



## Financial Results for the First Quarter of Fiscal Year Ending March 31, 2022 (FY2021)

August 4, 2021

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Terumo Corporation



This is the presentation of the 1st quarter results for the fiscal year ending March 31, 2022.

## 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.

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

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

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(No notes)

## Highlights

### FY21 Q1 results

- Revenue: Highest-ever quarterly revenue. Steady recovery in demand for Cardiac & Vascular. Positive FX impact from both USD and EUR
- Adjusted Operating Profit: Highest-ever quarterly adjusted operating profit. Although there were some negative factors as expected, the revenue recovery in Cardiac & Vascular resulted in improvement of product mix. Moderate expenses usage due to the remaining COVID-19 impact

### Upward revision of FY21 guidance

- Added 5.0 B JPY to revenue, and 7.0 B JPY to adjusted operating profit on top of the upper limit of the previous guidance
- Factored in the better Q1 performance than expected. Although negative possibilities still remain such as slowdown in the recovery of healthcare demand and supply risk due to lockdown etc. caused by spread of the new variant, continuous recovery in healthcare demand including the number of procedures is anticipated

First, this is a page for the highlights of this presentation.

1st quarter sales revenue was our highest-ever for a quarter. In particular, there was a notable recovery of demand in the Cardiac and Vascular Company, which had been greatly impacted by COVID-19. In addition, both dollar and euro movements resulted in positive FX impact for Terumo.

Adjusted operating profit and operating profit were also the highest-ever for a quarter. Along with the recovery in sales, improvement in product mix also pushed profitability upward. Negative impacts including production adjustment and the national tender system in China had their expected effects, but expenses rose only gradually due to COVID-19.

Taking into account these 1st quarter results, we are revising upward our guidance for this fiscal year. We provide another page for the detail later.

## P&L Results

Revenue: Highest-ever quarterly revenue. Steady recovery in demand for Cardiac & Vascular, especially for TIS. Positive FX impact from both USD and EUR

Adjusted Operating Profit: Highest-ever quarterly adjusted operating profit. The negative impact from volume-based procurement (VBP) in China and lowered production level was as expected. The revenue recovery in Cardiac & Vascular resulted in improvement of product mix. Moderate expenses usage due to the remaining COVID-19 impact

100 M JPY	FY20 Q1	FY21 Q1	YoY%	YoY% (FXN)	FY19 Q1	Change vs. FY19 Q1
Revenue	1,313	1,717	31%	25%	1,525	13%
Gross Profit	689	943	37%	30%	852	11%
(Gross Profit%)	(52.5%)	(54.9%)			(55.8%)	
SG&A Expenses	401	465	16%	12%	445	4%
(SG&A Expenses%)	(30.5%)	(27.1%)			(29.2%)	
R&D Expenses	112	117	4%	3%	118	-2%
(R&D Expenses%)	(8.5%)	(6.8%)			(7.8%)	
Other Income and Expenses	5	1	-	-	4	-
Operating Profit	181	362	100%	85%	292	24%
(Operating Profit%)	(13.8%)	(21.1%)			(19.1%)	
<b>Adjusted Operating Profit</b>	217	402	85%	73%	339	18%
<b>(Adjusted Operating Profit%)</b>	<b>(16.5%)</b>	<b>(23.4%)</b>			<b>(22.3%)</b>	
Profit before Tax	179	360	101%		288	25%
(Profit before Tax%)	(13.6%)	(21.0%)			(18.9%)	
Profit for the Year	140	279	99%		228	22%
(Profit for the Year%)	(10.7%)	(16.2%)			(14.9%)	

Average Exchange Rate(USD/EUR)

108JPY/119JPY

110JPY/132JPY

110JPY/123JPY

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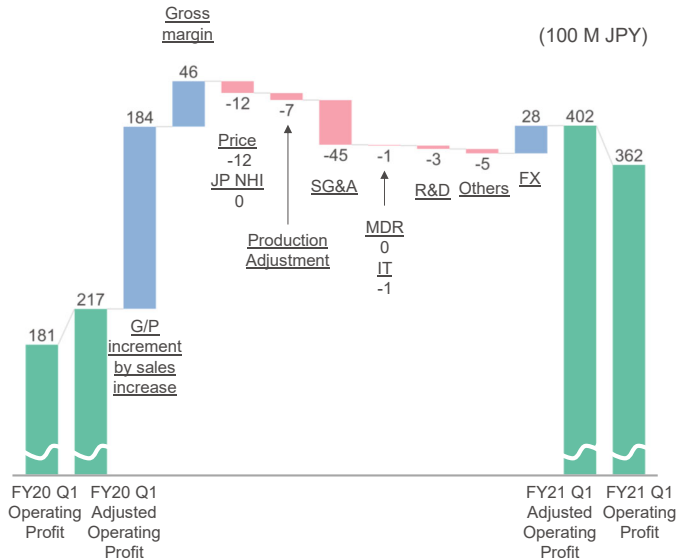
Here are the P&L results compared to both 1st quarter FY20 and FY19.

