(Financial assets measured at fair value through other comprehensive income)

Equity instruments such as shares held mainly for the purpose of maintaining or strengthening business relationships with investees are designated at initial recognition as financial assets measured at fair value through other comprehensive income.

Any change in fair value of equity financial assets measured at fair value through other comprehensive income is recognized in other comprehensive income subsequent to the initial recognition. If such assets are derecognized or the fair value decreases significantly, accumulated other comprehensive income is directly transferred to retained earnings.

Dividends from such financial assets are recognized in profit or loss.

(Financial assets measured at fair value through profit or loss)

Financial assets other than above are classified as financial assets measured at fair value through profit or loss.

Changes in fair value of financial assets measured at fair value through profit or loss are recognized in profit or loss subsequent to the initial recognition.

(iii) Impairment of financial assets

For financial assets measured at amortized cost, the Olympus Group recognizes allowance for doubtful accounts for expected credit losses.

The Olympus Group evaluates at the end of each reporting period whether there is a significant increase in credit risk of financial assets since initial recognition. When there is no significant increase in the credit risk since initial recognition, the amount equal to expected credit losses for 12 months are recognized as allowance for doubtful accounts. When there is a significant increase in credit risk since initial recognition, the amount equal to expected credit losses for the remaining life of the financial assets are recognized as allowance for doubtful accounts.

For trade receivables, contract assets and lease receivables, allowance for doubtful accounts are always recognized at the amount equal to expected credit losses for the remaining life of the assets.

With regard to financial assets on which impairment losses were previously recognized, when the amount of impairment losses decreased due to any event that occurred after the initial recognition of the impairment losses, the previously recognized impairment losses are reversed and recognized in profit or loss.

(iv) Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to receive the cash flows from the financial asset are assigned and substantially all the risks and rewards of ownership are transferred.

(ii) Financial liabilities

(i) Initial recognition and measurement

The Olympus Group initially recognizes financial liabilities at the transaction date when the Olympus Group becomes a party to the contract for the financial liabilities. All financial liabilities are measured at fair value at initial recognition, whereas financial liabilities measured at amortized cost are measured at the amount less directly attributable transaction costs.

(ii) Classification and subsequent measurement

Financial liabilities are classified into financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost at initial recognition.

Changes in fair value of financial liabilities measured at fair value through profit or loss are recognized in profit or loss subsequent to the initial recognition.

Financial liabilities measured at amortized cost are measured at amortized cost subsequent to the initial recognition, by using the effective interest method. Amortization by the effective interest method, as well as gains and losses associated with derecognition shall be recognized in profit or loss.

(iii) Derecognition

The Olympus Group derecognizes a financial liability when it is extinguished, namely when the obligation specified in the contract is discharged, cancelled or expires.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset, with the net amount presented in the consolidated statement of financial position, only if the Olympus Group holds a legal right to offset the recognized amounts, and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(iv) Derivatives and hedge accounting

The Olympus Group uses derivatives such as forward exchange contracts, interest rate swaps and interest rate currency swap contracts, as hedging instruments against foreign exchange risk and interest rate risk. These derivatives are classified as financial assets measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss. Derivatives that meet criteria for hedge accounting are designated as hedging instruments, and hedge accounting is applied.

For the application of hedge accounting, the Olympus Group officially makes designation and prepares documentation at the inception of the hedge, regarding the hedging relationship as well as the risk management objectives and strategies. Such document contains hedging instruments, hedged items, the nature of the risks to be hedged and the method for evaluating the hedging effectiveness. The Olympus Group continually evaluates whether the hedging relationship is effective prospectively.

The Olympus Group applies cash flow hedges to interest rate-related and interest rate currency related derivative transactions that meet the criteria for hedge accounting.

Of changes in fair value associated with hedging instruments in cash flow hedges, the effective portion is recognized in other comprehensive income, and recognized in other components of equity until the hedged transaction is executed and recognized in profit or loss. The ineffective portion is recognized in profit or loss.

The amount associated with hedging instruments recognized in other components of equity is transferred to profit or loss, at the point in time when the hedged transaction affects profit or loss. If a hedged item results in the recognition of a non-financial asset or a non-financial liability, the associated amount recognized in other components of equity is accounted for as adjustment to the initial book value of the non-financial asset or the non-financial liability.

When any forecast transaction is no longer expected to occur, hedge accounting is discontinued, and any related cumulative gain or loss that has been recognized as other components of equity is transferred to profit or loss. Even if hedge accounting was discontinued, the amount that had been recognized as other components of equity until hedge accounting was discontinued continues to be recognized in other components of equity until future cash flows occur when these future cash flows are expected to occur.

The Olympus Group does not use fair value hedges or net investment hedges in foreign operations.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash, readily available deposits, and short-term, highly liquid investments having maturities of three months or less of the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Inventories

Inventories are measured at the lower of cost or net realizable value. The costs of inventories are calculated principally by using the weighted average method, which include purchase cost, processing cost, and other costs incurred in bringing inventories to their present location and condition. Net realizable value is determined at the estimated selling price in the ordinary course of business less estimated cost required up to the completion of the process and estimated selling expenses.

(7) Property, plant and equipment

Property, plant and equipment is measured by using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses.

The costs of property, plant and equipment include any costs directly attributable to the acquisition of assets, dismantlement, removal and restoration costs as well as borrowing costs eligible for capitalization.

Except for assets that are not depreciated such as land, each asset is depreciated over its estimated useful life on a straight-line basis. The estimated useful lives of major asset items are as follows (excluding right-of-use assets):

- Buildings and structures: 2 to 50 years
- Machinery and vehicles: 2 to 10 years
- Tools, furniture and fixtures: 2 to 15 years

The estimated useful lives, residual values and depreciation methods are subject to review at the end of each reporting period, and any change is prospectively applied as a change in an accounting estimate.

(8) Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is not amortized and is tested for impairment in each period or whenever there is an indication of impairment. Impairment loss of goodwill is recognized in profit or loss.

Goodwill measurements at initial recognition are presented in “(2) Business combinations.”

(9) Intangible assets

Intangible assets are measured by using the cost model and are carried at cost less accumulated amortization and accumulated impairment losses.

The costs of intangible assets acquired separately include any costs directly attributable to the acquisition of the assets. Intangible assets acquired through business combinations are measured at fair value at the acquisition date. With regard to internally generated intangible assets, of the costs incurred during the development phase, the following are eligible for capitalization and recognized as development costs, whereas such costs that are not eligible are recognized as expenses when incurred.

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Olympus Corporation’s intention to complete the intangible asset and use or sell it.
- Olympus Corporation’s ability to use or sell the intangible asset.
- The intangible asset is likely to create future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Olympus Corporation’s ability to measure reliably the expenditure attributable to the intangible asset during its development.

Except for intangible assets with indefinite useful lives, each asset is amortized over the estimated useful life on a straight-line basis. The estimated useful lives of major asset items are as follows:

- Capitalized development costs: 4 to 8 years
- Software: 3 to 5 years
- Other: 3 to 15 years

The estimated useful lives and amortization methods are reviewed at the end of each reporting period, and any change is prospectively applied as a change in an accounting estimate.

Intangible assets with indefinite useful lives and those yet to be usable are not amortized and are tested for impairment in each period or whenever there is an indication of impairment.

(10) Leases

(i) Leases as lessee

Olympus Corporation introduces a single lessee accounting model, instead of classifying leases into operating leases and finance leases, and recognizes right-of-use assets representing its rights to use the underlying leased assets and lease liabilities representing its obligations to make lease payments for all leases, in principle.

Lease liabilities are measured at the present value of the total lease payments that are not paid at the commencement date. Right-of-use assets are initially measured at the initial measurement amount of lease liabilities adjusted for any initial direct costs, prepaid lease payments, restoration costs, etc.

Right-of-use assets are depreciated on a straight-line method over the shorter of their estimated useful lives and lease terms.

The lease term is estimated based on the non-cancellable period and adjusted for optional periods for which the Olympus Group is reasonably certain to exercise an option to extend or terminate the lease.

Furthermore, lease payments are categorized into amounts equivalent to the principal and interest of lease liabilities, and the amount equivalent to the interest apportioned to each fiscal period is calculated so as to achieve a constant rate of interest on the lease liabilities balance at each period-end, and recognized in profit or loss.

If the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration, at the start of the contract, the contract is deemed to be a lease or to contain a lease.

For short-term leases and leases for which the underlying asset is of low value, the Olympus Group does not recognize the right-of-use assets and lease liabilities but recognizes lease payments as expenses.

Right-of-use assets and lease liabilities are included in and presented as “Property, plant and equipment” and “Other financial liabilities” respectively on the consolidated statement of financial position.

(ii) Leases as lessor

Lease transactions involving the transfer of substantially all the risks and rewards associated with the ownership of the leased assets are classified as finance leases, while other types of lease transactions are classified as operating leases.

In finance lease transactions, the present value of gross investments in the lease is recognized as revenue at the commencement of the lease term, and the corresponding amount is recognized as lease receivables. Unearned finance income is apportioned at a constant rate on the net investment over the lease term and recognized as revenue in the period to which it is attributable.

In operating lease transactions, the relevant leased properties are recognized in the consolidated statement of financial position, and lease payments receivable are recognized as revenue over the lease terms on a straight-line method.

(11) Impairment of non-financial assets

For the carrying amount of non-financial assets (excluding inventories, deferred tax assets, retirement benefit assets and non-current assets held for sale), the Olympus Group assesses at the end of each reporting period whether there is an indication of impairment. If any such indication exists, an impairment test is performed. However, goodwill, intangible assets with indefinite useful lives and those yet to be usable are tested for impairment in each period or whenever there is an indication of impairment.

Assets that are not individually tested in impairment testing are integrated into the smallest cash-generating unit that generates cash inflows largely independent of cash inflows from other assets or asset groups. Corporate assets do not generate independent cash inflows. Therefore, if there is an indication that corporate assets may be impaired, the impairment test is performed based on the recoverable amount of the cash-generating unit to which the corporate assets belong.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and fair value less cost of disposal. In calculating value in use, estimated future cash flows are discounted to the present value using the pretax discount rate reflecting the time value of money and risks specific to the asset.

Impairment losses are recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses recognized in association with a cash-generating unit are recognized by first reducing the carrying amount of any allocated goodwill and then are allocated to other assets of the cash-generating unit on a pro-rata basis based on the carrying amount of each asset.

When there is an indication of reversal in respect of impairment losses recognized in prior periods and the recoverable amount of the asset or cash-generating unit exceeds its carrying amount, impairment losses are reversed. The carrying amount after reversal of impairment losses does not exceed the carrying amount that would have been determined when depreciation or amortization had been continued until the reversal occurred if any impairment loss had never been recognized for the asset. Impairment losses associated with goodwill are not reversed.

(12) Non-current assets and discontinued operations held for sale

Non-current assets or disposal groups that will be recovered principally through a sale transaction rather than through continuous use are classified as non-current assets or disposal groups held for sale if it is highly probable that they will be sold within one year, they are immediately available for sale in their current state, and the Olympus Group's management is committed to implementing a plan for their sale.

The Olympus Group shall not depreciate or amortize a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale, and shall measure a non-current asset or disposal group classified as held for sale at the lower of its carrying amount or fair value less costs to sell.

When businesses that are considered as units on which management decision is made have already been sold or fulfill the requirements to be classified as being held for sale, the Olympus Group classifies those businesses as discontinued operations.

(13) Provisions

Provisions are recognized when the Olympus Group has present obligations as a result of past events, it is highly probable that outflows of economic resources will be occurred to settle the obligations, and reliable estimates of the obligations can be made.

Where time value of money is material, provisions are measured by discounting estimated future cash flows into present value by using the interest rate reflecting the time value of money as well as the risks inherent to the associated liabilities.

(14) Contingent liabilities

With regard to liabilities held by the Olympus Group as of the end of the reporting period that may be incurred, when it cannot be confirmed whether or not those are liabilities as of the end of the reporting period, or when the liabilities do not meet criteria for recognition of provisions, information on such liabilities is provided in the corresponding note on contingent liabilities, unless it is believed that the possibility of an outflow of economic resources by performance of the liabilities is remote at the end of the reporting period.

(15) Government grants

Government grants are recognized at fair value, if there is reasonable assurance that the Olympus Group will comply with the conditions attached to them and that will receive the grants. Government grants associated with expenses are recognized in revenue over the period when the expenses, which the grant is intended to compensate, are incurred. Government grants related to the acquisition of assets are recognized as deferred income and then recognized in profit or loss over the expected useful life of the relevant asset on a systematic basis.

(16) Employee benefits

(i) Post-employment benefits

The Olympus Group adopts defined benefit pension plans and defined contribution pension plans.

The Olympus Group calculates the present value of defined benefit obligations and associated current service cost as well as past service cost by using the projected unit credit method.

The discount rate used for discounting to the present value of defined benefit obligations is determined by reference to market yields on high quality corporate bonds of which currency and due date are consistent with those of the post-employment benefit obligations.

Asset or liability associated with a defined benefit plan is calculated by subtracting the fair value of plan assets from the present value of defined benefit obligations of each plan.

Any difference due to remeasurement arising from defined benefit pension plans is recognized as other comprehensive income in the period when the difference arose, and immediately transferred to retained earnings. Past service costs are expensed as incurred.

Contributions to defined contribution pension plans are recognized as expenses according to the period during which employees rendered the relevant services.

(ii) Short-term employee benefits

Short-term employee benefits are recognized as expenses in the period in which the employee renders the related service without discounting. When the Olympus Group has present legal or constructive obligations to make payments resulting from past services rendered by the employees and the amount can be estimated reliably, the amount estimated to be paid is recognized as a liability.

(iii) Other long-term employee benefits

The Olympus Group has a special leave system and incentive payment plans according to a specific number of service years as long-term employee benefits other than pension plans. The amount of obligations to other long-term employee benefits is recognized as a liability at the amount calculated by discounting the estimated amount of future benefits earned in exchange for service that employees provided in prior fiscal years and the current fiscal year to the present value.

(17) Equity

Common shares are recognized in share capital at their issue price. Expenses incidental to issuance of common shares are deducted at the amount net of tax effect from equity.

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized associated with the purchase, sale or retirement of treasury shares of Olympus Corporation. Any difference between the book value and the consideration received from the sale is recognized in equity.

(18) Stock-based compensation

The Olympus Group has adopted equity-settled stock option plans for directors, executive officers and corporate officers of Olympus Corporation, and senior management of Olympus Corporation and its subsidiaries, with the aim of enhancing awareness toward contributing to sustainable improvement of corporate value as well as further enhancing value sharing with shareholders of Olympus Corporation.

Stock option plans

Stock options are measured at fair value at the grant date and recognized as expenses over the vesting periods with corresponding increases to equity and taking into account the estimated number of options to be vested. The fair value of stock options is calculated using the Black-Scholes model.

Stock compensation system

Olympus Corporation has introduced a subsequent grant-type restricted stock compensation (RSU: Restricted Stock Unit) system and performance-based stock compensation (PSU: Performance Share Unit) system as a stock compensation system. The compensation calculated by reference to fair value of shares of Olympus Corporation is recognized in profit or loss as an expense, and the corresponding amount is recognized as an increase in equity.

(19) Revenue

With regard to contracts with customers, the Olympus Group recognizes revenue by applying the following steps (except for interest and dividend income, etc., under IFRS 9 “Financial Instruments” and lease payments receivable under IFRS 16 “Leases”).

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Olympus Group is principally engaged in the manufacturing and sales of endoscopic, therapeutic and other products. With regard to the sales of these products, the Olympus Group mainly recognizes revenue at the time of delivery of a product since in many cases it considers that the customer obtains control over the product and performance obligations are satisfied at the time of delivery of the product.

Revenue is measured at the amount of promised consideration in contracts with customers less discounts and rebates, and reduced by the amount of sales returns.

(20) Finance income and finance costs

Finance income mainly comprises interest income, dividend income, exchange gains and changes in fair value of financial assets and liabilities measured at fair value through profit or loss. Interest income is recognized as incurred using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Finance costs mainly comprise interest expenses, interest on bonds, exchange losses and changes in fair value of financial assets and liabilities measured at fair value through profit or loss. Interest expenses and interest on bonds are recognized as incurred using the effective interest method.

(21) Income taxes

Income taxes comprise current taxes and deferred taxes. These taxes are recognized in profit or loss, except in cases where they arise from items that are recognized directly in other comprehensive income or equity, and where they arise from business combinations.

(i) Current taxes

Current taxes are measured at an expected amount of taxes to be paid to or refunded from the tax authorities. The tax rates and tax laws used to determine the amount of taxes are tax rates and tax laws that have been enacted, or substantially enacted by the end of the reporting period.

With regard to uncertain tax positions of income taxes, the Olympus Group recognizes the reasonably estimated amount as assets or liabilities, when it is more likely than not, based on interpretations for the purpose of tax laws, that the tax positions will be sustained.

(ii) Deferred taxes

Deferred taxes are recognized for temporary differences, which are differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes at the end of the reporting period, tax losses carried forward and tax credits carried forward.

Deferred tax assets or liabilities are not recognized for the following cases:

- Taxable temporary differences arising from the initial recognition of goodwill
- Temporary differences on the initial recognition of assets or liabilities arising from a transaction, except a business combination, that affects neither accounting profit nor taxable profit and that arises neither equivalent amount of taxable temporary differences nor deductible temporary differences.
- Taxable temporary differences associated with investments in subsidiaries and associates when the Olympus Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will not reverse in the foreseeable future, or when it is not probable that there will be sufficient taxable profits against which the deductible temporary differences can be utilized.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax credits carried forward and tax losses carried forward can be utilized. In principle, deferred tax liabilities are recognized for all taxable temporary differences.

In recognizing deferred tax assets, the Olympus Group assesses the probability that deductible temporary differences or tax losses carried forward can be utilized against future taxable profits. In assessing the recoverability of deferred tax assets, the scheduled reversal of deferred tax liabilities, projected taxable profits and tax planning are taken into account.

Deferred tax assets and liabilities are measured based on tax rates and tax laws that have been enacted, or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if the Olympus Group has a legally enforceable right to offset current tax assets against current tax liabilities, and they are related to income taxes levied by

the same taxation authority on the same taxable entity, or different taxable entities that intend either to settle on a net basis or to realize the tax asset or settle the liability simultaneously.

Olympus Corporation and some of its domestic subsidiaries have adopted the Group Tax Sharing System.

(22) Earnings per share

Basic earnings per share are calculated by dividing profit attributable to owners of parent by the weighted-average number of common shares outstanding, subject to the adjustment to the number of treasury shares for the corresponding period.

Diluted earnings per share are calculated reflecting adjustments for the effect of all potential dilutive common shares.

4. 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.

Information regarding the judgments made by the Olympus Group that may have material impacts on the consolidated financial statements is as follows:

- Scope of subsidiaries and associates (Note “3. Material Accounting Policies, (1) Basis of consolidation”)
- Accounting for arrangements containing leases (Notes “3. Material Accounting Policies, (10) Leases,” and “36. Leases”)
- Revenue (Notes “3. Material Accounting Policies, (19) Revenue,” and “28. Revenue”)

Information regarding accounting estimates and assumptions that may have material impacts on the consolidated financial statements is as follows.

- Valuation of inventories (Notes “3. Material Accounting Policies, (6) Inventories,” and “9. Inventories”) Inventories are measured at cost. However, if net realizable value falls below the cost as of the end of the reporting period, inventories are measured at the net realizable value and any difference is recognized in cost of sales in principle. For unsold inventories that remain outside the operating cycle, the net realizable value, etc. is calculated by reflecting future demand and market trends. If the net realizable value decreased significantly due to a worse market environment than expected, losses may be incurred.
- Impairment of non-financial assets (Notes “3. Material Accounting Policies, (11) Impairment of non-financial assets,” and “16. Impairment of non-financial assets”)

The Olympus Group tests for impairment of property, plant and equipment, goodwill, and intangible assets in accordance with Note “3. Material Accounting Policies.” In the calculation of the recoverable amount in the impairment test, assumptions are made regarding future cash flows, discount rates, etc. These assumptions are determined based on management’s best estimates and judgment. However, they may be affected by the results of changes in uncertain future economic conditions, and if they require revision, they may have a significant impact on the consolidated financial statements.

