

Verification of GS26 Goals Roadmap

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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.

5-Year Financial Targets (FY22 to FY26)

Growth

**Revenue
Growth**

**High
single-digit**

(5-Year CAGR)

Aiming for revenue of 1 trillion yen through continued growth

Profitability

**Operating
Profit %**

20%+

(Before adjustment, achieve in 5 years)

Capital efficiency

ROIC

10%+

(achieve in 5 years)

Maintain ROE 10% or more

Assumption:

- Impact of new M&A is not included for operating profit and ROIC
- 1 USD = 107 JPY, 1 EUR = 128 JPY

Awareness of Current Environment

Anticipated

 **Demand fundamentals**

Healthy overall
No major change

Unanticipated

 **Inflation**

Raw materials,
transport, energy cost
increases

Unanticipated

 **FX fluctuation**

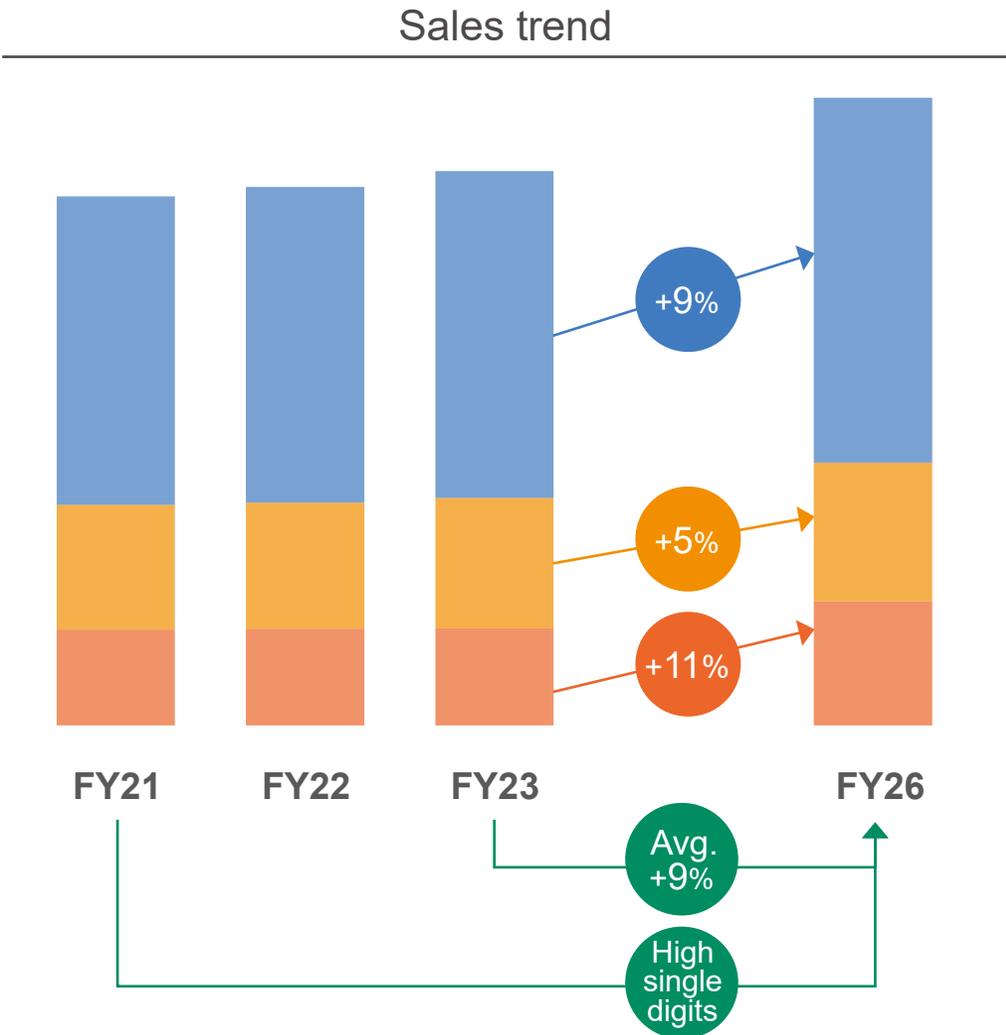
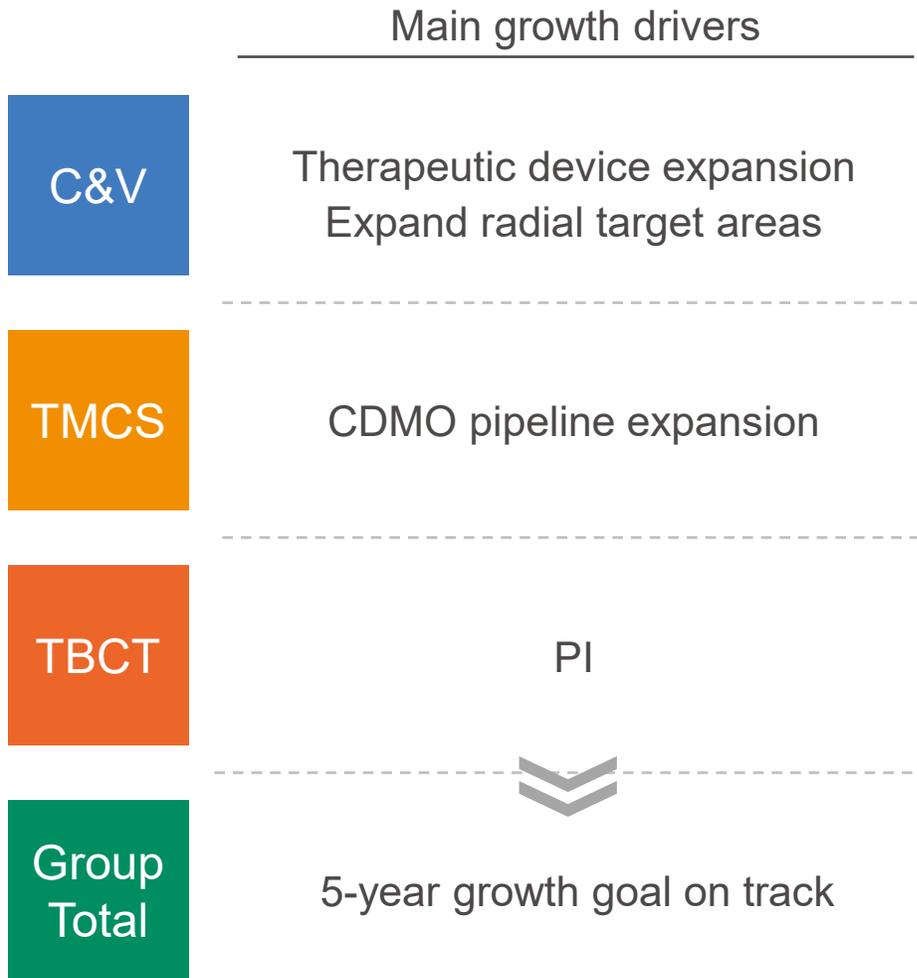
Profit pressure from
import price increases

