

Financial Results for the Fiscal Year Ended March 31, 2024 (FY2023)

May 14, 2024

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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.

Highlights

FY23 Results

- Record highs in revenue, operating profit, and net income
- Revenue growth driven by Americas and Europe, +7% companywide (excluding exchange rate effects)
- Operating profit growth outpaced sales growth, +14% companywide (excluding exchange rate effects)

FY24 Guidance

- Continued global growth, revenue growth +7% (excluding exchange rate effects)
- Operating profit up 16% (excluding exchange rate effects) due to expansion of highly profitable businesses

P&L

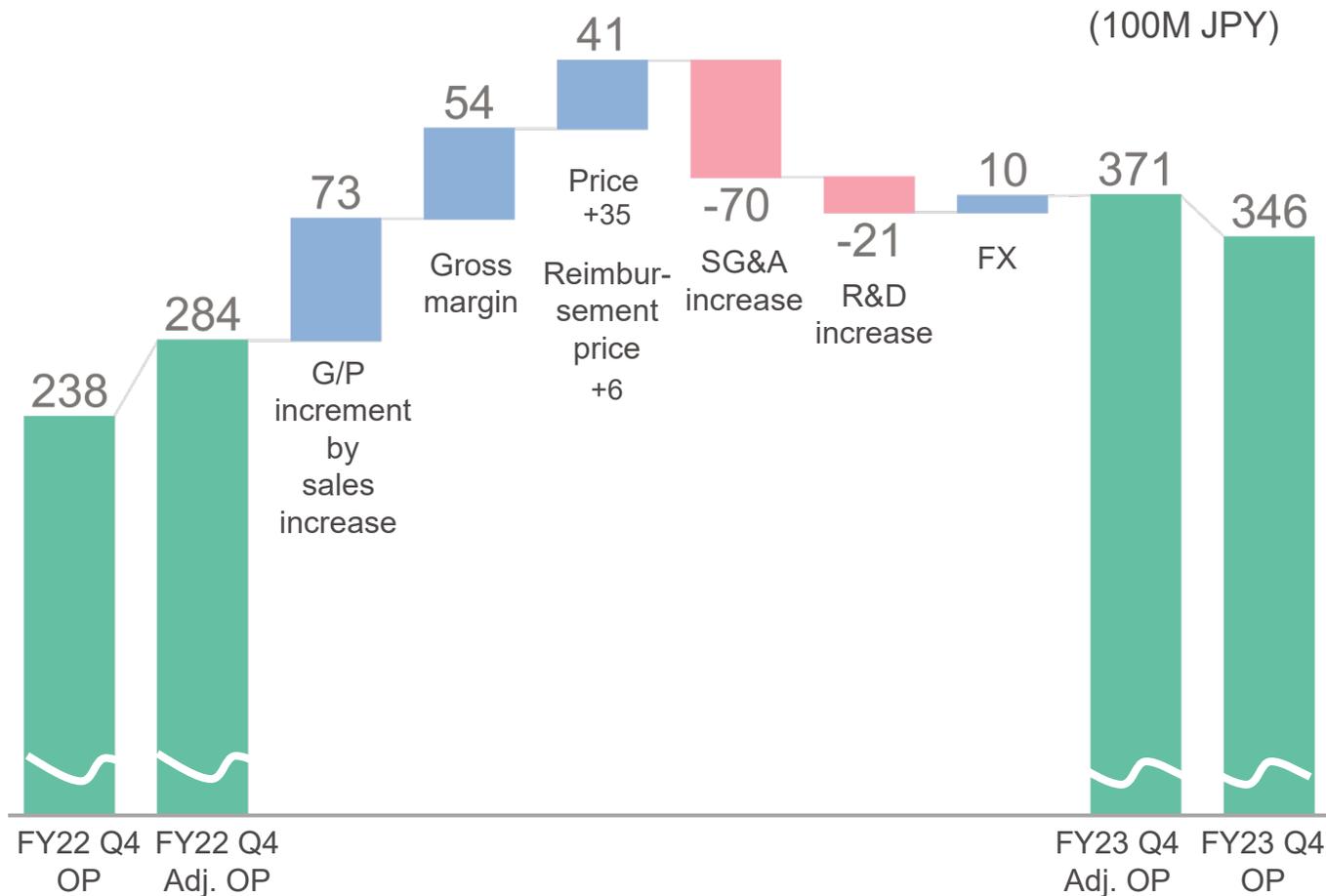
- Revenue: Record high. TIS, blood center business, Neuro, and Vascular led with double-digit growth
- Operating profit: Record high. Steady progress in profit improvement measures. SG&A expenses increased due to increased headcount to expand sales of therapeutic devices in North America

100M JPY	FY22 Q4 YTD	FY23 Q4 YTD	Change	Change excluding FX impact	FY22 Q4	FY23 Q4	Change
Revenue	8,202	9,219	12%	7%	2,022	2,389	18%
Gross Profit (%)	4,174 (50.9%)	4,792 (52.0%)	15%	9%	990 (49.0%)	1,243 (52.0%)	26%
SG&A Expenses (%)	2,383 (29.1%)	2,759 (29.9%)	16%	10%	597 (29.5%)	737 (30.9%)	23%
R&D Expenses (%)	616 (7.5%)	691 (7.5%)	12%	8%	160 (7.9%)	199 (8.3%)	25%
Other Income and Expenses	-2	59	-	-	5	39	651%
Operating Profit (%)	1,173 (14.3%)	1,401 (15.2%)	19%	14%	238 (11.8%)	346 (14.5%)	45%
Adjusted Operating Profit (%)	1,380 (16.8%)	1,568 (17.0%)	14%	8%	284 (14.1%)	371 (15.5%)	30%
Profit before Tax (%)	1,161 (14.2%)	1,408 (15.3%)	21%		240 (11.9%)	351 (14.7%)	46%
Profit for the Year (%)	893 (10.9%)	1,064 (11.5%)	19%		191 (9.5%)	265 (11.1%)	38%