- Measurement of provisions (Notes “3. Material Accounting Policies, (13) Provisions,” and “20. Provisions”)

Provisions are measured based on the best estimates for expenditures as of the fiscal year closing date expected to be required to settle future obligations. Estimates of expenditures expected to be required to settle future obligations are calculated based on a comprehensive consideration of possible future outcomes. Changes in uncertain future economic conditions may affect assumptions used to calculate the provisions. Accordingly, there are risks that such changes could result in significant adjustments to measurements of provisions in the future accounting periods.

- Contingent liabilities (Notes “3. Material Accounting Policies, (14) Contingent liabilities,” and “42. Contingent liabilities”)

Contingencies are disclosed when an item could have a significant impact on future operations, taking into account all available evidence at the reporting date and considering the likelihood and monetary impact of the event.

- Measurement of defined benefit obligation (Notes “3. Material Accounting Policies, (16) Employee benefits,” and “23. Employee benefits”)

For defined benefit pension plans, the net value of the defined benefit obligations and the fair value of plan assets is recognized as either liabilities or assets. Defined benefit obligations are calculated based on the same types of assumptions used in the actuarial calculation, which include estimates of the discount rate, the retirement rate, the mortality rate, and the rate of compensation increase. These assumptions are established by comprehensively judging a variety of available information, including market trends, such as interest rate changes. Uncertain future economic conditions or changes in social conditions may affect the assumptions used in the actuarial calculation. Accordingly, there are risks that such changes could result in significant adjustments to the measurements of defined benefit obligations in future accounting periods.

- Recoverability of deferred tax assets (Notes “3. Material Accounting Policies, (21) Income taxes,” and “37. Income taxes”)

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, etc. can be utilized. Judgements on the likelihood that taxable income will be available are made based on the timing and amount of taxable income estimated based on the business plans including assumptions of the growth rate and operating margin. These estimates are determined based on management’s best estimates. However, they may be affected by the results of changes in uncertain future economic conditions and the actual results may differ from these forecasts.

5. New or Amended Standards or Interpretations Not Yet Adopted

The new or amended standards and interpretations that were issued by the date of approval of the consolidated financial statements and that have not been early adopted by the Olympus Group are primarily as follows. The timing of adopting the new IFRS standards by the Olympus Group and the impact of adoption on the Olympus Group’s consolidated financial statements is under evaluation.

IFRS Standards		Mandatory adoption (from the fiscal year beginning)	Timing of adoption by the Olympus Group	Description of new standards and amendments
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	Not determined	Introduces new requirements to improve companies’ reporting of financial performance and provide investors with a better basis for analyzing and comparing companies

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 six months ended September 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 fiscal year ended March 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 (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” will be reduced, and the segment classification has therefore been changed as described above.

From the six months ended September 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.” Financial information for the fiscal year ended March 31, 2024 has 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 service
Therapeutic Solutions Business	GI EndoTherapy, urology products, respiratory products, energy devices, ENT products, gynecology products

(2) Revenue, business results and other items for reportable segments

Revenue, business results and other items for reportable segments are as follows. The accounting treatment used for reportable segments is the same as described in Note “3. Material Accounting Policies.”

Fiscal year ended March 31, 2024

	(Millions of yen)					
	Reportable Segment			Other (Note 2)	Adjustment (Notes 3, 4, 5, 6)	Amount on consolidated financial statements
	Endoscopic Solutions	Therapeutic Solutions	Total			
Revenue						
Revenue from outside customers	586,617	337,331	923,948	1,804	–	925,752
Intersegment revenue (Note 1)	35	7	42	–	(42)	–
Total	586,652	337,338	923,990	1,804	(42)	925,752
Operating profit (loss)	104,684	(8,466)	96,218	(287)	(44,544)	51,387
Finance income						2,520
Finance costs						10,296
Profit before tax						43,611
Other items						
Share of profit (loss) of investments accounted for using equity method	(332)	(26)	(358)	–	–	(358)
Depreciation and amortization	41,501	18,184	59,685	193	5,315	65,193
Impairment losses (Note 7)	10,890	44,315	55,205	–	775	55,980
Segment assets	637,036	469,186	1,106,222	3,905	424,089	1,534,216
Investments accounted for using equity method	–	479	479	–	–	479
Capital expenditures	50,674	19,295	69,969	50	9,324	79,343

Notes: 1. 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.
- Adjustment for segment assets is the amount related to corporate assets that are not attributable to reportable segments and assets of discontinued operations.
- Adjustment for depreciation and amortization is the amount of depreciation and amortization related to corporate assets that are not attributable to reportable segments.

6. Adjustment for capital expenditures is the amount of increase in fixed assets related to corporate assets that are not attributable to reportable segments.
7. The operating loss of the Therapeutic solutions segment includes a loss of ¥51,886 million incurred from the discontinuation of manufacturing and sales of Veran Medical Technologies, Inc. products. Details are as described in Note “30. Other Income and Other Expenses.” Such losses include impairment losses of ¥41,704 million. Details are as described in Note “16. Impairment of non-financial assets.”

Fiscal year ended March 31, 2025

(Millions of yen)						
	Reportable Segment			Other (Note 2)	Adjustment (Notes 3, 4, 5, 6)	Amount on consolidated financial statements
	Endoscopic Solutions	Therapeutic Solutions	Total			
Revenue						
Revenue from outside customers	636,144	360,658	996,802	530	–	997,332
Intersegment revenue (Note 1)	157	29	186	–	(186)	–
Total	636,301	360,687	996,988	530	(186)	997,332
Operating profit (loss)	141,398	61,453	202,851	(473)	(39,916)	162,462
Finance income						3,449
Finance costs						6,841
Profit before tax						159,070
Other items						
Share of profit (loss) of investments accounted for using equity method	493	(27)	466	–	–	466
Depreciation and amortization	43,466	18,546	62,012	141	4,197	66,350
Impairment losses	2,599	542	3,141	–	495	3,636
Segment assets	672,499	474,492	1,146,991	5,401	280,434	1,432,826
Investments accounted for using equity method	148	334	482	–	–	482
Capital expenditures	56,486	21,588	78,074	5	6,880	84,959

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.
4. Adjustment for segment assets is the amount related to corporate assets that are not attributable to reportable segments.
5. Adjustment for depreciation and amortization is the amount of depreciation and amortization related to corporate assets that are not attributable to reportable segments.
6. Adjustment for capital expenditures is the amount of increase in fixed assets related to corporate assets that are not attributable to reportable segments.

(3) Information about products and services

This information is omitted as similar information has been disclosed in the above tables.

(4) Geographical information

Revenue and non-current assets of the Olympus Group by country or region were as follows.

Revenue	(Millions of yen)	
	2024	2025
Japan	117,301	110,529
North America	351,249	413,896
Europe	236,770	254,620
China	106,335	95,738
Asia and Oceania	87,986	93,707
Other	26,111	28,842
Total	925,752	997,332

Notes: 1. Revenue is based on the location of customers, classified by country or region.

2. Major countries or regions other than Japan were as follows:

- | | |
|----------------------|---|
| (1) North America | United States, Canada |
| (2) Europe | Germany, United Kingdom, France, etc. |
| (3) Asia and Oceania | Singapore, South Korea, Australia, etc. |
| (4) Other | Central and South America, Africa, etc. |

For the fiscal years ended March 31, 2024 and 2025, revenue from external customers in the United States was ¥326,211 million and ¥386,469 million, respectively. In no single country or region other than Japan, the United States and China was revenue from external customers significant in the fiscal years ended March 31, 2024 and 2025.

Non-current assets (excluding financial instruments, deferred tax assets, and retirement benefit assets)

	(Millions of yen)	
	2024	2025
Japan	138,637	144,602
Americas	202,587	204,644
Europe and Middle East	163,002	161,081
Asia and Oceania	30,122	29,024
Total	534,348	539,351

Notes: 1. Each geographic location is determined on the basis of geographic proximity.

2. Major countries and regions other than Japan were as follows:

- | | |
|----------------------------|--|
| (1) Americas | United States, Canada, Mexico, and Brazil |
| (2) Europe and Middle East | Germany, United Kingdom, France, etc. |
| (3) Asia and Oceania | Singapore, China, South Korea, Australia, etc. |

Within Americas, the balances of non-current assets (except financial instruments, deferred tax assets, and retirement benefit assets) in the United States were ¥199,220 million and ¥198,423 million as of March 31, 2024 and 2025, respectively. Within Europe and Middle East, the balances of non-current assets (except financial instruments, deferred tax assets, and retirement benefit assets) in Germany were ¥62,533 million and ¥66,665 million as of March 31, 2024 and 2025, respectively. The balances of non-current assets (except financial instruments, deferred tax assets, and retirement benefit assets) in any individual country and region other than Japan, the United States, and Germany were not material as of March 31, 2024 and 2025.

(5) Major customers

Information on revenue attributable to major customers for the fiscal years ended March 31, 2024 and 2025 was omitted because revenue attributable to each customer accounted for less than 10% of consolidated revenue.

7. Cash and Cash Equivalents

The breakdown of cash and cash equivalents in the Consolidated Statement of Financial Position is as follows. The balance of “Cash and cash equivalents” in the Consolidated Statement of Financial Position matches with the balance of “Cash and cash equivalents” in the Consolidated Statement of Cash Flows.

	(Millions of yen)	
	2024	2025
Cash and deposits	148,251	119,221
Short-term investments	192,682	133,311
Cash and cash equivalents in the consolidated statement of financial position	340,933	252,532

8. Trade and Other Receivables

The breakdown of trade and other receivables as of March 31, 2024 and 2025 was as follows:

	(Millions of yen)	
	2024	2025
Trade notes receivable and trade accounts receivable	152,042	153,752
Other receivables	24,005	17,796
Contract assets	220	347
Lease receivables	86,238	105,382
Allowance for doubtful accounts	(9,142)	(8,894)
Total	253,363	268,383
Current	197,599	204,183
Non-current	55,764	64,200
Total	253,363	268,383

Note: Trade and other receivables are presented net of allowance for doubtful accounts in the consolidated statement of financial position. Current assets of ¥6,056 million and non-current assets of ¥6,697 million are included in “Other receivables” in the fiscal year ended March 31, 2024 as other receivables arising from the termination of the stock acquisition agreement with Taewoong Medical Co., Ltd.

9. Inventories

The breakdown of inventories as of March 31, 2024 and 2025 was as follows:

	(Millions of yen)	
	2024	2025
Merchandise and finished goods	67,293	77,810
Work in progress	47,764	28,236
Raw materials and supplies	74,973	81,099
Total	190,030	187,145

The amounts of inventories recorded as cost of sales for the fiscal years ended March 31, 2024 and 2025 were ¥229,786 million and ¥234,474 million, respectively.

Write-downs of inventories recognized as expenses for the fiscal years ended March 31, 2024 and 2025 were ¥23,301 million and ¥24,399 million, respectively.

Inventories include materials not expected to be used for manufacturing within 12 months from the end of each fiscal year, but all of them are held within the Olympus Group’s normal operating cycle. The corresponding carrying amounts at March 31, 2024 and 2025 were ¥3,471 million and ¥3,270 million, respectively.

10. Other Financial Assets

The breakdown of other financial assets as of March 31, 2024 and 2025 was as follows:

	(Millions of yen)	
	2024	2025
Financial assets measured at fair value through profit or loss		
Derivative assets	14,358	16,731
Equity securities and others	704	828
Financial assets measured at amortized cost		
Deposits with withdrawal restrictions (Note)	6,677	–
Lease and guarantee deposits	4,457	3,168
Other	10,260	9,431
Financial assets measured at fair value through other comprehensive income		
Equity securities and others	7,552	15,583
Total	44,008	45,741
Current	9,862	2,301
Non-current	34,146	43,440
Total	44,008	45,741

Note: Deposits with withdrawal restrictions are subject to withdrawal restrictions in accordance with the decision by the court associated with the litigation filed against the Olympus Group. In the fiscal year ended March 31, 2025, they were lifted due to a judicial settlement.

11. Other Current Assets and Other Non-current Assets

The breakdown of other current assets and other non-current assets as of March 31, 2024 and 2025 was as follows:

	(Millions of yen)	
	2024	2025
Prepaid expenses	12,040	13,451
Consumption tax receivables	7,892	9,155
Other	7,331	7,624
Total	27,263	30,230
Current	25,175	28,451
Non-current	2,088	1,779
Total	27,263	30,230

12. Assets Held for Sale

The breakdown of assets held for sale is as follows:

	(Millions of yen)	
	2024	2025
Assets		
Land	41	299
Buildings and structures	14	150
Total	55	449

Assets categorized as assets held for sale for the fiscal year ended March 31, 2024 are assets, belonging to the Endoscopic Solutions Business segment and Therapeutic Solutions Business segment, and were sold during the fiscal year ended March 31, 2025.

Assets categorized as assets held for sale as of March 31, 2025 are corporate assets and are scheduled for sale within a year from the fiscal year closing date.

13. Property, Plant and Equipment

(1) Changes in property, plant and equipment

The changes in carrying amount, acquisition cost, and accumulated depreciation and accumulated impairment losses of property, plant and equipment were as follows:

Carrying amount

(Millions of yen)						
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance at April 1, 2023	118,289	20,847	67,617	18,157	13,821	238,731
Additions	11,808	6,122	29,395	170	15,033	62,528
Depreciation	(16,342)	(7,352)	(26,781)	(188)	–	(50,663)
Impairment losses	(1,082)	(370)	(1,585)	(887)	(189)	(4,113)
Sales and disposals	(3,746)	(358)	(4,906)	(15)	–	(9,025)
Transfer to assets held for sale	(14)	–	–	(41)	–	(55)
Reclassification	17,004	1,156	5,232	(40)	(22,182)	1,170
Exchange differences on translation of foreign operations	10,668	1,364	8,034	473	657	21,196
Other	77	19	(26)	–	129	199
Balance at March 31, 2024	136,662	21,428	76,980	17,629	7,269	259,968
Additions	14,829	6,980	26,900	217	16,982	65,908
Additions through business combinations	–	–	247	–	–	247
Depreciation	(15,867)	(7,568)	(28,814)	(194)	–	(52,443)
Impairment losses	(410)	(19)	(315)	(55)	(109)	(908)
Sales and disposals	(3,115)	(330)	(4,320)	(53)	–	(7,818)
Transfer to assets held for sale	(150)	–	–	(299)	–	(449)
Reclassification	5,821	1,742	4,022	41	(10,421)	1,205
Exchange differences on translation of foreign operations	(849)	11	(1,071)	(99)	(45)	(2,053)
Decrease due to transfer of business	–	(99)	(357)	(75)	(18)	(549)
Other	64	(11)	140	1	108	302
Balance at March 31, 2025	136,985	22,134	73,412	17,113	13,766	263,410

Notes: 1. No borrowing costs were capitalized for the fiscal years ended March 31, 2024 and 2025.

- Depreciation of property, plant and equipment is included in “Cost of sales,” “Selling, general and administrative expenses” and “Profit from discontinued operation” on the consolidated statement of profit or loss. Impairment losses are included in “Other expenses” and “Profit from discontinued operation” on the consolidated statement of profit or loss.
- Changes of carrying amount ¥2,300 million and ¥2,336 million by company housing Olympus Corporation contracted and loaned to employees is recorded “Additions” and “Sales and disposals” of “Buildings and structures” for the fiscal years ended March 31, 2024 and 2025, respectively. And that has no impact on balance.

Acquisition cost

(Millions of yen)						
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance at April 1, 2023	252,867	63,132	293,700	19,444	13,821	642,964
Balance at March 31, 2024	287,726	61,943	325,562	19,364	7,329	701,924
Balance at March 31, 2025	292,784	60,522	310,105	18,327	13,766	695,504

Accumulated depreciation and accumulated impairment losses

	(Millions of yen)					
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance at April 1, 2023	134,578	42,285	226,083	1,287	–	404,233
Balance at March 31, 2024	151,064	40,515	248,582	1,735	60	441,956
Balance at March 31, 2025	155,799	38,388	236,693	1,214	–	432,094

(2) Right-of-use assets

The carrying amount of right-of-use assets included in property, plant and equipment by underlying asset type was as follows:

	(Millions of yen)					
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land		Total
Balance at April 1, 2023		43,930	4,325	1,747	160	50,162
Balance at March 31, 2024		46,384	4,660	2,210	132	53,385
Balance at March 31, 2025		47,536	5,133	2,047	156	54,872

Note: Right-of-use assets increased during the fiscal years ended March 31, 2024 and 2025 by ¥14,838 million and ¥17,367 million, respectively.

14. Goodwill and Intangible Assets

(1) Changes in goodwill and intangible assets

The changes in carrying amount, acquisition cost, and accumulated amortization and accumulated impairment losses of goodwill and intangible assets were as follows:

Carrying amount

	(Millions of yen)				
	Goodwill	Intangible assets			Total
		Capitalized development costs	Software	Other	
Balance at April 1, 2023	181,324	56,820	12,355	47,582	116,757
Additions	–	–	2,395	231	2,626
Additions through internal development	–	15,573	–	–	15,573
Amortization	–	(8,332)	(3,106)	(3,839)	(15,277)
Impairment losses	(24,029)	(9,266)	(31)	(27,129)	(36,426)
Sales and disposals	(1,749)	(15)	(37)	(463)	(515)
Reclassification	–	1,436	422	(1,767)	91
Exchange differences on translation of foreign operations	24,785	3,424	705	4,754	8,883
Other	–	1	(5)	253	249
Balance at March 31, 2024	180,331	59,641	12,698	19,622	91,961
Additions	–	–	4,488	265	4,753
Additions through internal development	–	14,298	–	–	14,298
Additions through business combinations (Note 2)	1,388	–	–	1,732	1,732
Amortization	–	(7,878)	(3,118)	(2,911)	(13,907)
Impairment losses	–	(2,557)	(171)	–	(2,728)
Sales and disposals	–	(43)	(3)	(142)	(188)
Reclassification	–	–	(866)	3	(863)
Exchange differences on translation of foreign operations	(1,528)	(321)	(41)	(81)	(443)
Decrease due to transfer of business	–	(270)	(17)	(412)	(699)
Other	–	46	16	(7)	55
Balance at March 31, 2025	180,191	62,916	12,986	18,069	93,971

- Notes: 1. Amortization of capitalized development costs is recorded as “Cost of sales” and “Profit from discontinued operation” on the consolidated statement of profit or loss. Amortization cost excluding capitalized development costs is recorded in “Cost of sales,” “Selling, general and administrative expenses” and “Profit from discontinued operation” on the consolidated statement of profit or loss. Impairment losses are recorded in “Other expenses” and “Profit from discontinued operation” on the consolidated statement of profit or loss.
2. Of additions through business combinations, major component included in “Other” is ¥1,732 million in customer related assets held by Sur Medical SpA. For details on business combinations, please see Note “40. Business Combinations.”

Acquisition cost

(Millions of yen)					
	Goodwill	Intangible assets			
		Capitalized development costs	Software	Other	Total
Balance at April 1, 2023	181,324	91,050	62,793	175,249	329,092
Balance at March 31, 2024	180,331	95,191	69,069	179,357	343,617
Balance at March 31, 2025	180,191	102,529	67,469	150,227	320,225

Accumulated amortization and accumulated impairment losses

(Millions of yen)					
	Goodwill	Intangible assets			
		Capitalized development costs	Software	Other	Total
Balance at April 1, 2023	–	34,230	50,438	127,667	212,335
Balance at March 31, 2024	–	35,550	56,371	159,735	251,656
Balance at March 31, 2025	–	39,613	54,483	132,158	226,254

(2) Significant intangible assets

Significant intangible assets recognized at March 31, 2024 are technology-related assets arising from the acquisition of Medi-Tate Ltd. by the Olympus Group on May 27, 2021. The carrying amount was ¥9,663 million, and the remaining amortization period was 12 years, as of March 31, 2024.