Anticipated

 **Strategy**

Steady execution of
initial year plan
No major revision

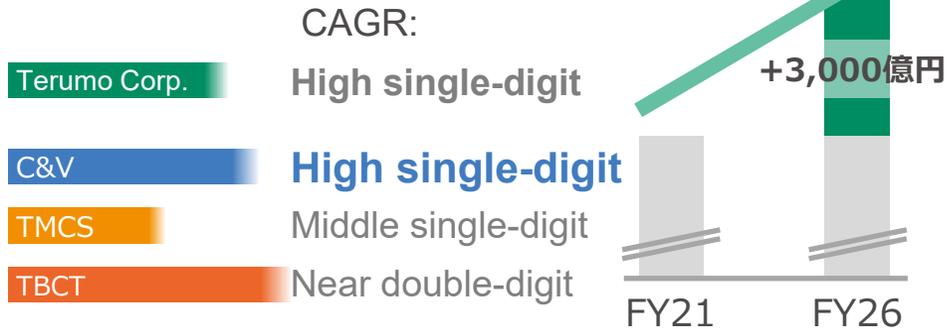
Confirming Growth Prospects



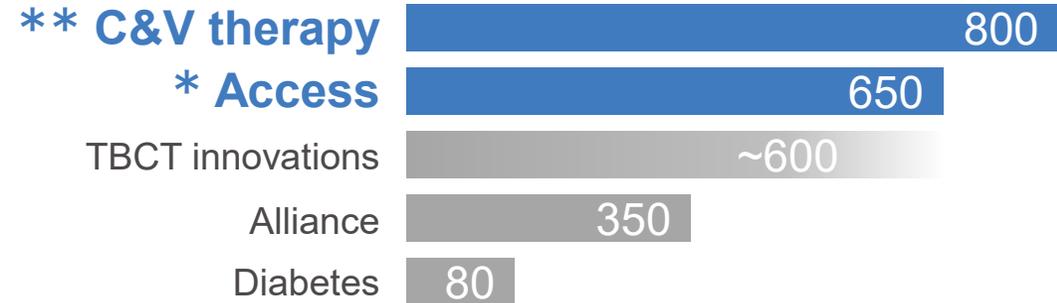
C&V growth potential for GS26 achievement

GS26

Group-wide revenue

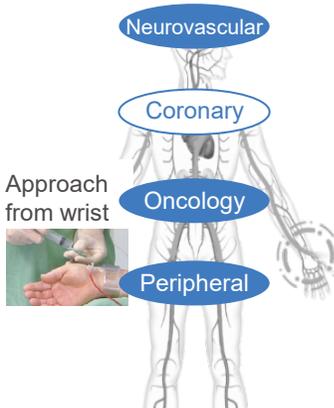


Growth drivers (vs FY21)

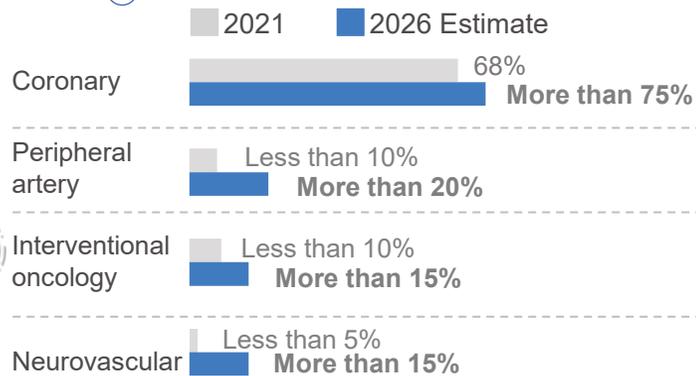


* Access

Expand radial target areas



Radial procedure penetration



Potential beyond GS26 plan

** C&V therapy

New product launches

- RDN in China (FY24 launch planned)
- DSS (Japan/US-centered launch during GS26)

Strong growth of DES Nagomi

- New Nagomi popular, adding share in Japan
- Launch in EU, parts of Asia in FY23
- Considering future entry into US

New Measures to Raise Corporate Value

■ More assertive growth strategy

- More assertive M&A promotion
- Focus areas: While maintaining multidirectional perspective, focus on areas such as Vein, CDMO and Diabetes

■ Accelerate profitability improvement

- Continue worldwide price policy review in FY23
- Get VC2 results earlier to fight inflation pressure