Average exchange rate (USD/EUR) 135JPY/141JPY 145JPY/157JPY

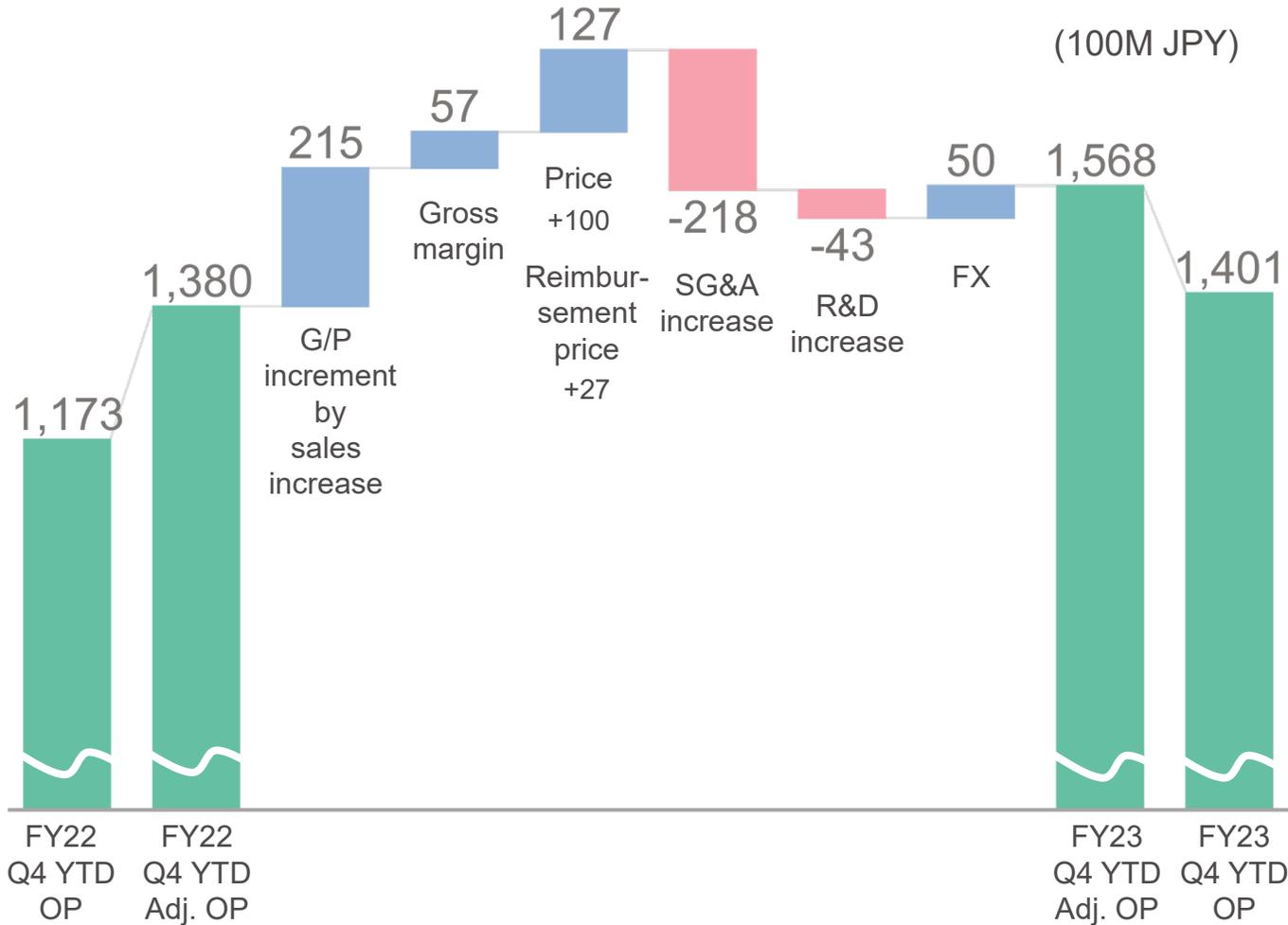
132JPY/142JPY 149JPY/161JPY

OP Variance Analysis (Q4): Profitability improvements as planned



- G/P increment by sales increase: TIS, Neuro led the driver C&V
- Gross margin: Mitigation of inflationary effects, and cost reduction effects
- Price: Global promotion of price revision
- SG&A increase: Increased sales force for expansion of therapeutic devices sales in US
- FX: +3.6B JPY flow impact; -2.6B JPY stock impact

OP Variance Analysis (Q4 YTD): As planned in all areas

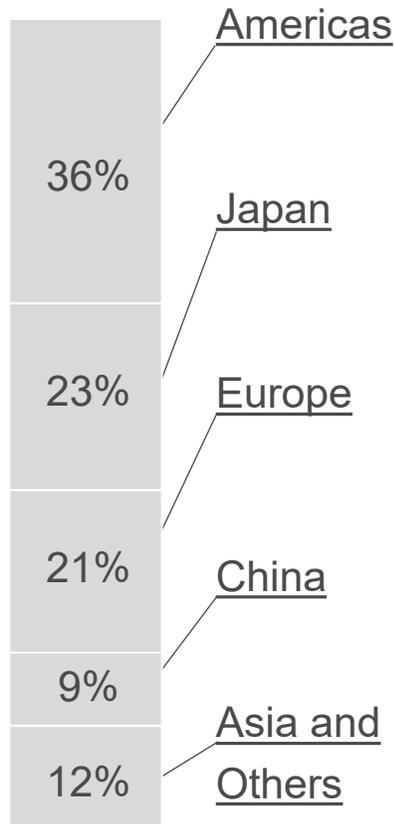


- G/P increment by sales increase:**
 Drivers were C&V and TBCT
- Gross margin:**
 One-time costs offset by inflation mitigation, cost reductions, and product mix improvements
- Price:**
 Global promotion of price revision
- SG&A increase:**
 Increased sales force for expansion of therapeutic devices sales in US
- FX:**
 +10.2B JPY flow impact; -5.2B JPY stock impact

Revenue by Region: Therapeutic devices strong in Americas, Europe: Asia drove high growth rate