Significant intangible assets recognized at March 31, 2025 are technology-related assets arising from the acquisition of Medi-Tate Ltd. by the Olympus Group on May 27, 2021. The carrying amount was ¥8,648 million, and the remaining amortization period was 11 years, as of March 31, 2025.

(3) Research and development expenditures recognized as expenses

Research expenses and development costs that do not meet asset recognition criteria are recognized as expenses when incurred. Research and development expenditures recognized as expenses in continuing operations, excluding discontinued operation, in the fiscal years ended March 31, 2024 and 2025 were ¥70,270 million and ¥89,590 million, respectively.

15. Commitments

Commitments to acquire property, plant and equipment and intangible assets subsequent to March 31, 2024 and 2025 were as follows:

	(Millions of yen)	
	2024	2025
Property, plant and equipment	10,177	24,761
Intangible assets	2,527	112
Total	12,704	24,873

16. Impairment of Non-financial Assets

(1) Impairment losses

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 as “Other expenses” in the 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 breakdown of impairment losses by asset type was as follows:

	(Millions of yen)	
	2024	2025
Property, plant and equipment		
Buildings and structures	540	410
Machinery and vehicles	32	19
Tools, furniture and fixtures	366	315
Land	616	55
Construction in progress	129	109
Goodwill	20,227	–
Intangible assets		
Capitalized development costs	8,348	2,557
Software	–	171
Other	25,722	–
Total	55,980	3,636

Major impairment losses recognized in the fiscal year ended March 31, 2024 were as follows.

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

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 ¥41,704 million was recorded (¥20,227 million for goodwill; ¥16,077 million for technology-related assets; ¥250 million for trademarks; ¥3,601 million for research and development in progress; and ¥1,157 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 fiscal year ended March 31, 2024, 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.

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 “30. Other Income and Other Expenses.”

(Impairment losses on development assets and research and development in progress)

Olympus Corporation recognized impairment losses of ¥6,002 million and ¥4,565 million on development assets and research and development in progress, respectively, in the Endoscopic 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. Olympus Corporation recognized impairment losses of ¥2,346 million on development assets in the 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. 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.

Major impairment losses recognized in the fiscal year ended March 31, 2025 were as follows.

(Impairment losses on development assets)

Olympus Corporation recognized impairment losses of ¥2,110 million and ¥448 million on development assets in the Endoscopic Solutions Business and Therapeutic Solutions Business, respectively, 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. 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.

(2) Impairment test for goodwill

The breakdown of the carrying amount of goodwill corresponding to cash generating units was as follows:

	(Millions of yen)	
	2024	2025
Endoscopic solutions segment	32,421	33,048
Therapeutic solutions segment	147,910	147,143
Total	180,331	180,191

The Olympus Group tested goodwill for impairment on March 31, 2024 and 2025.

Individually significant goodwill carried on the consolidated statement of financial position is the goodwill allocated to the Endoscopic solutions segment and Therapeutic solutions segment.

For impairment testing of goodwill, the recoverable amount is measured based on value in use.

Value in use is measured by discounting estimated future cash flows to present value. Estimated future cash flows is primarily based on a business plan approved by the management and considering a growth rate for the period after the term of the business plan.

Business plans have a maximum term of five years as a general rule. Business plans reflect management's assessment of future industry trends as well as historical data, and are prepared based on external and internal information. The estimated future cash flows are determined based on the business plans.

The growth rate for the period after the term of the business plans is determined based on market research reports for the industry in which the cash-generating unit (CGU) operates. The growth rate of "Endoscopic Solutions Business" and "Therapeutic Solutions Business" is 1.7% - 4.7% and 1.5% - 4.8%, respectively, as of March 31, 2024, and 1.7% - 4.7% and 1.9% - 5.8%, respectively, as of March 31, 2025.

The discount rate is based on the pre-tax weighted average cost of capital of the cash-generating unit. The discount rates for the fiscal years ended March 31, 2024 and 2025, were 11.8% and 12.2%, respectively.

The main assumptions in estimating value in use are the growth rate and the operating margin in estimating future cash flows in the five-year business plan, the growth rate for the period after the business plan and the discount rate.

Value in use measured using the above rates amply exceeds the carrying amount of the Endoscopic solutions segment and the carrying amount of the Therapeutic solutions segment, respectively. Olympus Corporation believes that there is a low probability of significant impairment even if the key assumptions used in the impairment testing were to change within a range of reasonable foreseeability.

17. Trade and Other Payables

The breakdown of trade and other payables as of March 31, 2024 and 2025 was as follows:

	(Millions of yen)	
	2024	2025
Notes and account payable	41,854	40,386
Other payable	20,001	21,029
Total	61,855	61,415

18. Bonds and Borrowings

The breakdown of bonds and borrowings as of March 31, 2024 and 2025 was as follows:

	(Millions of yen)		Average interest rate (%)	Maturity
	2024	2025		
Current portion of bonds payable	19,986	24,992	0.25	July 2025
Current portion of long-term borrowings	50,002	69,993	0.20	April 2025 to September 2025
Bonds (excluding current portion)	125,264	99,492	1.73	December 2026 to July 2030
Long-term borrowings (excluding current portion)	104,364	34,625	0.70	August 2027 to September 2029
Total	299,616	229,102		
Current	69,988	94,985		
Non-current	229,628	134,117		
Total	299,616	229,102		

Note: The average interest rate is the weighted average interest rate on the ending balance of borrowings. Bonds and borrowings are classified as financial liabilities measured at amortized cost.

The breakdown of bonds as of March 31, 2024 and 2025 was as follows:

Company	Bond name	Issue date	(Millions of yen)		Interest rate (%)	Maturity date
			2024	2025		
Olympus Corporation	25th unsecured bonds	December 5, 2019	19,986	–	0.20	December 2024
Olympus Corporation	26th unsecured bonds	July 18, 2020	24,970	24,992	0.25	July 2025
Olympus Corporation	27th unsecured bonds	July 19, 2020	24,917	24,930	0.47	July 2030
Olympus Corporation	Dollar-denominated unsecured bonds due 2026	December 8, 2021	75,377	74,562	2.14	December 2026
Total			145,250	124,484		

The breakdown of long-term borrowings, including current portion, as of March 31, 2024 and 2025 was as follows:

Financial institution	(Millions of yen)		Interest rate (%)	Maturity date
	2024	2025		
Japanese Bank	13,179	13,237	0.86	September 2029
Japanese Bank	1,477	1,484	0.73	September 2027
Japanese Bank	10,000	10,000	1.38	September 2025
Japanese Bank	9,750	9,823	0.53	August 2027
Japanese Bank	10,000	10,000	1.39	September 2025
Japanese Bank	9,755	9,814	0.55	June 2028
Japanese Bank	49,910	49,992	0.32	April 2025
Japanese Bank	39,992	–	0.25	May 2024
Japanese Bank	10,000	–	0.40	May 2024
Other	303	268		
Total	154,366	104,618		

19. Other Financial Liabilities

The breakdown of other financial liabilities as of March 31, 2024 and 2025 was as follows:

	(Millions of yen)	
	2024	2025
Financial liabilities measured at fair value through profit or loss		
Derivative liabilities	2,483	1,007
Contingent consideration	7,119	1,689
Financial liabilities measured at amortized cost		
Lease liabilities	60,943	62,465
Other	19,366	19,470
Total	89,911	84,631
Current	27,673	21,829
Non-current	62,238	62,802
Total	89,911	84,631

20. Provisions

The changes in provisions during the fiscal year ended March 31, 2025 were as follows:

	(Millions of yen)				
	Provision for product warranties	Provision for loss on litigation	Provision for duodenoscopy market response	Other	Total
Balance at April 1, 2024	11,080	5,670	5,902	11,028	33,680
Increase during the year	1,394	156	–	1,148	2,698
Decrease (Provisions used)	(3,458)	(5,273)	(325)	(5,023)	(14,079)
Decrease (Provisions reversed)	(1,059)	(117)	(2,897)	(89)	(4,162)
Exchange differences on translation of foreign operations	(17)	150	–	(174)	(41)
Balance at March 31, 2025	7,940	586	2,680	6,890	18,096
Current	7,413	429	2,680	5,479	16,001
Non-current	527	157	–	1,411	2,095
Total	7,940	586	2,680	6,890	18,096

Note: Provision for product warranties included the ¥1,571 million expected to be needed for a voluntary recall of small intestine endoscope systems and provision of ¥2,867 million for market corrective measures for high-flow insufflation units.

(1) Provision for product warranties

For products sold subject to a quality assurance warranty, Olympus Corporation accrues after service cost and recall cost expected to be incurred within the guarantee period. After service cost is calculated using the prescribed standards, based on after service cost actually incurred in the past, and is expected to be expended during the guarantee period (mostly within three years). For recall cost, the amount deemed necessary for recalls was reasonably estimated and recorded as a provision.

(2) Provision for loss on litigation

To provide for losses related to lawsuits or other litigation, in light of progress of the lawsuits, the expected amount of these losses is accounted for based on a reasonable estimate of the amount deemed necessary. These loss provisions are expected to be expended mostly within one year. Decrease (Provisions used) includes the reversal associated with a settlement between consolidated subsidiary Olympus (Shenzhen) Industrial Ltd. and Shenzhen Anpingtai Investment and Development Co., Ltd., following a civil mediation ruling in court to conclude a lawsuit. The amount of reversal of the provision is described in Note “30. Other Income and Other Expenses.”

(3) Provision for duodenoscope market response

Olympus Corporation has decided to voluntarily replace the old type of duodenoscopes with a fixed tip cap with the new type with a removable tip cap, which is easier to clean and disinfect, against the background of obtaining regulatory approval for the new type of duodenoscopes with a removable tip cap in the United States. The amount deemed necessary to carry out this market response was reasonably estimated and recorded as a provision. Decrease (Provisions reversed) is mainly due to a change in the estimate of the amount deemed necessary to carry out responses to the market associated with the change in the target number of replacement to new type products.

21. Other Current Liabilities and Other Non-current Liabilities

The breakdown of other current liabilities and other non-current liabilities as of March 31, 2024 and 2025 was as follows:

		(Millions of yen)	
		2024	2025
Accrued expenses		130,095	123,269
Contract liabilities		65,616	60,215
Other		25,024	23,739
	Total	220,735	207,223
Current		202,203	188,680
Non-current		18,532	18,543
	Total	220,735	207,223

22. Government Grants

Government grants included in other current liabilities and other non-current liabilities as of March 31, 2024 and 2025 were as follows:

		(Millions of yen)	
		2024	2025
Other current liabilities		279	276
Other non-current liabilities		1,473	1,207

Government grants were conditioned on acquiring equipment in a specific medical field in Japan and they are amortized over the useful life of their related assets on a straight-line basis.

There are no unfulfilled conditions or contingencies related to these grants.

23. Employee Benefits

Olympus Corporation and some of its consolidated subsidiaries have established defined benefit corporate pension plans, defined contribution pension plans and lump sum payment plans to fund employees' retirement benefits.

The defined benefit corporate pension plans are cash balance plans that use a point system. In these plans, points are awarded to the plan participants based on their job performance and interest points calculated using an interest crediting rate based on trends in market interest rates accumulate in the participants' hypothetical individual accounts.

The Olympus Group, its pension funds and institutions that manage its plan assets are legally required to faithfully administer and manage plan assets in the aim of providing reliable pension benefits to plan participants into the indefinite future. They fulfill their management responsibilities in accord with basic policies prepared by the funds.

The Olympus Group's retirement benefit plans are exposed to multiple risks, including investment risks associated with plan assets and interest rate risk associated with defined benefit obligations.

(1) Defined benefit plans

(i) Reconciliation of defined benefit obligations

The changes in defined benefit obligations were as follows:

	(Millions of yen)	
	2024	2025
Balance at April 1	152,636	159,890
Current service cost	5,690	5,637
Past service cost	(9)	—
Interest cost	4,260	4,951
Remeasurements of defined benefit plans		
Actuarial gains and losses arising from changes in demographic assumptions	104	96
Actuarial gains and losses arising from changes in financial assumptions	(5,527)	(9,552)
Other	2,539	268
Contributions by employees	203	228
Benefits paid	(8,682)	(9,828)
Effects of business combinations and disposals	—	(349)
Exchange differences on translation of foreign operations	8,723	(888)
Other	(47)	(51)
Balance at March 31	159,890	150,402

(ii) Reconciliation of fair value of plan assets

The change in the fair value of plan assets during the fiscal years ended March 31, 2024 and March 31, 2025 is presented below.

The Olympus Group conducts a financial verification based on Olympus Corporation's corporate pension rules at the end of every fiscal year to ascertain the extent of any funding deficit and determine whether contributions need to be recalculated.

In the fiscal year ending March 31, 2026, the Olympus Group plans to contribute ¥3,724 million to the plan.

	(Millions of yen)	
	2024	2025
Balance at April 1	159,248	176,119
Interest income	4,539	5,447
Remeasurements		
Return on plan assets	3,424	(4,775)
Contributions by employer	7,079	3,439
Contributions by employees	204	230
Benefits paid	(7,622)	(8,852)
Exchange differences on translation of foreign operations	9,309	(682)
Other	(62)	186
Balance at March 31	176,119	171,112

(iii) Reconciliation of defined benefit obligations and plan assets

The reconciliation between the defined benefit obligations and plan assets and the retirement benefit liability and asset recognized in the consolidated statement of financial position was as follows:

	(Millions of yen)	
	2024	2025
Present value of the funded defined benefit obligations	143,972	135,220
Fair value of plan assets	(176,119)	(171,112)
Subtotal	(32,147)	(35,892)
Present value of the unfunded defined benefit obligations	15,918	15,182
Net defined benefit liabilities (assets)	(16,229)	(20,710)
Amounts recognized in the consolidated statement of financial position		
Retirement benefit liability	20,586	19,800
Retirement benefit asset	(36,815)	(40,510)
Net defined benefit liabilities (assets)	(16,229)	(20,710)

(iv) Components of plan assets

The breakdown of plan assets by category was as follows:

	(Millions of yen)	
	2024	2025
Assets with quoted market prices in an active market		
Japanese equity securities	1,515	1,491
Overseas debt securities	613	—
Cash and cash equivalents	12,821	14,554
Total	14,949	16,045
Assets without quoted market prices in an active market		
Overseas equity securities	6,832	6,271
Overseas debt securities	45,739	45,852
General account for life insurance companies	45,698	43,689
Jointly managed money trust	49,070	46,735
Other (Note 1)	13,831	12,520
Total	161,170	155,067
Total of plan assets	176,119	171,112

Note: 1. Insurance contracts concluded through annuity buy-in transactions included in "Other" amounted to ¥10,927 million and ¥9,551 million as of the end of the fiscal years ended March 31, 2024 and 2025, respectively.

To reliably pay defined benefit obligations into the indefinite future, plan assets in the Olympus Group's corporate pension funds are managed safely and efficiently in the aim of generating medium- to long-term investment returns in excess of the minimum rate of return required to maintain the plans. To do so, the pension funds carefully ascertain their risk tolerance, determine an optimal asset allocation within those risk constraints and invest in a diversified portfolio of assets.

(v) Matters related to actuarial assumptions

The main significant actuarial assumptions used to measure present value of defined benefit obligations were as follows:

	2024	2025
Discount rate	3.12%	3.74%

(vi) Sensitivity analysis

In the event of a 0.5% change in the discount rate used in the actuarial calculation, the present value of the defined benefit obligations would be affected as shown below. This analysis assumes that all other variables remain constant. In actuality, however, the sensitivity analysis may be affected by changes in other assumptions.

	(Millions of yen)	
	2024	2025
Discount rate		
0.5% increase (decrease in obligations)	(7,758)	(8,147)
0.5% decrease (increase in obligations)	11,948	9,363

(vii) Weighted average duration

The weighted average durations of the defined benefit obligations were 13.0 years and 12.4 years as of March 31, 2024 and 2025, respectively.

(2) Defined contribution plans

The amounts recognized as expenses related to the defined contribution plans were ¥20,966 million and ¥21,622 million for the fiscal years ended March 31, 2024 and 2025, respectively, and included expenses recognized in relation to the public pension system.

24. Share Capital and Other Components of Equity

(1) Number of authorized shares, issued shares and treasury shares

The changes in the number of authorized shares, issued shares and treasury shares were as follows:

	Number of shares	
	2024	2025
Authorized shares	4,000,000,000	4,000,000,000
Issued shares (Note 1)		
As of April 1	1,266,178,700	1,215,146,700
Increase or decrease (Note 2) (Note 3)	(51,032,000)	(76,030,400)
As of March 31	1,215,146,700	1,139,116,300
Treasury shares (Note 4)		
As of April 1	12,641,218	49,514,907
Increase or decrease (Note 5) (Note 6)	36,873,689	(38,209,271)
As of March 31	49,514,907	11,305,636

- Notes: 1. All of the shares of Olympus Corporation are ordinary shares that have no par value and no limitations on the rights. Issued shares are fully paid.
2. The decrease in the fiscal year ended March 31, 2024, was due to the cancellation of 51,032,000 shares of treasury shares conducted effectively on February 29, 2024.
3. The decrease in the fiscal year ended March 31, 2025, was due to the cancellation of 37,446,500 shares of treasury shares and 38,583,900 shares of treasury shares conducted effectively on April 30, 2024 and January 31, 2025, respectively.
4. Olympus Corporation has adopted stock option plans and utilizes treasury shares for delivery of shares due to exercise. Contract conditions and amounts are described in Note “27. Stock-based Compensation.”
5. The main changes in the fiscal year ended March 31, 2024, were an increase of 51,032,000 shares due to the share repurchase conducted between May 15, 2023, and November 8, 2023 on a delivery date basis, an increase of 37,446,500 shares due to the share repurchase conducted between November 10, 2023, and March 26, 2024 on a delivery date basis, and a decrease of 51,032,000 shares due to the cancellation of treasury shares conducted effectively on February 29, 2024.
6. The main changes in the fiscal year ended March 31, 2025, were a decrease of 37,446,500 shares due to the cancellation of treasury shares conducted effectively on April 30, 2024, an increase of 38,583,900 shares due to the share repurchase conducted between May 13, 2024, and November 19, 2024 on a delivery date basis, and a decrease of 38,583,900 shares due to the cancellation of treasury shares conducted effectively on January 31, 2025.

(2) Capital surplus

Japan's Companies Act provides that at least one-half of capital paid in or contributed in exchange for newly issued shares is to be classified as share capital and any amount not classified as share capital is to be classified as legal capital surplus included in capital surplus.

Additionally, legal capital surplus may be reclassified as share capital pursuant to a shareholder resolution at a General Meeting of Shareholders.

(3) Retained earnings

Japan's Companies Act provides that one-tenth of the amount of reductions in surplus due to dividend distributions funded by the surplus is to be accumulated as legal capital surplus or legal retained earnings until the total of legal capital surplus and legal retained earnings equals one-quarter of share capital.

Accumulated legal retained earnings may be appropriated to reduce a capital deficit. They may also be utilized pursuant to a shareholder resolution at a General Meeting of Shareholders.

The amount of Olympus Corporation's retained earnings distributable as dividends is measured based on the amount of retained earnings carried on Olympus Corporation's accounting books prepared in accordance with accounting principles generally accepted in Japan.

Additionally, the Companies Act imposes certain restrictions on how the amount of retained earnings distributable as dividends is measured. Olympus Corporation distributes retained earnings within the constraints stipulated by those restrictions.

