



Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2021 (FY2020)

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Among the information that Terumo discloses, the forward-looking statements including financial projections are based upon our assumptions using information available to us at the time and are not intended to be guarantees of future events or performance. Accordingly, it should be noted that actual results may differ from those forecasts or projections due to various factors. Factors affecting to actual results include, but are not limited to, changes in economic conditions surrounding Terumo, fluctuations of foreign exchange rates, and state of competition.

The market share information in this presentation is partly derived from our own independent research.

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Highest-ever Quarterly Revenue and Adjusted Operating Profit

(billion JPY)

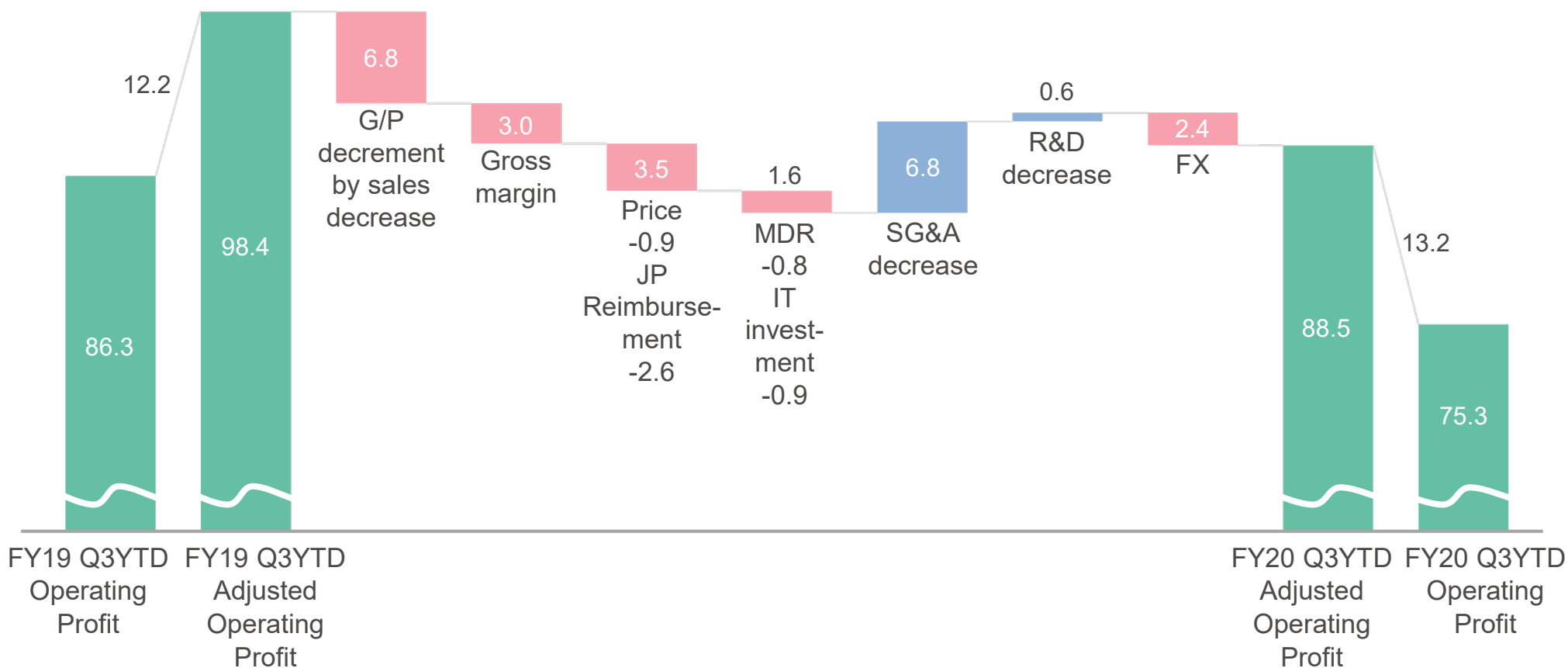
	FY19 Q3YTD	FY20 Q3YTD	YoY%	YoY% (FXN)
Revenue	470.1	448.6	-5%	-3%
Gross Profit	258.6 (55.0%)	241.3 (53.8%)	-7%	-5%
SG&A Expenses	136.8 (29.1%)	130.7 (29.1%)	-4%	-3%
R&D Expenses	37.0 (7.9%)	35.9 (8.0%)	-3%	-2%
Other Income and Expenses	1.5	0.6	-	-
Operating Profit	86.3 (18.3%)	75.3 (16.8%)	-13%	-10%
Adjusted Operating Profit	98.4 (20.9%)	88.5 (19.7%)	-10%	-8%
Profit before Tax	85.5 (18.2%)	74.9 (16.7%)	-12%	
Profit for the Year	66.9 (14.2%)	58.6 (13.1%)	-12%	

