



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

November 4, 2021

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Chief Accounting and Financial Officer  
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I am the CAFO, Muto. I will now explain the 2nd-quarter results for the fiscal year ending March 2022.

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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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## Highlights

### FY21 Q2/Q2 YTD results

- Revenue: Highest-ever quarterly and half-year revenue. Steady recovery in demand for Cardiac & Vascular and the revenue increased in the other two companies as well
- Adjusted Operating Profit: Highest-ever Q2 and half-year adjusted operating profit. Although there were some negative factors as expected, the revenue increased in all companies. Expenses utilized as planned in Q2

### FY21 guidance

- The current guidance is reiterated. The annual dividend forecast per share increased by 2 JPY to 32 JPY
- Continuous recovery in healthcare demand, including the number of procedures anticipated. Although some risks remain such as supply chain interruption, increase in the cost of raw materials, shipping and freight, we aim to achieve the current guidance by expense control

First, the highlights from the quarter.

Sales and profit were both our highest ever.

In sales revenue, demand for Cardiac and Vascular Company products made a significant recovery from COVID-19 impact. Although that company was somewhat affected by a repeated wave of COVID due to the Delta variant, the other two companies covered that impact. In adjusted operating profit, a recovery in sales and product mix improvement both contributed. Expenses including SG&A, which rose slowly in the 1st quarter, progressed as planned in the 2nd quarter.

There is no change in the guidance for the full fiscal year, but we will raise the dividend to 32 yen from the previous 30 yen.

We anticipate a continued recovery of demand for procedures in the 2nd half, which will bring our results into a growth pattern. However, amid what is expected to become a more concerning situation of higher freight costs due to supply chain difficulties, and rising materials costs for things including oil and natural gas, we plan to carefully monitor conditions while controlling costs and striving to achieve our guidance.

## P&L Results

Revenue: Highest-ever quarterly and half-year revenue. Steady recovery in demand for Cardiac & Vascular, especially for TIS. Despite the negative impact on Cardiac & Vascular from the COVID-19 resurgence mainly in US and EU in Q2, the revenue increased in all companies

Adjusted Operating Profit: Highest-ever Q2 and half year adjusted operating profit. The negative impacts of volume-based procurement (VBP) in China and lowered production level were as expected and the profit increased in all companies. In accordance with eased movement restrictions due to the spread of vaccines mainly in US and EU, expenses utilized as planned in Q2

100 M JPY	FY20 Q2 YTD	FY21 Q2 YTD	YoY%	YoY% (FXN)	FY20 Q2	FY21 Q2	YoY%
Revenue	2,833	3,446	22%	17%	1,520	1,729	14%
Gross Profit	1,505	1,862	24%	18%	816	920	13%
(Gross Profit%)	(53.1%)	(54.0%)			(53.7%)	(53.2%)	
SG&A Expenses	859	955	11%	7%	458	490	7%
(SG&A Expenses%)	(30.3%)	(27.7%)			(30.2%)	(28.4%)	
R&D Expenses	231	247	7%	4%	119	130	9%
(R&D Expenses%)	(8.2%)	(7.2%)			(7.8%)	(7.5%)	
Other Income and Expenses	4	-2	-	-	-1	-3	-
Operating Profit	418	659	57%	47%	238	296	25%
(Operating Profit%)	(14.8%)	(19.1%)			(15.6%)	(17.1%)	
<b>Adjusted Operating Profit</b>	513	741	45%	36%	296	339	15%
<b>(Adjusted Operating Profit%)</b>	<b>(18.1%)</b>	<b>(21.5%)</b>			<b>(19.5%)</b>	<b>(19.6%)</b>	
Profit before Tax	407	653	61%		228	293	28%
(Profit before Tax%)	(14.4%)	(18.9%)			(15.0%)	(16.9%)	
Profit for the Year	318	500	57%		178	221	24%
(Profit for the Year%)	(11.2%)	(14.5%)			(11.7%)	(12.8%)	

Average Exchange Rate(USD/EUR) 107JPY/121JPY 110JPY/131JPY

106JPY/124JPY 110JPY/130JPY

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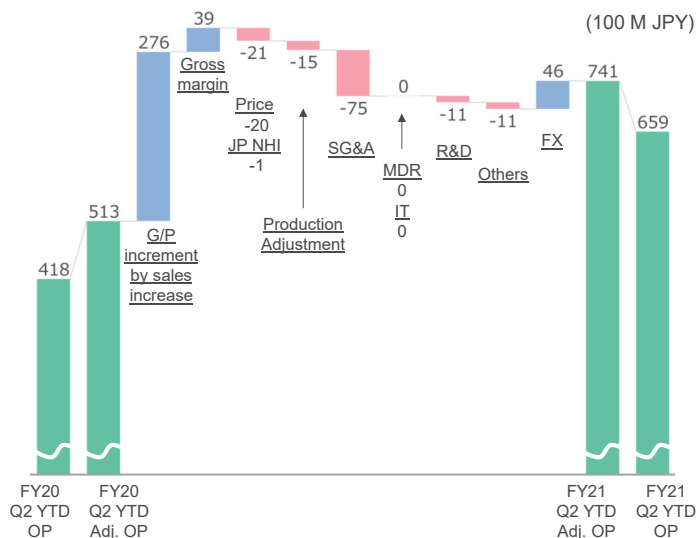


Here are the P&L results for the 2nd quarter.

