

Financial Results for the 2nd Quarter (First Half) of Fiscal Year Ending March 31, 2023 (FY2022)

November 10, 2022

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Safe Harbor for Forward-Looking Statements and Use of Document

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. Information about products (including products currently in development) which is included in this material is not intended to constitute an advertisement or medical advice.

FY22 Q2 Results Highlights

■ Revenue

- | First time exceeding 200 billion yen; highest-ever revenue
- | Number of procedures and healthcare demand recovered, all regions outside Japan grew year-on-year even when excluding FX
- | Plasma Donation System “Rika” sales began

■ Operating Profit

- | Despite cost increases due to inflation, gross profit grew year-on-year in double digits
- | Portfolio alignment (A part of Cell Therapy Technologies in TBCT)
- | Adjusted operating profit bounced back to increase year-on-year

P&L Results

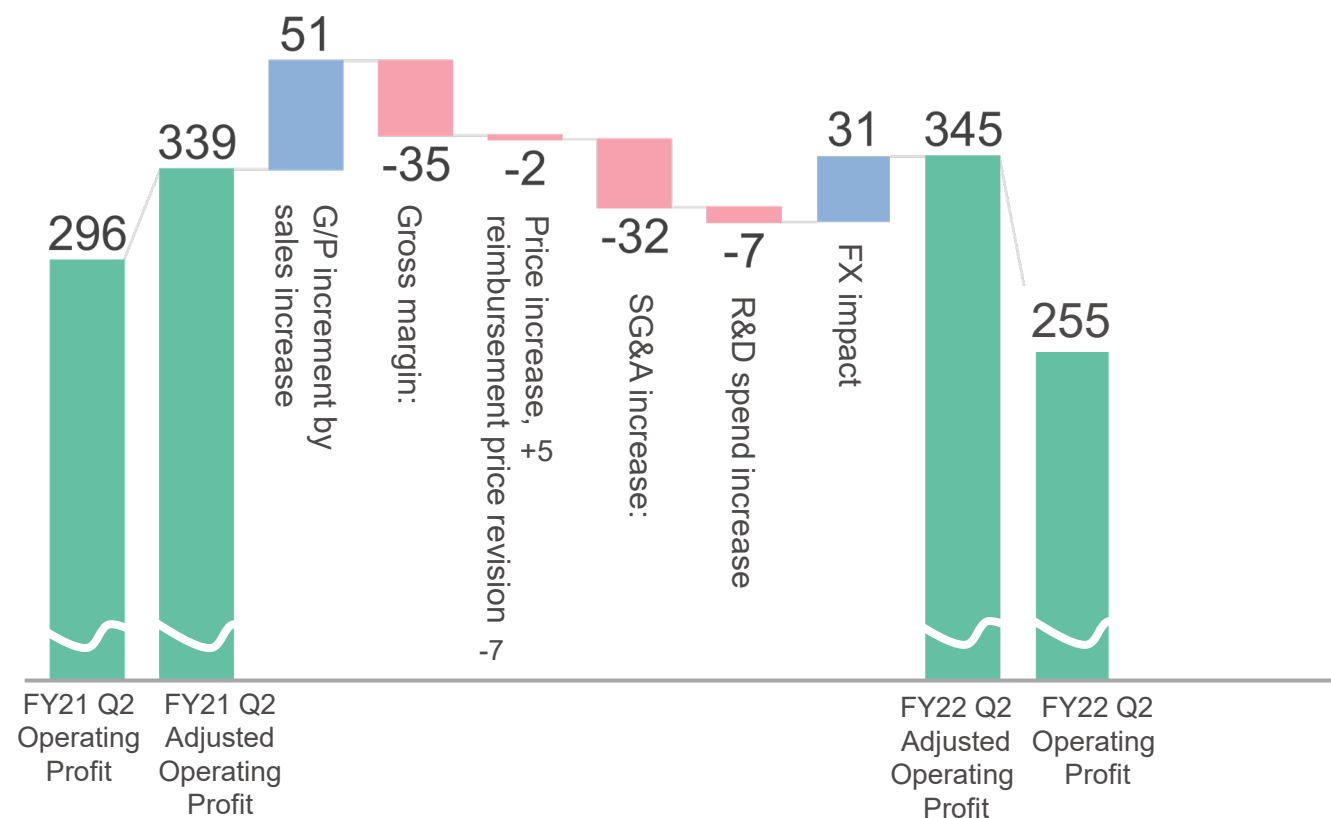
- Revenue was 400 billion yen, gross profit exceeded 200 billion yen for highest-ever result
- Operating profit includes 3.5 billion yen loss from sale of autologous cell preparation business In adjusted operating profit, Q2 standalone returned to year-on-year increase

100M JPY	FY 21 Q2 YTD	FY 22 Q2 YTD	Change vs. FY21 Q2	Change excluding FX impact
Revenue	3,446	4,033	17%	5%
Gross Profit (%)	1,862 (54.0%)	2,070 (51.3%)	11%	2%
SG&A Expenses (%)	955 (27.7%)	1,171 (29.0%)	23%	9%
R&D Expenses (%)	247 (7.2%)	297 (7.4%)	20%	8%
Other Income and Expenses	-2	-42	-	-
Operating Profit (%)	659 (19.1%)	560 (13.9%)	-15%	-16%
Adjusted Operating Profit (%)	741 (21.5%)	704 (17.5%)	-5%	-10%
Profit before Tax (%)	653 (18.9%)	546 (13.5%)	-16%	
Profit for the Year (%)	500 (14.5%)	403 (10.0%)	-19%	