C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies, TIS: Interventional Systems, Neuro: Neurovascular, CV: Cardiovascular

FY23 Q4 YTD
Regional
breakdown



		Revenue (100M JPY)		FY23 Q4 YTD YoY change	Comments
		Q4 YTD	Q4	() FX Neutral	
Americas	FY21	2,204	592		C&V's Neuro / Vascular, TBCT's blood center business grew double digits even when excluding exchange rate effects
	FY22	2,866	742	14%	
	FY23	3,280	898	(8%)	
Japan		2,061	511		All companies grew. Vascular performed favorably at C&V, PS at TMCS, and the blood center business at TBCT
		2,074	503	2%	
		2,111	524		
Europe		1,404	364		Double-digit growth in Neuro / Vascular in C&V, even when excluding exchange rate effects; sustained growth in the TBCT blood center business
		1,600	414	20%	
		1,915	525	(8%)	
China		594	147		All companies grew. C&V was led by double-digit growth in TIS. TBCT's blood center business and TMCS also performed well, with double-digit growth
		719	153	10%	
		794	194	(8%)	
Asia and Others		770	184		All companies continued to grow. Double-digit growth in TIS, CV, blood center business, and apheresis therapy, even when excluding exchange rate fluctuations
		943	209	19%	
		1,118	249	(13%)	

C&V: Continued global demand, driven by double-digit growth in Vascular and Neuro

(C&V: Cardiac and Vascular, TIS: Interventional Systems)

(100M JPY)

	Q4 YTD			Q4			Comments	Q4 YTD YoY
Revenue	3,971	4,806	5,557 () FX Neutral	1,027	1,217	1,480	TIS: Access and therapeutic demand expanded globally. Volume-based procurement (VBP) in China caused distributors to hold off from buying; however double-digit growth continued	+451
			16% (9%)			22%	Neuro-vascular: Stroke device market share recovered in US and Europe. China decreased due to return to normal after FY22 initial inventory buildup by new distributors; demand remains steady	+122
Adjusted Operating Profit	932	1,122	1,239	209	286	319	Cardio-vascular: Japan hardware demand returned to normal, but US and Asia sales stayed strong	+76
			10% (7%)			12%	Vascular Graft: US and Europe were drivers. Hybrid product and stent graft sales expansion continued	+102
Profit%	23%	23%	22%	20%	23%	22%	Profit: Increased sales and profitability improvement. SG&A increased due to sales force expansion for growth of therapeutic devices sales in US	

TMCS: Increased revenue and profit despite impact of Nutrition business divestiture, return to normal of thermometers

(TMCS: Medical Care Solutions)

(100M JPY)

	Q4 YTD			Q4			Comments	Q4 YTD YoY	
Revenue	() FX Neutral						HCS Hospital Care Solutions:	In Japan, the company is rebounding from the decline in sales resulting from the divestiture of its nutrition business by revising its pricing policy and strong performance in infusion sets. Overseas sales were solid, driven by Asia and Latin America	+48
	1,853	1,917	1,976						
Adjusted Operating Profit							LCS Life Care Solutions:	Thermometer demand returned to normal. Japan blood glucose self-measurement product sales down due to stiffer competition	-18
				466	462	503			
Profit%							PS Pharmaceutical Solutions:	The CDMO business performed well in Japan	+29
							Profit:	Substantial increase due to ease of inflation impact and price policy revision effects	
	FY21	FY22	FY23	FY21	FY22	FY23			
	13%	8%	10%	9%	5%	8%			

TBCT: Strong blood center business drove large profit increase

(TBCT: Blood and Cell Technologies)

(100M JPY)

	Q4 YTD			Q4			Comments	Q4 YTD YoY	
Revenue	() FX Neutral						Blood Center Solutions: Whole blood collection-related products performed well in Asia and Americas Therapeutic Solutions: Cell collection demand expanded in US. Therapeutic apheresis for hospitals strong in Asia Cell Therapy Technologies: Minus YoY due to sale of a business. Cell therapy investment expansion led to steady trend in cell processing system sales	+183	
	1,206	1,476	1,683	304	342	405			+44
			14% (8%)			18%			-21
Adjusted Operating Profit	208	112	164	37	-18	25	Profit: Significant increase in profit due to higher sales revenue. The positive effects of the pricing policy and the transfer of production to Costa Rica also contributed. Q4 recorded a one-time expense for impairment of intangible assets		
			47% (52%)						
Profit%	17%	8%	10%	12%	-5%	6%			

FY24 Guidance

- Revenue: Continued growth led by Blood & Cell Technologies, +7% growth (excluding exchange rate effects)
- Operating profit: Double-digit growth due to expanded sales of high-profit products and further strengthening of profitability improvement measures