The numbers second from left, our year-to-date revenue, was 344.6 billion yen, a 22% increase year-on-year for the same period.

Adjusted operating profit was 74.1 billion, or a 45% increase. The numbers second from right are our 2Q standalone results. Revenue was 172.9 billion yen, a 14% year-on-year increase. Adjusted operating profit was 33.9 billion, or a 15% increase. Expenses such as sales promotion activities and R&D progressed as planned in the 2nd quarter.

## Adjusted Operating Profit Variance Analysis (Q2 YTD)



- G/P increment by sales increase:**  
The revenue increased in all companies compared with FY20 Q2 YTD impacted by COVID-19
- Gross margin:**  
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:**  
Large increase compared with FY20 Q2 YTD 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 is the adjusted operating profit variance analysis compared to the previous year.

Gross profit increment by sales increase was 27.6 billion yen. Increased revenue from the Cardiac and Vascular Company had a large effect, but revenue growth from the other two companies also contributed.

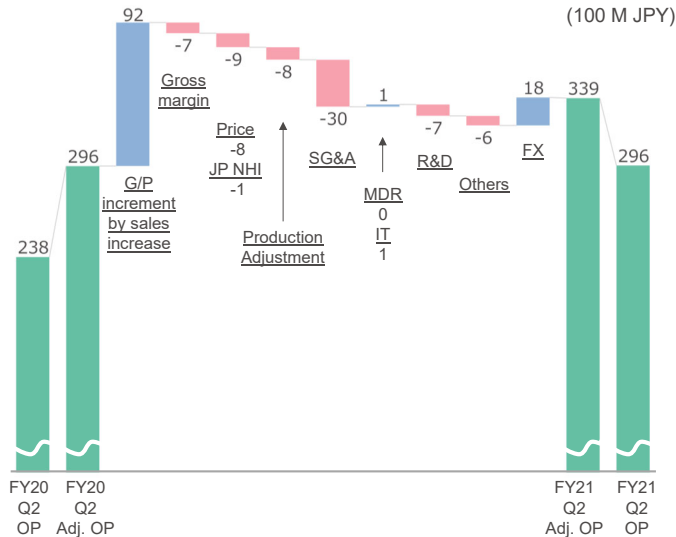
Price declines due to TIS product tenders in China and planned production adjustments were downward factors, but they were absorbed primarily by improved product mix due to increased TIS product sales.

SG&A were higher than the previous year, when activities were affected by COVID-19, but those activities have normalized as planned and are reflected in these SG&A results.

R&D costs and other expenses including those associated with starting the source plasma business are reflected as proceeding according to plan.

FX impact was a positive 4.6 billion yen, primarily due to flows between the euro and Chinese yuan. The impact on stock is minor.

## Adjusted Operating Profit Variance Analysis (Q2)



**G/P increment by sales increase:**  
Despite a slowdown due to the COVID-19 resurgence, positive revenue growth in all companies, especially in Cardiac & Vascular, compared with FY20 Q2 largely impacted by COVID-19

**Gross margin:**  
Decline driven by labor shortage in US factories, lowered operations in Vietnam factories due to the COVID-19 resurgence and increased cost of shipping and freight

**Price:**  
Decline mainly due to VBP in China for TIS products

**SG&A:**  
Large increase compared with FY20 Q2 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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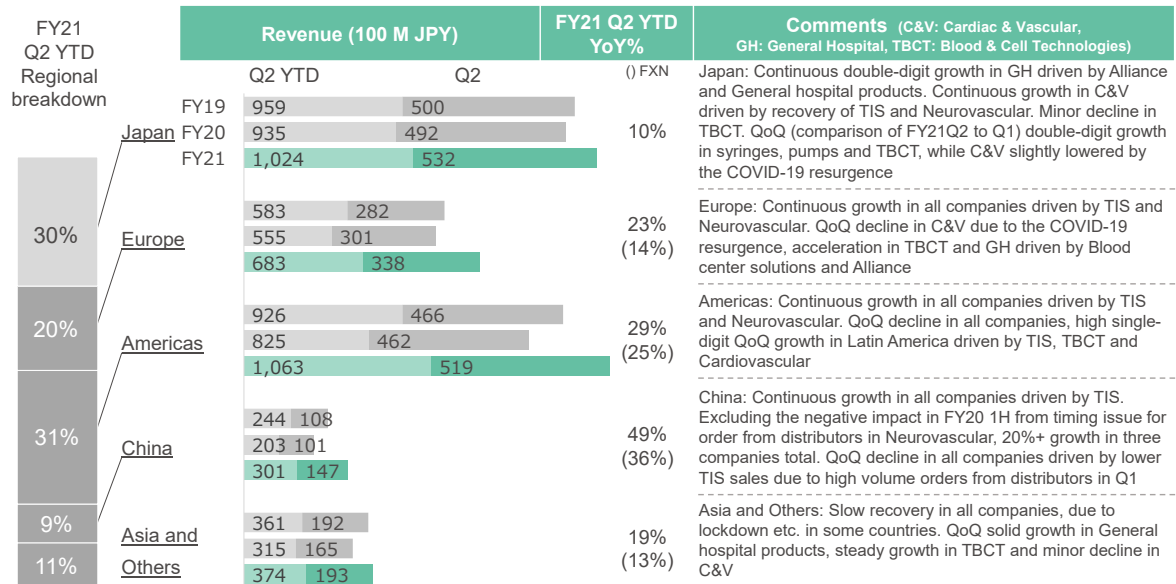
This is the adjusted operating profit variance analysis for 2nd quarter standalone, compared to the previous year.