Sales revenue exceeded 170 billion yen to increase 31% year on year, while adjusted operating profit reached 40 billion yen.

Operating profit and profit for the period were approximately double the previous year's results, which were from the period most impacted by COVID-19.

Sales and marketing activities and R&D remained somewhat impacted by COVID-19, so that expenses recovered more gradually than sales revenue; however, we expect expenses to recover from the 2nd quarter onward.

## Adjusted Operating Profit Variance Analysis



- G/P increment by sales increase:**  
Positive revenue growth in all companies compared with FY20 Q1 impacted by COVID-19
- Gross margin:**  
Despite the negative impact of lowered production level as planned for inventory level optimization, larger positive impact of product mix improvement from sales increase of Cardiac & Vascular, especially of TIS
- Price:**  
Decline mainly due to VBP in China for TIS products
- SG&A increase:**  
Large increase compared with FY20 Q1 in which expense usage was slow due to COVID-19
- FX:**  
Positive impact from flow mainly by EUR and CNY. Small impact from stock

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This slide shows the adjusted operating profit variance analysis.

This is a comparison between this 1st quarter and the prior year period.

Gross profit increment by sales increase was 18.4 billion yen. I will share more on this point when explaining sales revenue results by company.

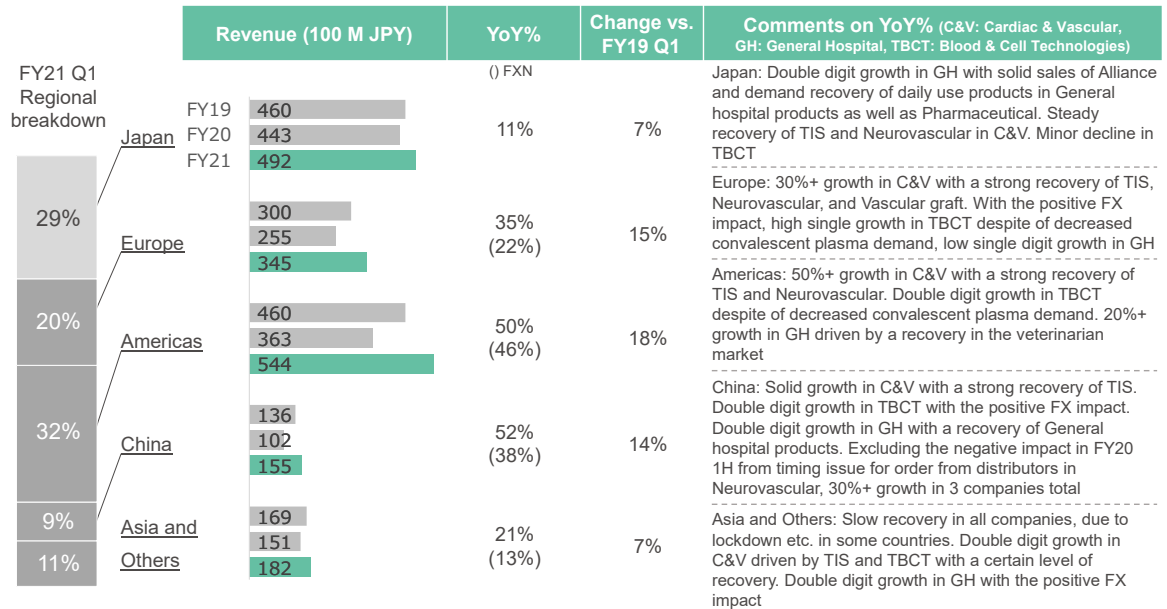
Downward price pressures such as the volume-based procurement (VBP) in China, and the reduction in gross profit due to production adjustment, all occurred as anticipated but were absorbed by the sales increase.

SG&A increased compared to the COVID-19-impacted previous year, but the rate of increase was gradual.

Other expenses, including those related to new European regulations and starting the new plasma collection business, also increased gradually as COVID-19 impact remained.

FX had a positive impact of 2.8 billion yen.