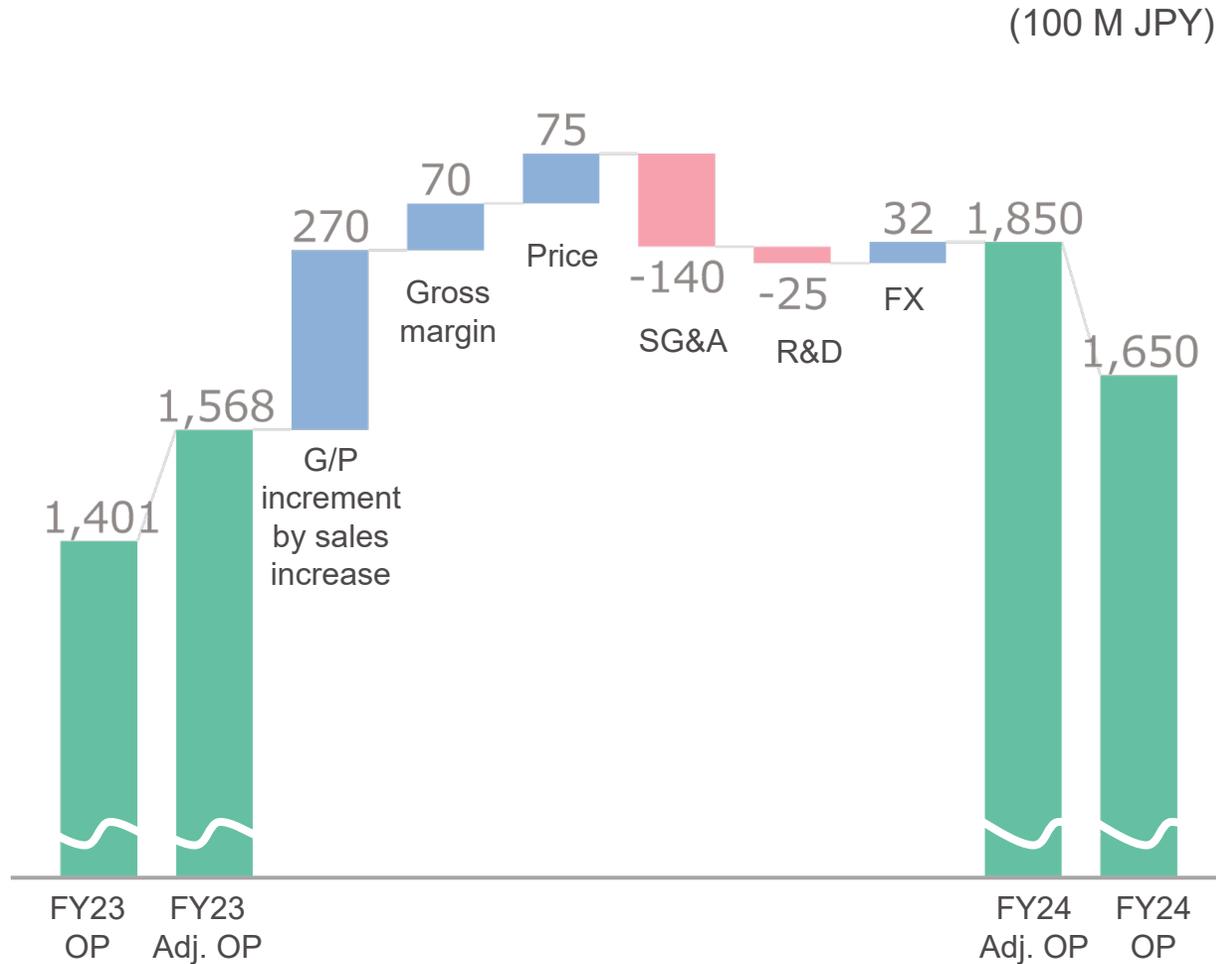
Amount (100 M JPY)	FY23 Actual	FY24 Guidance	YoY%	FX Neutral YoY%
Revenue	9,219	9,800	6%	7%
Operating Profit (OP %)	1,401 (15.2%)	1,650 (16.8%)	18%	16%
Adjusted Operating Profit (Adj. OP %)	1,568 (17.0%)	1,850 (18.9%)	18%	16%
Profit for the Year	1,064	1,220	15%	
ROIC	7.1%	7.6%		
ROE	8.7%	8.9%		
Exchange Rate (USD/EUR)	145JPY/157JPY	145JPY/155JPY		

() FX Neutral

FY24 by Company (100 M JPY)	Revenue		Adjusted Operating Profit		Adjusted Operating Profit %
	Amount	YoY%	Amount	YoY%	
C&V	5,818	5% (5%)	1,415	14%	24%
TMCS	2,100	6% (6%)	235	19%	11%
TBCT	1,880	12% (12%)	235	43%	12%

(C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies)

Profit Variance Analysis (FY24 Guidance)



- G/P increment by sales increase:
Continuation of growth mainly in Blood & Cell Technologies and C&V
- Gross margin:
Continuation of profit improvement measures, and effects of product mix improvement
- Price:
Continuation of pricing policy, including impact of VBP in China
- SG&A increase:
Increase due to business expansion

Assumptions Underlying FY24 Guidance

(C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies)



- Despite the impact of volume-based procurement (VBP) in China and official price revisions in Japan, this is expected to be covered by all businesses, and sales are expected to grow
- Profitability improving due to **continued profit improvement measures** and **the effect of improved product mixes**



- Despite assumptions of raw material cost increases, 6% sales growth is expected due to **price actions** and **double-digit growths in the Pharmaceutical Solutions business**
- Impacts on performance from the first overseas CDMO project (to be closed soon) and the Antibody for Alzheimer's disease are limited.



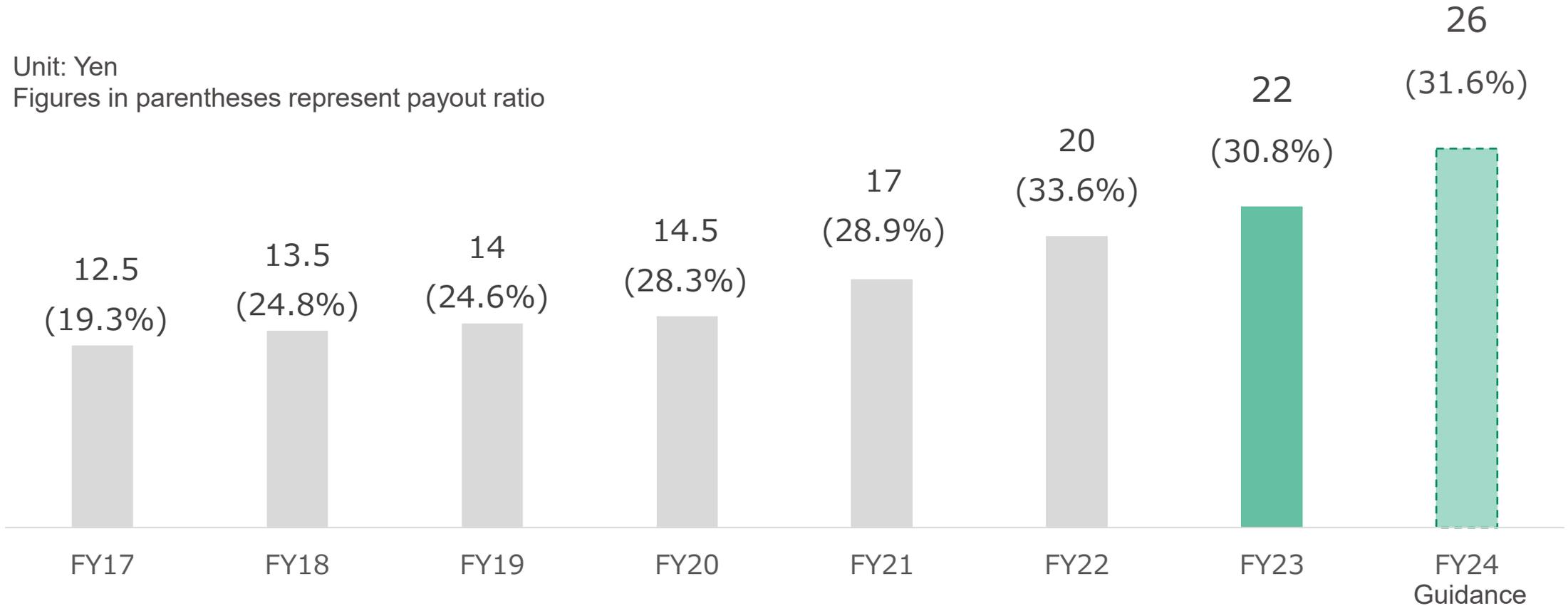
- Assumes **acceleration of plasma innovation business rollout** and **stable growth in core business**
- **Profitability improvement** of 2 percentage points total