Average Exchange Rate	USD	109 JPY	106 JPY
	EUR	121 JPY	122 JPY

- Revenue: Steady recovery in demand for Cardiac and Vascular. The COVID-19 negative impact on General Hospital as well as Blood and Cell Technologies has been continuously minor
- Adjusted Operating Profit: Year-on-year negative growth due to the revenue decrease. Continuously controlled expenses based on priorities

Adjusted Operating Profit Variance Analysis

(billion JPY)



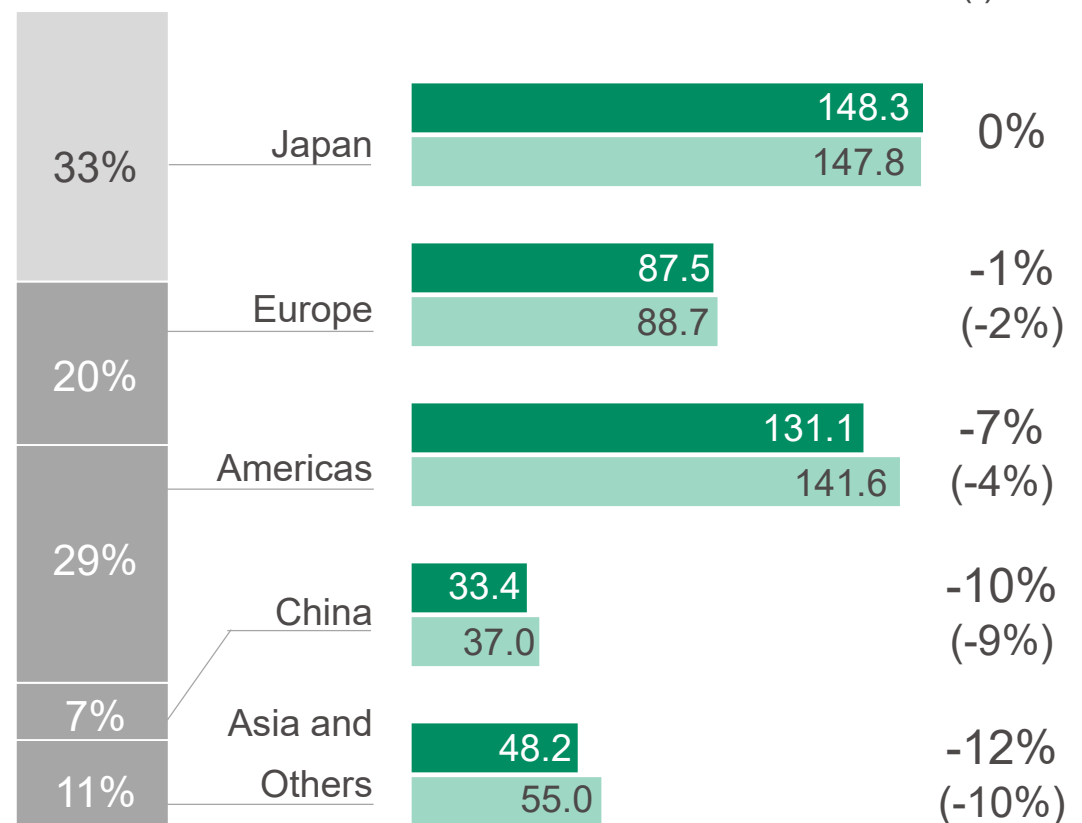
Revenue by Region

■ FY20 Q3YTD
■ FY19 Q3YTD

Revenue

100% = 448.6 B JPY

Year-on-Year Revenue Comparison



() FXN

Japan: Stronger recovery in C&V quarter by quarter. Positive growth in GH since Q2. TBCT is at previous year level