(4) Other components of equity

The changes in other components of equity were as follows:

(Millions of yen)					
	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total
Balance at March 31, 2023	80,656	(3,781)	405	–	77,280
Other comprehensive income	69,011	(177)	(20)	4,682	73,496
Reclassification to retained earnings	–	–	(1)	(4,682)	(4,683)
Transfer to other components of equity related to disposal group held for sale	3,019	–	15	–	3,034
Balance at March 31, 2024	152,686	(3,958)	399	–	149,127
Other comprehensive income	(9,630)	2,194	(78)	3,123	(4,391)
Reclassification to retained earnings	–	–	–	(3,123)	(3,123)
Balance at March 31, 2025	143,056	(1,764)	321	–	141,613

(i) Exchange differences on translation of foreign operations

Exchange differences that arise when foreign operations' financial statements prepared in a foreign currency are consolidated.

(ii) Cash flow hedges

Olympus Corporation hedges to avert the risk of changes in future cash flows. Changes in the fair value of derivatives designated as cash flow hedges are recognized in other comprehensive income to the extent the hedges are deemed effective.

(iii) Financial assets measured at fair value through other comprehensive income

Valuation gains/losses on financial assets measured at fair value through other comprehensive income.

(iv) Remeasurements of defined benefit plans

Changes in defined benefit obligations due to actuarial gains/losses and the effects of changes in actuarial assumptions; they are recognized in other comprehensive income when they occur and immediately transferred from other components of equity to retained earnings.

25. Capital Policy

To enhance its corporate value, the Olympus Group has adopted a basic policy, premised on maintaining a stable financial foundation, of continually returning value to shareholders while placing priority on investing in growth businesses.

The Olympus Group manages all of its equity and interest-bearing debt as components of its capital cost. Cognizant of financial stability and capital efficiency, the Olympus Group aims to improve its credit ratings issued by rating agencies to more readily procure funding globally. The Olympus Group is not subject to any significant capital restrictions (except for general provisions stipulated in Japan's Companies Act).

The Olympus Group has designated adjusted earnings per share (adjusted EPS) as an equity-related key performance indicator. In the company strategy announced on May 12, 2023, the Olympus Group has defined a target of achieving an adjusted EPS CAGR of more than 8% from the fiscal year ended March 31, 2024 through the fiscal year ending March 31, 2026 starting from the fiscal year ended March 31, 2023.

	(Yen)	
	2024	2025
Adjusted EPS (Notes 1, 2)	83.77	117.17

- Notes:
1. This is EPS after adjusting special factors, and the amount differs from the amount shown in Note "32. Earnings per share." In calculating adjusted EPS, other income and other expenses, etc., are excluded from profit, which is the basis for the calculation.
 2. The Orthopedic Business has been classified as a discontinued operation from the six months ended September 30, 2024. Due to this, figures for the fiscal year ended March 31, 2024 have also been restated.

26. Dividends

Dividends paid during the fiscal year ended March 31, 2024 were as follows:

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

Dividends paid during the fiscal year ended March 31, 2025 were as follows:

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 10, 2024 Board of Directors	Common stock	20,981	18	March 31, 2024	June 5, 2024

Dividends for which the record date falls in the current fiscal year and the effective date is in the following fiscal year are as follows:

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
May 13, 2025 Board of Directors	Common stock	22,556	20	March 31, 2025	June 5, 2025

27. Stock-based Compensation

The Olympus Group has adopted equity-settled stock option plans for directors, executive officers and corporate officers of Olympus Corporation, and senior management of Olympus Corporation and its subsidiaries (hereinafter the "Employees of the Olympus Group") with the aim of enhancing awareness toward contributing to sustainable improvement of corporate value as well as further enhancing value sharing with shareholders of Olympus Corporation.

(1) Stock Options

(i) Overview of stock option plans

Under the stock option plans, grantees are granted 400 shares of common stock of Olympus Corporation per subscription right to shares.

The grants are not subject to vesting conditions, but holders of subscription rights to shares may exercise their subscription rights to shares only during a 10-year period beginning one year from the day after the date on which they vacate their position as a director, executive officer or corporate officers of Olympus Corporation (for those who were appointed the Audit & Supervisory Board Members after vacating their position as a director or corporate officer, the date on which they vacate their position as an Audit & Supervisory Board Member). If not exercised within the exercise period, the options become null and void. Olympus Corporation introduced a restricted stock compensation system and performance-based stock compensation system from the fiscal year ended March 31, 2018, and new application of the stock option plan was suspended. No stock options have been granted since such time. The exercise period for stock options already granted ends on July 13, 2046.

(ii) Outline of stock options

	Grant date	Number of shares granted (shares)	Exercise price (Yen)	Exercise period
The first subscription rights to shares	August 26, 2013	160,400	1	From August 27, 2013 to August 26, 2043
The second subscription rights to shares	July 11, 2014	164,000	1	From July 12, 2014 to July 11, 2044
The third subscription rights to shares	July 13, 2015	154,800	1	From July 14, 2015 to July 13, 2045
The fourth subscription rights to shares	July 13, 2016	158,000	1	From July 14, 2016 to July 13, 2046

Note: The number of stock options is presented as the number of underlying shares.

(iii) Movement in number of stock options and weighted average exercise price

	2024		2025	
	Number of equity securities (shares)	Weighted average exercise price (Yen)	Number of equity securities (shares)	Weighted average exercise price (Yen)
Outstanding at beginning of year	302,800	1	282,400	1
Granted	—	—	—	—
Exercised	(20,400)	1	(70,800)	1
Expired	—	—	—	—
Outstanding at end of year	282,400	1	211,600	1
Exercisable at end of year	161,600	1	121,200	1

- Notes:
1. The number of stock options is presented as the number of underlying shares.
 2. The weighted average share prices of stock options at the time of exercise were ¥2,425 and ¥2,373 for the fiscal years ended March 31, 2024 and 2025, respectively.
 3. The weighted average remaining lives of unexercised stock options year were 21.0 years and 20.0 years as of March 31, 2024 and 2025, respectively.

(2) Performance-based stock compensation (PSU: Performance Share Unit) system

(i) Overview of Performance Share Unit (PSU) system (hereinafter the “PSU system”)

The PSU system is for executive officers and corporate officers of Olympus Corporation, and the Employees of the Olympus Group (hereinafter the “Eligible Persons”).

Under the PSU system, at the beginning of the performance evaluation period, the standard number of common stock units to be delivered after the end of the performance evaluation period is determined based on the amount of basic salary. The number of share units to be allotted is the number of the standard number of common stock units multiplied by the payment rate determined according to the degree of attainment at the end of the performance period. The Eligible Persons wholly transfer their rights to monetary compensation receivable equivalent to the number of such allotted share units as in kind property contributions and receive newly issued shares of Olympus Corporation’s common stock. The performance evaluation period is three fiscal years, and the Compensation Committee determines the payment rate within the predetermined range according to the degree of attainment, at the end of the performance evaluation period, of predetermined performance evaluation indicators and targets set by the Compensation Committee. The performance evaluation indicators and targets at the start of the performance evaluation period and the payment rate at the end of the performance evaluation period for corporate officers and the Employees of the Olympus Group are determined by the Representative Executive Officer.

(ii) Number of shares granted during the year and fair value at grant date

The weighted average fair value at the grant date under this plan for the fiscal years ended March 31, 2024 and 2025 were ¥2,257 and ¥2,271, respectively. The number of shares delivered correspond to the directors’ standard variable compensation calculated based on their position and adjusted within the predetermined range based on the degree of attainment, as of the end of the three fiscal years, of predetermined performance evaluation targets set by the Compensation Committee or Representative Executive Officer as described above in (2) (i).

(3) Restricted Stock Unit system

(i) Overview of Restricted Stock Unit system (hereinafter the “RSU system”)

The RSU system is for directors, executive officers and corporate officers of Olympus Corporation, and the Employees of the Olympus Group (hereinafter the “Eligible Persons”).

Under the RSU system, on the condition that the eligible persons remain employed by Olympus Corporation during the vesting period, the eligible persons are granted the right to acquire the predetermined number of shares of Olympus Corporation’s common stock based on the amount of basic salary, etc. at the beginning of the transfer restriction period, and receive the said shares at a predetermined time. The Eligible Persons wholly transfer all their rights to monetary compensation claims according to that number of granted units after the end of the vesting period as in kind property contributions and receive newly issued shares of Olympus Corporation’s common stock.

RSUs are paid as newly issued shares of the Company’s common stock for directors who live in Japan at the time of retirement in principle, and for directors who do not live in Japan after the standard vesting period in their region. The vesting period of RSUs for executive officers, corporate officers and the employees of the Olympus Group was three fiscal years until the fiscal year ended March 31, 2022, and the number of shares equivalent to all the granted units was delivered after the vesting period. From the fiscal year ended March 31, 2023, shares are delivered by one-third of the number of granted units each fiscal year.

(ii) Number of shares granted during the year and fair value at grant date

The weighted average fair value at the grant date under this plan for the fiscal years ended March 31, 2024 and 2025 were ¥2,269 and ¥2,288, respectively. As for the number of shares, Olympus Corporation’s common stock determined by Olympus Corporation in advance are delivered after the end of the vesting period as stated in (3) (i) above.

(4) Stock compensation expenses

	(Millions of yen)	
	2024	2025
Selling, general and administrative expenses	2,579	2,064

28. Revenue

(1) Disaggregation of Revenue

The organization of the Olympus Group has basically consisted of the Endoscopic Solutions Business, Therapeutic Solutions Business, and Other, but, from the six months ended September 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” was 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 reporting 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 reportable segment is as follows:

For the fiscal year ended March 31, 2024

(Millions of yen)				
	Endoscopic Solutions	Therapeutic Solutions	Other	Total
Japan	71,892	44,495	914	117,301
North America	216,565	134,666	18	351,249
Europe	145,931	90,714	125	236,770
China	74,950	30,748	637	106,335
Asia and Oceania	58,979	28,897	110	87,986
Other	18,300	7,811	–	26,111
Total	586,617	337,331	1,804	925,752
Revenue from contracts with customers	508,888	326,167	1,804	836,859
Revenue from other sources	77,729	11,164	–	88,893

Note: Revenue from other sources includes revenue from lease contracts as defined under IFRS 16.

For the fiscal year ended March 31, 2025

(Millions of yen)				
	Endoscopic Solutions	Therapeutic Solutions	Other	Total
Japan	70,462	39,650	417	110,529
North America	258,214	155,600	82	413,896
Europe	157,041	97,579	–	254,620
China	67,926	27,797	15	95,738
Asia and Oceania	62,048	31,643	16	93,707
Other	20,453	8,389	–	28,842
Total	636,144	360,658	530	997,332
Revenue from contracts with customers	546,437	347,498	530	894,465
Revenue from other sources	89,707	13,160	–	102,867

Note: Revenue from other sources includes revenue from lease contracts as defined under IFRS 16.

(i) Endoscopic Solutions Business

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.

Regarding the sale of products by the Endoscopic Solutions Business, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. The revenue from the sale of products is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component. In respect of transactions that consist of multiple components, such as products and maintenance service, Olympus Corporation treats each component as a separate performance obligation when products to sell and services to render have an independent value on their own, and the total transaction amount is proportionally allocated based on the individual sales prices of the components.

In regard to maintenance contracts concerning medical devices, because performance obligations are satisfied over the passage of time, the transaction amount related to the contract with a customer is recognized as revenue spread evenly over the contract period. Generally, Olympus Corporation receives a consideration for a transaction in a lump sum as advance payment at the time the contract is concluded.

Lease transactions for medical devices as the lessor are recorded in accordance with Note “3. Material Accounting Policies, (10) Leases.” Olympus Corporation receives lease fees concerning leasing contracts based on payment conditions specified in individual contracts.

(ii) Therapeutic Solutions Business

The Therapeutic Solution Business sells medical devices, including GI EndoTherapy, urology products, respiratory products, energy devices, ENT products, and gynecology products, to customers who are primarily medical institutions in Japan and overseas.

Regarding the sale of products by the Therapeutic Solutions Business, when control over products is transferred to a customer—at the time Olympus Corporation delivers the products to the customer—the legal title to the products and physical possession of the products, and significant risks and rewards of ownership of the products are transferred to the customer; then Olympus Corporation obtains the right to receive payments from the customer. At that point, Olympus Corporation recognizes the revenue. The revenue from the sale of products is measured in transaction prices related to the contract with the customer. Olympus Corporation receives a consideration for a transaction primarily within a year after satisfaction of performance obligations, and the consideration does not include a significant financial component.

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.

(2) Contract balances

The balances of receivables from contracts with customers, and contract assets and contract liabilities were as follows:

For the fiscal year ended March 31, 2024

	(Millions of yen)	
	April 1, 2023	March 31, 2024
Receivables from contracts with customers	137,177	146,956
Contract assets	1,239	220
Contract liabilities	55,533	65,616

For the fiscal year ended March 31, 2025

	(Millions of yen)	
	April 1, 2024	March 31, 2025
Receivables from contracts with customers	146,956	149,076
Contract assets	220	347
Contract liabilities	65,616	60,215

In the consolidated statement of financial position, receivables from contracts with customers and contract assets are included in trade and other receivables and contract liabilities are included in other current liabilities and other non-current liabilities.

Contract assets are related to consideration for performance that has been completed but not been charged on the reporting date. Contract assets are reclassified to receivables when the right to payment becomes unconditional. Contract liabilities are advances from customers who first made some or all of the payment even though service had not yet been provided to the customer, primarily for maintenance contracts.

The amounts of revenues from continuing operations recognized during the fiscal years ended March 31, 2024 and 2025 which were included in contract liabilities at the beginning of the period were ¥55,521 million and ¥60,102 million, respectively. In addition, for the fiscal years ended March 31, 2024 and 2025, the amounts of revenue recognized from performance obligation satisfied (or partly satisfied) in the previous period are immaterial.

(3) Transaction price allocated to the remaining performance obligations

The amounts of revenue by timing of satisfaction of remaining performance obligations are as follows: Olympus Corporation has applied the practical expedient and does not disclose transactions of which the expected contract period is within one year or less.

	(Millions of yen)	
	2024	2025
Within 1 year	22,936	21,763
Over 1 year	11,838	11,842
Total	34,773	33,605

29. Selling, General and Administrative Expenses

Major items of selling, general and administrative expenses for the fiscal years ended March 31, 2024 and 2025 were as follows:

	(Millions of yen)	
	2024	2025
Personnel expenses (Note)	261,625	283,753
Depreciation	34,799	34,410
Advertising and promotion expenses	15,630	17,036

Note: Personnel expenses mainly include wages, bonuses, legal welfare expenses, expenses related to post-employment benefits, and personnel expenses incurred by the development division.

30. Other Income and Other Expenses

(1) Other income

Major items of other income are as follows:

For the fiscal year ended March 31, 2024

There are no significant transactions.

For the fiscal year ended March 31, 2025

(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 ¥874 million reversal of provision 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 ¥1,170 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:

For the fiscal year ended March 31, 2024

(Quality-related expenses)

In order to comply with laws and regulations pertaining to the quality of medical devices established by global regulatory authorities, we must strengthen our quality management systems. An expense of ¥23,041 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 ¥51,886 million (¥2,337 million for loss on valuation of inventories; ¥41,704 million for impairment loss on non-current assets (Note); ¥7,846 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 “16. Impairment of Non-financial Assets.”

(Impairment losses)

Olympus Corporation recognized impairment losses of ¥6,002 million and ¥4,565 million on development assets and research and development in progress, respectively, in the Endoscopic 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.” Olympus Corporation recognized impairment losses of ¥2,346 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 ¥5,851 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.

(Conclusion and cancellation of share purchase agreement)

Effective March 7, 2024, Olympus Corporation reached an agreement with the former shareholders of South Korean medical device manufacturer Taewoong Medical Co., Ltd. to rescind the definitive agreement to acquire shares concluded on February 24, 2023. Olympus Corporation recorded ¥1,966 million in “Other expenses” as expenses related to the conclusion and cancellation of the share purchase agreement.

For the fiscal year ended March 31, 2025

(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 ¥19,350 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 ¥2,865 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 ¥2,110 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.”

31. Finance Income and Finance Costs

The breakdown of finance income and finance costs for the fiscal years ended March 31, 2024 and 2025 was as follows:

		(Millions of yen)	
		2024	2025
Finance income			
Interest income			
Financial assets measured at amortized cost		2,361	3,295
Dividends income			
Financial assets measured through other comprehensive income		11	12
Other		148	142
Total		2,520	3,449
Finance costs			
Interest expenses			
Financial liabilities measured at amortized cost		4,571	3,845
Interest on bonds			
Financial liabilities measured at amortized cost		834	782
Foreign exchange loss (Note 1)		4,487	2,020
Other		404	194
Total		10,296	6,841

Notes: 1. Valuation gains or losses on currency derivatives that are not designated as hedges are included in foreign exchange gain or loss.

2. Fee income and expenses arising financial assets measured at amortized cost are immaterial.

32. Earnings per Share

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

	2024	2025
Basic earnings per share (yen)		
Continuing operations	28.60	102.94
Discontinued operation	171.31	0.05
Basic earnings per share	199.91	102.99
Diluted earnings per share (yen)		
Continuing operations	28.53	102.75
Discontinued operation	170.91	0.05
Diluted earnings per share	199.44	102.80

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

	2024	2025
Profit used to calculate basic earnings per share and diluted earnings per share		
Profit attributable to owners of parent (Millions of yen)	242,566	117,855
Profit not attributable to owners of parent (Millions of yen)	—	—
Profit used to calculate basic earnings per share (Millions of yen)	242,566	117,855
Continuing operations	34,702	117,800
Discontinued operation	207,864	55
Adjustment to profit (Millions of yen)	—	—
Profit used to calculate diluted earnings per share (Millions of yen)	242,566	117,855
Continuing operations	34,702	117,800
Discontinued operation	207,864	55
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 (thousand shares)	1,213,402	1,144,343
Increase in number of shares of common stock		
Subscription rights to shares relating to stock options (thousand shares)	291	263
Common stock relating to PSU (thousand shares)	1,927	970
Common stock relating to RSU (thousand shares)	621	849
The weighted average number of shares of diluted common stock during the period (thousand shares)	1,216,241	1,146,425

33. Other Comprehensive Income

The breakdown of each component of other comprehensive income (including non-controlling interests) for the fiscal years ended March 31, 2024 and 2025 was as follows:

	(Millions of yen)	
	2024	2025
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income		
Amount arising during the year	(60)	(62)
Tax effect	40	(16)
Financial assets measured at fair value through other comprehensive income	(20)	(78)
Remeasurements of defined benefit plans		
Amount arising during the year	6,308	4,413
Tax effect	(1,626)	(1,290)
Remeasurements of defined benefit plans	4,682	3,123
Total of items that will not be reclassified to profit or loss	4,662	3,045
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations		
Amount arising during the year	69,011	(8,317)
Reclassification adjustments	—	(1,156)
Before tax effect	69,011	(9,473)
Tax effect	—	(157)
Exchange differences on translation of foreign operations	69,011	(9,630)
Cash flow hedges		
Amount arising during the year	8,669	2,146
Reclassification adjustments	(8,924)	1,018
Before tax effect	(255)	3,164
Tax effect	78	(970)
Cash flow hedges	(177)	2,194
Total of items that may be reclassified to profit or loss	68,834	(7,436)
Total other comprehensive income	73,496	(4,391)

34. Cash Flow Information

(1) Non-cash transactions

The major non-cash transactions are as follows:

	(Millions of yen)	
	2024	2025
Right-of-use assets acquired through lease transactions	14,838	17,374

(2) Liabilities arising from financing activities

The changes in liabilities arising from financing activities were as follows:

Fiscal year ended March 31, 2024

	(Millions of yen)					
	Balance at April 1	Movement due to cash inflows/outflows from financing activities	Non-cash items			Balance at March 31
			Increase due to new lease	Exchange differences on translation of foreign operations	Other	
Short-term borrowings	3	(3)	—	—	—	—
Bonds (Note)	146,118	(10,000)	—	—	9,132	145,250
Long-term borrowings (Note)	193,936	(40,000)	—	33	397	154,366
Lease liabilities (Note)	57,162	(19,518)	14,838	5,801	2,660	60,943

Note: Balances redeemable within one year are included.