FY21 Q2	FY22 Q2	Change vs. FY21 Q2
1,729	2,060	19%
920 (53.2%)	1,054 (51.1%)	15%
490 (28.4%)	605 (29.4%)	23%
130 (7.5%)	157 (7.6%)	20%
-3	-37	-
296 (17.1%)	255 (12.4%)	-14%
339 (19.6%)	345 (16.8%)	2%
293 (16.9%)	250 (12.1%)	-15%
221 (12.8%)	179 (8.7%)	-19%

Operating profit variance analysis (Q2)

(100M JPY)



■ G/P increment by sales increase:

Stability increase same amt. as Q1

■ Gross margin:

Inflation impact increases, but mix steadily improving, impact was similar as Q1

■ Price:

Price increase impact more than Q1

■ SG&A, R&D increase:

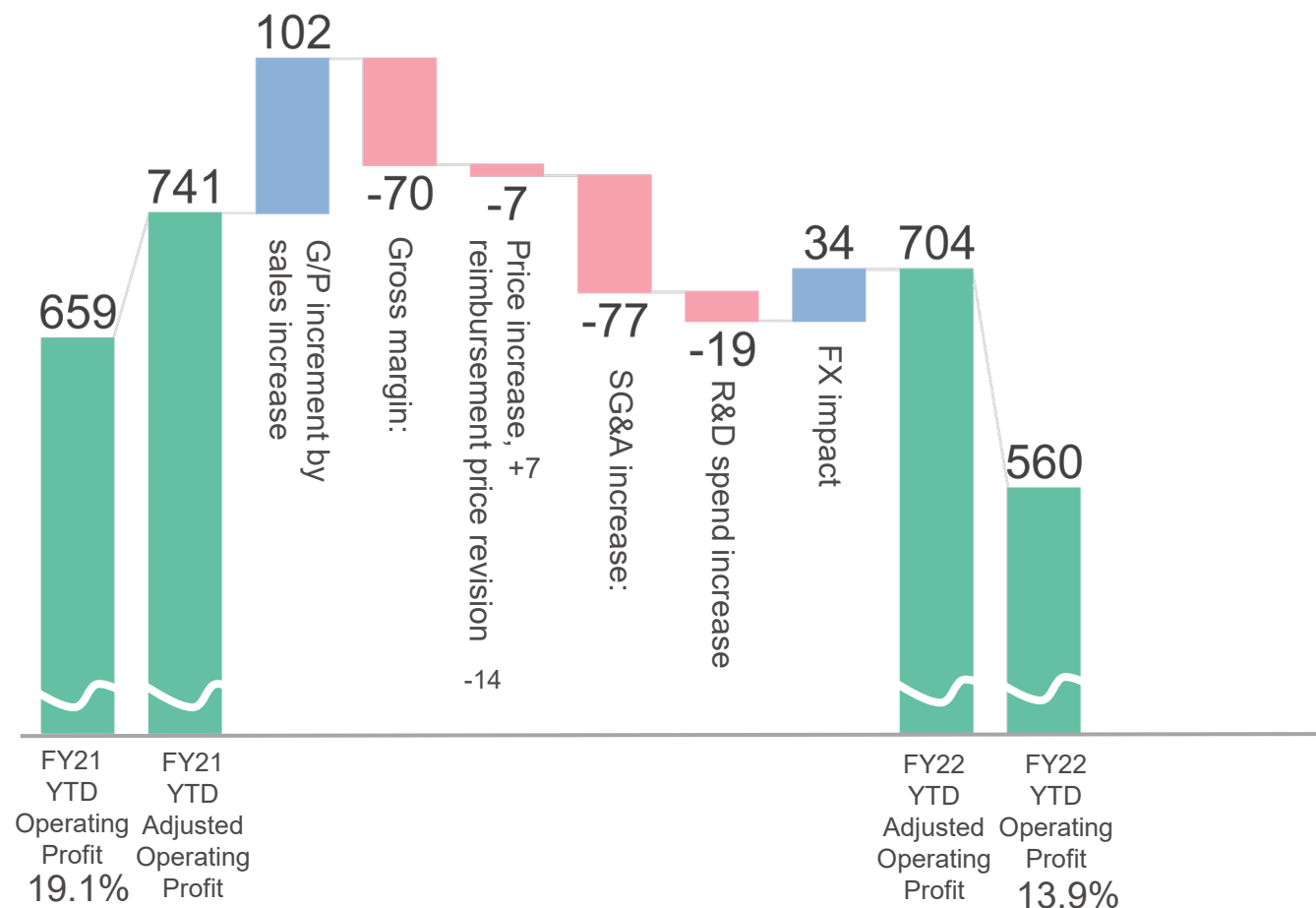
Within plan; control while spending as necessary in 2nd half

■ FX:

Yen depreciation more than Q1

Operating profit variance analysis (Q2 YTD)

(100M JPY)