■ Capital policy reinforcement

- Transition from dividend payout ratio toward total return ratio
- Improve capital efficiency/Raise financial leverage

■ Sustainability management

- Establish Sustainability Management Committee
- Implementation of future corporate value targets to executive officers

Roadmap to Earnings Improvements

GS26 achievement scenario

1 Business mix improvement and revenue expansion of high-profit businesses

- Achieve profitability in TBCT PI business
- Expand CDMO business
- Adjustments to product portfolio

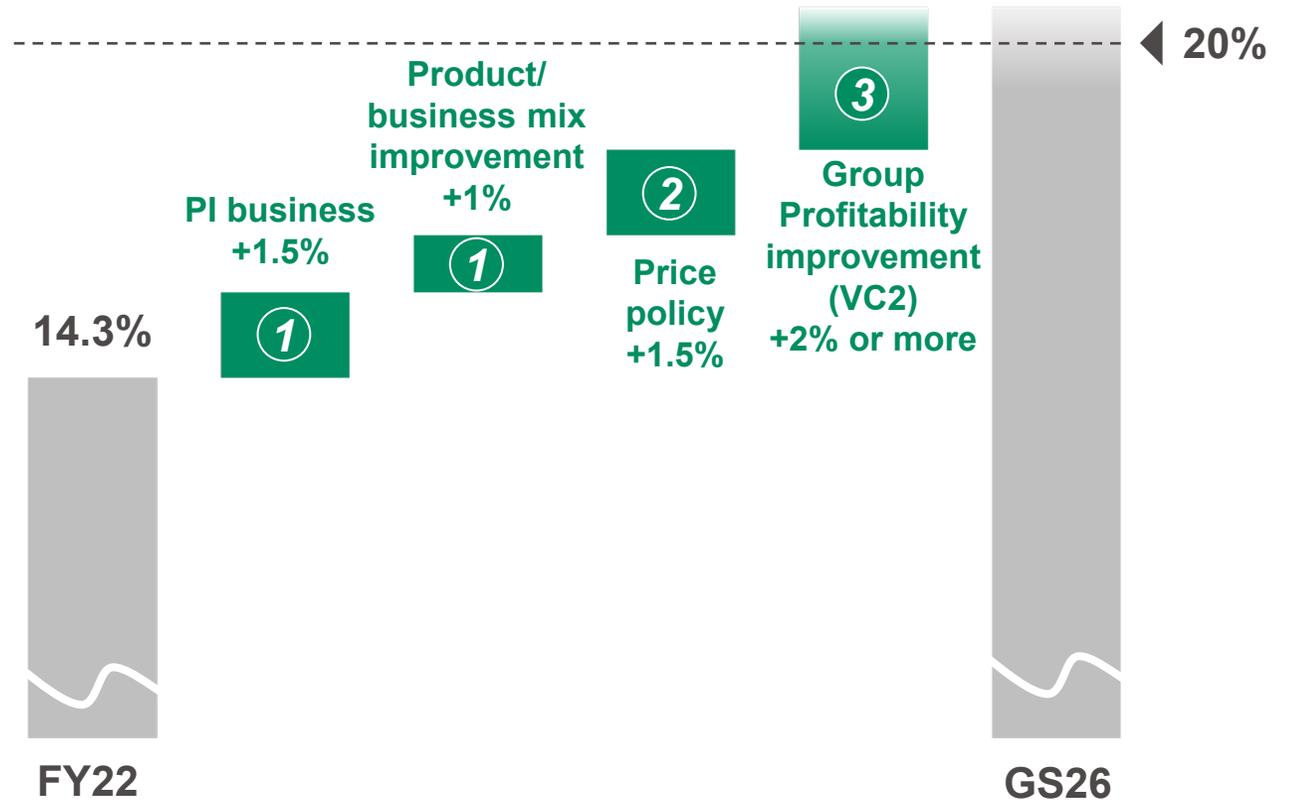
2 Cost pass-throughs in response to inflationary environments

- TMCS Japan reimbursement price revision
- Global-level price transfer

3 Comprehensive and accelerated cost reduction

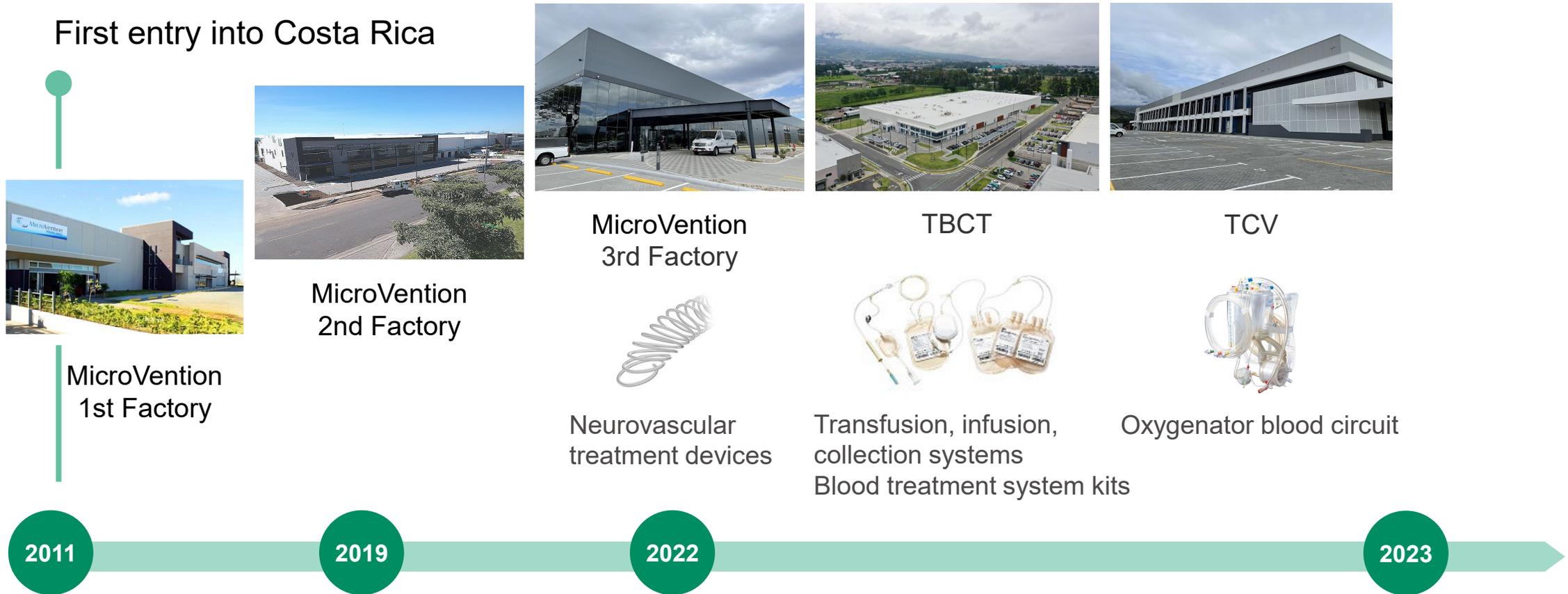
- Production, GBS, SCM and Procurement
- Achieve 2% or more cost reduction in four years