Europe: Positive growth in C&V since Q2. Good momentum in GH and TBCT with double digit growth

Americas: Mixed situation with a recovery and COVID-19 resurgence in C&V. Positive growth in GH and TBCT

China: Significant recovery as a whole excluding timing issue for order from distributors in Neurovascular

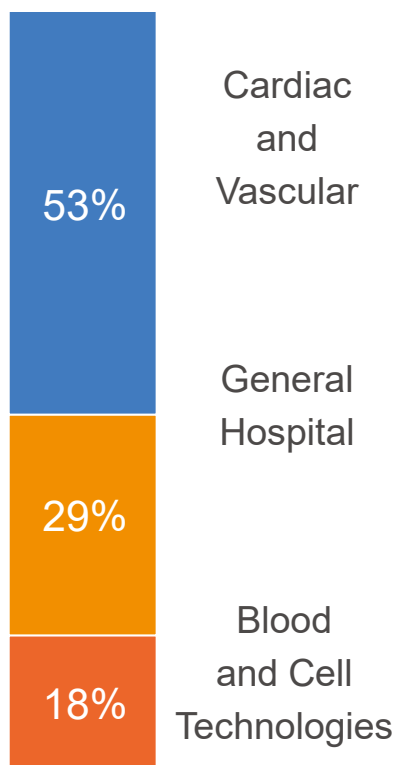
Asia and Others: Slow recovery in all companies, due to lockdown etc. in some countries

Revenue by Business Segment

FY20 Q3YTD
FY19 Q3YTD

Revenue

100% = 448.6 B JPY



Year-on-Year Revenue Comparison

Revenue	billion JPY	YoY%	Comments
		() FXN	
Cardiac and Vascular	238.4	-10% (-8%)	There was a decrease in demand due to postponement of procedures. Steady recovery in the performance in Q2 and Q3
General Hospital	129.0	+1% (+1%)	In addition to double digit growth in Alliance, increased demand for infection control products as well as a new product for pain management exceeded the overall impact from decreased demand
Blood and Cell Technologies	81.0	+3% (+6%)	Despite the impact by a decrease in therapeutic apheresis cases, saw positive growth in the US and Europe driven by component collection system

Cardiac and Vascular: Progressing Recovery in the Number of Procedures

(billion JPY)

	FY19 Q3YTD	FY20 Q3YTD	YoY%	Major Topics	Impact
Revenue	263.5	238.4	() FXN -10% (-8%)	<p>TIS: Despite the decreased demand among all products, saw a progressing recovery with low single digit negative growth since Q2</p> <p>Neurovascular: Saw positive growth in Q3 alone with a progressing recovery in the number of aneurysm treatments</p> <p>Cardiovascular: Impact of the decreased demand was mitigated by the increased revenue of hardware in Japan</p> <p>Vascular graft: Continued positive growth since Q2</p>	-17.4 -3.6 -3.7 -0.3
Adjusted Operating Profit (%)	68.8 (26%)	56.0 (24%)	-19% (-16%)	Decreased due to the revenue decline. Product mix was improved in Q3 alone with a progressing recovery in TIS and Neurovascular	

General : Exceeded the Impact of Decreased Demand by Solid Hospital Sales of Alliance and Infection Control Products

(billion JPY)