Fiscal year ended March 31, 2025

	(Millions of yen)					
	Balance at April 1	Movement due to cash inflows/outflows from financing activities	Non-cash items			Balance at March 31
			Increase due to new lease	Exchange differences on translation of foreign operations	Other	
Short-term borrowings	—	—	—	—	—	—
Bonds (Note 1)	145,250	(20,000)	—	—	(766)	124,484
Long-term borrowings (Note 1)	154,366	(50,035)	—	(2)	289	104,618
Lease liabilities (Notes 1, 2)	60,943	(13,834)	17,374	(617)	(1,401)	62,465

Notes: 1. Balances redeemable within one year are included.

2. Movement due to cash inflows/outflows from financing activities for lease liabilities does not include the portion related to financial liabilities of (¥5,468 million), which is part of the “Repayments of lease liabilities” totaling (¥19,302 million) in the Consolidated Statement of Cash Flows.

(3) Payments for acquisition of business

There is no income or expenses from significant business acquisitions during the fiscal years ended March 31, 2024 and 2025.

(4) Payments for acquisition of subsidiaries

A reconciliation of the consideration paid for the acquisition of subsidiaries and payments for acquisition was as follows:

	(Millions of yen)	
	2024	2025
Consideration for acquisitions paid in cash	—	(3,896)
Cash and cash equivalents of assets acquired, at the time the Olympus Group obtained control of the subsidiaries	—	15
Payments for acquisition of subsidiaries	—	(3,881)

Note: For details, please see Note “40. Business Combinations.”

(5) Loss of control

Fiscal year ended March 31, 2024

(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 Consolidated Statement of Cash Flows.

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥349,037 million associated with the loss of control of Evident in “Profit from discontinued operation” in the Consolidated Statement 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 its 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	4,472
Cash and cash equivalents of subsidiaries with the loss of control	(0)
Proceeds from sale of subsidiaries (Note)	4,472

Note: Proceeds from sale of subsidiaries are included in “Cash flows from investing activities” in the Consolidated Statement of Cash Flows.

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥115 million associated with the loss of control of GML in “Other income” in the Consolidated Statement 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, concluded 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 businesses 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 Consolidated Statement 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 in “Profit from discontinued operation” in the Consolidated Statement of Profit or Loss.

Fiscal year ended March 31, 2025

(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	5,634
Expenses related to transfer of businesses	(350)
Cash and cash equivalents of subsidiaries with the loss of control	(1,554)
Proceeds from the transfer of Orthopedic Business (Note)	3,730

Note: Proceeds from the transfer of Orthopedic Business are included in “Cash flows from investing activities” in the Consolidated Statement of Cash Flows.

(iv) Gain or loss associated with the loss of control

Olympus Corporation recorded a gain of ¥435 million associated with the loss of control of Orthopedic Business in “Profit from discontinued operation” in the Consolidated Statement of Profit or Loss.

35. Financial Instruments

(1) Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss for the Olympus Group.

The Olympus Group is mainly exposed to the credit risk of customers and business counterparts on financial assets measured at amortized cost and of financial institutions that are counterparties to derivatives held for hedging foreign currency fluctuations and other financial risks.

The Olympus Group manages credit risk pertaining to financial assets measured at amortized cost by conducting credit investigations on major external customers and controls of due dates and outstanding balances by customers in accordance with internal regulations, while promptly identifying doubtful accounts caused by deteriorated financial conditions, etc., to reduce risks. Credit risk associated with derivatives is reduced by limiting transactions to highly creditworthy financial institutions.

Financial assets measured at amortized cost are mainly classified into “trade receivables” that consist of notes receivable, accounts receivable and lease receivables and “receivables other than trade receivables.” The Olympus Group provides allowance for doubtful accounts for each receivable as follows.

“Trade receivables” are classified into three categories: receivables to “debtors that are not facing serious problems in their management conditions,” receivables to “debtors that are facing serious problems in repaying their debts,” and receivables to “debtors that are bankrupt,” according to the debtors’ management and financial conditions at the end of the reporting period. Allowance for doubtful accounts is always recognized at an amount equal to expected credit losses for the remaining life of the assets for each category.

“Debtors that are not facing serious problems in their management conditions” refer to those that have no indication of problems in repaying their debts and no problems in ability to repay their debts. Allowance for doubtful accounts on receivables from the debtors in this category is recorded collectively using a provision ratio based on a historical loan loss ratio and future estimates.

“Debtors that are facing serious problems in repaying their debts” refer to those that are not in a state of bankrupt but are facing, or will likely face, serious problems in repaying their debts. Allowance for doubtful accounts on receivables from the debtors in this category is recorded based on the estimated collectable amount of the respective assets on an individual basis.

“Debtors that are bankrupt” refer to those that are legally or substantially bankrupt or in a state of serious financial difficulty with no prospect of revitalization. Allowance for doubtful accounts on receivables from the debtors in this category is recorded for all receivables excluding assets received as collateral or for credit enhancement.

The Olympus Group evaluates at the end of each reporting period whether there is a significant increase in credit risk of “receivables other than trade receivables” since initial recognition. When there is no significant increase in credit risk since initial recognition, the amount equal to expected credit losses for 12 months is recognized as allowance for doubtful accounts. When there is a significant increase in credit risk since initial recognition, the amount equal to expected credit losses for the remaining life of the financial assets is recognized as allowance for doubtful accounts.

“A significant increase in credit risk” refers to a situation in which there are serious problems in collectability of receivables at the end of the reporting period compared to that at the initial recognition. When evaluating whether or not there is a significant increase in credit risk, the Olympus Group takes into consideration reasonably available and supportable information, such as a debtor’s results of operations for past periods and management improvement plan, as well as past due information.

Allowance for doubtful accounts on “receivables other than trade receivables” is recognized using a method to estimate credit losses collectively or individually according to the extent of the debtor’s credit risk. However, when the debtors are in serious financial difficulty or legally or substantially bankrupt, allowance for doubtful accounts is recognized using a method to estimate credit losses individually by considering the receivables as credit-impaired financial assets.

Irrespective of the above classification, when it is clear that a financial asset in its entirety or a portion thereof cannot be recovered, such as a legal extinguishment of receivables, the carrying amount of the financial asset is directly amortized.

Information on allowance for doubtful accounts

The carrying amounts of financial assets subject to allowance for doubtful accounts were as follows:

These carrying amounts represent the maximum amount of exposure to credit risk.

(Millions of yen)

Trade receivables	Debtors that are not facing serious problems in their management conditions	Debtors that are facing serious problems in repaying their debts	Debtors that are bankrupt	Total
Balance at March 31, 2024	234,544	4,833	264	239,641
Balance at March 31, 2025	255,713	4,696	254	260,663

There was no significant change that had a material impact on allowance for doubtful accounts for “Trade receivables” as of March 31, 2024 and 2025.

(Millions of yen)

Receivables other than trade receivables	No significant increase in credit risk	Significant increase in credit risk		Total
		Non-credit-impaired financial assets	Credit-impaired financial assets	
Balance at March 31, 2024	40,409	4,559	668	45,636
Balance at March 31, 2025	25,294	4,685	595	30,574

There was no significant change that had material impacts on allowance for doubtful accounts for “Receivables other than trade receivables” as of March 31, 2024 and 2025.

The changes in allowance for doubtful accounts related to above financial assets were as follows:

(Millions of yen)

	Trade receivables	Receivables other than trade receivables		
		No significant increase in credit risk	Significant increase in credit risk	
			Non-credit-impaired financial assets	Credit-impaired financial assets
Balance at April 1, 2023	4,903	4	6,877	613
Increase	667	0	–	2
Decrease	(821)	(4)	(2,320)	(2)
Other	592	1	–	55
Balance at March 31, 2024	5,341	1	4,557	668
Increase	824	–	117	–
Decrease	(1,096)	0	–	(1)
Other	(39)	–	–	(72)
Balance at March 31, 2025	5,030	1	4,674	595

(2) Liquidity risk

Liquidity risk is the risk that the Olympus Group may not be able to repay borrowings or settle other financial liabilities on their due dates.

Borrowings, bonds and other financial liabilities held by the Olympus Group are exposed to liquidity risk. Based on the report from each division, the finance division of the Olympus Group prepares and updates its cash flow plans on a timely basis and keeps its liquidity in hand over a certain ratio of consolidated revenue in order to manage liquidity risk.

Major financial liabilities by maturity date are as follows. Trade and other payables are not included in the tables below as they are settled within one year and their contractual cash flows are nearly equal to the carrying amount.

As of March 31, 2024

(Millions of yen)				
	Carrying amount	Contractual cash flows		
		Total	Within 1 year	Over 1 year
Non-derivative financial liabilities				
Bonds and borrowings	299,616	308,505	72,560	235,945
Lease liabilities	60,943	69,950	14,160	55,790
Derivative financial liabilities				
Currency derivatives	2,401	2,401	2,266	135
Interest rate derivatives	82	81	61	20

As of March 31, 2025

(Millions of yen)				
	Carrying amount	Contractual cash flows		
		Total	Within 1 year	Over 1 year
Non-derivative financial liabilities				
Bonds and borrowings	229,102	234,935	97,138	137,797
Lease liabilities	62,465	71,227	14,073	57,154
Derivative financial liabilities				
Currency derivatives	1,003	1,000	908	92
Interest rate derivatives	4	4	4	–

The Olympus Group does not expect the cash flows included in the maturity analysis to occur much earlier than anticipated or to differ significantly from the anticipated monetary amounts.

(3) Market risk

Market risk is the risk of fluctuations in fair value or future cash flows of financial instruments because of changes in market prices. Market risk includes foreign exchange risk which arises from changes in foreign exchange rates, interest rate risk which arises from changes in market interest rates and market price fluctuation risk which arises from changes in market prices of listed shares.

(i) Foreign exchange risk

The Olympus Group operates business activities worldwide. Accordingly, financial assets and liabilities arising from transactions denominated in currencies other than the functional currency are exposed to foreign exchange rate fluctuation risk. The Olympus Group mainly uses foreign exchange forward contracts, currency options and currency swaps to reduce the foreign exchange fluctuation risk.

(i) Foreign exchange forward contracts, currency options and currency swaps

The details of foreign exchange forward contracts, currency options and currency swaps were as follows:

	(Millions of yen)			
	2024		2025	
	Contract amount	Fair value	Contract amount	Fair value
Foreign exchange forward contracts:	112,492	(1,480)	103,991	(405)
U.S. dollar	55,144	(899)	49,469	(91)
Other currency	57,348	(581)	54,522	(314)
Currency options	9,901	(299)	–	–
U.S. dollar	5,402	(194)	–	–
Other currency	4,499	(105)	–	–
Currency swaps	97,761	13,736	96,368	16,133
Receive other currencies / pay Euro	21,505	11	18,929	15
Receive Euro / pay other currencies	551	(1)	2,679	0
Receive U.S. dollar / pay Japanese yen	75,705	13,726	74,760	16,118
Total	220,154	11,957	200,359	15,728

(ii) Sensitivity analysis of currency fluctuation risk

The following table illustrates the impact on profit before tax in the consolidated statement of profit or loss from financial instruments held by the Olympus Group at the end of each fiscal year if the Japanese yen appreciated by 1 Japanese yen against the U.S. dollar and the Euro. This analysis assumes that all other variables are held constant.

	(Millions of yen)	
	2024	2025
U.S. dollar	(42)	(166)
Euro	(59)	(142)

(ii) Interest rate risk

The Olympus Group's exposure to interest rate risk mainly relates to debt such as borrowings and bonds. Because the amount of interest is affected by fluctuations in market interest rates, the Olympus Group is exposed to interest rate risk of fluctuations in future cash flows of interest.

Mainly to limit an increase in the amount of interest paid in the future due to a rise in interest rates, the Olympus Group raises funds by procuring fixed rate long-term borrowings and issuing bonds at fixed interest rates. If funds are procured through long-term borrowings at a variable interest rate, the Olympus Group endeavors to stabilize cash flows by entering into an interest rate swap contract to receive a variable interest rate and pay a fixed interest rate with financial institutions and virtually fixing the borrowing rate.

Interest rate sensitivity analysis

As for borrowings with variable interest rates held by the Olympus Group at the end of the fiscal year, the amount of effects on profit before tax in the consolidated statement of profit or loss in the event of a 1% increase in interest rates at the end of the fiscal year is as follows. This analysis calculated the amount of effects by multiplying the balance of borrowings with variable interest rates at the end of the fiscal year by 1%. The analysis excludes borrowings with variable interest rates of which interest rates have been fixed by interest rate swap agreements.

	(Millions of yen)	
	2024	2025
Consolidated statement of profit or loss (profit before tax)	(500)	—

(iii) Market price risk

The Olympus Group holds listed shares for strategic investment purposes, including facilitating business alliances. Market prices of listed shares may fluctuate depending on market economy trends as the prices are determined based on market principles. For listed shares, the Olympus Group regularly checks market prices and the financial status of issuers (business counterparts), while reviewing holding positions continuously in consideration of relationships with business counterparts.

Sensitivity analysis of market price risk

With regard to listed shares held by the Olympus Group at the end of each fiscal year, the following table shows the impact on other comprehensive income (before tax effect) in the consolidated statement of comprehensive income that would result from 1% decline in market prices at the end of each fiscal year. The impact was calculated by multiplying listed shares at the end of each fiscal year by 1% for this analysis.

	(Millions of yen)	
	2024	2025
Other comprehensive income (before tax effect)	(5)	(4)

(4) Fair value

(i) Fair value hierarchy

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 fiscal year. There were no significant financial instruments transferred between the levels for the fiscal years ended March 31, 2024 and 2025.

(ii) 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, etc. is classified as level 3 and stated at the estimates of future payability.

The fair value hierarchy of 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 March 31, 2025

(Millions of yen)				
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	–	16,731	–	16,731
Equity securities and others	–	–	828	828
Financial assets measured at fair value through other comprehensive income				
Equity securities and others	424	–	15,159	15,583
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	1,007	–	1,007
Contingent consideration	–	–	1,689	1,689

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

	(Millions of yen)	
	2024	2025
Balance at April 1	7,368	7,718
Gains and losses (Note)		
Profit or loss	(18)	95
Other comprehensive income	(106)	53
Purchases	325	8,587
Sales	(405)	–
Other	554	(466)
Balance at March 31	7,718	15,987

Note: Gains or losses recognized in profit or loss are included in “Finance income” or “Finance costs” in the consolidated statement 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 consolidated statement of comprehensive income.

Total gains or losses recognized in profit or loss included a loss of ¥71 million and a gain of ¥95 million on financial instruments held as of the years ended March 31, 2024 and 2025, respectively.

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

	(Millions of yen)	
	2024	2025
Balance at April 1	8,226	7,119
Settlement	(3,421)	(6,000)
Change in fair value	1,400	564
Other	914	6
Balance at March 31	7,119	1,689

(iii) 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)			
	2024		2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Lease receivables	86,238	86,085	105,382	105,176
Financial liabilities				
Bonds	145,250	139,324	124,484	120,093
Borrowings	94,372	94,225	94,611	93,145

(iv) Equity instruments

Equity instruments such as shares held mainly for the purpose of maintaining or strengthening business relationships with the investees are designated as financial assets measured at fair value through other comprehensive income. The fair values of equity instruments by major issuer were as follows:

Bond name	(Millions of yen)
	2024
Delfi Diagnostics, Inc.	3,785
Noah Medical Corporation	2,271
OHARA INC.	538

Bond name	(Millions of yen)
	2025
Neptune Medical	5,981
Delfi Diagnostics, Inc.	4,020
Noah Medical Corporation	2,243
Neuspera Medical	1,495
OHARA INC.	424

The fair value at the date of sale and cumulative gains or losses on sales of equity instruments sold during the fiscal year based on Olympus Corporation's policy for equity securities and others held for strategic investment purposes were as follows:

	(Millions of yen)	
	2024	2025
Fair value at the date of sale	200	—
Cumulative gains or losses on sale	0	—

The breakdown of dividends received recognized from equity instruments was as follows:

	(Millions of yen)	
	2024	2025
Equity instruments derecognized during the year	0	–
Equity instruments held at the end of year	11	12
Total	11	12

(5) Hedge accounting

The Olympus Group raises a portion of funds through borrowings with variable interest rates and bonds in foreign currencies with fixed interest rates, and is exposed to interest rate risks and foreign exchange risks for foreign currency transactions within that scope. The Olympus Group uses interest rate swaps that virtually converts borrowings with variable interest rates into borrowings with fixed interest rates and interest rate and currency swaps that virtually converts bonds in foreign currencies with fixed interest rates into fixed rate bonds denominated in Japanese yen in order to hedge interest rate risk. The Group applies hedge accounting by designating the interest rate swaps as cash flow hedges.

For interest rate swaps, the notional amount, term (maturity) and underlying data for interest rate of the hedging instrument and the hedged item are to be matched, in principle. No ineffective portion was recognized as of March 31, 2024 and 2025.

For interest rate and currency swaps, the amount recognized in net gain or loss on the ineffective portion of the hedge for the fiscal year ended March 31, 2025, is not material.

A summary of interest rate swaps and interest rate and currency swaps designated as cash flow hedge was as follows:

As of March 31, 2024

(Millions of yen)					
	Notional amount	Over 1 year	Carrying amount (Note)		Interest rate
			Assets	Liabilities	
Interest rate swaps	10,000	10,000	—	82	Variable rate receipt: 6-month Japanese yen TIBOR Fixed rate payment: 1.3815%
Interest rate and currency swaps	75,705	75,705	13,727	—	Fixed rate receipt: U.S. dollar 2.143% Fixed rate payment: Japanese yen 0.6975%

As of March 31, 2025

(Millions of yen)					
	Notional amount	Over 1 year	Carrying amount (Note)		Interest rate
			Assets	Liabilities	
Interest rate swaps	10,000	—	—	4	Variable rate receipt: 6-month Japanese yen TIBOR Fixed rate payment: 1.3815%
Interest rate and currency swaps	74,760	74,760	16,118	—	Fixed rate receipt: U.S. dollar 2.143% Fixed rate payment: Japanese yen 0.6975%

Note: The amounts in the consolidated statement of financial position are recorded in “Other financial assets” or “Other financial liabilities” of each current and non-current based on their maturity date.

The cash flow hedge reserve (before tax effect) regarding the above table was as follows:

	(Millions of yen)	
	2024	2025
Interest rate swaps	(82)	(4)
Interest rate and currency swaps	(5,622)	(2,536)

Cash flow hedges recognized in the consolidated statement of comprehensive income and other comprehensive income (before tax effect) were as follows:

Fiscal year ended March 31, 2024

(Millions of yen)		
	Changes in the fair value recognized in other comprehensive income	Amount of reclassification adjustment from cash flow hedge to profit or loss (Note)
Interest rate swaps	(11)	78
Interest rate and currency swaps	8,680	(9,002)

Fiscal year ended March 31, 2025

(Millions of yen)		
	Changes in the fair value recognized in other comprehensive income	Amount of reclassification adjustment from cash flow hedge to profit or loss (Note)
Interest rate swaps	18	60
Interest rate and currency swaps	2,128	958

Note: The amounts included in the consolidated statement of profit or loss are recorded in "Finance income" or "Finance costs."

(6) Transfer of financial instruments

Transferred financial assets that are not derecognized in their entirety

The Olympus Group transfers a part of trade receivables to a third party in order to diversify fundraising channels and conduct stable fund procurement. The third party has recourse only to the transferred assets upon the debtors' default and cannot claim other assets of the Olympus Group. While the Olympus Group does not bear bad debt risk on a certain portion of the transferred receivables due to a contract with the third party, the full amount has been recognized in the consolidated statement of financial position because the financial assets in their entirety do not qualify for derecognition. The proceeds which arising on the transfer of the assets have been recorded as the associated liabilities and are settled when a payment is made for the transferred assets. The Olympus Group cannot use the transferred assets until the payment is made.

The carrying amounts of transferred assets and the associated liabilities when the Olympus Group continues to recognize all of the transferred assets as of March 31, 2024 and 2025 are as follows. They are recognized in "Trade and other receivables" and "Other financial liabilities," respectively, in the consolidated statement of financial position.