Dividend Proposal: Continuous increase per shareholder return policy

- Shareholder return policy: Continue stable increase in dividend, aiming for 50% total payout ratio

Unit: Yen

Figures in parentheses represent payout ratio



FY17-FY23: Dividend amounts per share are adjusted based on the number of shares issued and outstanding as of 1st April 2024.

Reference

Revenue by Segment and Region

2023年度 セグメント別売上収益

Revenue by Segment for FY2023

(百万円 / millions of yen)

		FY2022							FY2023										構成比 % to total					
		米州 Americas	欧州 Europe	中国 China	アジア他 Asia and others	海外 Overseas	日本 JPN	合計 WW	米州 Americas	%YoY	欧州 Europe	%YoY	中国 China	%YoY	アジア他 Asia and others	%YoY	海外 Overseas	%YoY		日本 JPN	%YoY	合計 WW	%YoY	
心臓血管 カンパニー	TIS	TIS	136,360	72,477	43,593	34,676	287,108	32,288	319,396	155,083	13.7%	86,133	18.8%	49,004	13.8%	40,361	16.4%	331,182	15.4%	33,286	3.1%	364,468	14.1%	39.5%
	ニューロバスキュラー	Neurovascular	30,033	18,761	11,392	4,896	65,288	5,627	70,915	36,569	21.7%	24,074	28.3%	11,004	-5.1%	5,765	17.7%	77,413	18.6%	5,740	2.0%	83,153	17.3%	9.0%
	カーディオバスキュラー	Cardiovascular	28,339	6,712	2,193	6,785	44,085	10,404	54,489	32,675	15.1%	7,840	16.8%	2,718	13.7%	8,679	27.9%	51,914	17.8%	10,194	-2.0%	62,108	14.0%	6.7%
	血管	Vascular Graft	13,179	15,913	1,611	1,518	22,227	3,580	35,807	17,537	33.1%	20,379	28.0%	1,574	-2.3%	2,052	35.2%	41,544	28.9%	4,441	24.1%	45,985	28.4%	5.0%
Cardiac and Vascular Company			207,967	113,869	58,996	47,876	428,709	51,900	480,610	241,864	16.3%	138,427	21.6%	64,902	10.0%	56,858	18.3%	502,054	17.1%	53,662	3.4%	555,716	15.6%	60.3%
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	10,251	2,671	1,979	16,357	31,261	98,533	129,794	11,719	14.3%	2,797	4.7%	2,115	6.9%	17,920	9.6%	34,554	10.3%	99,997	1.5%	134,551	3.7%	14.6%
	ライフケアソリューション	Life Care Solutions	-	792	1,161	1,159	3,113	21,612	24,726	39	-	784	-1.0%	1,243	7.0%	1,304	12.5%	3,371	8.3%	19,559	-9.3%	22,930	-7.3%	2.5%
	ファーマシューティカルソリューション	Pharmaceutical Solutions	2,942	8,840	386	1,703	13,872	23,355	37,228	2,100	-28.6%	9,942	12.5%	730	89.1%	2,214	30.0%	14,988	8.0%	25,098	7.5%	40,086	7.7%	4.3%
Medical Care Solutions Company			13,194	12,304	3,527	19,220	48,247	143,502	191,749	13,858	5.0%	13,524	9.9%	4,090	16.0%	21,440	11.5%	52,913	9.7%	144,656	0.8%	197,569	3.0%	21.4%
血液・細胞 テクノロジー カンパニー	血液センター	Blood Center Solutions	40,966	25,936	7,770	23,584	98,257	11,005	109,262	48,290	17.9%	30,261	16.7%	8,783	13.0%	28,472	20.7%	115,808	17.9%	11,804	7.3%	127,612	16.8%	13.8%
	アフェレシス治療他	Therapeutic Solutions	17,113	6,878	1,353	3,236	28,581	595	29,177	18,694	9.2%	8,050	17.0%	1,510	11.7%	4,683	44.7%	32,939	15.2%	686	15.3%	33,626	15.2%	3.6%
	細胞処理	Cell Therapy Technologies	7,333	1,023	299	361	9,027	137	9,165	5,273	-28.1%	1,233	19.9%	126	-57.9%	392	8.7%	7,026	-22.2%	63	-54.1%	7,089	-22.6%	0.8%
Blood and Cell Technologies Company			65,418	33,843	9,422	27,182	135,866	11,738	147,605	72,259	10.5%	39,546	16.9%	10,420	10.6%	33,548	23.4%	155,774	14.7%	12,553	6.9%	168,328	14.0%	18.3%
その他	Others		-	-	-	-	-	243	243	-	-	-	-	-	-	-	-	-	248	2.1%	248	2.1%	0.0%	
合計	Total		286,580	160,017	71,946	94,279	612,823	207,385	820,209	327,982	14.4%	191,498	19.7%	79,412	10.4%	111,847	18.6%	710,742	16.0%	211,121	1.8%	921,863	12.4%	100.0%
売上比率	% to Total		34.9%	19.5%	8.8%	11.5%	74.7%	25.3%	100.0%	35.6%		20.8%		8.6%		12.1%		77.1%		22.9%		100.0%		