Gross profit increment by revenue increase was 9.2 billion yen, and like the year-to-date result, was due to contributions from revenue growth at each company.

On the other hand, in addition to downward factors including progress of the planned production adjustment to normalize inventory levels, rising wages and human resource fluidity have occurred throughout society in the North America in the wake of the COVID-19 pandemic, leading to delays in securing resources at factories there. Reduced factory operations in Vietnam, where COVID-19 impacts continue to occur, were also a factor. With lockdowns eased in Vietnam, we are now seeing improvement. The impact of increased freight costs continued in the 2nd quarter as well.

2nd quarter standalone FX impact was a positive 1.8 billion yen.

## Revenue by Region



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Next is revenue by region.

In each region, the recovery of TIS products has driven Cardiac and Vascular Company growth, for double-digit year-to-date growth compared to the previous year.

In Japan, the Cardiac and Vascular Company was affected by COVID-19 for a slightly slower recovery, but the General Hospital Company performed well, resulting in 10% year-on-year growth, and 7% growth compared to FY2019. Blood and Cell Technologies Company experienced a slight revenue decrease due to impact from the timing of revenue.

In Europe, there was an overall recovery from COVID-19. TIS and Neurovascular of the Cardiac and Vascular Company grew, as did blood center solutions. In Neurovascular, Aspiration catheters showed strong growth.

In the Americas, North America was impacted by the COVID-19 Delta variant for a slight deceleration of growth in the 2nd quarter compared to the 1st; on the other hand, Central and South America accelerated after a slower recovery, driving the whole. Neurovascular was steady in North America as well.

In China, results calmed following a temporary large purchase of TIS products by distributors in the 1st quarter, but high growth continued there. In Neurovascular, there was a reduction due to distributor order timing the previous year that made this year's year-on-year increase larger, but even when this is excluded, rapid growth at the high 20s level continues.

In other parts of Asia some countries continue to experience COVID-19 impact, so the recovery pace remains slower.



**C&V:**

Significant revenue increase in all divisions with substantial recovery of procedures, especially in US and EU. Compared with FY21 Q1, revenue decline due to the COVID-19 resurgence and expenses utilized as planned

(100 M JPY)

	Q2 YTD			Q2			Comments	Q2 YTD Rev. YoY	
Revenue	() FXN						TIS: Remaining COVID-19 impact in Asia and JP, significant recovery in US and EU. QoQ (comparison of FY21Q2 to Q1) decline in China due to high volume orders from distributors in Q1 as well as in EU and US due to the COVID-19 resurgence, double-digit QoQ growth in Latin America and the same level as Q1 in Asia  Neurovascular: Significant recovery in the number of aneurysm treatments in US and EU. Continuous high growth of aspiration catheters. QoQ decline in EU and US, increase in China, Latin America and Asia  Cardiovascular: Steady hardware sales generated by reopening of hospital investments in addition to significant recovery of procedures in US and EU. QoQ decline especially in US due to the COVID-19 resurgence, increase in EU and Latin America driven by recovery of procedures and hardware sales  Vascular graft: Significant recovery in US and EU. QoQ decline especially in US and EU due to the COVID-19 resurgence, increase in Latin America	+274	
	1,726	1,494	1,943	841	821	948			+102
	+30% (+24%)			+15%					
Adjusted Operating Profit	472	320	508	227	196	214	+38		
	+59% (+43%)			+9%			+35		
	Adj. OP: The positive impact from product mix improvement surpassed the negative impact from VBP of TIS products in China, lowered production level for inventory level optimization and labor shortage in US factories. Expenses utilized as planned in Q2								
Adj. OP%	27%	21%	26%	27%	24%	23%			

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I will now explain results by company, starting with Cardiac and Vascular.

Year-to-date TIS revenue increased 27.4 billion yen year-on-year; the most growth of any of the company's businesses. COVID-19 delta variant impact caused a temporary slowing of growth in North America, but growth in Europe and China made contributions.

In Neurovascular, the number of cerebral artery treatment procedures increased, with Aspiration catheter in particular growing well. The neurovascular business made the second largest contribution in the company, with a 10.2-billion-yen increase in revenue year-on-year.

CV experienced a recovery of elective surgical procedures, as well as continued steady demand for instruments.

