

Financial Results for the Fiscal Year Ended March 31, 2020 (FY2019)

May 18, 2020

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Terumo Corporation



Despite the COVID-19 Impact, Highest-ever Revenue and Operating Profit

(billion JPY)

| | FY18 | FY19 | YoY% | YoY% (FXN) |
|----------------------------------|---------------|---------------|------|---------------|
| Revenue | 599.5 | 628.9 | +5% | +8% |
| Gross Profit | 326.5 (54.5%) | 343.9 (54.7%) | +5% | +9% |
| SG&A Expenses | 178.7 (29.8%) | 184.5 (29.3%) | +3% | +6% |
| R&D Expenses | 47.7 (8.0%) | 50.6 (8.0%) | +6% | +8% |
| Other Income and Expenses | 6.5 | 1.8 | - | - |
| Operating Profit | 106.6 (17.8%) | 110.6 (17.6%) | +4% | +11% |
| Adjusted Operating Profit | 122.1 (20.4%) | 125.0 (19.9%) | +2% | +9% |
| Profit before Tax | 102.7 (17.1%) | 106.5 (16.9%) | +4% | |
| Profit for the Year | 79.5 (13.3%) | 85.2 (13.5%) | +7% | |

| | | | |
|-----------------------|-----|---------|---------|
| Average Exchange Rate | USD | 111 JPY | 109 JPY |
| | EUR | 128 JPY | 121 JPY |

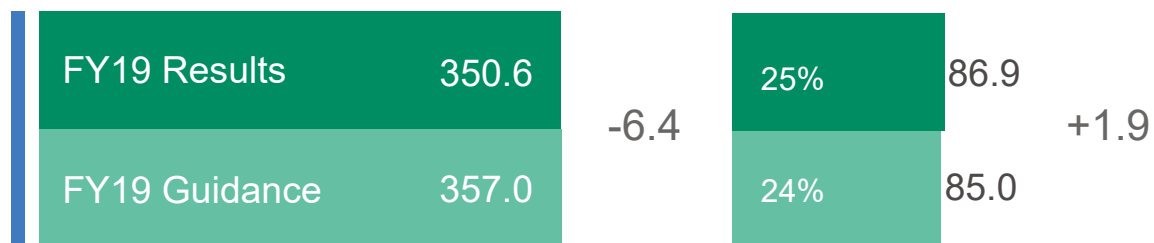
- Revenue: All companies made positive growth. Slight impact of COVID-19 in Q4 mainly in China was seen
- Adjusted Operating Profit: Grew due to increase in revenue of high margin products and partially unused expenses in Cardiac and Vascular Company
- Profit for the Year: FX loss decreased from 3.8 B JPY in FY18 to 3.5 B JPY in FY19

FY19 Results in Comparison to the Original Guidance

(billion JPY)

| Revenue | | Adjusted Operating Profit | | Comments |
|---------|----------|---------------------------|----------|----------|
| Amount | variance | Amount | variance | |

Cardiac and Vascular



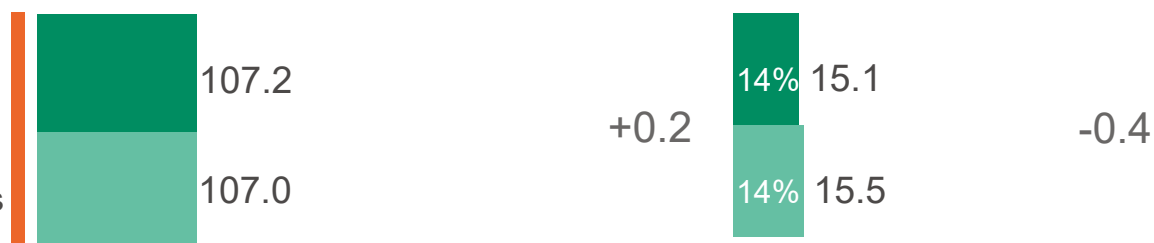
Lower revenue due to the COVID-19 impact(China) and sluggish result of DES, etc. Higher profit due to partially unused expenses (e.g. promotion for recovery from shipping delays)