	(Millions of yen)	
	2024	2025
Transferred financial assets	1,248	29
Related liabilities	1,248	29
Net position of transferred financial assets	—	—

Note: The fair values are equivalent to the carrying amounts in the above table.

36. Leases

(1) Lessor

The Olympus Group leases endoscopes and other equipment under finance leases. It also leases endoscopes and other equipment, and property owned by Olympus Corporation as operating leases.

The business conditions of the customers, equipment usage, etc. are monitored regularly in order to manage the risks for the assets.

The breakdown of revenue under finance leases from continuing operations was as follows:

	(Millions of yen)	
	2024	2025
Lease income (loss)	19,152	24,086
Interest income	4,372	5,437

The breakdown of future lease payments receivable under finance leases was as follows:

	(Millions of yen)	
	2024	2025
Undiscounted lease payments to be received		
Within 1 year	39,375	44,453
More than 1 year, but within 2 years	23,657	27,999
More than 2 years, but within 3 years	14,104	19,344
More than 3 years, but within 4 years	6,133	9,456
More than 4 years, but within 5 years	2,569	3,362
More than 5 years	420	312
Total	86,258	104,926
Unguaranteed residual value	8,273	10,198
Unearned finance income	(8,293)	(9,742)
Net investment in the lease	86,238	105,382

The breakdown of revenue under operating leases from continuing operations was as follows:

	(Millions of yen)	
	2024	2025
Lease income	30,844	29,411
Variable lease payments (Note)	15,402	16,594

Note: Income that is not determined by an index or a rate.

The breakdown of future lease payments receivable under operating leases from continuing operations was as follows:

	(Millions of yen)	
	2024	2025
Within 1 year	17,348	16,491
More than 1 year, but within 2 years	10,306	10,390
More than 2 years, but within 3 years	4,732	5,038
More than 3 years, but within 4 years	2,228	2,481
More than 4 years, but within 5 years	1,223	1,365
More than 5 years	526	383
Total	36,363	36,148

(2) Lessee

The Olympus Group rents properties and other equipment as lessee.

Certain of the lease transactions have renew/purchase options or escalation clauses, but there are no significant restrictions on dividends, additional borrowings and additional leases provided by the lease contracts.

In addition, some lease contracts contain extension options and termination options.

There were no material leases that have not yet commenced among lease contracts concluded by the Olympus Group as of March 31, 2024 and 2025.

The book value of right-of-use assets by type of underlying asset and the increase in right-of-use assets are described in Note "13. Property, Plant and Equipment."

The total amount of cash outflows related to leases were ¥22,863 million and ¥22,362 million for the fiscal years ended March 31, 2024 and 2025, respectively.

The breakdown of lease-related income and expenses for lessee of continuing operations were as follows:

	(Millions of yen)	
	2024	2025
Revenue from sublease of right-of-use assets	7	3
Depreciation of right-of-use assets by underlying asset class		
Land	188	194
Buildings and structures	8,969	7,821
Machinery and vehicles	2,980	3,435
Tools, furniture and fixtures	875	806
Interest expense under lease obligations	1,850	2,085
Expenses under short-term leases	732	499
Expenses under leases of low-value asset	1,078	954

Note: The balance of lease liabilities by date is described in Note “35. Financial Instruments.”

37. Income Taxes

(1) Deferred tax assets and liabilities

The breakdown of major deferred tax assets and liabilities by cause was as follows:

	(Millions of yen)	
	2024	2025
Deferred tax assets		
Inventories	7,387	7,926
Prepaid expenses	11,315	8,263
Accrued bonuses	7,219	6,112
Accrued expenses	5,776	6,433
Unrealized intercompany profits	19,385	20,222
Property, plant and equipment	12,413	10,798
Intangible assets	3,077	2,619
Interest rate swaps	25	1
Deferred gains or losses on hedges	1,721	776
Retirement benefit liability	1,221	2,543
Loss carryforwards	5,783	5,213
Lease liabilities	15,705	14,177
Provision for product warranties	12,284	9,034
Other	7,348	4,697
Total	111,159	98,815
Deferred tax liabilities		
Property, plant and equipment	(8,874)	(10,758)
Financial assets measured at fair value through other comprehensive income	(146)	(155)
Retirement benefit asset	(7,860)	(8,825)
Fair value differences on acquisition	(3,372)	(3,108)
Capitalized development costs	(9,452)	(5,055)
Retained profit of overseas subsidiaries	(2,036)	(2,454)
Right-of-use assets	(14,283)	(13,225)
Other	(4,801)	(3,466)
Total	(50,824)	(47,046)
Net deferred tax assets and liabilities	60,335	51,768

(Amendments to IAS 12 “Income Taxes”)

The Olympus Group has applied “International Tax Reform — Pillar Two Model Rules” (Amendments to IAS 12 “Income Taxes”) effective for the fiscal year ended March 31, 2024. The amendment clarifies that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the BEPS’s Pillar Two GloBE Rules (global minimum tax) by OECD. However, this standard makes a temporary exception that requires an entity not to recognize or disclose information about deferred tax

assets and liabilities related to the income taxes arising from the global minimum tax rules. The Olympus Group has applied the exception defined in IAS 12 and does not recognize or disclose information about deferred tax assets and liabilities related to the income taxes arising from the global minimum tax rules.

Loss carryforwards, deductible temporary differences and tax credits carried forward for which deferred tax assets have not been recognized were as follows. The tax base is presented.

	(Millions of yen)	
	2024	2025
Loss carryforwards	4,671	4,929
Deductible temporary differences	16,903	13,761
Tax credits carried forward	1,112	1,023
Total	22,686	19,713

Loss carryforwards for which deferred tax assets have not been recognized and expires as follows:

	(Millions of yen)	
	2024	2025
Within 4th year	—	—
5th year and thereafter	4,671	4,929
Total	4,671	4,929

Olympus Corporation does not recognize deferred tax liabilities for the temporary differences associated with undistributed profits of subsidiaries when Olympus Corporation is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Total temporary differences associated with the undistributed profits of subsidiaries which have not been recognized as deferred tax liabilities (income base) were ¥310,790 million and ¥358,223 million as of March 31, 2024 and 2025, respectively.

(2) Income tax expenses

The breakdown of income tax expenses was as follows:

	(Millions of yen)	
	2024	2025
Current tax expenses (Notes 1, 2)	34,814	34,749
Deferred tax expenses (Notes 3, 4, 5)	(26,268)	6,521
Total of income tax expenses	8,546	41,270

- Notes: 1. The current tax expense includes tax losses which were previously not recorded, tax credits or benefits resulting from temporary differences for prior periods. Consequently, the current tax expense for the fiscal years ended March 31, 2024 and 2025 decreased by ¥2,423 million and ¥3,062 million, respectively. In addition, the current tax expense for the fiscal year ended March 31, 2025 includes the corporation tax for the previous fiscal year of ¥1,109 million.
2. The amount of income taxes for global minimum tax included in current tax expenses for the fiscal year ended March 31, 2025 was ¥4,743 million.
3. The deferred tax expense includes tax losses which were previously not recorded, tax credits or benefits resulting from temporary differences for prior periods. Consequently, the deferred tax expense decreased by ¥552 million for the fiscal year ended March 31, 2024 and increased by ¥200 million for the fiscal year ended March 31, 2025, respectively.
4. The deferred tax expense includes devaluation of deferred tax assets and the reversal of devaluation of deferred tax assets which was previously recorded (assessment of recoverability of deferred tax assets). Consequently, the deferred tax expense decreased by ¥508 million and ¥2,595 million for the fiscal year ended March 31, 2024 and 2025, respectively.
5. The deferred tax expense increased by ¥867 million for the fiscal year ended March 31, 2024 and by ¥137 million for the fiscal year ended March 31, 2025 due to the effect of changes in tax rates in Japan and overseas.

(3) Income taxes recognized in other comprehensive income

Income taxes recognized in other comprehensive income are presented in Note “33. Other Comprehensive Income.”

(4) Reconciliation of effective tax rate

Reconciliation of the effective statutory tax rate and the average actual tax rate for the fiscal years ended March 31, 2024 and 2025 is as follows.

Olympus Corporation’s income taxes mainly include corporation tax, inhabitant tax and enterprise tax. The effective statutory tax rates calculated based on these taxes were 30.6% and 30.6% for the fiscal years ended March 31, 2024 and 2025, respectively. Overseas subsidiaries are subject to income taxes of the countries in which they operate.

	2024	2025
Effective statutory tax rate	30.6%	30.6%
Non-deductible expense, such as entertainment expenses	8.7	1.9
Non-taxable income, such as dividend income	(4.0)	(0.2)
Tax credit for experimental research cost and others	(8.9)	(2.7)
Different tax rates applied to subsidiaries	(1.0)	(5.3)
Subsidiaries reserve	(4.4)	0.7
Change in unrecognized deferred tax assets and liabilities	(10.7)	(3.5)
Change in deferred tax assets at the end of fiscal year due to changes in tax rates	2.4	0.1
Effects of organizational restructuring	6.7	5.6
Other	0.3	(1.3)
Average actual tax rate	19.6%	25.9%

38. Major Subsidiaries

(1) Structured entities

Major subsidiaries as of March 31, 2025 were as follows:

Company name	Location	Main business	Voting rights held by Olympus Corporation (%)
(Consolidated subsidiaries)			
Olympus Medical Systems Corp. (Note 2)	Hachioji-shi, Tokyo	Manufacturing Endoscopic Solutions Business products and Therapeutic Solutions Business products	100
Aizu Olympus Co., Ltd. (Note 2)	Aizu-Wakamatsu-shi, Fukushima	Manufacturing Endoscopic Solutions Business products	100
Aomori Olympus Co., Ltd.	Kuroishi-shi, Aomori	Manufacturing Therapeutic Solutions Business products	100
Nagano Olympus Co., Ltd.	Tatsuno-machi, Kamiina-gun, Nagano	Manufacturing Endoscopic Solutions Business products	100
Shirakawa Olympus Co., Ltd.	Nishigo-mura, Nishishirakawa-gun, Fukushima	Manufacturing Endoscopic Solutions Business products	100
Olympus Marketing, Inc. (Notes 2, 3)	Shinjuku-ku, Tokyo	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100
TmediX Corporation (Note 1)	Shinjuku-ku, Tokyo	Lease of products of the Endoscopic Solutions Business	100 [100]
Olympus-Supportmate Corp.	Hachioji-shi, Tokyo	Administration services for domestic subsidiaries and affiliates	100
Olympus Corporation of the Americas (Note 2)	Pennsylvania, U.S.A.	Holding company of corporate planning and financial support to affiliated companies in Americas region	100
Olympus America Inc. (Notes 1, 2, 3)	Pennsylvania, U.S.A.	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]

Company name	Location	Main business	Voting rights held by Olympus Corporation (%)
Olympus Latin America, Inc. (Note 1)	Florida, U.S.A.	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]
Gyrus ACMI, Inc. (Notes 1, 2)	Massachusetts, U.S.A.	Manufacturing Therapeutic Solutions Business products	100 [100]
Olympus Innovation Ventures, LLC (Note 1)	Massachusetts, U.S.A.	Investment in Endoscopic Solutions Business and Therapeutic Solutions Business	100 [100]
Olympus Europa Holding SE	Hamburg, Germany	Holding company of corporate planning to affiliated companies in Europe region	100
Olympus Europa SE & Co. KG (Notes 1, 2)	Hamburg, Germany	Holding company and sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]
Olympus Deutschland GmbH (Note 1)	Hamburg, Germany	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]
Olympus France S.A.S. (Note 1)	Rungis Cedex, France	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]
Olympus Winter & Ibe GmbH (Note 1)	Hamburg, Germany	Manufacturing Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]
KeyMed (Medical & Industrial Equipment) Ltd. (Note 1)	Essex, U.K.	Manufacturing and sales of Endoscopic Solutions Business products	100 [100]
Quest Photonic Devices B.V. (Note 1)	Wieringerwerf, The Netherlands	Development of Endoscopic Solutions Business products	100 [100]
Arc Medical Design Limited (Note 1)	West Yorkshire, U.K.	Manufacturing Therapeutic Solutions Business products	100 [100]
Olympus Global Treasury Services Limited	Essex, U.K.	Fund management of the whole group	100
Odin Medical Ltd.	London, U.K.	Development of Endoscopic Solutions Business products	100
Medi-Tate Ltd. (Note 1)	Or-Akiva, Israel	Development and manufacturing of Therapeutic Solutions Business products	100 [100]
Olympus Corporation of Asia Pacific Limited (Note 2)	Hong Kong	Holding company of corporate planning to affiliated companies in Asia region	100
Olympus Hong Kong and China Limited (Note 1)	Hong Kong	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]
Olympus (China) Co., Ltd. (Note 1)	Beijing, P.R.C.	Holding company of corporate planning to affiliated companies in China	100 [100]
Olympus (Beijing) Sales & Service Co., Ltd. (Note 1)	Beijing, P.R.C.	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]
Olympus Trading (Shanghai) Limited (Notes 1, 2)	Shanghai, P.R.C.	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]
Olympus Korea Co., Ltd.	Seoul, Republic of Korea	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100

Company name	Location	Main business	Voting rights held by Olympus Corporation (%)
Olympus Singapore Pte. Ltd. (Note 1)	Singapore	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]
Olympus Vietnam Co., Ltd.	Vietnam	Manufacturing Therapeutic Solutions Business products	100
Olympus Australia Pty Ltd. (Note 1)	Victoria, Australia	Sales of Endoscopic Solutions Business products and Therapeutic Solutions Business products	100 [100]
48 others	—	—	—
(Equity method affiliated companies)			
Sony Olympus Medical Solutions Inc.	Hachioji-shi, Tokyo	Development of Endoscopic Solutions Business products	49
2 others	—	—	—

Notes: 1. Figures disclosed in parentheses in the “Voting rights held by Olympus Corporation” column represent voting rights held indirectly by Olympus Corporation.

2. The company falls under the category of “specified subsidiary.”

3. Olympus Marketing, Inc. and Olympus America Inc. account for more than one-tenth of consolidated revenue.

4. No company has filed a securities registration statement or securities report.

(2) Significant subsidiaries having non-controlling interests

During the fiscal years ended March 31, 2024 and 2025, there was no individually significant subsidiary having non-controlling interests.

39. Related-party Transactions

(1) Related-party transactions

Fiscal year ended March 31, 2024

	Name	Ownership (owned) ratio of voting rights, etc. (%)	Relationship with the relevant party	Description of transaction	Amount of transaction (Millions of yen)	Account	Balance at end of year (Millions of yen)
Officer	Yasuo Takeuchi	Ownership Direct 0.0	Director, Representative Executive Officer, Executive Chairperson and ESG Officer	Contribution in kind of monetary compensation claims (Note 3)	303	—	—
Officer	Jose Ignacio Abia Buenache	Ownership Direct 0.0	Executive Officer and CSO (Note 1)	Contribution in kind of monetary compensation claims (Note 3)	241	—	—
Officer	Stefan Kaufmann	Ownership Direct 0.0	Director, Representative Executive Officer, President and CEO	Contribution in kind of monetary compensation claims (Note 3)	230	—	—
Officer	Chikashi Takeda	Ownership Direct 0.0	Executive Officer and CFO (Note 1)	Contribution in kind of monetary compensation claims (Note 3)	91	—	—
Officer	Tetsuo Kobayashi	Ownership Direct 0.0	Executive Officer and CMSO	Contribution in kind of monetary compensation claims (Note 3)	23	—	—
Officer	Andre Heribert Roggan	Ownership Direct 0.0	Executive Officer and CTO	Contribution in kind of monetary compensation claims (Note 3)	16	—	—
Officer	Toshihiko Okubo	Ownership Direct 0.0	Director	Contribution in kind of monetary compensation claims (Note 3)	14	—	—

	Name	Ownership (owned) ratio of voting rights, etc. (%)	Relationship with the relevant party	Description of transaction	Amount of transaction (Millions of yen)	Account	Balance at end of year (Millions of yen)
Officer	Shigeto Ohtsuki	Ownership Direct 0.0	Executive Officer and CHRO	Contribution in kind of monetary compensation claims (Note 3)	13	—	—
Officer	Nobuyuki Koga	Ownership Direct 0.0	Director (Note 2)	Contribution in kind of monetary compensation claims (Note 4)	11	—	—
Officer	Tetsuo Iwamura	Ownership Direct 0.0	Outside Director (Note 2)	Contribution in kind of monetary compensation claims (Note 4)	11	—	—

- Notes: 1. They resigned from the board of directors on March 31, 2024, and the above table shows transactions during the fiscal year ended March 31, 2024 related to their terms of office.
2. They resigned from the board of directors on June 27, 2023, and the above table shows transactions during the fiscal year ended March 31, 2024 related to their terms of office.
3. It is due to contribution in kind of monetary compensation claims accompanying PSU system and RSU system.
4. It is due to contribution in kind of monetary compensation claims accompanying RSU system.

Fiscal year ended March 31, 2025

	Name	Ownership (owned) ratio of voting rights, etc. (%)	Relationship with the relevant party	Description of transaction	Amount of transaction (Millions of yen)	Account	Balance at end of year (Millions of yen)
Officer	Yasuo Takeuchi	Ownership Direct 0.0	Director, Representative Executive Officer, Executive Chairperson and ESG Officer (Note 1)	Contribution in kind of monetary compensation claims (Note 6)	224	—	—
Officer	Stefan Kaufmann	Ownership Direct 0.0	Director, Representative Executive Officer, President and CEO (Note 2)	Contribution in kind of monetary compensation claims (Note 6)	204	—	—
Officer	Frank Drewalowski	Ownership Direct 0.0	Executive Officer and ESD Head (Note 3)	Contribution in kind of monetary compensation claims (Note 6)	69	—	—
Officer	Andre Heribert Roggan	Ownership Direct 0.0	Executive Officer and CTO (Note 4)	Contribution in kind of monetary compensation claims (Note 6)	59	—	—
Officer	Tetsuo Kobayashi	Ownership Direct 0.0	Executive Officer and CMSO	Contribution in kind of monetary compensation claims (Note 6)	38	—	—
Officer	Shigeto Ohtsuki	Ownership Direct 0.0	Executive Officer and CHRO	Contribution in kind of monetary compensation claims (Note 6)	22	—	—
Officer	Gabriela Castillo Kaynor	Ownership Direct 0.0	Executive Officer and CSO	Contribution in kind of monetary compensation claims (Note 7)	22	—	—
Officer	Yasumasa Masuda	Ownership Direct 0.0	Director (Note 5)	Contribution in kind of monetary compensation claims (Note 7)	22	—	—
Officer	Yasushi Shingai	Ownership Direct 0.0	Director (Note 5)	Contribution in kind of monetary compensation claims (Note 7)	15	—	—
Officer	Toshihiko Okubo	Ownership Direct 0.0	Director	Contribution in kind of monetary compensation claims (Note 6)	13	—	—

- Notes: 1. Having assumed the post of Director, Representative Executive Officer, Executive Chairperson, President and Chief Executive Officer, and ESG Officer on April 1, 2025, he assumed the post of Director, Representative Executive Officer, Executive Chairperson, and ESG Officer on June 1, 2025.
2. He departed due to resignation from the board of directors on October 28, 2024, and the above table shows transactions during the fiscal year ended March 31, 2025 related to his terms of office.

3. He assumed the post of Executive Officer and Gastrointestinal Solutions on April 1, 2025.
4. He resigned from the board of directors on March 31, 2025, and the above table shows transactions during the fiscal year ended March 31, 2025 related to his terms of office.
5. They resigned from the board of directors on June 26, 2024, and the above table shows transactions during the fiscal year ended March 31, 2025 related to their terms of office.
6. It is due to contribution in kind of monetary compensation claims accompanying PSU system and RSU system.
7. It is due to contribution in kind of monetary compensation claims accompanying RSU system.