## Revenue by Region



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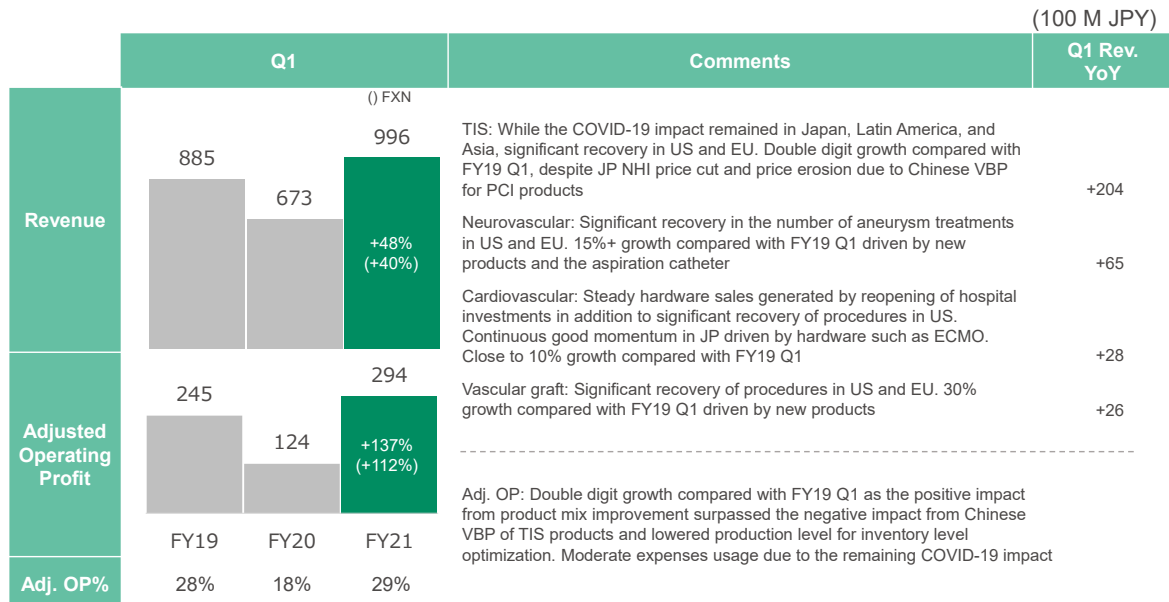


This is sales revenue by region.

Europe, the United States, and China saw a recovery, especially in the Cardiac and Vascular Company, as COVID-19 infection numbers decreased, and even grew in double digits when comparing with FY19, before COVID-19. In contrast, Asian countries and especially Latin America saw a slower recovery in their results.

**C&V:**

Significant revenue increase in all divisions with substantial recovery of procedures especially in US and EU. Double digit growth in both revenue and profit compared with FY19 Q1 (before COVID-19)



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This is the results of Cardiac and Vascular company.

In sales revenue, TIS business benefitted from the global recovery in cases to both absorb and far exceed impacts including the China national tender system, to achieve double-digit growth in both sales and profit compared to the 1st quarter of FY19.

In Neurovascular, the number of cases of neurovascular treatment recovered especially strongly in North America and Europe. This combined with the positive impact of new products and strong suction catheter growth to result in high-double-digit percentage growth compared to the 1st quarter of FY19.

In C, a recovery in surgical procedures combined with steady instrument demand to result in positive growth of over 10% compared to the 1st quarter of FY19.

Vascular saw further growth exceeding 30% due to recovering numbers of cases and the effect of new products. Stent graft sales were strong in Europe, North America, and Japan.

In profit, expenses remained controlled at a low level amid large sales revenue growth, resulting in a 29% adjusted operating profit percentage.

**GH:**

Globally driven by daily use General hospital products.

Double digit growth in both revenue and profit compared with FY19 Q1 as well as FY20 Q1

(100 M JPY)

	Q1			Comments	Q1 Rev. YoY
Revenue			() FXN	General hospital products: Double digit growth driven by daily use products with a recovery of medical demand in JP, US, and Asia. Special demand for infection control products ran its course. Despite a minor decline in Asia compared with FY19 Q1 due to slow recovery, high single digit growth as a whole	+26
	398	392	438		
Adjusted Operating Profit				Pharmaceutical: mid single digit growth in IV solutions although the recovery in demand had been slow and yet to come back to the before COVID-19 level. Continuous solid momentum in pain management and adhesion barrier. Low single digit growth compared with FY19 Q1	+7
	52	52	64	DM Healthcare: Continuous positive growth in DM since FY20 Q3. While the special demand for thermometers had peaked out in FY20 Q3, the demand for blood pressure monitors remain high still	+4
Adj. OP%				Alliance: Continuous double digit growth driven by CDMO business	+8
	FY19	FY20	FY21	-----	
	13%	13%	15%	Adj. OP: Moderate expenses usage due to the remaining COVID-19 impact	

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This is the results of General Hospital Company.

In Japan, which accounts for 70% of sales revenue, the company saw high demand for general hospital products such as syringe pumps and infusion pumps, and also increased sales of infusion sets and other disposable products.

Although the recovery of pharmaceuticals including infusion solutions is slower, pain management and anti-adhesion products returned to strong growth as the number of surgeries recovered.

In DM, blood glucose self-measurement tips saw growth, and in Healthcare, demand increased for blood pressure monitors as healthcare systems continued to be strengthened.