FY22 to GS26 Margin Trend



Production transfer to Costa Rica gets results from FY2023

MicroVention came first, other Terumo companies followed



VC2 Actions and Expected Effects

FY22 results / ongoing actions

Procurement

- Domestic focused direct/indirect materials cost optimization
- Global cost optimization
- Procurement compliance enhancements

Logistics

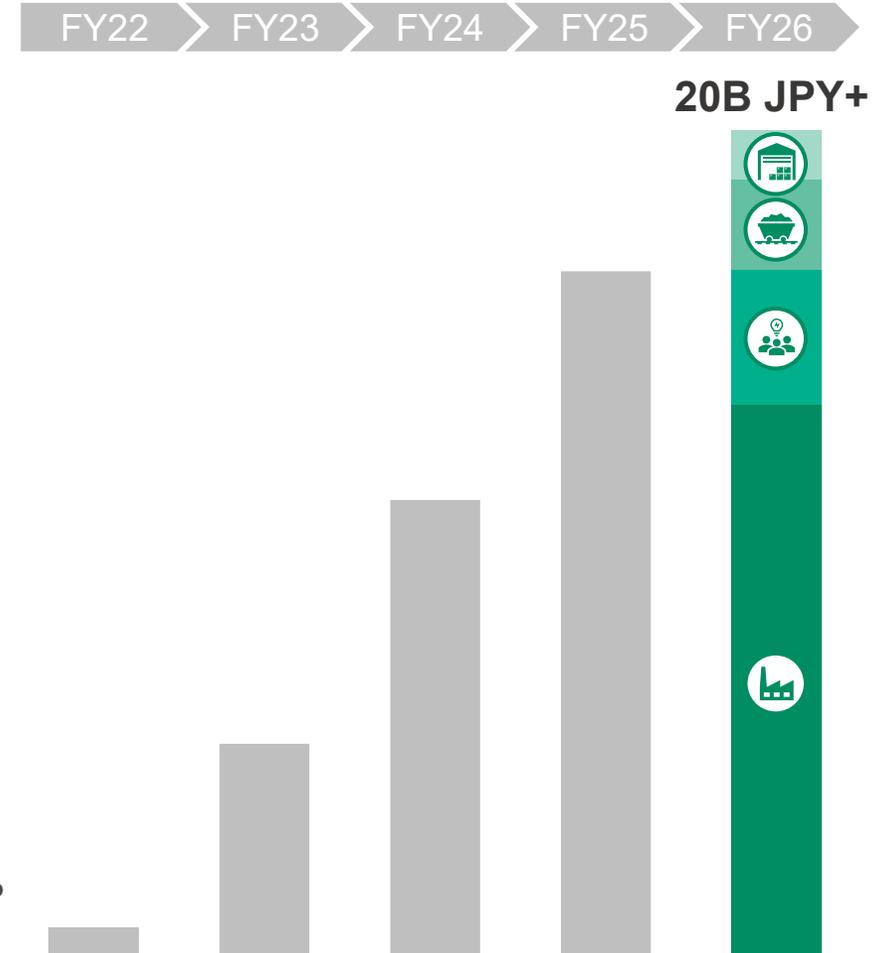
- Completion of NA optimizations analysis (delivery conditions / warehouse locations)
- Optimizations across all regions
- Expansion of 3PL utilization

Support functions

- Integration/centralization of procurement → payment process (NA / EU)
- Expansion of services to non-accounting fields

Production

- Expansion of offshore production (Vietnam, Costa Rica)
- Development of product-specific optimal production method
- Labor force optimization via DX transformation
- Minimize stock write-off via S&OP enhancements



TMCS Profitability Improvement Plan

Achievement scenario

1 Business mix improvement, and portfolio transformation

- Accelerate PS business growth, CDMO pipeline expansion
- Business/product mix improvement, and more assertive M&A
- Take actions to unprofitable businesses & products