Like the other businesses, Vascular received a boost from the recovery in number of procedures, as well as further positive impact from enhanced product lineup and expansion of sales area, leading to continued growth above 30%.

In profit, price erosion, production adjustment, and the impact of human

resource shortages at factories in North America were all negative factors, which were balanced by product mix improvement through increased revenue. Adjusted operating profit on revenue was 26%.

**GH:**

Increase driven by pumps and daily use General hospital products.  
 Increase in both revenue and profit compared with FY21 Q1, driven by General hospital products

(100 M JPY)

	Q2 YTD			Q2			Comments	Q2 YTD
								Rev. YoY
Revenue	() FXN						General hospital products: Double-digit growth driven by a recovery of daily use products in JP, US, and Asia as well as increased demand for pumps due to COVID-19. Special demand for infection control products ran its course. QoQ (comparison of FY21Q2 to Q1) double-digit growth driven by pumps and syringes for vaccines in JP, daily use products in Asia	+50
	828	818	920	431	426	482		
Adjusted Operating Profit							Pharmaceutical: Mid single-digit growth in IV solutions despite a slow demand recovery. Continuous double-digit growth in pain management and adhesion barrier. QoQ low single-digit growth driven by adhesion barrier	+9
	126	117	134	74	65	70		
Adj. OP%							DM & consumer healthcare: Increase driven by thermometers and blood pressure monitors due to the special demand generated by infection control and side effects of vaccines. QoQ double-digit growth driven by thermometers	+15
	15%	14%	15%	17%	15%	15%		
							Alliance: 20%+ growth driven by CDMO business	+28
							Adj. OP: Mitigated the negative impact from increased shipping and freight cost by product mix improvement. SG&A expenses utilized as planned in Q2	

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Next, the General Hospital Company.

In Japan, which accounts for 70% of total revenue, demand in the medical device business for syringe pumps and infusion pumps in particular drove double-digit growth. While infection prevention product demand softened, high-added-value products like infusion lines and disposables were drivers.

Pharmaceuticals saw a slower recovery and growth in infusion drugs, similarly to the recovery in healthcare demand. However, pain management and anti-adhesion grew in the double digits.

DM & Healthcare saw steady growth, with high demand for thermometers and blood pressure monitors in Healthcare in particular, leading to mid-double-digit growth from the 1st to the 2nd quarter.

The Alliance business was also steady, maintaining growth at a high 20s-percent level.

In profit, the improved product mix due to increased revenue absorbed the negative impact of increased freight costs. Adjusted operating profit

on revenue was 15%

**TBCT:**

Continued increase in revenue and profit with product mix improvement and expense control. Revenue increase in Blood center solutions compared with FY21 Q1

(100 M JPY)

	Q2 YTD			Q2			Comments	Q2 YTD Rev. YoY
	() FXN							
<b>Revenue</b>	518	520	582	275	272	299	<p>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. QoQ (comparison of FY21Q2 to Q1) high single-digit growth driven by component collection and whole blood collection products in EU and JP</p> <p>Therapeutic solutions: Double-digit growth in US and EU driven by investment at hospitals to support higher number of procedures. QoQ decline in US, increase in Latin America, China and the same level with Q1 as a whole</p> <p>Cell therapy technologies: Despite the delay in deployment due to the COVID-19 impact in FY20 1H, recovered in 2H and came back to the growth trajectory</p>	+38
<b>Adjusted Operating Profit</b>	67	89	118	41	50	58	<p>Adj. OP: Positive effects from product mix improvement and expense control surpassed negative impacts of the normalized product mix due to the recovery in whole blood collection and lowered operation in Vietnam factory due to the COVID-19 resurgence</p>	+18
<b>Adj. OP%</b>	13%	17%	20%	15%	18%	19%		+6

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Next is Blood and Cell Technologies Company.

The blood center business saw good results especially in Europe and the Americas, in both whole blood and blood component collection. There were concerns about the impact of decreased demand for convalescent plasma used to treat COVID-19, but product mix improvement continued to result in double-digit revenue growth of 12%.

Apheresis also saw recovery and growth in number of cases, which spurred instrument demand toward double-digit growth. Cell processing also saw growth in demand.

In profit, the downward impact of reduced Vietnam factory operations was more than absorbed by the positive impact of improved product mix, resulting in profitability continuing at 20% from the 1st quarter.

## Upward Revision of Dividend Forecast

- Stably increasing, and aim for the target dividend payout ratio of 30% over the mid to long term
- FY21 annual dividend: 32.0 JPY (increased by 2.0 JPY from the original forecast)

	Original Forecast	Revised Forecast
Dividend/share	30.0 JPY Interim 15.0 Year-end 15.0	<b>32.0 JPY</b> Interim 16.0 Year-end 16.0
Dividend payout ratio	24.7%	<b>26.3%</b>

FY21 Guidance Profit for the Year: 92 B JPY, EPS: 122 JPY

The interim dividend amount was decided as described in the news released on November 4, 2021, "Terumo Revises Interim Dividend Distribution and Year-End Dividends Forecast for Fiscal Year Ending March 31, 2022"

As I mentioned in highlights at the beginning, we will not revise our guidance at this time; however, we plan to increase the dividend to 32 yen from the previous guidance of 30 yen. Therefore, the interim dividend will be increased by one yen to 16 yen, as announced today.