In the Alliance business, steady and rapid growth continued as planned.

In profit, factors including a more favorable mix in general hospital products and growth in the Alliance business contributed to gross margin improvement. In contrast to the growth in sales, expenses trended up more slowly.



**TBCT:**

Fully mitigated the declining convalescent plasma's negative impact by solid sales of other products. Continued increase in revenue and profit with product mix improvement and expense control

(100 M JPY)

	Q1			Comments	Q1 Rev. YoY
Revenue			( ) FXN		
	242	247	283	Blood center solutions: Double digit growth in whole blood collection products with a recovery in US and EU. Solid sales of blood component collection system in US and Asia. Fully mitigated the negative impact from decline of COVID-19 convalescent plasma demand as a whole	+19
			+14% (+9%)	Therapeutic solutions: 30%+ growth in US generated by investment at hospitals to support higher number of procedures. High single digit growth compared with FY19 Q1	+12
Adjusted Operating Profit			60	Cell therapy technologies: Despite the delay in implementation due to COVID-19 in FY20 1H, recovered in Q3, Q4 and came back to the growth trajectory. High single digit growth compared with FY19 Q1	+5
	26	39	+54% (+30%)	Adj. OP: Product mix improvement with the demand recovery of Therapeutic solutions and Cell therapy technologies surpassed the normalization of product mix due to the recovery in whole blood collection. Moderate expenses usage due to the remaining COVID-19 impact	
	FY19	FY20	FY21		
Adj. OP%	11%	16%	21%		

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This is the results of Blood and Cell Technologies Company.

In sales revenue, there was some slowing of convalescent plasma demand. However, in North America especially, blood center products such as Trima, and hospital investments in therapeutic apheresis systems such as Optia grew along with the number of patients, to drive the company to double-digit growth. In addition, China and APAC also helped drive growth across the entire company.

Adjusted operating profit saw a gross margin contribution from sales growth, while promotional and development expenses grew more slowly, to exceed 20% for the quarter.

## Major Topics

### Corporate

- Selected for the global ESG investment index “FTSE4Good Index Series” and “FTSE Blossom Japan Index”
- Donated Additional 1 M USD to support the COVID-19 solidarity response fund for WHO

### Cardiac & Vascular

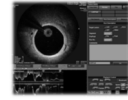
- Received approval of the additional indication to peripheral artery disease for intravascular imaging system “OFDI” as the first in JP market
- Launched peripheral embolization system “AZUR Vascular Plug” in US

### General Hospital

- Launched “Flumazenil I.V. infusion” as the first pre-filled type in JP market
- Launched continuous glucose monitoring “Dexcom G6 CGM System” in JP

### Blood & Cell Technologies

- Joined Cell and Gene Therapy Catapult Process Analytical Technology (PAT) Consortium



Diagnosis of artery disease utilizing “OFDI”



Peripheral embolization system “AZUR Vascular Plug”



Continuous glucose monitoring “Dexcom G6 CGM System”

This is the slide for recent Major Topics.

We would like to pick up the news that we were selected for two “FTSE” ESG investment indexes.

In products, we are happy to report that the Dexcom G6 continuous glucose monitoring (CGM) system recently received regulatory approval.

## Upward Revision of FY21 Guidance

	Original Guidance	Revised Guidance	(100 M JPY) Change in amount
Revenue	6,700-6,800	6,850	+50
Operating Profit (%)	1,070-1,130 (16.0-16.6%)	1,200 (17.5%)	+70
Adjusted Operating Profit (%)	1,240-1,300 (18.5-19.1%)	1,370 (20.0%)	+70
Profit for the Year	820-865	920	+55

Exchange Rate (USD/EUR)

107JPY/128JPY

108JPY/129JPY

Factored in the better Q1 performance than expected

Although negative possibilities still remain such as slowdown in the recovery of healthcare demand and supply risk due to lockdown etc. caused by spread of the new variant, continuous recovery in healthcare demand including the number of procedures is anticipated

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This is the upward revision of FY21 guidance.

In response to this 1st quarter results and changes in the market environment, we are revising upward the upper limit of our sales revenue range, by 5 billion yen.

Based on this upward revision of sales revenue guidance, we are also revising upward our operating profit and adjusted operating profit 7 billion yen each above the initial guidance, to 120 billion yen and 137 billion yen, respectively.

This amount consists of the positive FX impact, gross profit increment by sales increase, and the slow pace of increase in expenses. With regard to expenses, we expect that the slow increase of the 1st quarter will not continue, but instead return to a normal proportion of sales revenue going forward.