General Hospital



Both revenue and adjusted operating profit were in line with the guidance

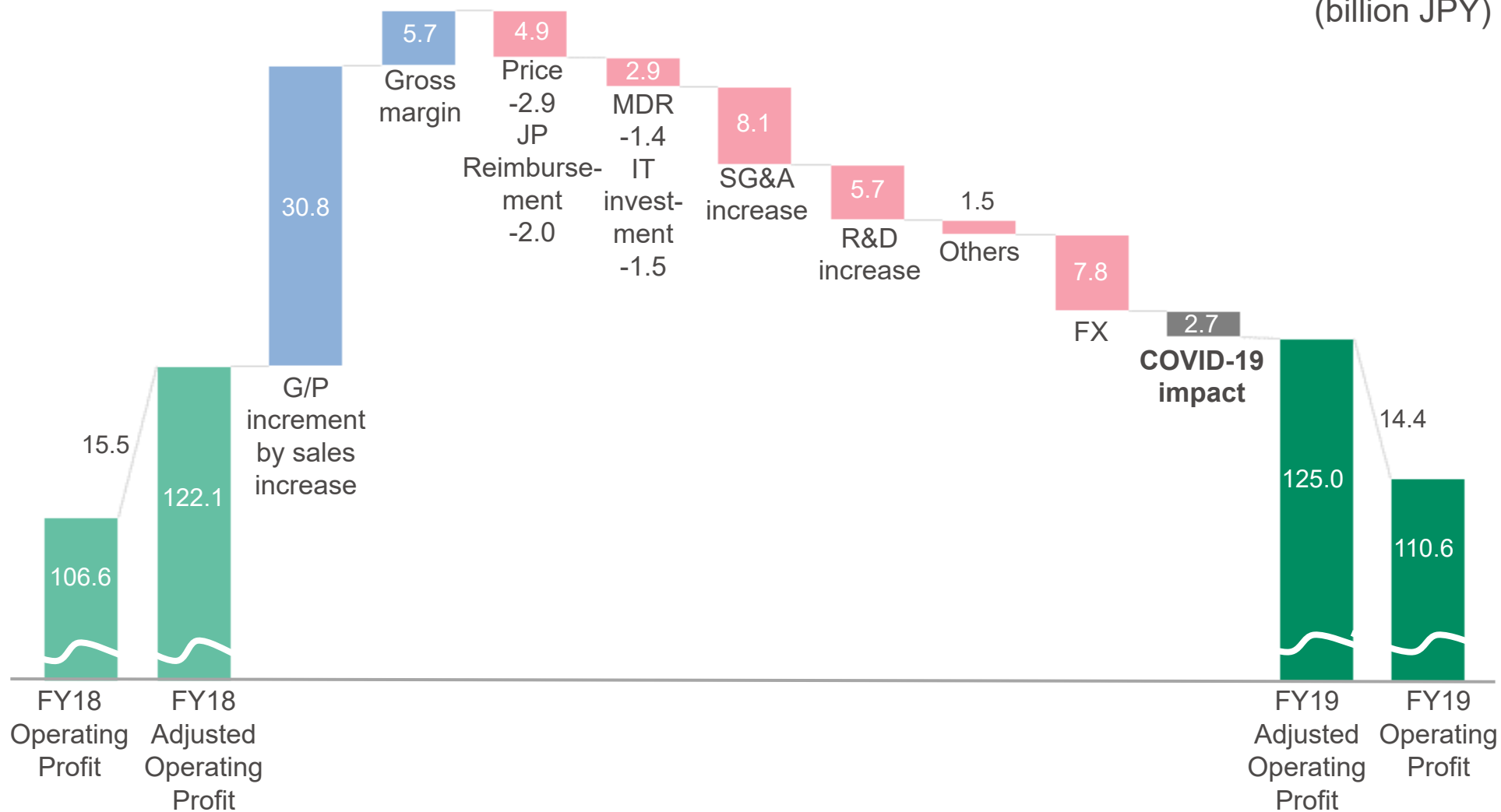
Blood and Cell Technologies



Both revenue and profit were higher than the guidance excluding FX impact

Adjusted Operating Profit Variance Analysis

(billion JPY)