	FY19 Q3YTD	FY20 Q3YTD	YoY%	Major Topics	Impact
Revenue	127.8	129.0	() FXN +1% (+1%)	<p>General hospital products: The negative impact due to the limited number of medical examinations was mitigated by increased demand for infection control products and pumps -1.7</p> <p>Pharmaceutical: Sales decline in IV solutions was mitigated by solid sales of pain management products including a new product -0.8</p> <p>DM Healthcare: Increased demand for Healthcare products including thermometers etc. +1.6</p> <p>Alliance: Continued double digit growth both inside and outside Japan +2.2</p>	
Adjusted Operating Profit (%)	19.8 (16%)	20.5 (16%)	+3% (+4%)	Positive growth due to improved product mix by solid sales of Alliance and Healthcare, as well as continuous expense control	

Blood and Cell

Technologies: Continuous Increase in Both Revenue and Profit

(billion JPY)

	FY19 Q3YTD	FY20 Q3YTD	YoY%	Major Topics	Impact
Revenue	78.7	81.0	+3% (+6%)	Blood center solutions: Driven by increase in collection demand for the COVID-19 convalescent plasma therapy as well as software update for component collection system	+3.1
				Therapeutic solutions: Despite the remaining impact from the decreased number of procedures, saw positive growth in Q3 alone	-0.6
Adjusted Operating Profit (%)	10.4 (13%)	14.4 (18%)	+39% (+46%)	Continuous large growth due to expense control in addition to gross profit increase by better product mix	

() FXN

Key Assumptions of FY20 Q4 Projection

- Expect a decrease in demand due to COVID-19 resurgence mainly in the US and Europe
 - Current situation with restart of postponement in procedures in the US and Europe, etc. is negative for the performance
 - Not expecting the situation to be worsened to the level in April and May 2020, as there are positive factors, e.g. start of vaccination as well as better preparation and equipment in the medical front against COVID-19 pandemic
- Started to adjust the operating level of production to optimize inventory level, which was raised in Q1 for the purpose of BCP
- While controlling SG&A Expenses to an extent, also plan to invest appropriately based on the business performance to achieve rapid recovery
- Control R&D Expenses by prioritizing from the perspective of mid- to long-term growth

Revision of FY20 Guidance

(billion JPY)

	Original Guidance	Revised Guidance	Change in amount
Revenue	600.0	600.0	-
Operating Profit	90.0 (15.0%)	97.5 (16.3%)	+7.5
Adjusted Operating Profit	108.0 (18.0%)	115.0 (19.2%)	+7.0
Profit for the Year	68.0	75.0	+7.0

Average Exchange Rate
(Predicted)

USD	Annual: 106 JPY	Q4: 104 JPY, Annual: 106 JPY
EUR	Annual: 121 JPY	Q4: 126 JPY, Annual: 123 JPY

- Factored in the better Q3 performance than expected
- No revision for the FY20 annual dividend proposal disclosed at the financial announcement in May 2020

Major Topics in FY20 Q3

Corporate

Has received “GOOD DESIGN AWARD” for twenty five consecutive years



Cardiac
and
Vascular

Launched the intrasaccular aneurysm treatment device “WEB” in Japan



Intrasaccular aneurysm treatment device “WEB”

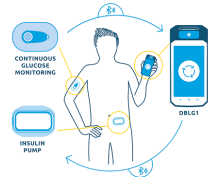
Increased production capacity for contract development and manufacturing organization (CDMO) business at Yamaguchi factory



Pre-fillable syringe “PLAJEX”

General
Hospital

Signed the agreement with the French company Diabeloop SA. for joint development of automated insulin delivery (AID) solution



Automated insulin delivery system

Received CE mark for the insulin patch pump “MEDISAFE WITH”



Insulin patch pump “MEDISAFE WITH”

Blood and Cell
Technologies

Launched the platelet-rich plasma collection system “SmartPrep” in Japan



Platelet-rich plasma collection system “SmartPrep”

Coalition set up to find solutions to the challenge of safe, sustainable and adequate blood in Africa