- G/P increment by sales increase:
Increased C&V and TBCT demand led to steady increase
- Gross margin:
Inflation impact increases, but increased sales of C&V with mix improvement
- Price:
Expanded price increase impact by QoQ
- SG&A, R&D increase:
Within plan; control while spending as necessary in 2nd half
- FX:
Yen depreciation more than Q1

Revenue by Region

(C&V: Cardiac & Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies, PS: Pharmaceutical Solutions, TIS: Interventional Systems)

		Revenue (100M JPY)			FY 22 Q2 YTD YoY change	Comment (C&V: Cardiac and Vascular; MCS: Medical Care Solutions; TBCT: Blood and Cell Technologies)	
FY22 Q2 YTD Regional breakdown		(Q1)	Q2	Q2 YTD	() FXN		
25%	<u>Japan</u>	FY20	492	935		-1%	All three companies affected by 7th COVID wave impact on demand However, 3% revenue increased QoQ, new products ex. RelayPro grew
		FY21	532	1,024			
		FY22	514	1,012			
19%	<u>Europe</u>		301	555		13% (5%)	Due to recovery from COVID, all companies grew, driven by TIS, Blood Center, others TA, Neurovascular, Pharmaceutical Solutions all grew in double digits. QoQ, performance, impact of seasonal factors led to same level result as Q1
			338	683			
			386	772			
34%	<u>Americas</u>		462	825		30% (7%)	All companies continued double-digit growth, led by C&V, where number of procedures is recovering. FX led sales increase Overall growth driven by TIS, Blood Center QoQ as well.
			519	1,063			
			719	1,381			
10%	<u>China</u>		101	203		27% (8%)	All companies continued double-digit growth, led by TIS. QoQ, TIS and Blood Center Solutions saw slight seasonal decreases but saw no lockdown impact
			147	301			
			190	384			
12%	<u>Asia and Others</u>		165	315		29% (14%)	TIS and Blood Center businesses led acceleration of demand recovery; double-digit growth even excluding FX QoQ as well, demand recovery led to growth in all companies, driven by TIS, Hospital Care Solutions, and Blood Center Solutions
			193	374			
			251	484			

C&V:

6% growth when excluding FX. Number of procedures returned to growth trend including U.S. Segment profit remains impact of FX and inflation

(100M JPY)

	YTD			Q2			Comment	YTD YoY%
Revenue	() FXN 1,494 1,943 2,354 +21% (+6%)			821 948 1,186 +25%			TIS: Excluding FX, 7% growth overseas in YTD Q2; Number of procedures returned to growth trend, Oncology and Peripheral intervention drove. Begun new products sales, microcatheter and guidewire for coronary in U.S.	+275
							Neuro-vascular: Even excluding FX, EU/US continued double-digit growth WEB for aneurysm expanded further in North America, while new product impact grew similarly with FRED	+71
							CV: Steady along with recovery in number of procedures	
Segment Profit	320 508 529 +4% (-3%)			196 214 249 +16%			TA: Thoracic stent graft RelayPro strong. Thoraflex Hybrid expanded in EU/US	+26
							Adj. OP: Profit grew although inflation impact continued. % sakes declined due to Yen depreciation	+38
OP%	FY20	FY21	FY22	FY20	FY21	FY22		
	21%	26%	22%	24%	23%	21%		

TMCS:

Sales declined in Q2 due to the seventh COVID wave, Sales increase YTD Q2
Segment Profit; Decrease by inflation and FX impact by storong CNY

(100M JPY)

	YTD			Q2			Comment	YTD YoY%	
Revenue	() FXN								
	<div><div>818</div><div>920</div><div>938</div></div>			<div><div>426</div><div>482</div><div>478</div></div>			HCS Hospital Care Solutions:	Although sales declined in Japan due to 7th COVID wave, overseas covered with impact by Yen depreciation. Excluding FX, sales ddeclined a little.	+8
	<div>+2% (-1%)</div>			<div>-1%</div>			LCS Life Care Solutions:	Demand for thermometers, blood pressure monitors decreased after extraordinary demand in previous year Japan price of blood glucose self-measurement dropped amid stiff competition	-12
Segment Profit	<div><div>117</div><div>134</div><div>81</div></div>			<div><div>65</div><div>70</div><div>37</div></div>			PS Pharmaceutical Solutions:	Pharmaceutical container was sales strong, especially outside Japan, for steady 15% revenue growth YTD	+22
	<div>-39% (-33%)</div>			<div>-47%</div>			Adj. OP:	In addition to materal cost inflation after 2 nd half in FY21, utility cost inflation increased. As well. FX negative impact by CNY continued	
OP%	FY20	FY21	FY22	FY20	FY21	FY22			
	14%	15%	9%	15%	15%	8%			

TBCT:

Sales grew with double digit and profit declined because of Plasma Donation System
Began Plasma donation “Rika” sales

(100M JPY)