(2) Remuneration for management executives

	(Millions of yen)	
	2024	2025
Remuneration and bonuses	2,953	2,594
Stock compensation	1,469	1,001
Total	4,422	3,595

40. Business Combinations

Fiscal year ended March 31, 2024

(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 statement 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 as of March 31, 2023	Subsequent revision	Revised fair value
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

Due to these revisions, there were increases in intangible assets and deferred tax liabilities of ¥1,574 million and ¥393 million, respectively, and a decrease in goodwill of ¥1,181 million in the consolidated statement of financial position as of March 31, 2023.

Fiscal year ended March 31, 2025

(Acquisition of Sur Medical SpA)

(1) Outline of business combination

(i) Name and description of acquired business

Name of the acquired business: Sur Medical SpA (hereinafter “Surmedical”)

Description of business: Sales of medical devices

(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 Olympus Corporation 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) Acquisition-related expense

The acquisition-related expense of ¥105 million has been booked in “Selling, general and administrative expenses.”

(3) Fair value of consideration paid, assets acquired, and liabilities assumed as of the acquisition date

	(Millions of yen)
	Amount
Fair value of consideration paid	
Cash, etc.	4,541
Total	4,541
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	16
Trade and other receivables	701
Inventories	513
Other current assets	319
Property, plant and equipment	247
Intangible assets (excluding goodwill)	1,732
Trade and other payables	(44)
Other current liabilities	(337)
Deferred tax liabilities	(9)
Fair value of assets acquired and liabilities assumed, net	3,138
Goodwill	1,403
Total	4,541

Based on the fair value of consideration paid on the acquisition date, we have allocated the assets acquired and liabilities assumed. However, as this allocation is not yet complete, the above values represent provisional fair values based on the best estimates at present. In the event we can receive and evaluate additional information relating to facts and conditions present at the point of acquisition, we may adjust the above values for a period of one year from the acquisition date.

Goodwill mainly represents a rational estimate of the expected future excess earning power. Furthermore, the amount of goodwill recognized does not include the amount that is expected to be deductible for tax purposes.

(4) Impacts on the Olympus Group

Olympus Corporation omits making a description concerning profit or loss information of the said business combination on and after the acquisition date as well as profit or loss information under the assumption that the said business combination was conducted at the beginning of the fiscal year ended March 31, 2025. This is because the amount of impact on the consolidated statement of profit or loss due to such information is not material.

Furthermore, the independent auditor has not audited profit or loss information under the assumption that the said business combination was conducted at the beginning of the fiscal year.

41. 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 or loss from the Scientific Solutions Business has been classified as profit or 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 “34. Cash Flow Information.”

(i) Profit (loss) of discontinued operation

Profit (loss) of discontinued operations is as follows:

	(Millions of yen)	
	2024	2025
Revenue	—	—
Cost of sales	—	—
Gross profit	—	—
Selling, general and administrative expenses	244	—
Share of profit (loss) of investments accounted for using equity method	—	—
Other income (Note 1)	349,151	—
Other expenses (Note 2)	631	—
Operating profit	348,276	—
Finance income	—	—
Finance costs	—	—
Profit before tax	348,276	—
Income taxes (Note 3)	132,320	—
Profit from discontinued operation	215,956	—

- Notes: 1. Other income includes ¥349,037 million in the fiscal year ended March 31, 2024 for the gain on the transfer of Scientific Solutions Business.
2. Other expenses include ¥161 million in the fiscal year ended March 31, 2024 related to the spin-off of the Scientific Solutions Business and the strengthening of its management systems.
3. Income taxes in the fiscal year ended March 31, 2024 include ¥120,313 million of tax expenses related to the transfer of Scientific Solutions Business.

(ii) Cash flows of discontinued operation

Cash flows of discontinued operation are as follows:

Cash flows of discontinued operation	(Millions of yen)	
	2024	2025
Net cash used in operating activities	(57,569)	—
Net cash provided by investing activities	431,091	—
Net cash provided by (used in) financing activities	—	—

Note: Net cash provided by investing activities in the fiscal year ended March 31, 2024 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 or loss from the Orthopedic Business has been classified as profit or loss from discontinued operation from the six months ended September 30, 2024, and it has been presented in the same manner for the fiscal year ended March 31, 2024.

(i) Profit (loss) of discontinued operation

Profit (loss) of discontinued operations is as follows:

	(Millions of yen)	
	2024	2025
Revenue	10,458	2,929
Cost of sales	3,767	987
Gross profit	6,691	1,942
Selling, general and administrative expenses	6,473	1,908
Share of profit (loss) of investments accounted for using equity method	—	—
Other income	1,234	436
Other expenses (Note 1)	9,241	428
Operating profit	(7,789)	42
Finance income	42	22
Finance costs	10	3
Profit before tax	(7,757)	61
Income taxes	335	6
Profit from discontinued operation	(8,092)	55

Note: 1. Other expenses include ¥8,588 million in the fiscal year ended March 31, 2024 for the impairment losses of assets of Orthopedic Business.

(ii) Cash flows of discontinued operation

Cash flows of discontinued operation are as follows:

Cash flows of discontinued operation	(Millions of yen)	
	2024	2025
Net cash used in operating activities	(155)	(467)
Net cash provided by investing activities (Note)	427	6,551
Net cash used in financing activities	(3,268)	(43)

Note: Net cash provided by investing activities in the fiscal year ended March 31, 2025 includes proceeds from the transfer of the Orthopedic Business of ¥3,730 million and proceeds from the collection of loans receivable from Olympus Terumo Biomaterials Corporation of ¥3,101 million.

42. Contingent Liabilities

The Olympus Group has no significant contingent liabilities.

43. Subsequent Events

(Changes in reportable segments)

The Olympus Group reorganized the previous Endoscopic Solutions and Therapeutic Solutions to Gastrointestinal Solutions Division and Surgical & Interventional Solutions Division from the fiscal year ending March 31, 2026.

In conjunction with this organizational restructuring, the reportable segments have been changed from the previous “Endoscopic Solutions” and “Therapeutic Solutions” to “Gastrointestinal Solutions Division” and “Surgical & Interventional Solutions Division.” In addition, the role of Olympus-wide shared functions has changed due to the focusing of the business portfolio, which has advanced further, and the specialization toward the medical business. Accordingly, we reviewed the method for allocating shared expenses and are now allocating expenses for basic research, etc. from these functions to the business units. The financial information that we disclose concerning the changed reportable segments has not been finalized at this time.

(Share repurchase and cancellation of treasury shares)

At a meeting of the Board of Directors held on May 13, 2025, Olympus Corporation resolved items related to the share repurchase and the specific means of repurchase 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. Olympus Corporation carried out the repurchase of its own shares as follows:

(1) Reasons for the share repurchase and cancellation of treasury shares

To strengthen shareholder returns and to improve capital efficiency

(2) Details of items related to the repurchase

1. Class of shares:	Common stock of Olympus Corporation 36,000,000 shares (maximum)
2. Total number of shares to be repurchased:	(3.19% of total number of issued shares (excluding treasury shares))
3. Total amount of shares to be repurchased:	¥50,000 million (maximum)
4. Repurchase period:	July 28, 2025 to October 31, 2025
5. Repurchase method:	Market purchase on the Tokyo Stock Exchange based on a discretionary trading contract

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

(Based on delivery date)

1. Total number of shares repurchased:	1,048,900 shares
2. Total amount of shares repurchased:	¥1,905 million
3. Repurchase period:	July 28, 2025 to July 31, 2025

(Based on contract date)

1. Total number of shares repurchased:	2,114,500 shares
2. Total amount of shares repurchased:	¥3,832 million
3. Repurchase period:	July 28, 2025 to July 31, 2025

(4) Details of cancellation

1. Class of shares:	Common stock of Olympus Corporation
2. Number of shares to be cancelled:	Total number of shares after excluding shares earmarked for use for share-based payments in the future (3,000,000 shares) from the number of shares to be repurchased in (2) above
3. Date of cancellation:	November 28, 2025

(Substantial borrowings)

Olympus Corporation has arranged business financing and long-term working capital as follows:

- | | | |
|----|-----------------------------|-------------------------------------|
| 1. | (1) Source of borrowings: | Sumitomo Mitsui Banking Corporation |
| | (2) Amount of borrowings: | ¥25,000 million |
| | (3) Borrowing rate: | 1.48% (fixed rate) |
| | (4) Drawdown date: | May 30, 2025 |
| | (5) Maturity date: | May 31, 2032 |
| | (6) Repayment method: | Lump-sum repayment upon maturity |
| | (7) Collateral / guarantee: | None |
| 2. | (1) Source of borrowings: | Sumitomo Mitsui Banking Corporation |
| | (2) Amount of borrowings: | ¥10,000 million |
| | (3) Borrowing rate: | 1.55% (fixed rate) |
| | (4) Drawdown date: | May 30, 2025 |
| | (5) Maturity date: | May 31, 2035 |
| | (6) Repayment method: | Lump-sum repayment upon maturity |
| | (7) Collateral / guarantee: | None |
| 3. | (1) Source of borrowings: | The Hachijuni Bank, Ltd. |
| | (2) Amount of borrowings: | ¥15,000 million |
| | (3) Borrowing rate: | 0.938% (fixed rate) |
| | (4) Drawdown date: | May 30, 2025 |
| | (5) Maturity date: | May 31, 2029 |
| | (6) Repayment method: | Lump-sum repayment upon maturity |
| | (7) Collateral / guarantee: | None |
| 4. | (1) Source of borrowings: | MUFG Bank, Ltd. |
| | (2) Amount of borrowings: | ¥20,000 million |
| | (3) Borrowing rate: | 1.07% (fixed rate) |
| | (4) Drawdown date: | June 4, 2025 |
| | (5) Maturity date: | June 2, 2028 |
| | (6) Repayment method: | Lump-sum repayment upon maturity |
| | (7) Collateral / guarantee: | None |

(Issuance of unsecured bonds)

Olympus Corporation issued unsecured bonds on June 11, 2025 following the determination of issuance terms and conditions as given below:

28th unsecured bonds

- | | | |
|----|------------------------|--|
| 1. | Total amount of issue: | ¥15,000 million |
| 2. | Issue price: | 100% of the principal amount |
| 3. | Interest rate: | 1.237% per annum |
| 4. | Closing date: | June 17, 2025 |
| 5. | Maturity date: | June 16, 2028 |
| 6. | Redemption: | The bonds will be redeemed in full upon maturity. |
| 7. | Use of proceeds: | Redemption of corporate bonds and repayments of borrowings |
| 8. | Covenants: | Inter-bond pari passu clause |

29th unsecured bonds

- | | |
|---------------------------|--|
| 1. Total amount of issue: | ¥15,000 million |
| 2. Issue price: | 100% of the principal amount |
| 3. Interest rate: | 1.453% per annum |
| 4. Closing date: | June 17, 2025 |
| 5. Maturity date: | June 17, 2030 |
| 6. Redemption: | The bonds will be redeemed in full upon maturity. |
| 7. Use of proceeds: | Redemption of corporate bonds and repayments of borrowings |
| 8. Covenants: | Inter-bond pari passu clause |

(Investment in joint venture)

At a meeting of the Board of Directors held on July 25, 2025, Olympus Corporation resolved to enter into an investment agreement, via consolidated subsidiary Olympus Corporation of the Americas, with Revival Healthcare Capital LLC (“Revival”) in relation to a joint venture in the medical device business, and completed this investment on July 25, 2025.

(1) Establishment of joint venture and reason for investment

The Olympus Group believes that development of endoluminal robots will contribute to the spread of minimally invasive laparoscopic surgery and improved medical outcomes, leading to better health and happiness for greater numbers of patients. It is proactively investing in endoluminal robotics both through its own research and development and through investments in startups.

As one option for achieving endoluminal robots, the Company has invested together with Revival in joint venture Swan EndoSurgical, Inc. with the aim of developing new products in endoluminal robotics.

(2) Name and description of joint venture

Name: Swan EndoSurgical, Inc.

Description of business: Development of endoluminal robot products

(3) Timing of investment in joint venture

July 25, 2025

(4) Ratio of equity to be acquired and investment amount

Ratio of equity to be acquired: 45%

Investment amount: USD29.3 million

The Olympus Group and Revival will make investments in Swan EndoSurgical in the form of milestone payments over multiple years, dependent on it achieving certain targets agreed in advance. The two companies together will make a total investment of 458 million U.S. dollars over the next six years, so the potential investment for Olympus Corporation is 206 million U.S. dollars.

The Olympus Group will recognize the investment as a joint venture and account for the joint venture using the equity method.

(5) Important contractual matters

Under this agreement, the Olympus Group has a call option for the joint venture, but in the event that the Olympus Group does not exercise that option, Revival has the right to force the Olympus Group to purchase the joint venture.

(6) Impacts on consolidated profit or loss

The impact on the consolidated financial statements of expenses associated with the investment in the joint venture and expenses related to development this fiscal year are currently under review, but the impact on consolidated performance for the fiscal year ending March 31, 2026, is expected to be approximately ¥7,000 million.

(Consideration based on an agreement to license usage)

Olympus Corporation recorded ¥5,995 million in “Other income” in the first quarter of the fiscal year ending March 31, 2026 as consideration based on an agreement licensing usage to Evident Corporation.

Independent Auditor's Interim Review Report

The Board of Directors
Olympus Corporation

Auditor's Conclusion

We have reviewed the accompanying condensed quarterly consolidated financial statements of Olympus Corporation and its subsidiaries (the Group), which comprise the condensed quarterly consolidated statement of financial position as at June 30, 2026, and the condensed quarterly consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the three-month period ended June 30, 2026, and notes to the condensed quarterly consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2026 and its consolidated financial performance and cash flows for the three-month period ended June 30, 2026 in accordance with *International Accounting Standard 34, Interim Financial Reporting*.

Basis for Auditor's Conclusion

We conducted our review in accordance with review standards for interim financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the 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 *International Accounting Standard 34, Interim Financial Reporting*, and for the internal controls as management determines are 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 Group's ability to continue as a going concern, including the disclosures related to matters of going concern, as required by *Paragraph 4 of International Accounting Standard 1, Presentation of Financial Statements*.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion on these condensed quarterly consolidated financial statements based on our review.

As part of a review in accordance with review standards for interim financial statements generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters and apply analytical and other interim review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.

- Conclude based on the evidence obtained whether anything has come to our attention that causes us to believe that the condensed quarterly consolidated financial statements are not presented fairly in accordance with *Paragraph 4 of International Accounting Standard 1, Presentation of Financial Statements*, should we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's interim review report to the related disclosures in the condensed quarterly consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's interim review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the overall presentation and disclosure of the condensed quarterly consolidated financial statements are not in accordance with *International Accounting Standard 34, Interim Financial Reporting*, or that the overall presentation, structure and content of the condensed quarterly consolidated financial statements, including the disclosures, do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain evidence regarding the financial information of the entities or business activities within the Group as a basis for expressing a conclusion on the condensed quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the documentation of the interim review. We remain solely responsible for our conclusion.

We communicate with the Audit Committee regarding the planned scope and timing of the review and significant review findings.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence in Japan, and we communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats 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 Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan
August 28, 2026

/s/ Makoto Usui

Designated Engagement Partner
Certified Public Accountant

/s/ Masanori Enomoto

Designated Engagement Partner
Certified Public Accountant

/s/ Mitsuharu Konno

Designated Engagement Partner
Certified Public Accountant

/s/ Masahiro Tanaka

Designated Engagement Partner
Certified Public Accountant

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	Notes	As of March 31, 2026	As of June 30, 2026
ASSETS			
Current assets			
Cash and cash equivalents	13	188,038	118,545
Trade and other receivables	13	236,833	210,329
Other financial assets	13	28,421	33,644
Inventories		207,092	221,308
Income taxes receivable		13,255	9,487
Other current assets		32,669	44,167
Total current assets		706,308	637,480
Non-current assets			
Property, plant and equipment		287,209	297,719
Goodwill		194,238	240,131
Intangible assets		101,032	103,293
Retirement benefit asset		51,189	51,931
Investments accounted for using equity method		1,397	1,845
Trade and other receivables	13	84,223	81,563
Other financial assets	13	35,368	33,969
Deferred tax assets		70,716	73,991
Other non-current assets		5,482	4,552
Total non-current assets		830,854	888,994
Total assets		1,537,162	1,526,474

(Millions of yen)

	Notes	As of March 31, 2026	As of June 30, 2026
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade and other payables	13	80,646	61,651
Bonds and borrowings	13	79,876	139,127
Other financial liabilities	13	26,982	33,354
Income taxes payable		30,828	21,499
Provisions		16,318	14,621
Other current liabilities		202,224	197,125
Total current liabilities		436,874	467,377
Non-current liabilities			
Bonds and borrowings	7, 13	159,700	179,765
Other financial liabilities	13	66,611	70,214
Retirement benefit liability		20,019	20,294
Provisions		9,632	10,244
Deferred tax liabilities		12,092	11,379
Other non-current liabilities		20,194	19,299
Total non-current liabilities		288,248	311,195
Total liabilities		725,122	778,572
Equity			
Share capital		124,643	124,643
Capital surplus	8	93,101	92,906
Treasury shares	8	(26,631)	(85,528)
Other components of equity		198,596	207,764
Retained earnings		422,331	408,117
Total equity attributable to owners of parent		812,040	747,902
Total equity		812,040	747,902
Total liabilities and equity		1,537,162	1,526,474

(2) Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)			
	Notes	Three-month period ended June 30, 2025	Three-month period ended June 30, 2026
Revenue	6, 10	206,512	240,400
Cost of sales		71,383	83,573
Gross profit		135,129	156,827
Selling, general and administrative expenses		122,187	125,031
Share of profit (loss) of investments accounted for using equity method		246	(1,120)
Other income	11	7,035	1,079
Other expenses	11	3,626	2,804
Operating profit	6	16,597	28,951
Finance income		1,445	1,433
Finance costs		1,156	2,822
Profit before tax		16,886	27,562
Income taxes		7,895	8,460
Profit		8,991	19,102
Profit attributable to:			
Owners of parent		8,991	19,102
Earnings per share			
Basic earnings per share (yen)	12	¥ 7.97	¥ 17.76
Diluted earnings per share (yen)	12	¥ 7.96	¥ 17.72

(3) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)			
	Notes	Three-month period ended June 30, 2025	Three-month period ended June 30, 2026
Profit		8,991	19,102
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		29	(2,700)
Remeasurements of defined benefit plans		(53)	(222)
Total of items that will not be reclassified to profit or loss		(24)	(2,922)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(5,914)	11,155
Cash flow hedges		(104)	713
Total of items that may be reclassified to profit or loss		(6,018)	11,868
Total other comprehensive income (loss)		(6,042)	8,946
Comprehensive income		2,949	28,048
Comprehensive income attributable to:			
Owners of parent		2,949	28,048
Comprehensive income		2,949	28,048

(4) Condensed Quarterly Consolidated Statement of Changes in Equity

Three-month period ended June 30, 2025

(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, 2025		124,643	92,433	(27,923)	141,613	420,967	751,733
Profit						8,991	8,991
Other comprehensive income (loss)					(6,042)		(6,042)
Comprehensive income		–	–	–	(6,042)	8,991	2,949
Share repurchase				(0)			(0)
Disposal of treasury shares			(16)	16			0
Dividends from surplus	9					(22,556)	(22,556)
Transfer from retained earnings to capital surplus			444			(444)	–
Transfer from other components of equity to retained earnings					54	(54)	–
Share-based payment transactions	8		(1,532)	2,058			526
Total transactions with owners		–	(1,104)	2,074	54	(23,054)	(22,030)
Balance at June 30, 2025		124,643	91,329	(25,849)	135,625	406,904	732,652

Three-month period ended June 30, 2026

(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, 2026		124,643	93,101	(26,631)	198,596	422,331	812,040
Profit						19,102	19,102
Other comprehensive income (loss)					8,946		8,946
Comprehensive income		–	–	–	8,946	19,102	28,048
Share repurchase	8			(60,000)			(60,000)
Disposal of treasury shares			(8)	8			0
Dividends from surplus	9					(33,033)	(33,033)
Transfer from retained earnings to capital surplus			61			(61)	–
Transfer from other components of equity to retained earnings					222	(222)	–
Share-based payment transactions	8		(248)	1,095			847
Total transactions with owners		–	(195)	(58,897)	222	(33,316)	(92,186)
Balance at June 30, 2026		124,643	92,906	(85,528)	207,764	408,117	747,902

(5) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Notes	Three-month period ended June 30, 2025	Three-month period ended June 30, 2026
Cash flows from operating activities			
Profit before tax		16,886	27,562
Depreciation and amortization		16,214	17,308
Interest and dividend income		(818)	(530)
Interest expenses		1,084	1,333
Share of loss (profit) of investments accounted for using equity method		(246)	1,120
Decrease (increase) in trade and other receivables		21,891	30,752
Decrease (increase) in inventories		(15,055)	(12,343)
Increase (decrease) in trade and other payables		(108)	(17,794)
Increase (decrease) in retirement benefit liability		185	158
Decrease (increase) in retirement benefit asset		(111)	(784)
Other		(19,399)	(17,828)
Subtotal		20,523	28,954
Interest received		815	527
Dividends received		3	3
Interest paid		(900)	(1,525)
Income taxes paid		(35,644)	(13,625)
Net cash provided by (used in) operating activities		(15,203)	14,334

(Millions of yen)			
	Notes	Three-month period ended June 30, 2025	Three-month period ended June 30, 2026
Cash flows from investing activities			
Purchase of property, plant and equipment		(13,075)	(16,253)
Purchase of intangible assets		(4,636)	(5,196)
Payments for acquisition of subsidiaries	14	–	(43,172)
Other		203	376
Net cash used in investing activities		(17,508)	(64,245)
Cash flows from financing activities			
Increase (decrease) in short-term borrowings and commercial papers		–	57,950
Proceeds from long-term borrowings	7	70,000	20,000
Repayments of long-term borrowings		(50,000)	–
Repayments of lease liabilities		(4,953)	(5,900)
Dividends paid	9	(22,556)	(33,033)
Proceeds from issuance of bonds	7	30,000	–
Payments for share repurchase	8	–	(60,000)
Other		(30)	–
Net cash provided by (used in) financing activities		22,461	(20,983)
Effect of exchange rate changes on cash and cash equivalents		(1,066)	1,401
Net increase (decrease) in cash and cash equivalents		(11,316)	(69,493)
Cash and cash equivalents at beginning of period		252,532	188,038
Cash and cash equivalents at end of period		241,216	118,545

(6) Notes to the Condensed Quarterly Consolidated Financial Statements

1. Notes on premise of going concern

Nothing 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's business operations comprise the Gastrointestinal Solutions Division and Surgical & Interventional Solutions Division. 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 Accounting Standards ("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, 2026.