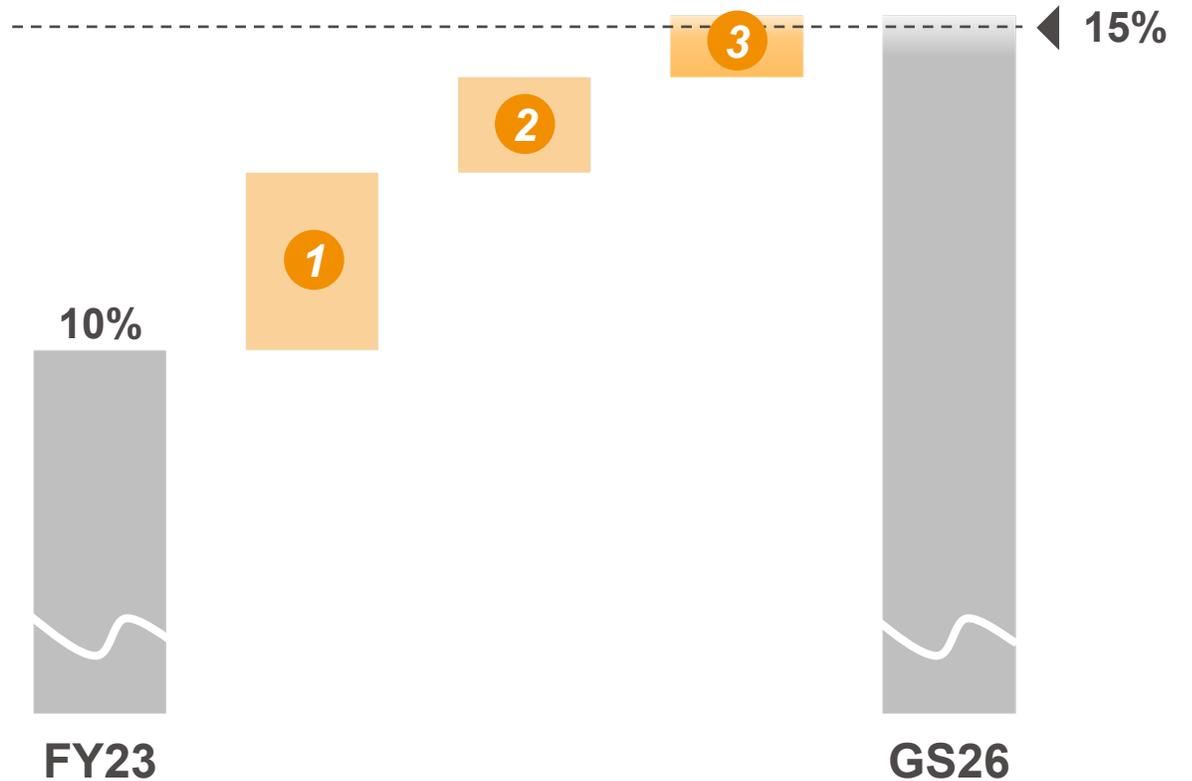
2 Price policy revision

- Price increases for wide-range product lines
- Price revisions of medical products

3 Structural transformation to balance cost reduction and growth

- Integrate or exit sites
- Reorganize, strengthen domestic sales organization (reduce SG&A)
- Optimize Global Production

FY23 to GS26 Margin Trend



TBCT Profitability Improvement Plan

Achievement scenario

1 Recover from one-time costs

- PI: Higher fix-cost burden due to volume shortfall
- Blood center business: stabilization of supply chains

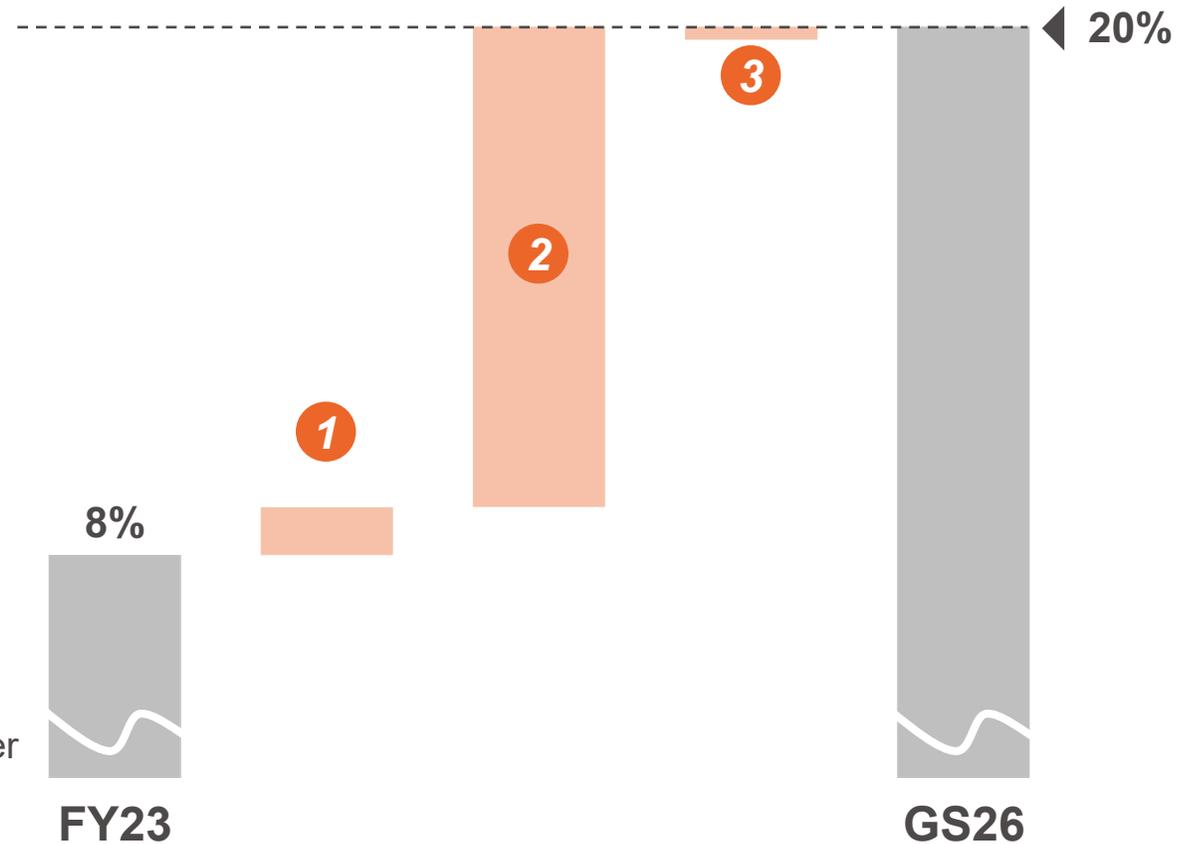
2 Expansion of PI business

- Exceptional reviews from clients and donors
- Improved profitability from further optimizations of RIKA
- Solid turnaround to profit generation