YTD			Q2			Comment		YTD YoY%
() FXN								
<div><div></div><div></div><div></div></div> <div>520582740</div> <div>+27% (+12%)</div>			<div><div></div><div></div><div></div></div> <div>272299395</div> <div>+32%</div>			Blood Centers:	Global recovery in transfusion demand. In EU/US, automation innovation in whole blood collection contributed to increased sales. Component collection also contributed to sales growth in EU/US, China, etc. Plasma donatuon system “Rika” sales began	+119
						Apheresis:	Steady demand increase along with expansion of cell therapy procedures. Even excluding FX, high growth of 9%	+28
<div><div></div><div></div><div></div></div> <div>8911891</div> <div>-23% (-24%)</div>			<div><div></div><div></div><div></div></div> <div>505855</div> <div>-5%</div>			Cell Processing:	As the need for cell therapy expands, there is steady demand for cell processing instruments. This includes autologous preparation business, the sell-off of which concluded in October.	+10
						Adj. OP:	Declined profit due to the investment advanced for Plasma Innovation as well as inflation.	
FY20	FY21	FY22	FY20	FY21	FY22			
17%	20%	12%	18%	19%	14%			

Action Ahead

■ For 2nd half

- | Implementation of price increase more in 2nd half
- | To squeeze SG&A expenses control

■ For Mid. & Long

- | | |
|----------------------------------|--|
| Anti-inflation in Logistics cost | Selection of freight & air, restructuring of global logistics network |
| Anti-inflation in Material Cost | Creation of global optimal procurement route |
| Anti-inflation in Wage | Stable production & speed-up global optimal production as in Costa Rica, Vietnam |
| VC2 | Began GBS in Europe & U.S.A. as of Nov 1 st |

Dividend guidance revision

- Continue to increase dividend in a stable manner with the mid-term aim of 30% dividend payout ratio
- FY22 annual dividend of 38 yen (2 yen above previous guidance)

	Previous guidance	Current guidance
Dividend / share (yen)	34.0 yen Interim 17 yen Period end 17 yen	38.0 yen Interim 19 yen Period end 19 yen
Dividend payout ratio	26.9%	28.4%

*FY21 guidance Profit for the year: 92 billion yen; EPS: 122 yen

*Interim dividend set according to “Terumo Revises Interim Dividend Distribution and Year-End Dividends Forecast” communication released November 4, 2021.

Product Pipeline and Major Topics

Major Product Launch, Approval Status

*C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies,
TIS: Terumo Interventional Systems; HCS: Hospital Care Solutions; LCS: Life Care Solutions

Field	General	product name	Complete To FY21	FY22	FY23 and beyond
TIS	Drug-eluting coronary stent	Ultimaster Nagomi	Japan sales	EU launch	Asia, Latin America launch
Neurovascular	Flow diverter stent	FRED X	EU, US sales	US sales expansion, regional expansion	
TA	Thoracic aorta stent graft	Relay Series	EU sales, US, Japan aneurysm indication approval	In US, dissection and trauma; in Japan, dissection indication approved	Additional models, RelayBranch clinical trials conducted
HCS	General infusion pump	Terufusion infusion pump 18 model	Japan sales	EU, Latin America launch	Asia launch
LCS	Patch insulin pump	Medisafe WITH series	Current model Japan, EU sales	Improved model Japan launch	Diabeloop Company AID system collaboration, regional expansion considered
TBCT	Cell expansion system	Quantum Flex	Quantum global sales	Launch Quantum Flex additional model	Cell processing business aims for double-digit growth



FRED X



RelayPro

Major Topics

- Group: (1) Announced “Terumo’s Purpose” to Enhance Joint Value Creation with Diverse Stakeholders
(2) Three products of WEB, Dexcom G6, and Nagomi received 2022 Good Design Awards (WEB won Good Design Gold Award, which is the Minister of Economy Award)
- C&V: R2P (radial approach to peripheral) clinical trial results announced at US academic conference; results indicated efficacy including safety and early discharge
- TMCS: Product developed jointly with Kyowa Kirin “G-Lasta® subcutaneous injection 3.6mg BodyPod” approved for manufacture
- TBCT: First plasma collections from donors completed using source plasma collection system “Rika”

Reference

Revenue by Segment and Region

2022年度 上期 セグメント別売上収益

Revenue by Segment for the First Half of FY2022

(百万円/millions of yen)