FY20 New Product Pipeline

Category	Products	Region	Launch	Category	Products	Region	Launch
Coronary	Steerable sheath	JP		Vascular graft	Stent graft for abdominal aortic aneurysm	US	Launched
	PTCA balloon (manufactured by Essen Technology)	China		General hospital products	Syringe pump	JP	Launched
Imaging	IVUS catheter	JP	Launched		Safety IV catheter	JP	
Oncology	Biodegradable drug-eluting microsphere	EU			Syringe pump for open TCI	EU, Asia	Launched
	Peripheral embolization plug	US		Pharmaceutical	Strong opioid analgesic (Fentanyl citrate tape for 1 day use)	JP	Launched
Neuro-vascular	Flow diverter	JP, US	Launched	DM and consumer healthcare	Continuous glucose monitoring system	JP	To be launched in FY21
	Balloon guide catheter	EU			Blood glucose monitoring system	JP	Launched
	Carotid stent	JP	Launched		Thermometer	JP	Launched
	Intrasaccular aneurysm treatment device (WEB)	JP	Launched				
Cardio-vascular	Oxygenator	JP	Launched				
	Heart lung machine (re-launch)	JP	Launched				
	Surgical stabilizer	Global	Launched				

Reference

FY20 Q3YTD Revenue and Growth by Region

(billion JPY)

Business Segment	Japan	Overseas					Total
		Subtotal	Europe	Americas	China	Asia	
Cardiac and Vascular	36.6 (-4%)	201.8 (-9%)	59.9 (-7%)	91.6 (-8%)	26.8 (-12%)	23.5 (-12%)	238.4 (-8%)
Out of C&V, TIS and Neurovascular	26.3 (-8%)	166.5 (-9%)	48.8 (-7%)	73.6 (-7%)	24.7 (-14%)	19.4 (-12%)	192.9 (-9%)
General Hospital	102.6 (+2%)	26.4 (-1%)	7.3 (+10%)	6.4 (+13%)	1.7 (-7%)	11.0 (-12%)	129.0 (+1%)
Blood and Cell Technologies	9.0 (-1%)	72.1 (+6%)	20.4 (+12%)	33.1 (+7%)	4.9 (+17%)	13.6 (-5%)	81.0 (+6%)
Total	148.3 (+0%)	300.3 (-5%)	87.5 (-2%)	131.1 (-4%)	33.4 (-9%)	48.2 (-10%)	448.6 (-3%)

(YoY%): FXN

Operating Expenses

(billion JPY)

	FY19 Q3YTD	FY20 Q3YTD	YoY	YoY%	YoY% (FXN)
Salaries & Wages	66.6	68.7	+2.1	+3%	+5%
Sales Promotion	14.6	8.6	-6.0	-41%	-41%
Logistical Costs	10.3	10.6	+0.3	+3%	+4%
Depreciation & Amortization	13.9	14.2	+0.3	+2%	+4%
Others	31.4	28.5	-2.9	-9%	-8%
SG&A Expenses Total	136.8 (29.1%)	130.7 (29.1%)	-6.2	-4%	-3%
R&D Expenses	37.0 (7.9%)	35.9 (8.0%)	-1.1	-3%	-2%
Operating Expenses Total	173.8 (37.0%)	166.5 (37.1%)	-7.3	-4%	-3%

Quarterly Results

(billion JPY)

	FY19 Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY20 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)
Revenue	162.9	158.8	131.3	152.0	165.3
Gross Profit	87.2 (53.5%)	85.3 (53.7%)	68.9 (52.5%)	81.6 (53.7%)	90.8 (54.9%)
SG&A Expenses	47.2 (29.0%)	47.7 (30.1%)	40.1 (30.5%)	45.8 (30.2%)	44.7 (27.1%)
R&D Expenses	12.7 (7.8%)	13.6 (8.6%)	11.2 (8.5%)	11.9 (7.8%)	12.8 (7.7%)
Other Income and Expenses	-0.2	0.4	0.5	-0.1	0.2
Operating Profit	27.1 (16.6%)	24.4 (15.3%)	18.1 (13.8%)	23.8 (15.6%)	33.4 (20.2%)
Adjusted Operating Profit	31.4 (19.3%)	26.6 (16.7%)	21.7 (16.5%)	29.6 (19.5%)	37.2 (22.5%)