The Japanese language condensed quarterly consolidated financial statements were approved by Bob White, Director, Representative Executive Officer, President and CEO, and Michael Parenti, Executive Officer and CFO, on August 7, 2026. These English language condensed quarterly consolidated financial statements were approved by Bob White, Director, Representative Executive Officer, President and CEO, and Michael Parenti, Executive Officer CFO subsequently on August 28, 2026.

There were no material events subsequent to the date of the Japanese language Consolidated Financial Statements, which required adjustment to the reported amounts or additional disclosures in these English language condensed quarterly consolidated financial statements.

- (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 investing activities)

As "Purchase of investment securities" in "Cash flows from investing activities," which had previously been listed independently in the three-month period ended June 30, 2025, decreased in significance, it has been included in "Other" from the three-month period ended June 30, 2026. To reflect this change in the presentation method, the condensed quarterly consolidated financial statements for the three-month period ended June 30, 2025 have been reclassified.

As a result, in the Condensed Quarterly Consolidated Statements of Cash Flows for the three-month period ended June 30, 2025, the ¥671 million presented as "Other" in "Cash flows from investing activities" was recalculated as ¥203 million due to the reclassification of (¥468 million) in "Purchase of investment securities" to "Other."

4. Material accounting policies

The material accounting policies adopted for the condensed quarterly consolidated financial statements of the Olympus Group for the three-month period ended June 30, 2026 are the same as those adopted for the fiscal year ended March 31, 2026.

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.

The Olympus Group operates under two main segments—the Gastrointestinal Solutions Division and Surgical & Interventional Solutions Division—and formulates comprehensive domestic and international strategies for its products and services as it conducts its business activities. Accordingly, the Group has designated these two segments as its reportable segments.

The principal products and services of each reportable segment are as follows:

Reportable Segment	Principal products and services
Gastrointestinal Solutions	Gastrointestinal endoscopes, gastroenterology devices, medical services
Surgical & Interventional Solutions	Urology products, respiratory products, surgical endoscopes, energy devices, ENT products, gynecology products

(2) Revenue, business results and other items for reportable segments

Revenue, business results and other items for 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.”

From the first quarter ended June 30, 2026, due to research and development or exploratory activities related to new businesses no longer meeting the definition of a business segment, amounts previously recorded under “Other” have been reclassified to “Adjustment.” The results for the first quarter ended June 30, 2025 have also been restated to reflect the change in categorization.

Three-month period ended June 30, 2025

(Millions of yen)					
	Reportable Segment			Adjustment (Notes 1, 2)	Amount on condensed quarterly consolidated financial statements
	Gastrointestinal Solutions	Surgical & Interventional Solutions	Total		
Revenue					
Revenue from outside customers	139,023	67,428	206,451	61	206,512
Total revenue	139,023	67,428	206,451	61	206,512
Operating profit (loss)	18,141	(1,856)	16,285	312	16,597
Finance income					1,445
Finance costs					1,156
Profit before tax					16,886
Other items					
Share of profit (loss) of investments accounted for using equity method	(5)	251	246	–	246
Depreciation and amortization	9,537	6,416	15,953	261	16,214
Impairment losses	–	–	–	53	53

Notes:

1. Adjustment for operating profit (loss) is corporate revenues and corporate expenses that mainly consist of general and administrative expenses that are not attributable to reportable segments.
2. Adjustment for operating profit (loss) includes consideration of ¥5,995 million based on an agreement licensing usage to Evident Corporation.

Three-month period ended June 30, 2026

(Millions of yen)					
	Reportable Segment			Adjustment (Note 1)	Amount on condensed quarterly consolidated financial statements
	Gastrointestinal Solutions	Surgical & Interventional Solutions	Total		
Revenue					
Revenue from outside customers	168,448	71,923	240,371	29	240,400
Total revenue	168,448	71,923	240,371	29	240,400
Operating profit (loss)	38,646	(2,404)	36,242	(7,291)	28,951
Finance income					1,433
Finance costs					2,822
Profit before tax					27,562
Other items					
Share of profit (loss) of investments accounted for using equity method	(1,292)	172	(1,120)	–	(1,120)
Depreciation and amortization	10,372	6,715	17,087	221	17,308
Impairment losses	–	274	274	–	274

Note:

1. Adjustment for operating profit (loss) is corporate revenues and corporate expenses that mainly consist of general and administrative expenses that are not attributable to reportable segments.

7. Bonds and borrowings

(1) Bonds

During the first quarter ended June 30, 2025, Olympus Corporation issued the 28th unsecured bond of ¥15,000 million (interest rate of 1.237%, due June 16, 2028), and the 29th unsecured bond of ¥15,000 million (interest rate of 1.453%, due June 17, 2030), as sources of funds for the redemption of bonds and the repayment of borrowings.

There were no significant transactions during the first quarter ended June 30, 2026.

(2) Borrowings

During the first quarter ended June 30, 2025, Olympus Corporation procured borrowings for use as business funds and long-term working capital of ¥25,000 million (interest rate 1.48%, fixed rate), due May 31, 2032; ¥10,000 million (interest rate 1.55%, fixed rate), due May 31, 2035; ¥15,000 million (interest rate 0.938%, fixed rate), due May 31, 2029; and ¥20,000 million (interest rate 1.07%, fixed rate), due June 2, 2028.

During the first quarter ended June 30, 2026, Olympus Corporation procured borrowings for use as business funds and long-term working capital of: ¥5,000 million (interest rate 2.23%, fixed rate), due May 19, 2032; ¥15,000 million (interest rate 2.61%, fixed rate), due May 30, 2033.

8. Equity and other equity items

Three-month period ended June 30, 2025

(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 13, 2025. Due to this disposal, treasury shares decreased by 832,845 shares during the three-month period ended June 30, 2025. The impact of this disposal is that treasury shares decreased by ¥2,058 million.

Three-month period ended June 30, 2026

(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 5, 2026. Due to this disposal, treasury shares decreased by 661,436 shares during the three-month period ended June 30, 2026. The impact of this disposal is that treasury shares decreased by ¥1,095 million.

(Share repurchase)

At a meeting of the Board of Directors held on May 12, 2026, 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. The share repurchase for the fiscal year ending March 31, 2027 was carried out as follows:

(1) Details of the resolution passed at the meeting of the Board of Directors held on May 12, 2026:

- | | |
|--|--|
| 1. Class of shares: | Common stock of Olympus Corporation |
| 2. Total number of shares to be repurchased: | 46,000,000 shares (maximum) |
| 3. Total amount of shares to be repurchased: | ¥60,000 million (maximum) |
| 4. Repurchase period: | May 13, 2026 to March 31, 2027 |
| 5. Repurchase method: | 1) Market purchase through the off-auction own share repurchase trading system (ToSTNeT-3)
2) 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: | 38,948,300 shares |
| 2. Total amount of shares repurchased: | ¥60,000 million |
| 3. Repurchase date | May 13, 2026 |

9. Dividends

Dividends paid are as follows:

Three-month period ended June 30, 2025

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 13, 2025	Common stock	22,556	20	March 31, 2025	June 5, 2025

Three-month period ended June 30, 2026

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, 2026	Common stock	33,033	30	March 31, 2026	June 4, 2026

10. Revenue

The organization of the Olympus Group is built around the two main segments of the Gastrointestinal Solutions Division and Surgical & Interventional Solutions Division. Revenue is disclosed for these segments as they represent components for which separate financial information is available and whose operating results are regularly reviewed by management to allocate 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:

From the first quarter ended June 30, 2026, due to research and development or exploratory activities related to new businesses no longer meeting the definition of a business segment, amounts previously recorded under “Other” have been reclassified to “Adjustment.” The results for the first quarter ended June 30, 2025 have also been restated to reflect the change in categorization.

Three-month period ended June 30, 2025

(Millions of yen)

	Gastrointestinal Solutions	Surgical & Interventional Solutions	Adjustment	Total
Japan	17,844	5,134	48	23,026
North America	50,283	31,286	0	81,569
Europe	37,142	18,127	–	55,269
China	12,881	4,054	12	16,947
Asia and Oceania	15,389	6,802	1	22,192
Other	5,484	2,025	–	7,509
Total	139,023	67,428	61	206,512

Three-month period ended June 30, 2026

(Millions of yen)

	Gastrointestinal Solutions	Surgical & Interventional Solutions	Adjustment	Total
Japan	18,035	5,011	25	23,071
North America	65,921	35,175	0	101,096
Europe	46,602	19,370	1	65,973
China	13,142	3,274	3	16,419
Asia and Oceania	18,534	6,555	–	25,089
Other	6,214	2,538	–	8,752
Total	168,448	71,923	29	240,400

The Gastrointestinal Solutions Division sells medical devices, including gastrointestinal endoscopes and gastroenterology devices, 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 Surgical & Interventional Solutions Division sells medical devices, including urology products, respiratory products, surgical endoscopes, energy devices, ENT products, and gynecology products, to customers who are primarily medical institutions in Japan and overseas.

Adjustment for revenue mainly consists of corporate revenues that are not attributable to reportable segments.

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.

11. Other income and other expenses

(1) Other income

Major items of other income are as follows:

Three-month period ended June 30, 2025

(Consideration based on an agreement to license usage)

Olympus Corporation recorded ¥5,995 million in “Other income” as consideration based on an agreement licensing usage to Evident Corporation.

Three-month period ended June 30, 2026

There are no significant transactions.

(2) Other expenses

Major items of other expenses are as follows:

Three-month period ended June 30, 2025

(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 ¥2,425 million was incurred in “Other expenses” to improve targeted areas including complaint handling and response, medical device reporting (MDR), and process design validation.

Three-month period ended June 30, 2026

There are no significant transactions.

12. Earnings per share

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

	Three-month period ended June 30, 2025	Three-month period ended June 30, 2026
Basic earnings per share (yen)	¥7.97	¥17.76
Diluted earnings per share (yen)	¥7.96	¥17.72

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

	(Millions of yen)	
	Three-month period ended June 30, 2025	Three-month period ended June 30, 2026
Profit used to calculate basic earnings per share and diluted earnings per share		
Profit attributable to owners of parent	8,991	19,102
Profit not attributable to common shareholders of parent	—	—
Profit used to calculate basic earnings per share	8,991	19,102
Adjustment to profit	—	—
Profit used to calculate diluted earnings per share	8,991	19,102
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	1,128,093 thousand shares	1,075,361 thousand shares
Increase in number of shares of common stock		
Subscription rights to shares relating to stock options	207 thousand shares	155 thousand shares
Common stock relating to PSU	663 thousand shares	1,041 thousand shares
Common stock relating to RSU	1,097 thousand shares	1,355 thousand shares
Average number of shares of diluted common stock during the period	1,130,060 thousand shares	1,077,912 thousand shares

13. 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, 2026 and the three-month period ended June 30, 2026.

(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 quarter of the 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.

Of derivative assets and liabilities, currency derivatives and interest-rate derivatives 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.

Long position call option assets (hereinafter, “Call Options”) and short position put option liabilities (hereinafter, “Put Options”) related to contingent considerations for business combinations and investments accounted for using the equity method are classified as level 3. Contingent considerations are stated at the estimates of future payability. Call Options and Put Options are measured using inputs such as the fair value of the underlying shares, the discount rate, volatility, and the achievement rate of certain targets agreed in advance by the Olympus Group and RVLHC SE Holdings, LLC (“Revival”).

The fair value hierarchy of major financial instruments measured at fair value is as follows:

As of March 31, 2026

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	—	23,086	3,741	26,827
Equity securities and others	—	—	5,118	5,118
Financial assets measured at fair value through other comprehensive income				
Equity securities and others	427	—	17,586	18,013
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	—	1,818	4,445	6,263
Contingent consideration	—	—	673	673

As of June 30, 2026

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	—	24,062	3,800	27,862
Equity securities and others	—	—	5,943	5,943
Financial assets measured at fair value through other comprehensive income				
Equity securities and others	620	—	14,225	14,845
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	—	2,107	4,514	6,621

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

	(Millions of yen)	
	Three-month period ended June 30, 2025	Three-month period ended June 30, 2026
Balance at beginning of period	15,987	26,445
Gains and losses (Note)		
Profit or loss	(40)	803
Other comprehensive income	27	(4,171)
Acquisition	446	733
Other	(440)	158
Balance at end of period	15,980	23,968

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 condensed quarterly consolidated statements of comprehensive income.

Of the total gains or losses recognized in profit or loss, the gains or losses for financial instruments owned at the end of each quarter of the fiscal year included a loss of ¥40 million and a gain of ¥803 million on financial instruments held as of the three-month period ended June 30, 2025 and 2026, respectively.

Gains or losses recognized in other comprehensive income are the amounts of changes in the fair value of investments in equity instruments.

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

	(Millions of yen)	
	Three-month period ended June 30, 2025	Three-month period ended June 30, 2026
Balance at beginning of period	1,689	5,118
Settlement	(8)	(521)
Change in fair value	(17)	25
Other	65	(108)
Balance at end of period	1,729	4,514

(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, 2026		As of June 30, 2026	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Lease receivables	136,674	135,370	133,211	133,072
Financial liabilities				
Bonds	134,717	129,643	136,019	130,182
Borrowings	104,860	98,652	124,913	119,469

14. Business combinations

Three-month period ended June 30, 2025

Nothing to report.

Three-month period ended June 30, 2026

(Acquisition of BioProtect Ltd.)

(1) Outline of business combination

(i) Name and description of acquired business

Name of acquired business	BioProtect Ltd. (hereinafter “BioProtect”)
Description of business	R&D and manufacturing of biodegradable rectal spacer balloon for prostate cancer

(ii) Primary reason for business combination

BioProtect is a medical device manufacturer based in Israel that develops implant technologies designed to protect healthy tissues during radiation therapy and surgical procedures. Its flagship product is a balloon-type implant that temporarily separates adjacent tissues within the body and naturally biodegrades after treatment. This biodegradable balloon represents a next-generation spacer that provides optimal and consistent rectal protection during radiation therapy for prostate cancer.

Through this acquisition, Olympus Corporation will expand its portfolio in adjacent therapeutic areas related to endoscopy, including the gastrointestinal and urological fields, and strengthen solutions that address unmet medical needs in cancer treatment, particularly prostate cancer. Accordingly, we will further enhance our value proposition across the entire endoscopy-enabled care pathway, contributing to improved patient outcomes as well as our medium to long-term corporate value.

(iii) Acquired ratio of holding capital with voting rights

100%

(iv) Acquisition date

June 1, 2026

(v) Acquisition method to govern the acquired company

Cash consideration for the acquisition of shares

(2) Consideration for the acquisition

The contractual amount of USD270 million will be adjusted and finalized under the agreement.

(3) Acquisition-related expense

The acquisition-related expense of ¥484 million has been booked in “Selling, general and administrative expenses”. Of this amount, acquisition-related expenses of ¥204 million were incurred in the fiscal year ended March 31, 2026, and acquisition-related expenses of ¥280 million were incurred during the three-month period ended June 30, 2026.

(4) Fair value of consideration paid, assets acquired, and liabilities assumed as of the acquisition date

	(Millions of yen)
	Amount
Fair value of consideration paid	
Cash	43,380
Total	43,380
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	208
Trade and other receivables	531
Other financial assets (current)	45
Inventories	515
Other current assets	164
Property, plant and equipment	522
Other financial assets (non-current)	23
Deferred tax assets	66
Trade and other payables	(87)
Other current liabilities	(374)
Other financial liabilities (current)	(43)
Other financial liabilities (non-current)	(165)
Fair value of assets acquired and liabilities assumed, net	1,405
Goodwill	41,975
Total	43,380

Based on the fair value of consideration paid on the acquisition date, we have allocated the assets acquired and liabilities assumed. However, as fair value measurements of consideration paid, assets acquired, and liabilities assumed as of the acquisition date, as well as the allocation of the consideration paid are not yet complete, the above values represent provisional fair values based on the best estimates at present. In the event we can receive and evaluate additional information relating to facts and conditions present at the point of acquisition, we may adjust the above values for a period of one year from the acquisition date.

Goodwill mainly represents a rational estimate of the expected future excess earning power. Furthermore, the amount of goodwill recognized does not include the amount that is expected to be deductible for tax purposes.

(5) Impacts on the Olympus Group

Olympus Corporation omits making a description concerning profit or loss information of the said business combination on and after the acquisition date as well as profit or loss information under the assumption that the said business combination was conducted at the beginning of the fiscal year ending March 31, 2027. This is because the amount of impact on the consolidated statements of profit or loss due to such information is not material.

15. Contingencies

(Tariff refund procedures in the U.S.)

Olympus Corporation of the Americas, a consolidated subsidiary of the Olympus Corporation, has initiated a refund process for the tariffs imposed in the U.S. under the International Emergency Economic Powers Act (IEEPA), following the US Supreme Court's ruling that those tariffs were unlawful.

However, since the eligibility and amount of refunds for these tariffs are determined following a review by U.S. Customs and Border Protection (CBP), uncertainty remains regarding the final amount and timing of any refunds.

16. Subsequent events

(Tariff refund procedures in the U.S.)

Olympus Corporation of the Americas, a consolidated subsidiary of the Olympus Corporation, received a portion of the amount sought in connection with the tariff refund claim described in Note "15. Contingencies" following the conclusion of the first quarter ended June 30, 2026.

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