		1st Half FY2021							1st Half FY2022													構成比 % to total		
		日本 JPN	海外 Overseas	欧州 Europe	米州 Americas	中国 China	アジア他 Asia and others	合計 WW	日本 JPN	%YoY	海外 Overseas	%YoY	欧州 Europe	%YoY	米州 Americas	%YoY	中国 China	%YoY	アジア他 Asia and others	%YoY	合計 WW		%YoY	
心臓血管 カンパニー	TIS	TIS	15,564	114,817	31,338	51,580	18,501	13,397	130,382	15,416	-1.0%	142,497	24.1%	34,533	10.2%	65,672	27.3%	23,967	29.5%	18,323	36.8%	157,914	21.1%	39.2%
	ニューロバスキュラー	Neurovascular	2,695	25,115	8,038	10,659	4,512	1,904	27,811	2,722	1.0%	32,195	28.2%	9,534	18.6%	14,512	36.1%	5,137	0.1	3,010	58.1%	34,917	25.6%	8.7%
	カーディオバスキュラー	Cardiovascular	5,441	17,928	3,053	11,429	1,049	2,396	23,370	5,095	-6.4%	20,887	16.5%	3,174	4.0%	13,314	16.5%	1,195	14.0%	3,203	33.7%	25,983	11.2%	6.4%
	血管	Vascular Graft	1,303	11,473	6,288	3,820	774	591	12,777	1,683	29.2%	14,906	29.9%	7,651	21.7%	5,799	51.8%	797	3.0%	657	11.3%	16,590	29.8%	4.1%
Cardiac and Vascular Company			25,005	169,335	48,718	77,490	24,837	18,289	194,341	24,917	-0.4%	210,487	24.3%	54,894	12.7%	99,299	28.1%	31,098	25.2%	25,196	37.8%	235,405	21.1%	58.4%
メディカルケア ソリューションズ カンパニー	ホスピタルケアソリューション	Hospital Care Solutions	49,771	13,638	1,380	4,065	589	7,603	63,410	48,981	-1.6%	15,265	11.9%	1,317	-4.6%	5,093	25.3%	1,078	83.0%	7,774	2.3%	64,246	1.3%	15.9%
	ライフケアソリューション	Life Care Solutions	12,212	1,871	406	13	528	921	14,084	11,361	-7.0%	1,545	-17%	378	-7%	7	-47%	590	12%	568	-38%	12,907	-8.4%	3.2%
	ファーマシューティカルソリューション	Pharmaceutical Solutions	9,742	4,724	3,178	963	65	516	14,466	10,406	6.8%	6,245	32.2%	3,899	22.7%	1,330	38.1%	204	210.6%	811	56.9%	16,651	15.1%	4.1%
Medical Care Solutions Company			71,726	20,234	4,966	5,042	1,184	9,042	91,961	70,749	-1.4%	23,056	13.9%	5,596	12.7%	6,431	27.6%	1,873	58.2%	9,155	1.3%	93,805	2.0%	23.3%
血液・細胞 テクノロジー カンパニー	血液センター	Blood Center Solutions	5,297	37,529	11,419	14,129	3,397	8,583	42,826	5,124	-3.3%	49,623	32.2%	12,822	12.3%	20,159	42.7%	4,541	33.7%	12,099	41.0%	54,748	27.8%	13.6%
	アフェレシス治療他	Therapeutic Solutions	186	11,062	2,802	6,296	560	1,402	11,249	268	44.0%	13,816	24.9%	3,312	18.2%	8,072	28.2%	715	27.6%	1,715	22.3%	14,084	25.2%	3.5%
	細胞処理	Cell Therapy Technologies	71	4,062	400	3,384	144	132	4,134	50	-29.5%	5,096	25.3%	556	38.9%	4,133	22.1%	142	-1.6%	264	100.3%	5,147	24.5%	1.3%
Blood and Cell Technologies Company			5,555	52,655	14,622	23,811	4,102	10,118	58,210	5,444	-2.0%	68,536	30.2%	16,691	14.2%	32,365	35.9%	5,399	31.6%	14,079	39.1%	73,980	27.1%	18.3%
その他	Others		124	-	-	-	-	-	124	124	-0.3%	-	-	-	-	-	-	-	-	-	124	-0.3%	0.0%	
合計	Total		102,412	242,225	68,307	106,343	30,124	37,449	344,637	101,235	-1.1%	302,080	24.7%	77,181	13.0%	138,096	29.9%	38,371	27.4%	48,430	29.3%	403,316	17.0%	100.0%
売上比率	% to Total		29.7%	70.3%	19.8%	30.9%	8.7%	10.9%	100.0%	25.1%		74.9%		19.1%		34.2%		9.5%		12.0%		100.0%		

(期中平均為替レート)

(Average Exchange Rates)

(USD1=¥109.81)
(EUR1=¥130.88)

(USD1=¥134.03)
(EUR1=¥138.76)

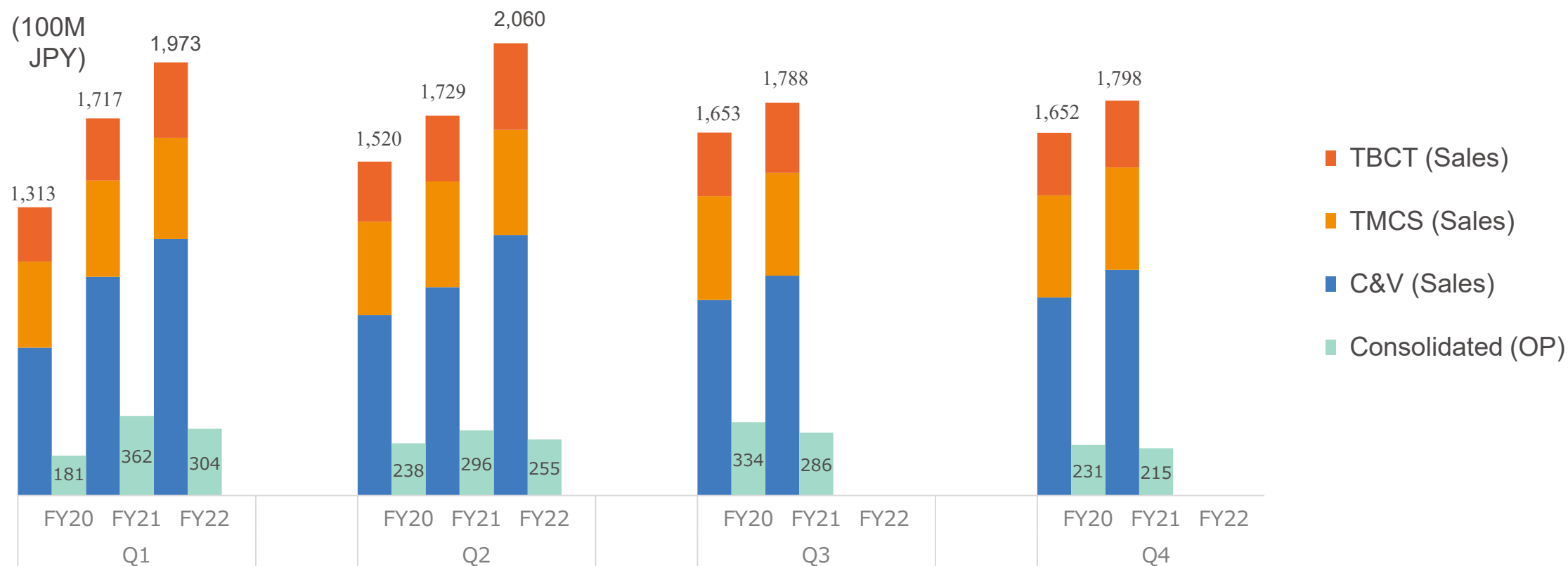
* 2022年度より、従来の「ホスピタルカンパニー」のセグメント名称を「メディカルケアソリューションズカンパニー」に変更しています。なお、サブセグメントにつきましては、従来の、医療器事業と医薬品事業が「ホスピタルケアソリューション」に、DM・ヘルスケア事業が「ライフケアソリューション」に、アライアンス事業が「ファーマシューティカルソリューション」に変更となっています。これに伴い、2021年度につきましても、変更後の名称で記載しています。