(期中平均為替レート)

(Average Exchange Rates)

(USD1=¥135.50)
(EUR1=¥140.99)

(USD1=¥144.59)
(EUR1=¥156.75)

2024年度見通し

Guidance for FY2024

		FY2024		構成比 % to total
		合計 WW	%YoY	
心臓血管カンパニー	Cardiac and Vascular Company	581,800	4.7%	59.4%
メディカルケアソリューションズカンパニー	Medical Care Solutions Company	210,000	6.3%	21.4%
血液・細胞テクノロジーカンパニー	Blood and Cell Technologies Company	188,000	11.7%	19.2%
その他	Others	200	-19.7%	0.0%
合計	Total	980,000	6.3%	100.0%

(期中平均為替レート)

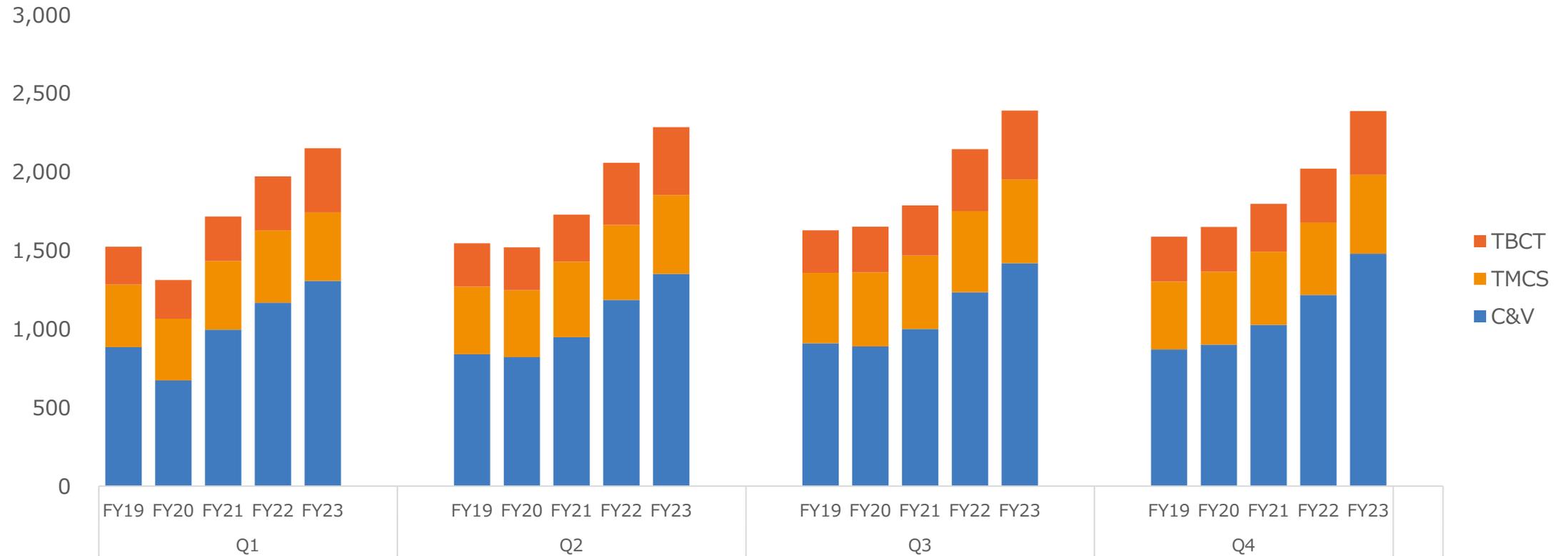
(Average Exchange Rates)

(USD1=¥145)
(EUR1=¥155)

Quarterly Revenue Trend

FY23 Q4: +18% vs. FY22 Q4 -0% vs. FY23 Q3

(100M JPY)



P&L (QoQ)

(100M JPY)

	FY22 Q4 (Jan-Mar)	FY23 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
Revenue	2,022	2,153	2,286	2,391	2,389
Gross Profit	990 (49.0%)	1,098 (51.0%)	1,185 (51.8%)	1,266 (52.9%)	1,243 (52.0%)
SG&A Expenses	597 (29.5%)	651 (30.2%)	664 (29.0%)	707 (29.6%)	737 (30.9%)
R&D Expenses	160 (7.9%)	154 (7.2%)	164 (7.2%)	173 (7.3%)	199 (8.3%)
Other Income and Expenses	5	3	12	5	39
Operating Profit	238 (11.8%)	296 (13.8%)	368 (16.1%)	390 (16.3%)	346 (14.5%)
Adjusted Operating Profit	284 (14.1%)	345 (16.0%)	411 (18.0%)	441 (18.5%)	371 (15.5%)

Quarterly	USD	132JPY	137JPY	145JPY	148JPY	149JPY
Average Rate	EUR	142JPY	150JPY	157JPY	159JPY	161JPY

SG&A (QoQ)

(100M JPY)

		FY22 Q4 (Jan-Mar)	FY23 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
Salaries & Wages		307	336	349	371	373
Sales Promotion		45	49	44	54	54
Logistical Costs		44	47	46	49	51
Depreciation and Amortization		58	58	61	65	66
Others		143	161	164	168	192
SG&A Expenses		597	651	664	707	737
(%)		(29.5%)	(30.2%)	(29.0%)	(29.6%)	(30.9%)
R&D Expenses		160	154	164	173	199
(%)		(7.9%)	(7.2%)	(7.2%)	(7.3%)	(8.3%)
Total		757	805	828	881	937
(%)		(37.4%)	(37.4%)	(36.2%)	(36.8%)	(39.2%)
Quarterly Average Rate	USD	132JPY	137JPY	145JPY	148JPY	149JPY
	EUR	142JPY	150JPY	157JPY	159JPY	161JPY