## Major Topics

### Corporate

- Resolved the selection of the new “Prime Market” segment on the Tokyo Stock Exchange, Inc.
- Has received “GOOD DESIGN AWARD” for twenty-six consecutive years



High condensed liquid nutrition “PG series” “F2 series” and four other products won the award

### Cardiac & Vascular

- Released final results of MASTER DAPT, a trial on abbreviated DAPT for patients at high risk of bleeding
- Launched the stent graft for thoracic aortic aneurysm “RelayPro” in US



Stent graft for thoracic aortic aneurysm “RelayPro”



Blood glucose management application “MEDISAFE Data Share” (smart phone version image)

### General Hospital

- Released the blood glucose management application “MEDISAFE Data Share”
- Launched the 100th anniversary limited thermometer in JP



100th anniversary thermometer “S100”

### Blood & Cell Technologies

- First-of-its-kind study published on the positive health economic impact of overcoming blood shortages to treat maternal bleeding in sub-Saharan Africa
- Opened manufacturing facility in Costa Rica

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Lastly, the main topics for the 2nd quarter.

I will introduce one of our ESG efforts: Improvement of the blood transfusion environment in Africa. In Sub-Saharan Africa, the cause of half of maternity deaths is blood loss after delivery. This complication can be prevented when transfusions are performed appropriately and safely, and Terumo undertook these efforts in cooperation with the government. The study confirmed the impact of this loss of life on the countries as a whole.

This concludes my overview of the earnings results. Thank you

## 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	EU: Launched
Vascular graft	Stent graft for thoracic aortic aneurysm	US	Launched
	Surgical hybrid stent graft	US	
	Stent graft for abdominal aortic aneurysm	JP	Launched

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	Launched
	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 上期 セグメント別売上収益

Revenue by Segment for the First Half of FY2021

(百万円 / millions of yen)

		1st Half FY2020						1st Half FY2021						増減率 % ch. half									
		日本 JPN	海外 Overseas	欧州 Europe	米州 America	中国 China	アジア Asia and others	合計 WW	日本 JPN	海外 Overseas	欧州 Europe	米州 America	中国 China		アジア Asia and others	合計 WW							
心臓血管 カンパニー	TIS	14,440	88,485	24,561	38,565	14,838	10,328	102,935	15,564	114,817	29,494	31,338	11,376	18,501	14,484	13,597	137.2%	130,382	26.7%	37.8%			
	ニューロバスキュラー	2,003	15,611	6,139	7,414	-	2,037	17,615	2,695	25,115	69.9%	8,038	30.9%	10,639	43.8%	4,312	-	1,904	-7.4%	27,811	27.9%	8.1%	
	カーディオバスキュラー	5,233	14,345	2,449	8,878	710	2,268	19,878	5,441	17,928	25.0%	3,015	14.6%	11,429	28.8%	1,049	19.8%	2,396	5.7%	23,370	18.4%	6.8%	
	血管	1,176	8,119	4,732	2,346	374	466	9,295	1,303	11,473	47.2%	6,288	32.0%	3,520	62.6%	774	34.8%	591	26.7%	11,777	27.3%	3.7%	
<b>Cardiac and Vascular Company</b>		<b>22,862</b>	<b>126,562</b>	<b>37,883</b>	<b>57,202</b>	<b>16,153</b>	<b>15,222</b>	<b>149,424</b>	<b>25,006</b>	<b>169,336</b>	<b>33.6%</b>	<b>48,718</b>	<b>28.6%</b>	<b>77,490</b>	<b>33.5%</b>	<b>24,837</b>	<b>13.8%</b>	<b>18,289</b>	<b>19.4%</b>	<b>194,341</b>	<b>30.1%</b>	<b>55.4%</b>	
ホスピタル カンパニー	医薬品	24,189	11,207	1,248	2,947	546	6,464	36,396	26,739	19.2%	13,438	21.7%	1,380	10.6%	4,063	27.9%	589	7.8%	7,603	17.6%	40,378	14.1%	12.7%
	医薬品	22,110	-	-	-	-	-	22,110	23,031	4.2%	-	-	-	-	-	-	-	-	-	23,031	4.2%	6.7%	
	DM+ヘルスケア	11,255	1,348	393	7	399	330	12,604	12,212	8.2%	1,871	38.8%	406	3.9%	13	89.9%	328	32.3%	921	67.4%	14,084	11.7%	4.1%
	ホスピタルシステム小計	57,555	12,555	1,639	2,954	946	7,012	70,111	61,983	7.7%	15,510	23.2%	1,787	9.9%	4,078	38.1%	1,118	18.2%	8,325	21.3%	77,494	10.5%	22.3%
アライアンス	7,269	4,410	2,921	1,161	69	244	11,680	9,742	34.0%	4,724	7.1%	3,178	8.3%	968	-17.1%	65	-5.6%	316	111.4%	14,466	23.9%	4.2%	
<b>General Hospital Company</b>		<b>64,925</b>	<b>16,966</b>	<b>4,575</b>	<b>4,115</b>	<b>1,015</b>	<b>7,259</b>	<b>81,791</b>	<b>71,726</b>	<b>10.6%</b>	<b>20,234</b>	<b>19.2%</b>	<b>4,966</b>	<b>8.5%</b>	<b>5,042</b>	<b>22.5%</b>	<b>1,184</b>	<b>16.6%</b>	<b>9,042</b>	<b>24.5%</b>	<b>91,961</b>	<b>12.4%</b>	<b>20.7%</b>
血液・細胞 テクノロジー カンパニー	血液センター	5,411	33,608	10,341	12,860	2,722	7,384	39,010	5,297	-1.7%	37,529	11.7%	11,419	10.4%	14,129	9.0%	3,397	24.8%	8,582	12.2%	42,826	9.8%	12.4%
	アブジェンシス治療剤	196	9,332	2,313	5,365	328	1,220	9,438	186	-4.9%	11,062	19.8%	2,802	20.9%	6,296	17.4%	500	70.9%	1,402	14.9%	11,249	19.3%	8.1%
	細胞処理	86	3,413	496	2,837	33	113	3,904	71	-1.6%	4,062	18.8%	400	-1.5%	3,384	19.3%	144	149.1%	132	14.5%	4,134	18.0%	7.2%
<b>Blood and Cell Technologies Company</b>		<b>5,693</b>	<b>46,359</b>	<b>13,667</b>	<b>21,162</b>	<b>3,108</b>	<b>8,920</b>	<b>51,952</b>	<b>5,556</b>	<b>-2.4%</b>	<b>52,666</b>	<b>13.6%</b>	<b>14,622</b>	<b>11.9%</b>	<b>23,811</b>	<b>12.5%</b>	<b>4,102</b>	<b>22.0%</b>	<b>10,118</b>	<b>13.4%</b>	<b>58,210</b>	<b>12.0%</b>	<b>16.9%</b>
その他	Others	127	-	-	-	-	-	127	124	-1.6%	-	-	-	-	-	-	-	-	-	124	-1.6%	0.0%	
<b>合計 Total</b>		<b>93,508</b>	<b>189,758</b>	<b>55,525</b>	<b>82,481</b>	<b>20,278</b>	<b>31,592</b>	<b>283,296</b>	<b>102,412</b>	<b>9.2%</b>	<b>242,226</b>	<b>27.6%</b>	<b>68,397</b>	<b>23.0%</b>	<b>106,343</b>	<b>28.9%</b>	<b>30,124</b>	<b>40.6%</b>	<b>37,449</b>	<b>18.9%</b>	<b>344,637</b>	<b>21.7%</b>	<b>100.0%</b>
売上比率 % to Total		33.0%	67.0%	29.6%	29.1%	7.2%	11.1%	100.0%	29.7%	70.3%	27.6%	19.2%	30.9%	8.7%	10.9%	100.0%							