3 Reliable growth of blood center business

- Profitability improvements through productions site transfer
- Reliable growth / revenue improvements

FY23 to GS26 Margin Trend





Blood and Cell Technologies' core business returned to growth

Demonstrating a strong value proposition amidst global supply chain challenges

Plasma Innovations positioned to capture the value of investments in source plasma industry

- Infrastructure positioned for high-quality growth
- Continuing Limited Market Release steady deployment for initial customer CSL Plasma
- Initiating clinical trial for the next version of innovation



Invested in a state-of-the-art single-use sets production

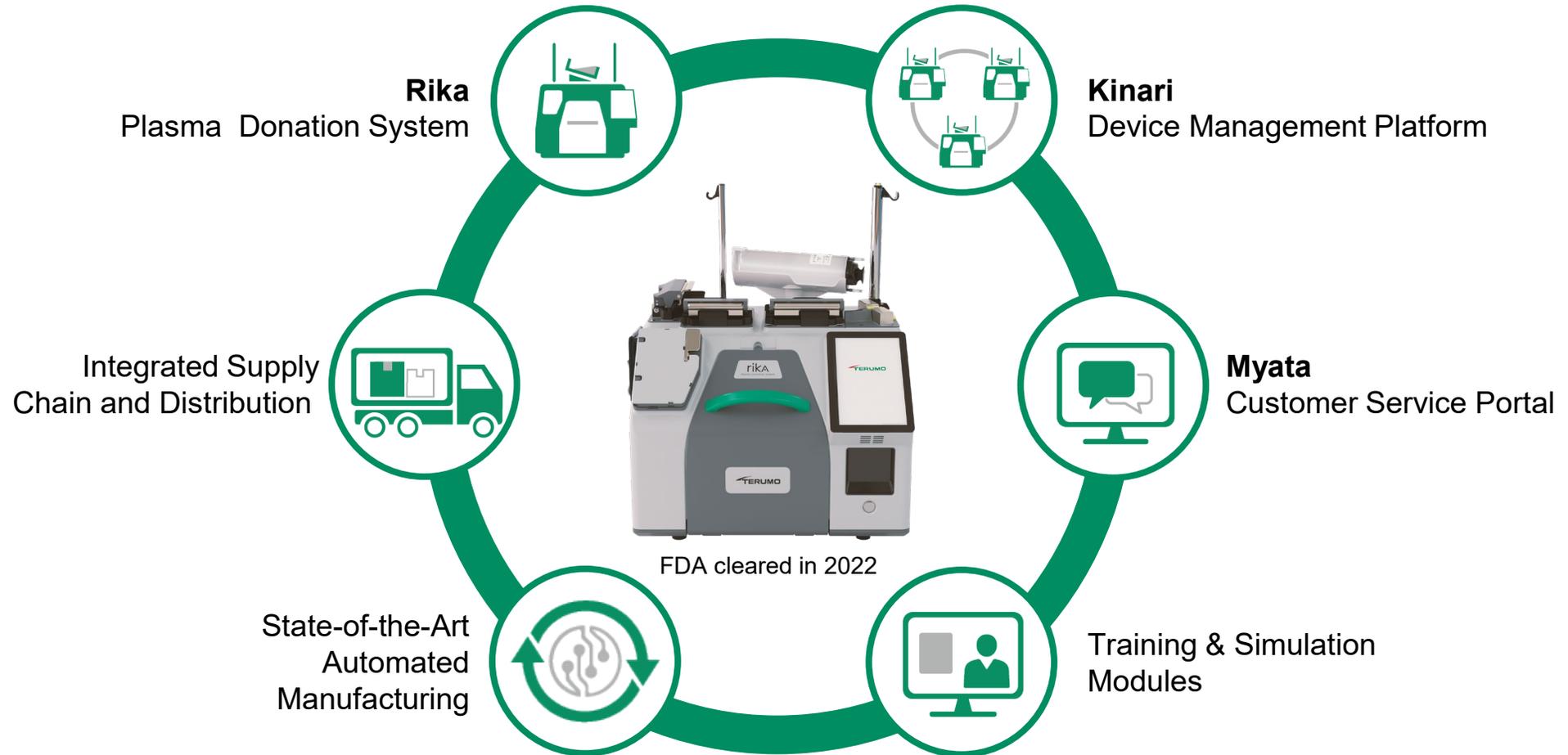


New plasma center next to CSL's fractionation facility at Kankakee, IL

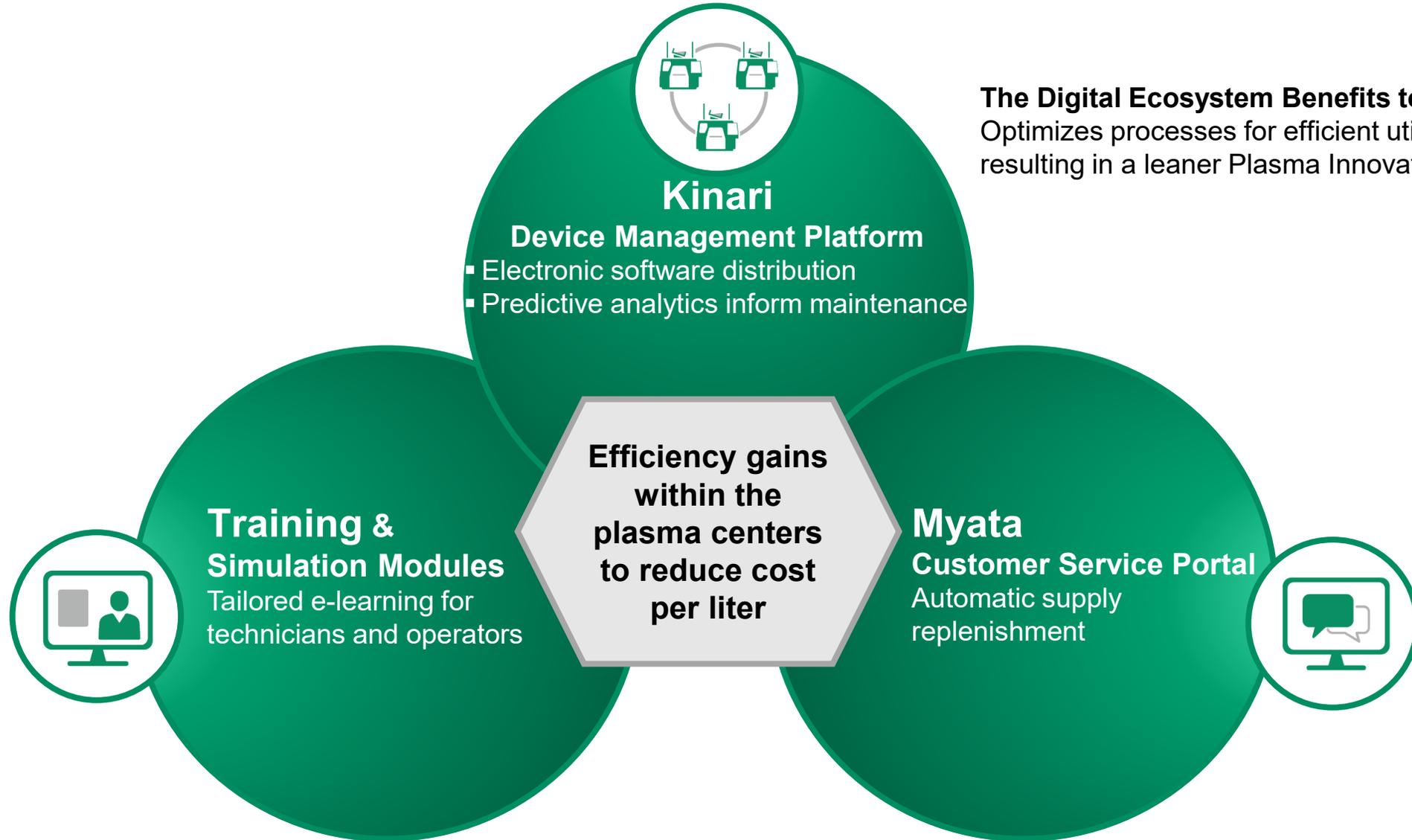


Invested in contract manufacturing capabilities to produce Rika device and bottles

Proven Innovation Advancing Source Plasma Industry



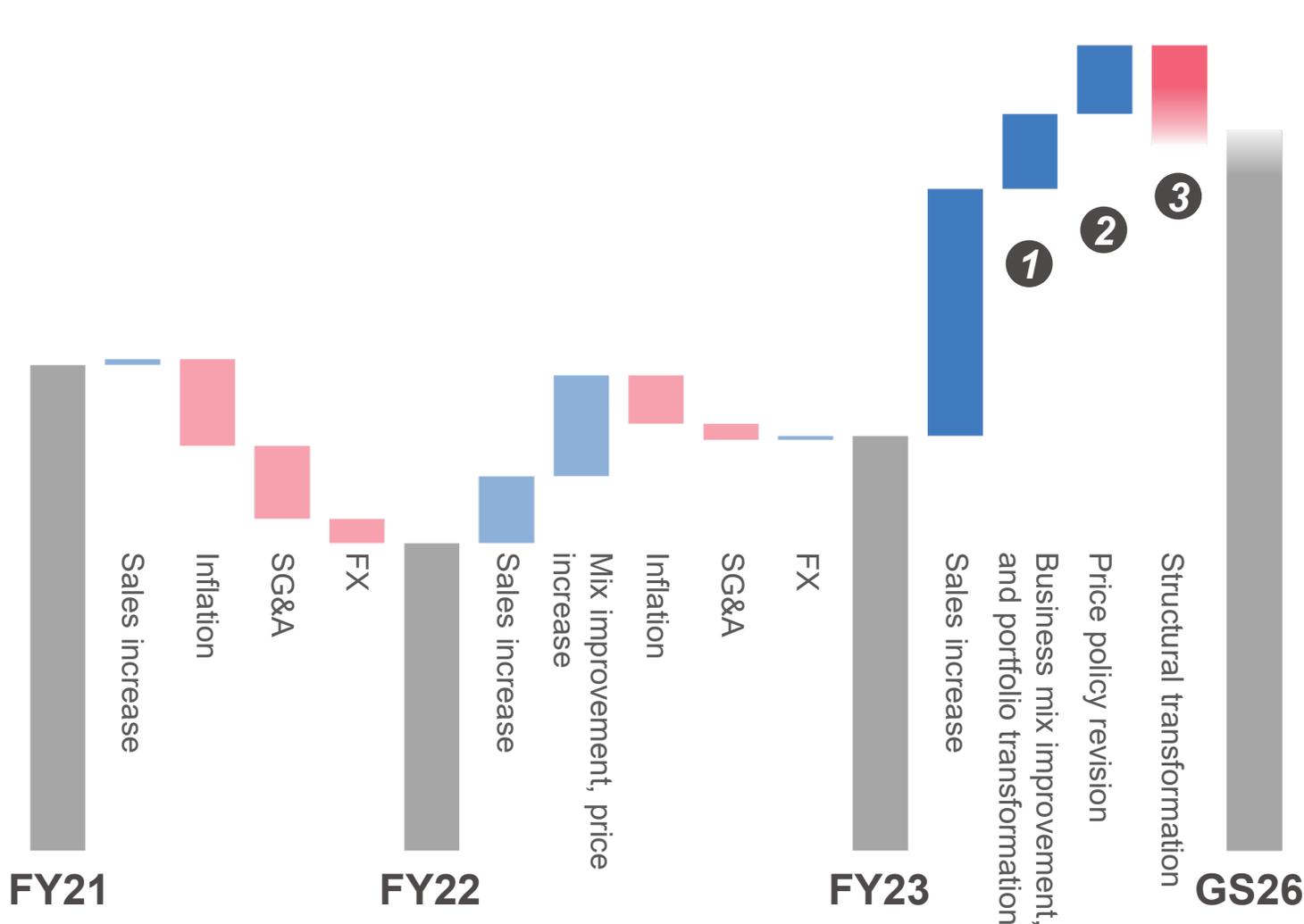
Our Digital Ecosystem and the Impact to Customers