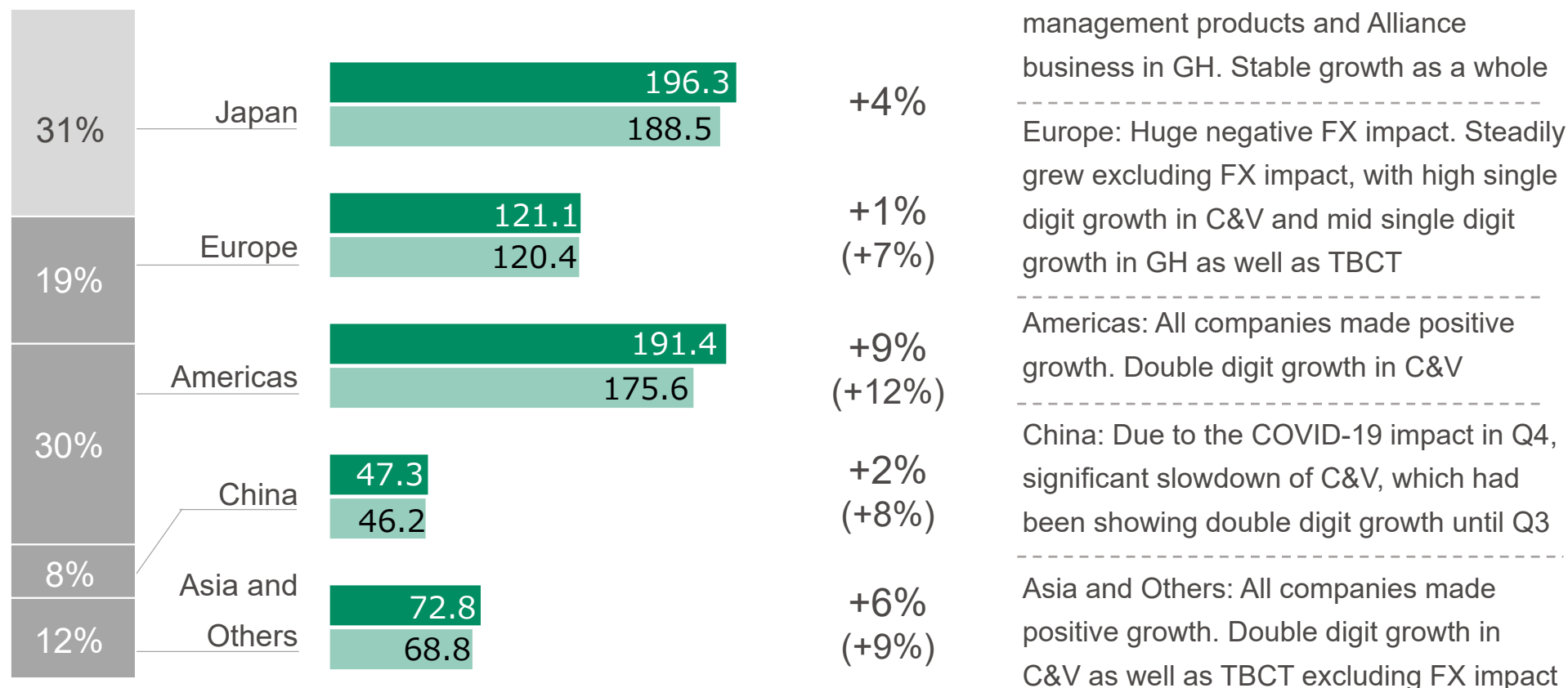
Revenue by Region

FY19
FY18

Revenue

100% = 628.9 B JPY

Year-on-Year Revenue Comparison

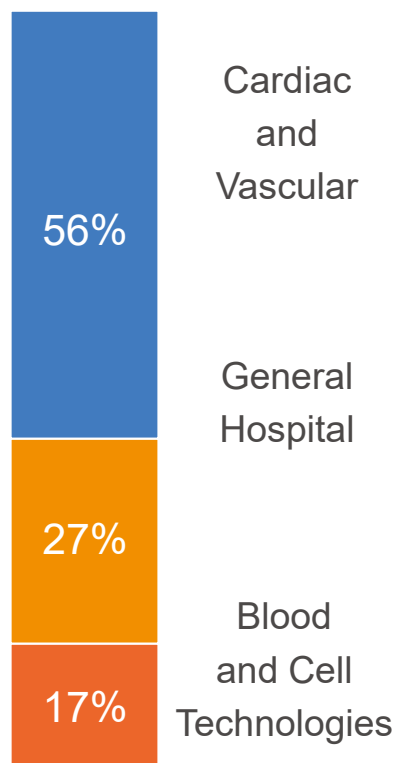


Revenue by Business Segment

FY19
FY18

Revenue

100% = 628.9 B JPY



Year-on-Year Revenue Comparison

| Revenue | billion JPY | YoY% | Comments | | |
|-----------------------------|---|---------|----------|---------------|--|
| | | () FXN | | | |
| Cardiac and Vascular | <table border="1"> <tr> <td>350.6</td> </tr> <tr> <td>328.5</td> </tr> </table> | 350.6 | 328.5 | +7% (+10%) | Continuous growth close to 20% in Neurovascular business. Double digit growth excluding FX impact despite the COVID-19 impact mainly in China in Q4 |
| 350.6 | | | | | |
| 328.5 | | | | | |
| General Hospital | <table border="1"> <tr> <td>171.0</td> </tr> <tr> <td>165.8</td> </tr> </table> | 171.0 | 165.8 | +3% (+4%) | Driven by double digit growth in Alliance business, pain management products as well as adhesion barrier. Increased demand for thermometers and antiseptic hand gel for the preventive measures against COVID-19 |
| 171.0 | | | | | |
| 165.8 | | | | | |
| Blood and Cell Technologies | <table border="1"> <tr> <td>107.2</td> </tr> <tr> <td>105.0</td> </tr> </table> | 107.2 | 105.0 | +2% (+6%) | Driven by software update for the automated blood collection system |
| 107.2 | | | | | |
| 105.0 | | | | | |