* Effective fiscal 2022, the segment name of the former "General Hospital Company" has been changed to "Medical Care Solutions Company". As for sub-segments, the former "General Hospital Products" and "Pharmaceutical" have been combined into "Hospital Care Solutions", "DM and Consumer Healthcare" has been renamed "Life Care Solutions", and the "Alliance" has been renamed "Pharmaceutical Solutions". In accordance with this change, the fiscal 2021 figure is also listed under the new names.

Quarterly Trend of Revenue and Operating Profit

Revenue: Q2 results were 19% growth YoY, highestever for a quarter. 4% growth QoQ

Operating profit: Q2 results were 14% decrease YoY, 16% decrease QoQ



P&L (QoQ)

(100M JPY)

		FY21 Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY22 Q1 (Apr-Jun)	Q2 (Jul-Sep)
Revenue		1,729	1,788	1,798	1,973	2,060
Gross Profit		920 (53.2%)	926 (51.8%)	905 (50.3%)	1,016 (51.5%)	1,054 (51.1%)
SG&A Expenses		490 (28.4%)	507 (28.4%)	528 (29.4%)	566 (28.7%)	605 (29.4%)
R&D Expenses		130 (7.5%)	128 (7.2%)	144 (8.0%)	141 (7.1%)	157 (7.6%)
Other Income and Expenses		-3	-5	-18	-6	-37
Operating Profit		296 (17.1%)	286 (16.0%)	215 (12.0%)	304 (15.4%)	255 (12.4%)
Adjusted Operating Profit		339 (19.6%)	330 (18.5%)	273 (15.2%)	359 (18.2%)	345 (16.8%)
Quarterly	USD	110 JPY	114 JPY	116 JPY	130 JPY	138 JPY
Average Rate	EUR	130 JPY	130 JPY	130 JPY	138 JPY	139 JPY

SG&A (QoQ)

(100M JPY)

		FY21 Q2 (7-9月)	Q3 (10-12月)	Q4 (1-3月)	FY22 Q1 (4-6月)	Q2 (7-9月)
Salaries & Wages		249	255	256	298	312
Ssales Promotion		40	44	45	46	44
Logistics		39	39	41	44	47
Depreciation		50	51	54	56	59
Others		112	118	132	123	142
SG & A total		490	507	528	566	605
(%)		(28.4%)	(28.4%)	(29.4%)	(28.7%)	(29.4%)
R & D total		130	128	144	141	157
(%)		(7.5%)	(7.2%)	(8.0%)	(7.1%)	(7.6%)
Total		621	635	672	706	761
(%)		(35.9%)	(35.5%)	(37.3%)	(35.8%)	(37.0%)
Quarter	USD	110Yen	114Yen	116Yen	130Yen	138Yen
Average ratio	EUR	130Yen	130Yen	130Yen	138Yen	139Yen

SG&A (YoY)

(100M JPY)

	FY 21 Q2 YTD	FY 22 Q2 YTD	+ / -	Change vs. FY21 Q1	Change excluding FX impact
Salaries & Wages	498	610	112	22%	6%
Sales Promotion	70	90	20	28%	16%
Logistical Costs	77	91	14	18%	7%
Depreciation and amortization	98	115	17	17%	8%
Others	211	265	53	25%	14%
SG&A Expenses Total	955	1,171	215	23%	9%
(%)	(27.7%)	(29.0%)			

R&D Expenses	247	297	50	20%	8%
(%)	(7.2%)	(7.4%)			

SG&A Expenses Total	1,202	1,468	266	22%	8%
(%)	(34.9%)	(36.4%)			

FY21 Q2	FY22 Q2	+ / -	Change vs. FY21 Q2
249	312	63	25%
40	44	4	10%
39	47	8	21%
50	59	9	18%
112	142	30	27%
490	605	114	23%
(28.4%)	(29.4%)		