## FY21 Guidance by Company

	Revenue		Adjusted Operating Profit			Comments
	Amount (100 M JPY)	YoY% () FXN	Amount (100 M JPY)	% to Revenue	YoY% () FXN	
Cardiac & Vascular	FY19	3,506	869	25%		Despite the impact from Chinese VBP of TIS products, expect double digit growth in TIS and Vascular Graft, and close to 20% growth in Neurovascular, driven by sales recovery mainly in US
	FY20	3,285	744	23%		
	FY21	3,855	17% (15%)	960	25%	
General Hospital		1,710	252	15%		Alliance, DM and pain management products are the major drivers. Though special demand for Healthcare products runs its course, expect recovery in daily use products in General hospital products and Pharmaceutical
		1,755	257	15%		
		1,825	4% (3%)	250	14%	
Blood & Cell Technologies		1,072	151	14%		Mitigate the declining COVID-19 convalescent plasma therapy demand by recovery of blood transfusion demand, sales increase in Therapeutic solutions and Cell therapy technologies
		1,095	191	17%		
		1,170	7% (5%)	215	18%	

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This is the guidance by company.

In Cardiac and Vascular, despite impact from the PCI product tender pricing reduction in China, we anticipate demand recovery in markets including the United States leading to double-digit growth in TIS, Neurovascular, and Vascular, with expectations for Neurovascular to approach 20% growth, and the company sales revenue as a whole to grow 17%.

In General Hospital, pain management is expected to become a sales revenue growth driver, in addition to Alliance and DM. On the other hand, we expect that sales of commodities like general hospital products and pharmaceuticals will recover, and the Alliance business up-front investment burden will remain, to a degree that maintains the profit level overall.

In Blood and Cell Technologies, we anticipate that demand recovery in transfusions overall will combine with steady growth in therapeutic apheresis to increase sales revenue slightly and bring operating profit back to the strong level seen in FY19.

This is the end of presentation.

## Reference

## FY21 New Product Pipeline

Category	Products	Region	Launch
Coronary	Drug-eluting stent	JP	
	Biodegradable drug-eluting microsphere	EU	
Oncology	Peripheral embolization coil	JP	
	Peripheral embolization plug	US	Launched
Neuro-vascular	Flow diverter	EU, US	
	Balloon guide catheter	EU, US	
	Coil assist stent	EU, US	
Vascular graft	Stent graft for thoracic aortic aneurysm	US	
	Surgical hybrid stent graft	US	
	Stent graft for abdominal aortic aneurysm	JP	

Category	Products	Region	Launch
General hospital products	Infusion pump	JP	
	Small size syringe pump	JP	
	FN syringe (16mm needle)	JP	Launched
Pharmaceutical	Flumazenil I.V. infusion	JP	Launched
	Sterile connecting device	JP	Launched
	Gelclair	JP	
DM and consumer healthcare	Continuous glucose monitoring system	JP	Launched
	Insulin patch pump	EU	Launched
	100th anniversary thermometer	JP	
	Non-contact data link thermometer	JP	
Blood and cell technologies	Automated blood processing system	Global	
	Value-added services	Global	Launched

# Revenue by Segment and Region

2021年度 第1四半期 セグメント別売上収益

Revenue by Segment for the First Quarter of FY2021

(百万円/ millions of yen)