SG&A (YoY)

(100M JPY)

	FY22 Q4 YTD	FY23 Q4 YTD	YoY	YoY%	YoY% excluding FX impact
Salaries & Wages	1,233	1,429	197	16%	9%
Sales Promotion	187	201	14	8%	3%
Logistical Costs	184	193	9	5%	-0%
Depreciation and Amortization	234	250	16	7%	3%
Others	545	685	140	26%	20%
SG&A Expenses	2,383	2,759	376	16%	10%
(%)	(29.1%)	(29.9%)			

R&D Expenses	616	691	74	12%	8%
(%)	(7.5%)	(7.5%)			

Total	2,999	3,450	451	15%	9%
(%)	(36.6%)	(37.4%)			

FY22 Q4	FY23 Q4	YoY	YoY%
307	373	66	22%
45	54	9	21%
44	51	7	16%
58	66	8	13%
143	192	49	34%
597	737	140	23%
(29.5%)	(30.9%)		

160	199	39	25%
(7.9%)	(7.3%)		

757	937	179	24%
(37.4%)	(39.2%)		

Adjusted Operating Profit: Adjustment Items

(100M JPY)

	FY22 Q4 YTD	FY23 Q4 YTD	FY22 Q4	FY23 Q4
Adjusted Operating Profit	1,380	1,568	284	371
Adjustment 1. Amortization of acquired intangible assets	-188	-200	-44	-54
Adjustment 2. Non-recurring profit or loss	-19	33	-2	29
Operating Profit	1,173	1,401	238	346

<General examples of adjustment items>

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

Adjustment 2. Non-recurring profit or loss	FY22 Q4 YTD	FY23 Q4 YTD
Restructuring loss	-25	-23
Goodwill amortization related to sale of part of cell processing business	-36	-
Profit from sale of nutrition business	39	-
Profit from sale of Olympus Terumo Biomaterials stock	-	13
Litigation-related gains (losses)	-	34
Others	4	10

CAPEX, Depreciation and Amortization, R&D Expenses

(100M JPY)

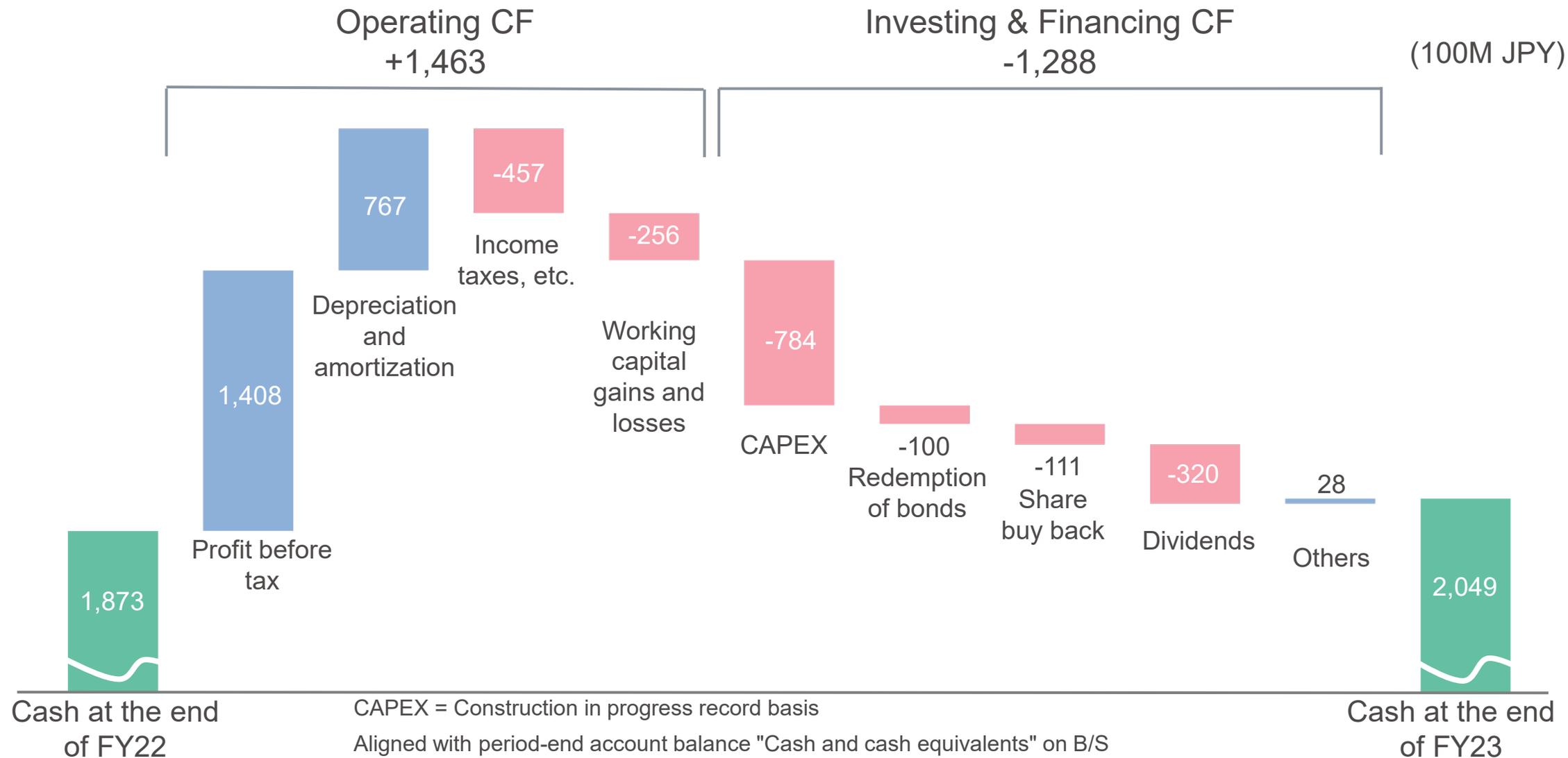
	FY20	FY21	FY22	FY23	FY24 Guidance
CAPEX	772	692	758	784	930
Depreciation and Amortization	484	532	635	702	770
Amortization of acquired intangible assets	146	161	188	200	200
Others	338	371	447	502	570