130	157	26	20%
(7.5%)	(7.6%)		

621	761	141	23%
(35.9%)	(37.0%)		

Adjusted Operating Profit amount

(100M JPY)

	FY 21 Q2 YTD	FY 22 Q2 YTD
Operating Profit	659	560
Adjustment 1. Amortization of acquired intangible assets	79	95
Adjustment 2. Non-recurring profit or loss	4	49
Adjusted Operating Profit	741	704

FY21 Q2	FY22 Q2
296	255
40	49
3	40
339	345

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

Adjustment 2. Major one-time profits & losses	FY 21 Q2 YTD	FY 22 Q2 YTD
Restructuring loss	4	10
Loss on goodwill related to sale of AB business	-	35
Others	-	4

CAPEX, Depreciation and R&D Expenses

(100M JPY)

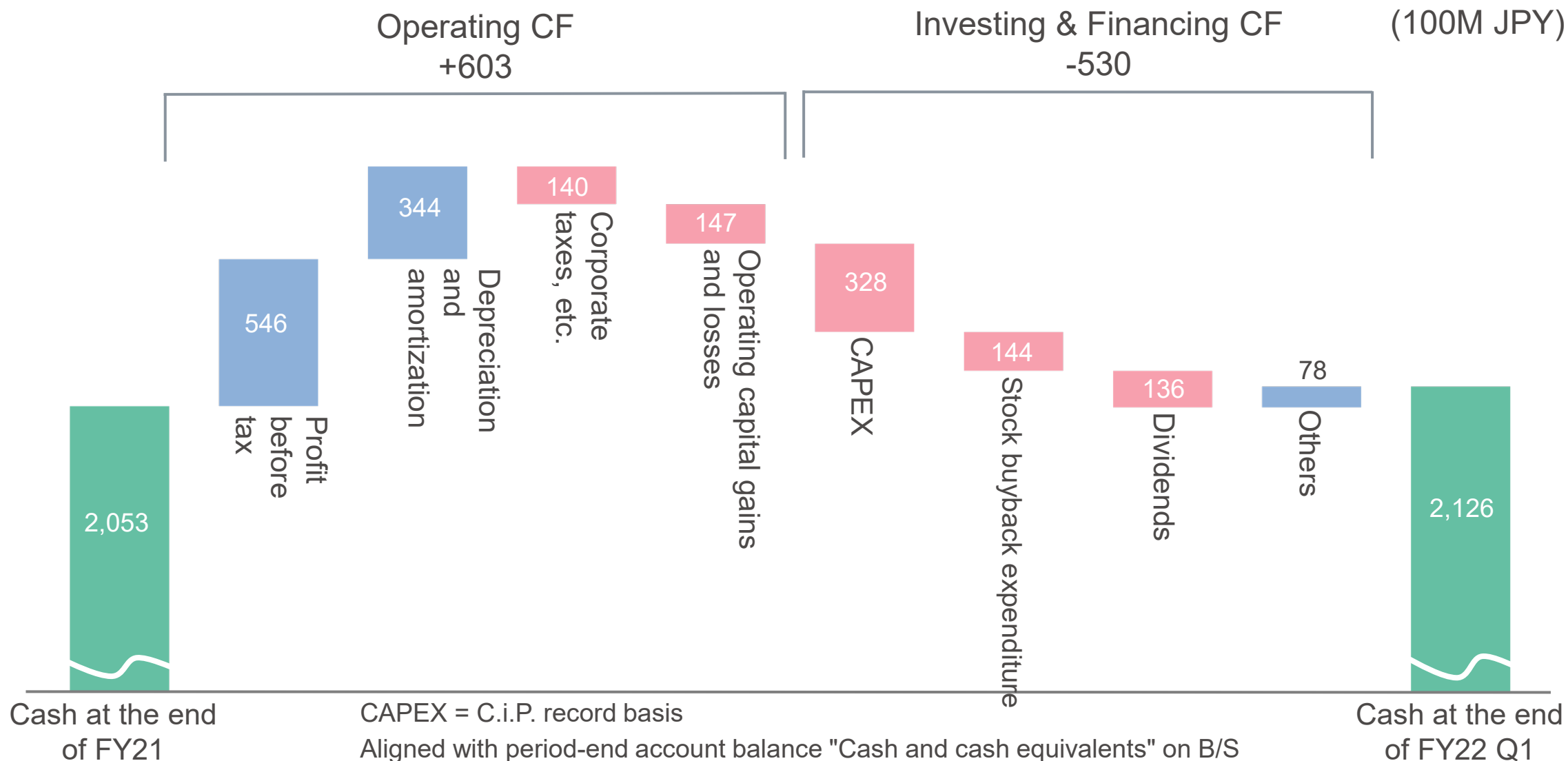
	FY19	FY20	FY21	FY22 Q2	FY22 Guidance
CAPEX	895	772	692	328	900
Depreciation	477	484	532	310	635
Amortization of acquired intangible assets	157	146	161	95	173
Others	320	338	371	215	462

■ FY22 Q2 (32.8B JPY): Continued investment mainly for TIS, Neurovascular, PS, and Blood & Cell Technologies in production capacity, source plasma collection, R&D, as well as IT infrastructure (SAP)