		Q1 YTD FY2020							Q1 YTD FY2021							増減率 % to 2020 *							
		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	%ToF	海外 Overseas	%ToF	欧州 Europe	%ToF	米州 Americas		%ToF	中国 China	%ToF	アジア他 Asia and others %	%ToF	合計 WW	%ToF
心臓血管 カンパニー	TIS	6,908	39,633	10,721	16,447	7,347	3,076	46,642	7,862	13.8%	59,069	49.0%	16,166	19.8%	26,176	39.0%	10,040	16.3%	6,636	11.7%	66,932	43.8%	39.0%
	ニューロバスキュラー	905	6,539	2,844	2,753	-	940	7,445	1,371	11.4%	12,532	91.6%	4,228	48.6%	5,518	100.0%	1,845	-	939	-0.1%	13,904	86.8%	8.1%
	カーディオバスキュラー	2,525	6,621	1,079	4,137	376	1,000	9,147	2,749	8.9%	9,239	39.3%	1,436	34.8%	6,017	44.7%	526	39.9%	1,239	23.0%	11,989	31.2%	7.0%
	血管	571	3,609	2,063	1,637	279	228	4,180	714	21.0%	6,027	67.0%	3,297	39.8%	1,975	99.4%	401	43.6%	353	54.8%	6,742	61.3%	3.9%
<b>Cardiac and Vascular Company</b>		<b>10,911</b>	<b>56,403</b>	<b>16,710</b>	<b>24,425</b>	<b>8,015</b>	<b>7,262</b>	<b>67,315</b>	<b>12,699</b>	<b>16.4%</b>	<b>86,869</b>	<b>54.6%</b>	<b>25,148</b>	<b>19.3%</b>	<b>39,687</b>	<b>62.6%</b>	<b>12,814</b>	<b>39.9%</b>	<b>9,219</b>	<b>26.9%</b>	<b>99,568</b>	<b>47.9%</b>	<b>38.0%</b>
ホスピタル カンパニー	医療器	10,848	5,347	692	1,346	224	1,092	16,196	12,171	22.2%	6,646	24.3%	733	8.8%	2,149	39.6%	352	64.0%	3,300	8.6%	18,818	16.2%	11.0%
	医薬品	10,609	-	-	-	-	-	10,609	11,325	6.7%	-	-	-	-	-	-	-	-	-	11,325	6.7%	6.6%	
	DM・ヘルスケア	5,466	646	193	0	189	273	6,113	5,722	4.7%	829	28.3%	200	4.2%	8	78.99%	229	27.4%	390	42.9%	6,551	7.2%	3.8%
	ホスピタルシステム小計	26,923	5,994	885	1,346	394	1,366	32,919	29,219	8.3%	7,475	24.7%	934	7.8%	2,137	69.2%	581	47.3%	3,781	23.3%	36,695	11.3%	21.4%
アライアンス	3,896	2,368	1,433	738	36	110	6,264	4,776	23.6%	2,310	-2.4%	1,464	0.6%	580	-33.4%	20	-43.9%	245	107.3%	7,687	11.3%	4.1%	
<b>General Hospital Company</b>		<b>30,821</b>	<b>8,362</b>	<b>2,341</b>	<b>2,105</b>	<b>430</b>	<b>3,484</b>	<b>39,183</b>	<b>33,996</b>	<b>19.3%</b>	<b>9,786</b>	<b>17.0%</b>	<b>2,419</b>	<b>3.8%</b>	<b>2,738</b>	<b>39.1%</b>	<b>602</b>	<b>39.7%</b>	<b>4,027</b>	<b>11.6%</b>	<b>43,783</b>	<b>11.7%</b>	<b>23.2%</b>
血液・細胞 テクノロジー カンパニー	血液センター	2,401	16,261	3,122	6,038	1,533	3,566	18,662	2,300	-2.5%	18,252	12.2%	5,337	4.2%	7,022	16.8%	1,732	12.9%	4,161	16.7%	20,552	19.2%	12.0%
	アフェクション治療機	90	4,346	1,037	2,472	132	694	4,437	77	-12.2%	5,551	27.7%	1,408	33.2%	3,169	28.2%	264	73.3%	709	6.8%	5,628	28.8%	3.3%
	細胞処理	43	1,590	232	1,226	19	81	1,633	39	-10.3%	2,080	39.9%	187	-19.2%	1,779	41.6%	60	206.4%	32	-31.3%	2,119	29.8%	1.2%
<b>Blood and Cell Technologies Company</b>		<b>2,535</b>	<b>22,197</b>	<b>4,412</b>	<b>9,747</b>	<b>1,706</b>	<b>4,311</b>	<b>24,733</b>	<b>2,416</b>	<b>-4.7%</b>	<b>25,884</b>	<b>16.6%</b>	<b>6,933</b>	<b>8.1%</b>	<b>11,971</b>	<b>22.6%</b>	<b>2,057</b>	<b>20.6%</b>	<b>4,923</b>	<b>14.2%</b>	<b>28,301</b>	<b>14.4%</b>	<b>16.3%</b>
その他	Others	65	-	-	-	-	-	65	64	-1.6%	-	-	-	-	-	-	-	-	-	64	-1.6%	0.0%	
<b>合計 Total</b>		<b>44,334</b>	<b>86,963</b>	<b>25,464</b>	<b>36,288</b>	<b>10,152</b>	<b>15,058</b>	<b>131,298</b>	<b>49,175</b>	<b>10.9%</b>	<b>122,541</b>	<b>49.9%</b>	<b>34,501</b>	<b>31.3%</b>	<b>54,397</b>	<b>49.8%</b>	<b>15,473</b>	<b>32.4%</b>	<b>18,169</b>	<b>29.7%</b>	<b>171,716</b>	<b>39.8%</b>	<b>100.0%</b>
売上比率 % to Total		33.8%	66.2%	19.4%	27.6%	7.7%	11.5%	100.0%	28.6%	71.4%	20.1%	31.7%	8.0%	16.6%	100.0%								

(期中平均為替レート)

(Average Exchange Rates)