CAPEX = Construction in progress record basis, lease depreciation (IFRS16) is not included in Depreciation

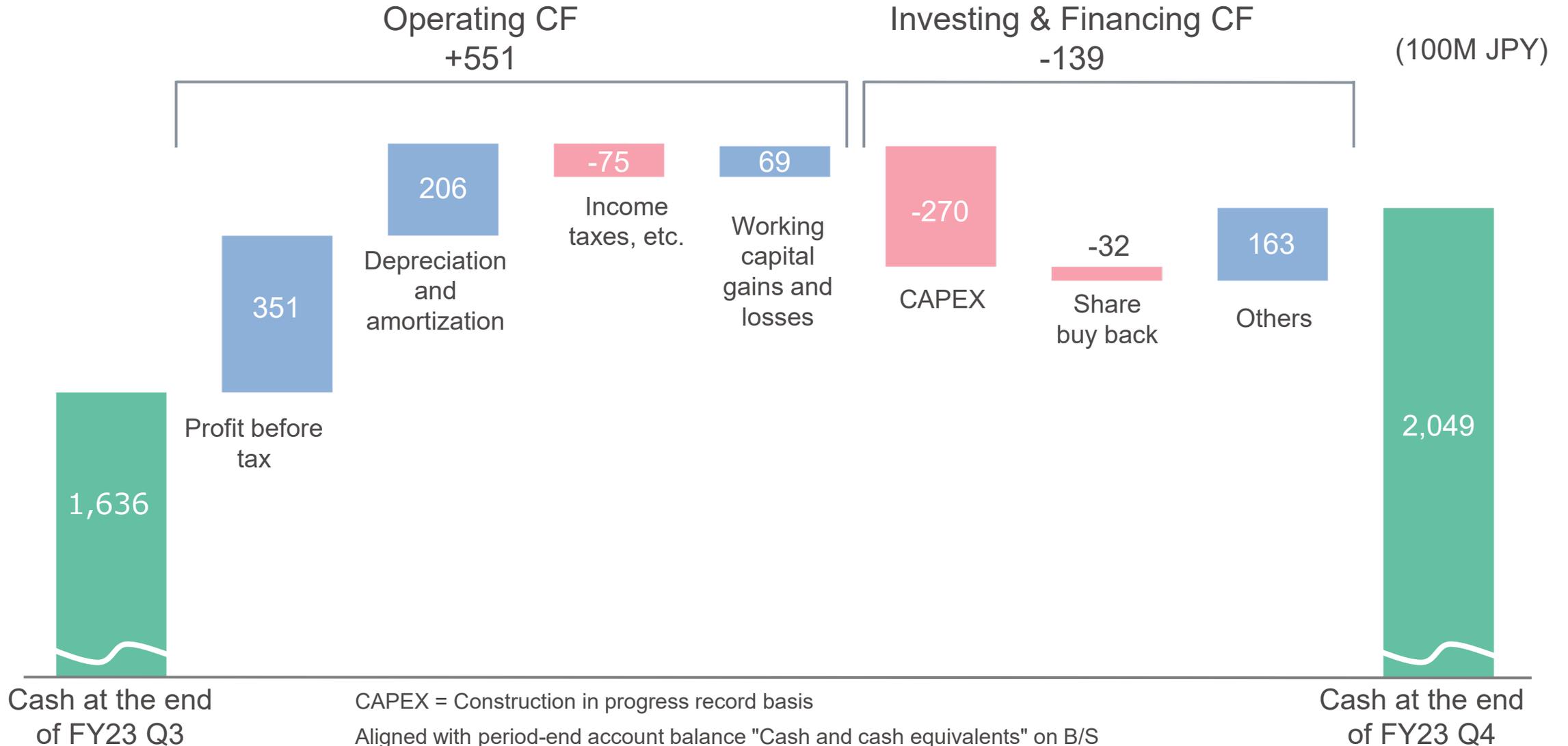
- FY23 CAPEX (78.4B JPY):** Mainly TIS, Neurovascular, and Pharmaceutical Solutions, continued investment in IT, including increased production facilities for Blood and Cell Technologies Company, raw material plasma collection, R&D investment, and core system (SAP); construction of a new building in the Kofu Plant to strengthen the production system for CDMO (contracted development and manufacturing) and other services
- FY24 CAPEX (93.0B JPY):** Including the projects mentioned above, investments are planned for production capacity expansion and new growth drivers.

	FY20	FY21	FY22	FY23	FY24 Guidance
R&D Expenses	491	518	616	691	715

Cash Flows (Q4 YTD)



Cash Flows (Q4)



FY23 Q4 YTD FX Impact Breakdown (Flow and Stock)

FX impact vs. FY22 Q4 YTD +5.0B JPY

Flow +10.2B JPY: USD and EUR appreciation positive impact

Rate (JPY)	FY22 Q4 YTD Average Rate	FY23 Q4 YTD Average Rate	Variation
USD	135	145	10
EUR	141	157	16
CNY	19.7	20.1	0.4

Stock -5.2B JPY: FX impact from elimination of unrealized profit on inventory assets

Rate (JPY)	FY22 End of March	FY23 End of March	Variation
USD	134	151	17
EUR	146	163	17

Foreign Exchange Sensitivity

Annual impact of 1 JPY depreciation (Flow)

(100M JPY)

	USD	EUR	CNY
Revenue	22	11	39
Adjusted Operating Profit	0	5	23

Impact of 1 JPY depreciation (Stock)

	USD	EUR	CNY
Adjusted Operating Profit	-2.5	-0.6	-2.0