Average Exchange Rate	USD	109 JPY	109 JPY	108 JPY	106 JPY	105 JPY
	EUR	120 JPY	120 JPY	119 JPY	124 JPY	125 JPY

Adjusted Operating Profit: Adjustments

(billion JPY)

	FY19 Q3YTD	FY20 Q3YTD
Operating Profit	86.3	75.3
Adjustment 1. Amortization of acquired intangible assets	+11.9	+10.8
Adjustment 2. Non-recurring profit or loss	+0.3	+2.4*
Adjusted Operating Profit	98.4	88.5

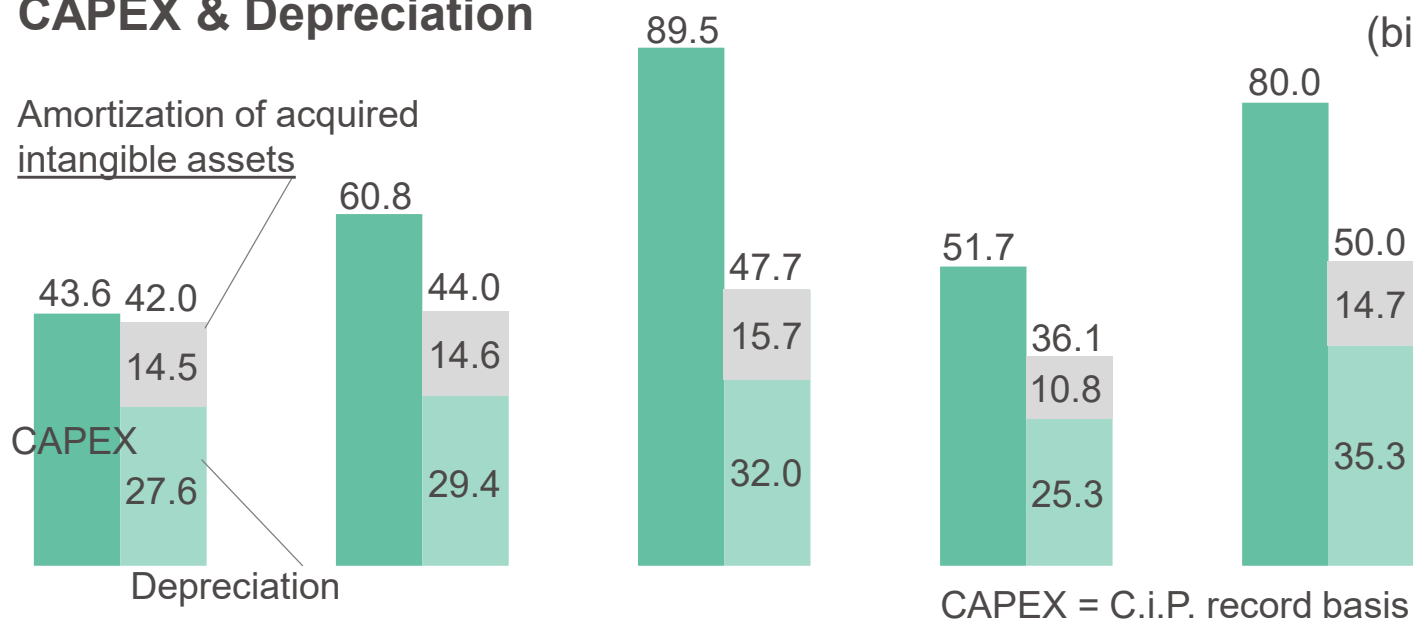
<General examples of adjustment items>

- Acquisition related cost
- Lawsuit settlement
- Impairment loss
- Restructuring loss
- Nonlife insurance income
- Loss on disaster
- Other one-time profits & losses

* FY20 Q3YTD main items in Adjustment 2. Non-recurring profit or loss	Amount
Business reorganizing cost	+0.4
Others	+2.0

CAPEX, Depreciation and R&D Expenses

CAPEX & Depreciation



Lease depreciation (IFRS16) is not included in FY19, FY20 Q3YTD results and FY20 Guidance