(USD)=¥107.63

(EUR)=¥116.59

(USD)=¥109.52

(EUR)=¥131.94

\* 「中国」の売上を明示したものに併し、「アジア他」から「中国」の売上を除いています。

\*\* 構成比は、小数点第2位を四捨五入して表示しており、合計が100%にならない場合があります。

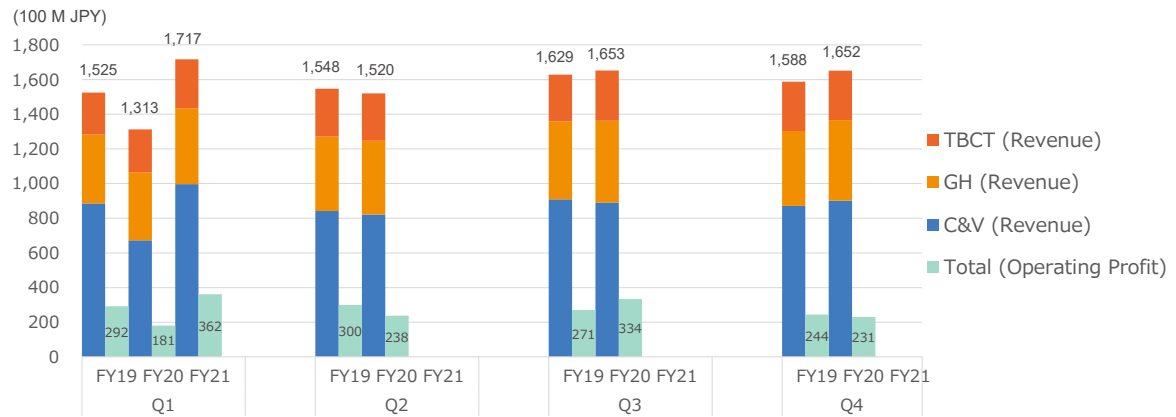
\* Sales in China is not included in "Asia and others" from this report's segments.

\*\* The composition ratio is rounded at the second decimal point, and the total may not be 100%.

## Quarterly Trend of Revenue and Operating Profit

Revenue: Increased by +31% YoY and by +13% against FY19 Q1. Large increase in C&V by +13% with positive impact of FX such as EUR

Operating Profit: Product mix improved by C&V sales increase. Better than FY20 Q3, highest-ever quarterly operating profit





## Quarterly Results

(100 M JPY)

	FY20 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY21 Q1 (Apr-Jun)	
Revenue	1,313	1,520	1,653	1,652	1,717	
Gross Profit	689 (52.5%)	816 (53.7%)	908 (54.9%)	854 (51.7%)	943 (54.9%)	
SG&A Expenses	401 (30.5%)	458 (30.2%)	447 (27.1%)	488 (29.5%)	465 (27.1%)	
R&D Expenses	112 (8.5%)	119 (7.8%)	128 (7.7%)	132 (8.0%)	117 (6.8%)	
Other Income and Expenses	5	-1	2	-2	1	
Operating Profit	181 (13.8%)	238 (15.6%)	334 (20.2%)	231 (14.0%)	362 (21.1%)	
Adjusted Operating Profit	217 (16.5%)	296 (19.5%)	372 (22.5%)	274 (16.6%)	402 (23.4%)	
Average Rate	USD EUR	108 JPY 119 JPY	106 JPY 124 JPY	105 JPY 125 JPY	106 JPY 128 JPY	110 JPY 132 JPY

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## Quarterly Results (Operating Expenses)

(100 M JPY)

	FY20 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY21 Q1 (Apr-Jun)	
Salaries & Wages	224	232	231	240	249	
Sales Promotion	20	31	35	43	30	
Logistical Costs	33	36	38	37	38	
Depreciation & Amortization	46	49	47	49	48	
Others	78	110	97	119	99	
SG&A Expenses Total	401	458	447	488	465	
(SG&A Expenses%)	(30.5%)	(30.2%)	(27.1%)	(29.5%)	(27.1%)	
R&D Expenses	112	119	128	132	117	
(R&D Expenses%)	(8.5%)	(7.8%)	(7.7%)	(8.0%)	(6.8%)	
Operating Expenses Total	513	578	575	620	581	
(Operating Expenses%)	(39.0%)	(38.0%)	(34.8%)	(37.5%)	(33.9%)	
Average Rate	USD EUR	108 JPY 119 JPY	106 JPY 124 JPY	105 JPY 125 JPY	106 JPY 128 JPY	110 JPY 132 JPY

## Operating Expenses

(100 M JPY)

	FY20 Q1	FY21 Q1	YoY	YoY%	YoY% (FXN)	FY19 Q1	Change vs. FY19 Q1
Salaries & Wages	224	249	25	11%	7%	219	14%
Sales Promotion	20	30	10	49%	44%	49	-38%
Logistical Costs	33	38	5	16%	12%	35	11%
Depreciation & Amortization	46	48	2	4%	-1%	45	5%
Others	78	99	22	28%	24%	97	2%
<b>SG&amp;A Expenses Total</b>	<b>401</b>	<b>465</b>	<b>64</b>	<b>16%</b>	<b>12%</b>	<b>445</b>	<b>4%</b>
(SG&A Expenses%)	(30.5%)	(27.1%)				(29.2%)	
<b>R&amp;D Expenses</b>	<b>112</b>	<b>117</b>	<b>5</b>	<b>4%</b>	<b>3%</b>	<b>118</b>	<b>-2%</b>
(R&D Expenses%)	(8.5%)	(6.8%)				(7.8%)	
<b>Operating Expenses Total</b>	<b>513</b>	<b>581</b>	<b>69</b>	<b>13%</b>	<b>10%</b>	<b>564</b>	<b>3%</b>
(Operating Expenses Total%)	(39.0%)	(33.9%)				(37.0%)	