The Digital Ecosystem Benefits to Terumo BCT:
Optimizes processes for efficient utilization of resources resulting in a leaner Plasma Innovations organization

Appendix

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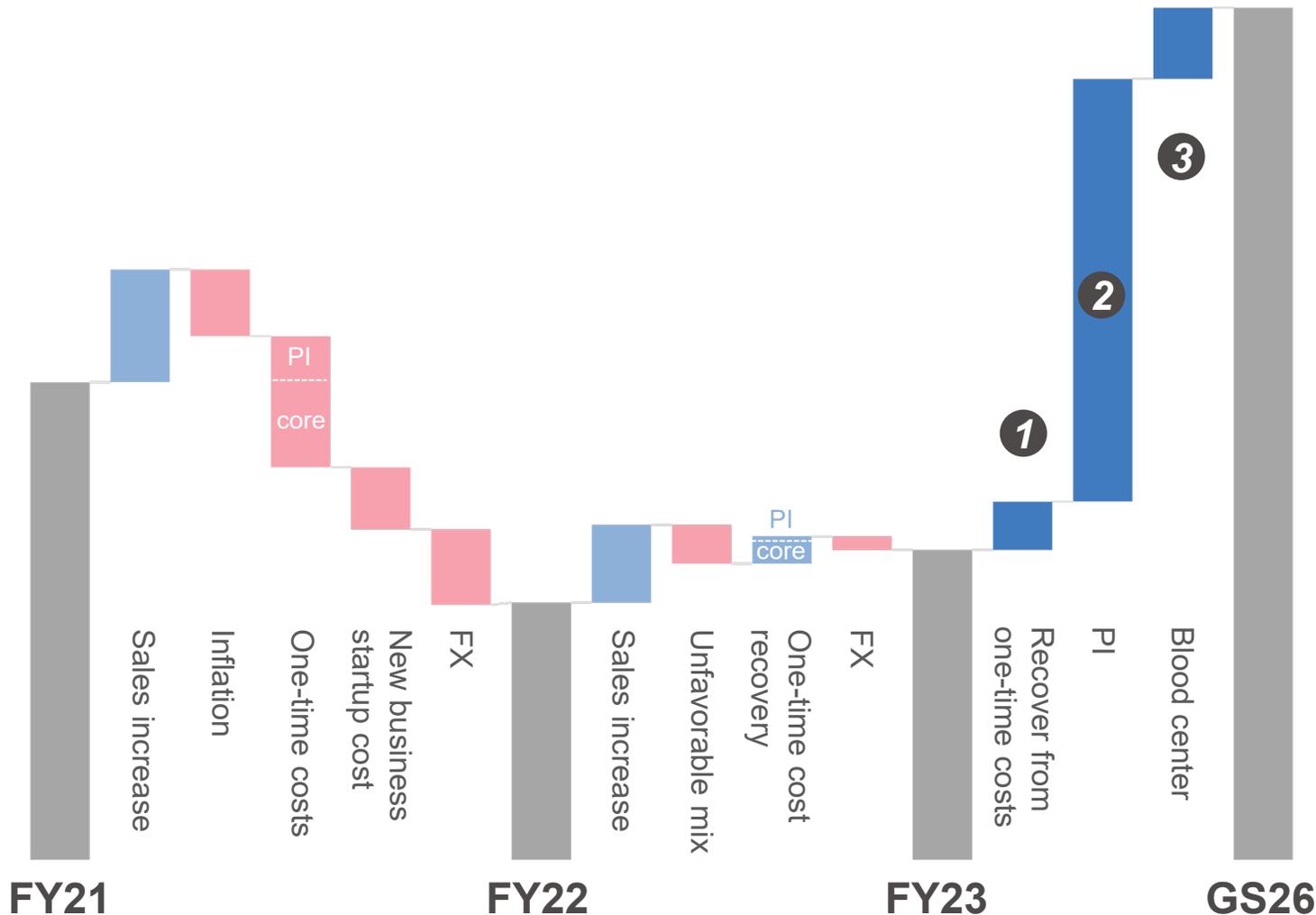
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TBCT Profitability Improvement Plan



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