(期中平均為替レート)

(Average Exchange Rates)

(USD)=¥106.83

(EUR)=¥121.34

(USD)=¥109.51

(EUR)=¥130.88

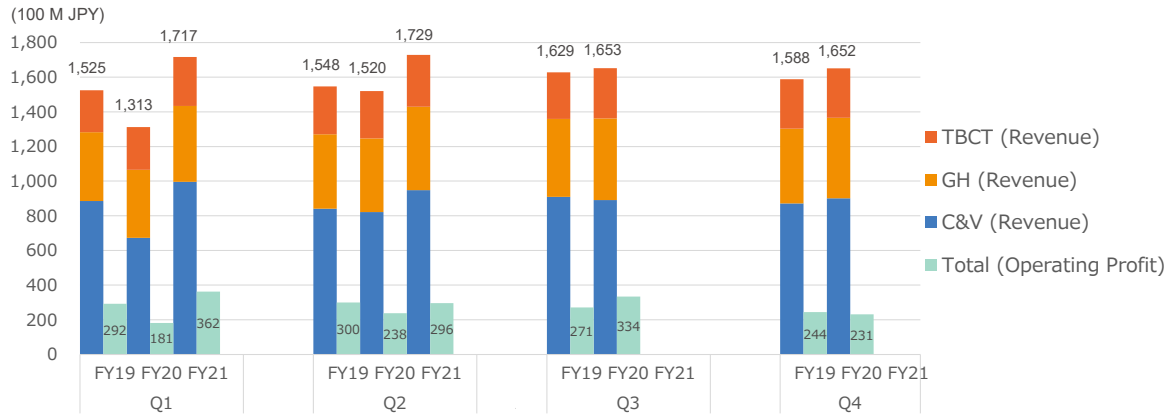
\* FY2021.12が中国の売上を報告しているため、「アジア他」から「中国」の売上を削いでおります。

\* Sales in China is not included in "Asia and others" from this reportable segment.