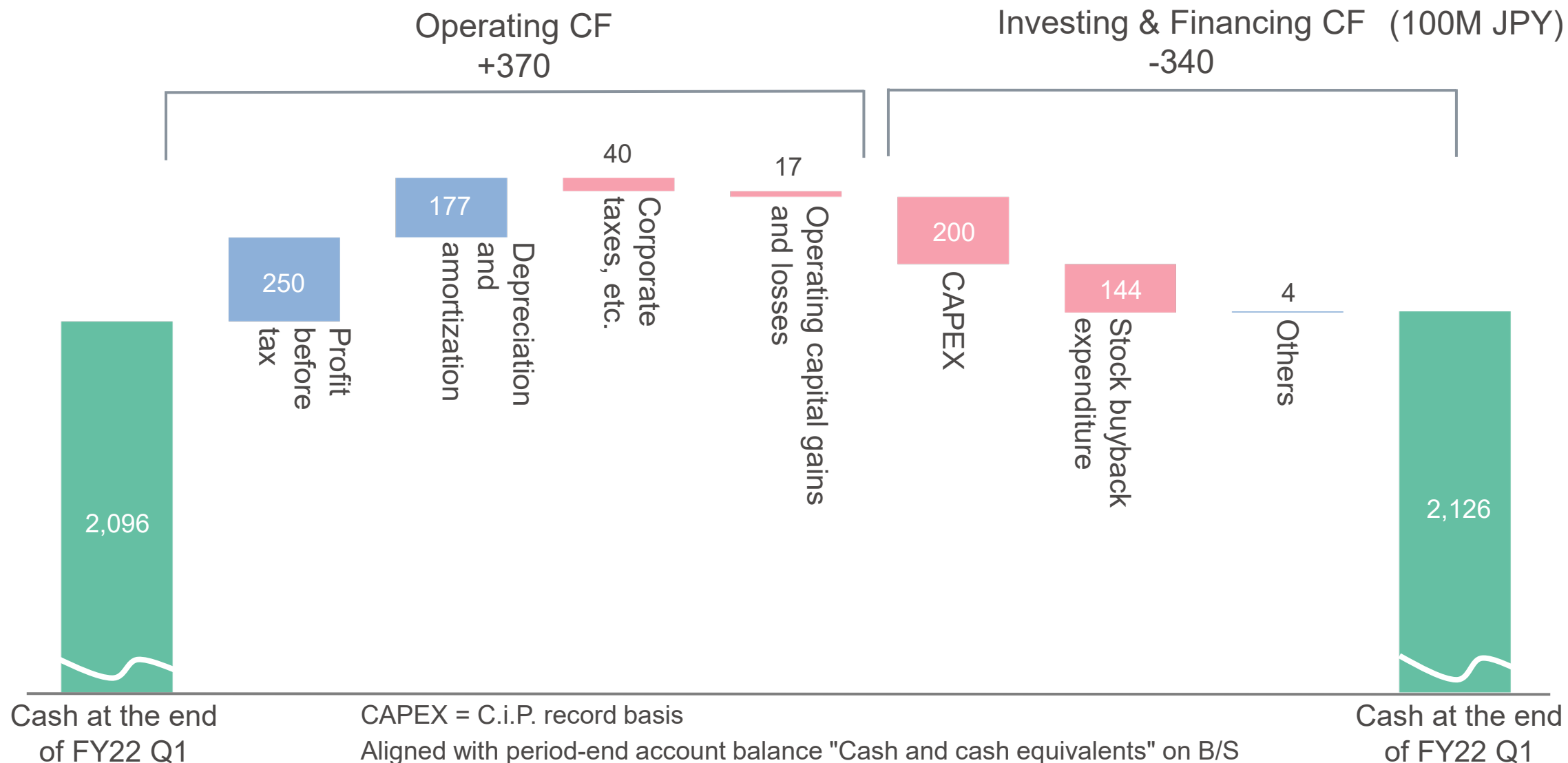
■ FY22 guidance (90 billion yen): Executing appropriately in light of FY22 results

	FY19	FY20	FY21	FY22 Q2	FY22 Guidance
R&D Expenses	506	491	518	297	580

Cash flow (Q2 YTD)



Cash Flows



FY22 FX Impact Breakdown (Flow, Stock)

■ FX impact vs FY21 +3.4BJPY

■ Flow Annual +6.4B JPY: EUR, CNY appreciation positive impact

Rate (JPY)	FY21 Q2 YTD Average rate during period	FY22 Q2 YTD Average rate during period	Variati on
EUR	131	139	8
CNY	17.0	19.9	2.9

■ Stock Annual -3.0B JPY: FX impact from elimination of unrealized profit on inventory assets

- Rapid JPY depreciation in September, expansion of variation between average rate and quarter-end rate resulted in negative impact

Rate (JPY)	FY22 Q2 YTD Average rate during period	FY22 End September	Variati on
USD	134	145	11
EUR	139	142	4

Foreign Exchange Sensitivity

Annual impact of 1 JPY depreciation

(100M JPY)

	USD	EUR	CNY
Revenue	20	9	38
Adjusted Operating Profit	1	5	16

<Reference> Impact when JPY depreciation 10%

	North America	Latin America	Europe		Asia	
			EUR Zone	Others	CNY	Others
Adjusted Operating Profit	7	10	74	13	31	36