Continue investment in production capacity and space, R&D as well as IT in FY20

Further promote R&D activities mainly for TIS, Neurovascular and TBCT

Capitalized R&D expenses are included in CAPEX

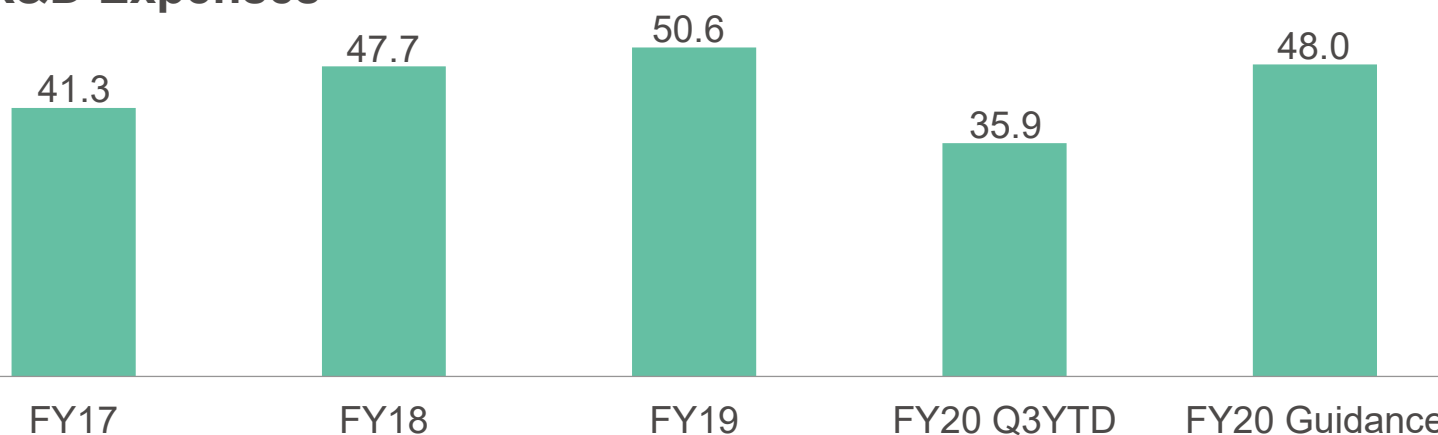
FY18: 2.4

FY19: 4.8

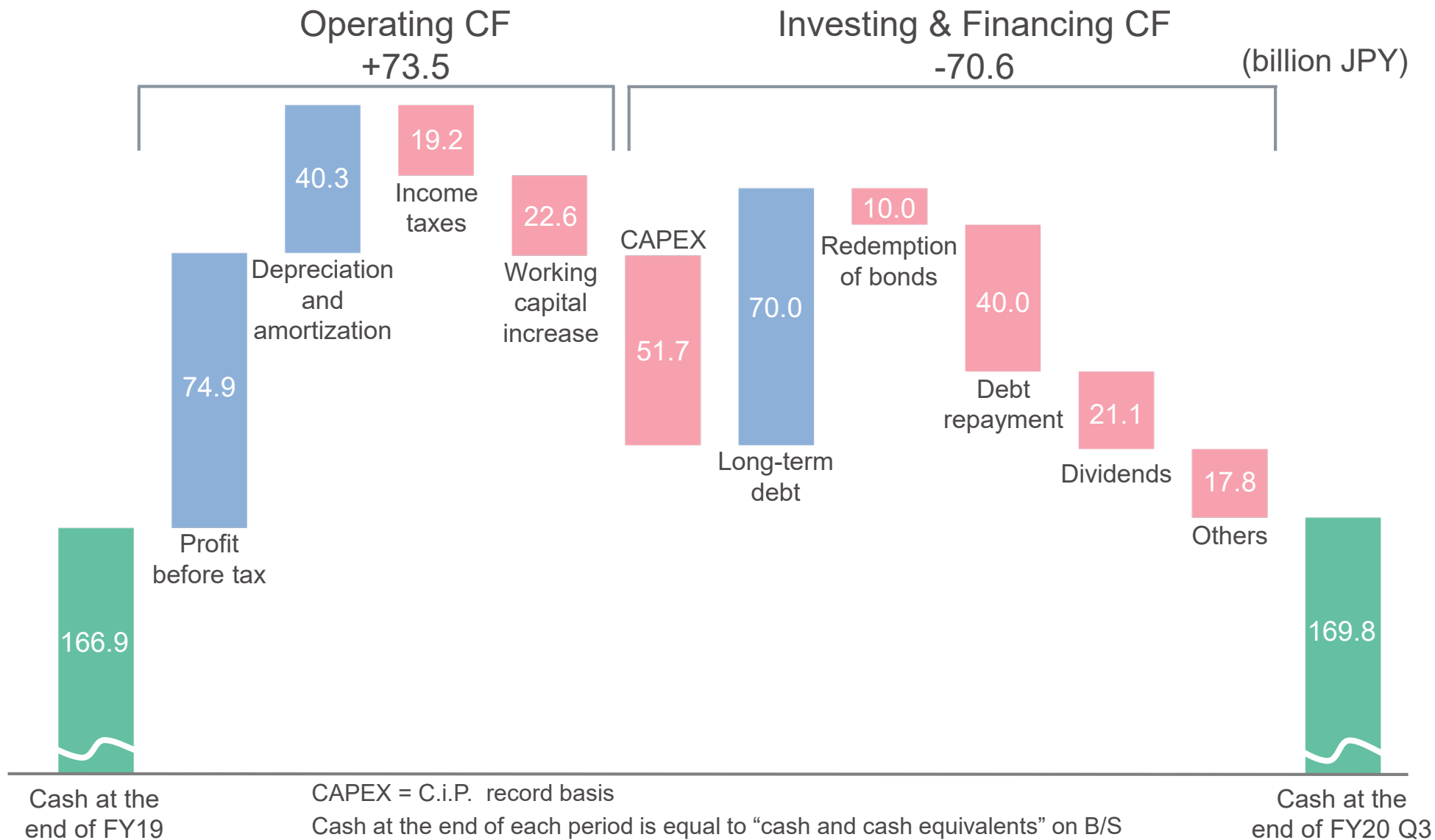
FY20 Q3YTD: 4.3

FY20 Guidance: 5.4

R&D Expenses



Cash Flows



Foreign Exchange Sensitivity

Annual impact of 1 JPY depreciation (billion JPY)

	USD	EUR	CNY
Revenue	1.7	0.8	2.4
Adjusted Operating Profit	0.0	0.5	1.3

<Reference> Impact when JPY is depreciated by 10%

	North America	Latin America	EMEA		Asia	
			EUR	Others	CNY	Others
Adjusted Operating Profit	-0.1	1.0	6.5	1.3	2.0	3.6

The Status of Convertible Bonds

Detail of the bonds (issued in Dec. 2014)

*After two-for-one stock split implemented in Apr. 2019

Maturity	Aggregate principal amount (billion JPY)	Coupon	Conversion Price (JPY)	Contingent conversion price (JPY)	Number of shares required to be issued for conversion
Dec. 2019	50.0	0.0%	1,912	2,486	Approx. 26 M shares
Dec. 2021	50.0	0.0%	1,912	2,486	Approx. 26 M shares
Total	100.0				Approx. 52 M shares

The status of conversion (as of Jan. 31, 2021)

Bonds	Amount of shares issued for conversion (% against the total amount of bonds)	Number of shares issued for conversion (% against total number of issued shares)
Convertible bonds due Dec. 2019	50.0 B JPY (100.0%)	26 M shares (3.4%)
Convertible bonds due Dec. 2021	49.0 B JPY (98.0%)	25 M shares (3.4%)
Total	99.0 B JPY (99.0%)	51 M shares (6.8%)

Allocated treasury shares to the shares issued for conversion

- Status of treasury shares: 4 M shares
(at the end of Jan. 2021, treasury stock cost per share: 1,949 JPY, % against total number of issued shares: 0.5%)



*S*tride Ahead
100th