## Quarterly Trend of Revenue and Operating Profit

Revenue: Increase by +14% YoY and by +12% against FY19 Q2. Large increase in C&V by +13% against FY19 Q2 with positive impact of FX such as EUR

Operating Profit: In addition to the negative GP impact of VBP in China and lowered production level, decline driven by labor shortage in US factories, lowered operations in Vietnam factories due to the COVID-19 resurgence, and increased cost of shipping and freight. Expenses utilized as planned especially in US, EU, and JP



## P&L (Quarterly Results)

(100 M JPY)

	FY20 Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY21 Q1 (Apr-Jun)	Q2 (Jul-Sep)	
Revenue	1,520	1,653	1,652	1,717	1,729	
Gross Profit	816 (53.7%)	908 (54.9%)	854 (51.7%)	943 (54.9%)	920 (53.2%)	
SG&A Expenses	458 (30.2%)	447 (27.1%)	488 (29.5%)	465 (27.1%)	490 (28.4%)	
R&D Expenses	119 (7.8%)	128 (7.7%)	132 (8.0%)	117 (6.8%)	130 (7.5%)	
Other Income and Expenses	-1	2	-2	1	-3	
Operating Profit	238 (15.6%)	334 (20.2%)	231 (14.0%)	362 (21.1%)	296 (17.1%)	
Adjusted Operating Profit	296 (19.5%)	372 (22.5%)	274 (16.6%)	402 (23.4%)	339 (19.6%)	
Average Rate	USD EUR	106 JPY 124 JPY	105 JPY 125 JPY	106 JPY 128 JPY	110 JPY 132 JPY	110 JPY 130 JPY

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## Operating Expenses (Quarterly Results)

(100 M JPY)

	FY20 Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY21 Q1 (Apr-Jun)	Q2 (Jul-Sep)
Salaries & Wages	232	231	240	249	249
Sales Promotion	31	35	43	30	40
Logistical Costs	36	38	37	38	39
Depreciation & Amortization	49	47	49	48	50
Others	110	97	119	99	112
SG&A Expenses Total	458	447	488	465	490
(SG&A Expenses%)	(30.2%)	(27.1%)	(29.5%)	(27.1%)	(28.4%)
R&D Expenses	119	128	132	117	130
(R&D Expenses%)	(7.8%)	(7.7%)	(8.0%)	(6.8%)	(7.5%)
Operating Expenses Total	578	575	620	581	621
(Operating Expenses%)	(38.0%)	(34.8%)	(37.5%)	(33.9%)	(35.9%)
Average Rate	USD EUR	106 JPY 124 JPY	105 JPY 125 JPY	106 JPY 128 JPY	110 JPY 130 JPY

## Operating Expenses (YTD and Quarterly Results)

(100 M JPY)

	FY20 Q2 YTD	FY21 Q2 YTD	YoY	YoY%	YoY% (FXN)	FY20 Q2	FY21 Q2	YoY	YoY%
Salaries & Wages	456	498	42	9%	5%	232	249	17	7%
Sales Promotion	51	70	19	38%	34%	31	40	9	31%
Logistical Costs	69	77	9	12%	9%	36	39	3	9%
Depreciation & Amortization	95	98	3	3%	0%	49	50	1	2%
Others	188	211	23	12%	9%	110	112	2	1%
<b>SG&amp;A Expenses Total</b>	<b>859</b>	<b>955</b>	<b>96</b>	<b>11%</b>	<b>7%</b>	<b>458</b>	<b>490</b>	<b>32</b>	<b>7%</b>
(SG&A Expenses%)	(30.3%)	(27.7%)				(30.2%)	(28.4%)		
<b>R&amp;D Expenses</b>	<b>231</b>	<b>247</b>	<b>16</b>	<b>7%</b>	<b>4%</b>	<b>119</b>	<b>130</b>	<b>11</b>	<b>9%</b>
(R&D Expenses%)	(8.2%)	(7.2%)				(7.8%)	(7.5%)		
<b>Operating Expenses Total</b>	<b>1,090</b>	<b>1,202</b>	<b>112</b>	<b>10%</b>	<b>7%</b>	<b>578</b>	<b>621</b>	<b>43</b>	<b>7%</b>
(Operating Expenses Total%)	(38.5%)	(34.9%)				(38.0%)	(35.9%)		

## Adjusted Operating Profit: Adjustments

(100 M JPY)

	FY20 Q2 YTD	FY21 Q2 YTD	FY20 Q2	FY21 Q2
Operating Profit	418	659	238	296
Adjustment 1. Amortization of acquired intangible assets	72	79	37	40
Adjustment 2. Non-recurring profit or loss	23	4	21	3
<b>Adjusted Operating Profit</b>	<b>513</b>	<b>741</b>	<b>296</b>	<b>339</b>

<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 Q2 YTD	FY21 Q2
Business reorganizing cost	4	3

## CAPEX, Depreciation and R&D Expenses

	FY18	FY19	FY20	FY21 Q2 YTD	(100 M JPY) FY21 Guidance
CAPEX	608	895	772	324	850
Depreciation	440	477	484	256	530
Amortization of acquired intangible assets	146	157	150	71	155
Others	294	320	334	185	375