## Adjusted Operating Profit: Adjustments

(100 M JPY)

	FY20 Q1	FY21 Q1
Operating Profit	181	362
Adjustment 1. Amortization of acquired intangible assets	35	39
Adjustment 2. Non-recurring profit or loss	1	1
Adjusted Operating Profit	217	402

<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

Main items in Adjustment 2. Non-recurring profit or loss	FY21 Q1
Business reorganizing cost	1

## CAPEX, Depreciation and R&D Expenses

	FY18	FY19	FY20	FY21 Q1	(100 M JPY) FY21 Guidance
CAPEX	608	895	772	167	850
Depreciation	440	477	484	126	530
Amortization of acquired intangible assets	146	157	150	38	155
Others	294	320	334	88	375

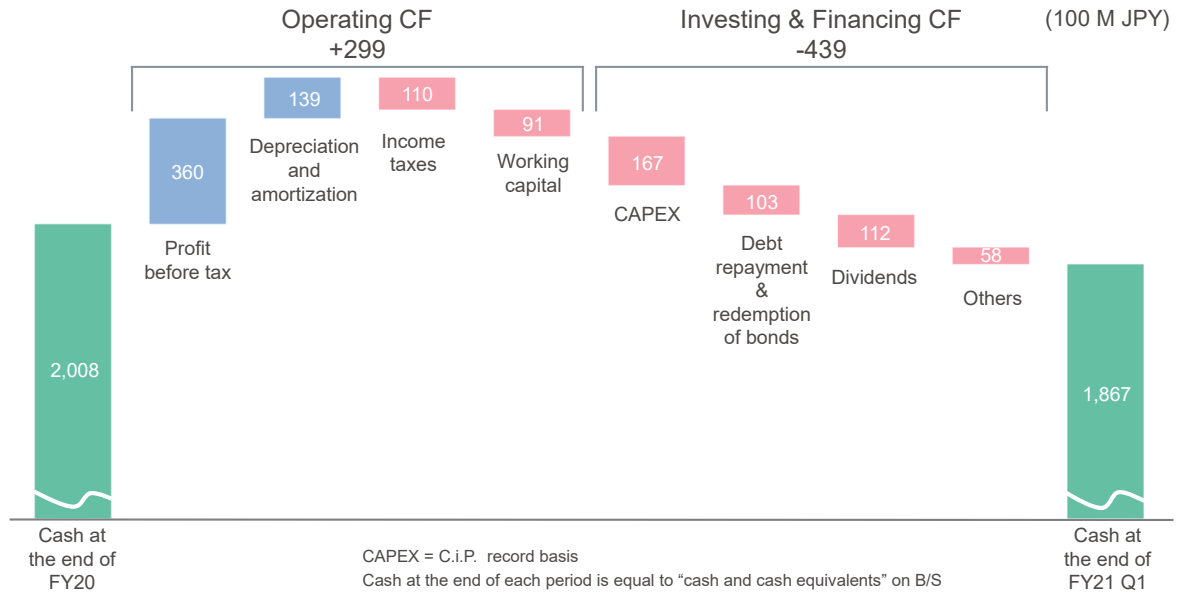
CAPEX = C.I.P. record basis, lease depreciation (IFRS16) is not included in Depreciation

■ FY21 Q1 (16.7 B JPY): Continued investment mainly for TIS, Neurovascular, Alliance, and Blood & Cell Technologies in production capacity and space, R&D as well as IT infrastructure (SAP)

■ FY21 guidance (85.0 B JPY): Other than above, investment for plasma collection and production facilities for vaccine syringes, etc. Controlling investment considering FY21 performance

	FY18	FY19	FY20	FY21 Q1	FY21 Guidance
R&D Expenses	477	506	491	117	529

# Cash Flows



## Foreign Exchange Sensitivity

Annual impact of 1 JPY depreciation (100 M JPY)

	USD	EUR	CNY
Revenue	17	8	35
Adjusted Operating Profit	0	5	15

<Reference> Impact when JPY is depreciated by 10%

	North America	Latin America	EMEA		Asia	
			EUR	Others	CNY	Others
Adjusted Operating Profit	-1	10	65	13	23	36



*Stride Ahead*  
*100<sup>th</sup>*