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

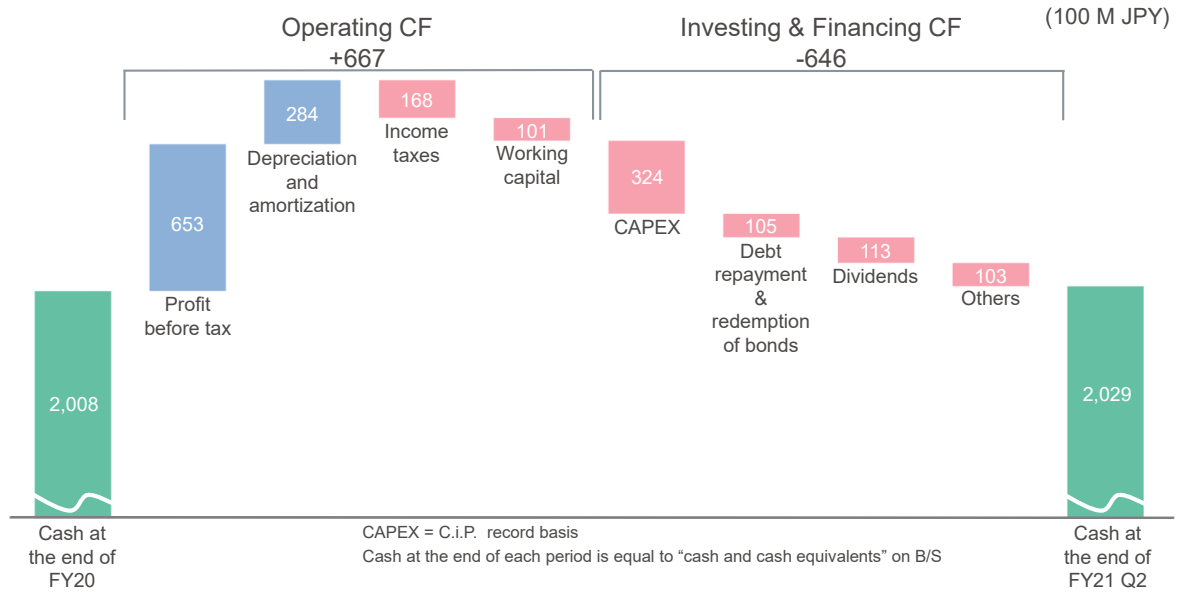
■ FY21 Q2 YTD (32.4 B JPY): Continued investment mainly for TIS, Neurovascular, Alliance, and Blood & Cell Technologies in production capacity and space, R&D as well as IT infrastructure (SAP)

■ 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

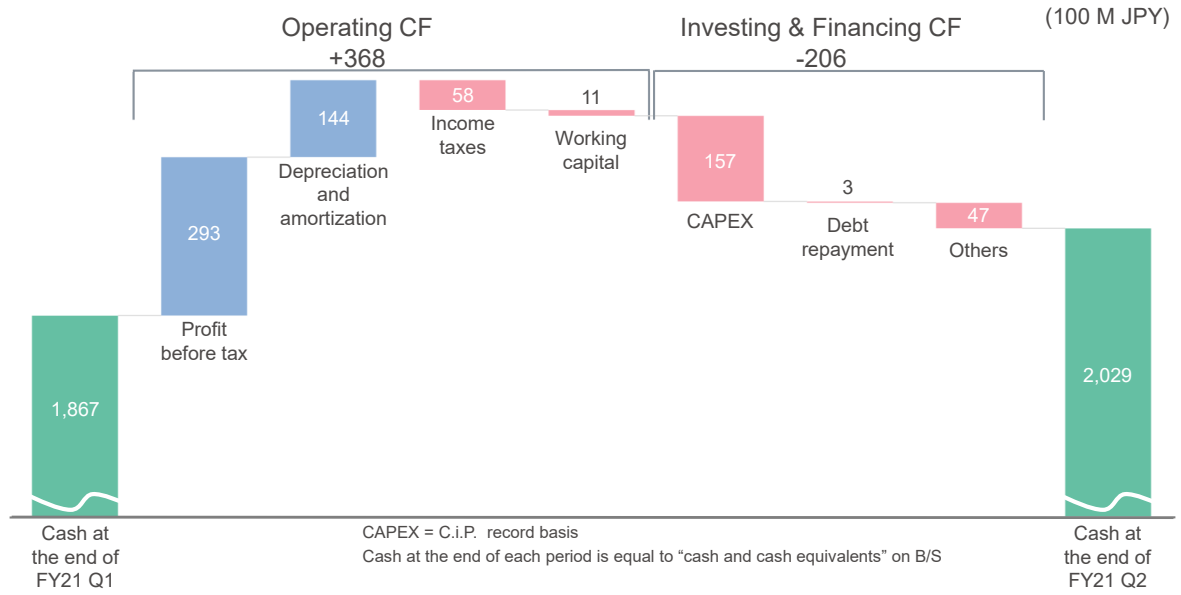
	FY18	FY19	FY20	FY21 Q2 YTD	FY21 Guidance
R&D Expenses	477	506	491	247	529



## Cash Flows (Q2 YTD)



## Cash Flows (Q2)



## 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*  
*100th*