Cardiac and Vascular: Double Digit Growth in Revenue and Profit Excluding FX

(billion JPY)

| | FY18 | FY19 | YoY% | Major Topics | Impact |
|-------------------------------|---------------|---------------|---------------|---|--------|
| Revenue | 328.5 | 350.6 | +7% (+10%) | TIS: Despite the COVID-19 impact in Q4, showed double digit growth excluding FX impact | +13.0 |
| | | | | Neurovascular: Close to 20% growth driven by "WEB" and stroke devices | +7.5 |
| | | | | Cardiovascular: Driven by oxygenators | +1.5 |
| | | | | Vascular graft: Slight slowdown in Q4 due to the COVID-19 impact | +0.1 |
| Adjusted Operating Profit (%) | 80.9 (25%) | 86.9 (25%) | +7% (+16%) | Increase in profit due to revenue expansion in TIS and Neurovascular business. Some budgeted expenses were unused due to strong momentum in overall TIS and "WEB" in Neurovascular | |

() FXN

General Hospital: Revenue and Profit in Line with the Guidance

(billion JPY)

| | FY18 | FY19 | YoY% | Major Topics | Impact |
|-------------------------------|---------------|---------------|--------------|---|--------|
| Revenue | 165.8 | 171.0 | +3% (+4%) | General hospital products: Impact of the financial challenge in Indonesian national health insurance, etc. | -0.3 |
| | | | | Pharmaceutical: Driven by pain management products and adhesion barrier | +1.8 |
| | | | | DM Healthcare: Special demand for thermometers due to the COVID-19 impact | +0.5 |
| | | | | Alliance: Double digit growth in line with the guidance | +3.2 |
| Adjusted Operating Profit (%) | 26.8 (16%) | 25.2 (15%) | -6% (-7%) | In line with the guidance reflecting the depreciation increase due to capacity expansion of Yamaguchi factory | |

() FXN

Blood and Cell Technologies: Exceeded the Guidance Excluding FX Impact

(billion JPY)

| | FY18 | FY19 | YoY% | Major Topics | Impact |
|-------------------------------|---------------|---------------|---------------|--|------------------|
| | | | () FXN | | |
| Revenue | 105.0 | 107.2 | +2% (+6%) | <p>Blood center solutions: Driven by automated blood collection system, software update and increased demand of plasma collection from convalescent COVID-19 patients</p> <p>Therapeutic solutions: Recoil of replacement with the latest version of consoles in developed countries</p> | +2.4 -0.1 |
| Adjusted Operating Profit (%) | 15.7 (15%) | 15.1 (14%) | -4% (+10%) | <p>Huge negative FX impact more than expected.</p> <p>Controlled expenses and exceeded the guidance excluding FX impact</p> | |

FY19 Year-end Dividend Proposal: 14.0 JPY

FY19 annual dividend proposal: 28.0 JPY

No change from the original guidance, considering the COVID-19 impact

| | FY19 Results |
|-----------------------------|--------------|
| Profit for the year (B JPY) | 85.2 |
| EPS (JPY) | 114 |

| | |
|-------------------------------|--|
| Dividend proposal/share (JPY) | 28.0 Interim 14.0 Year-end 14.0 |
| Dividend payout ratio | 24.6% |

Major Topics in FY19 Q4

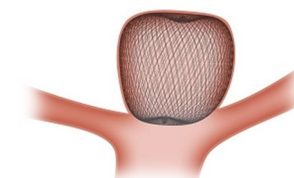
Corporate

- | Selected as “the Health and Productivity Stock Selection” for six consecutive years (Mar)
- | Committed to supporting relief and recovery efforts from the Australian bushfire disaster (Mar)
- | Greenhouse Gas Reduction Target Approved by the SBTi (Mar)

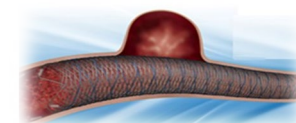


Business

- | Announced manufacturing and marketing approval in Japan for “WEB” intrasaccular aneurysm treatment device (Jan)
- | Announced US FDA premarket approval for “FRED” flow diverter (Jan)
- | The reimbursement price for “FRED” flow diverter listed in Japan (Jan)
- | Launched “Fentanyl Citrate Tape for 1 Day Use” strong opioid analgesic in Japan (Feb)



Intrasaccular aneurysm treatment device “WEB”

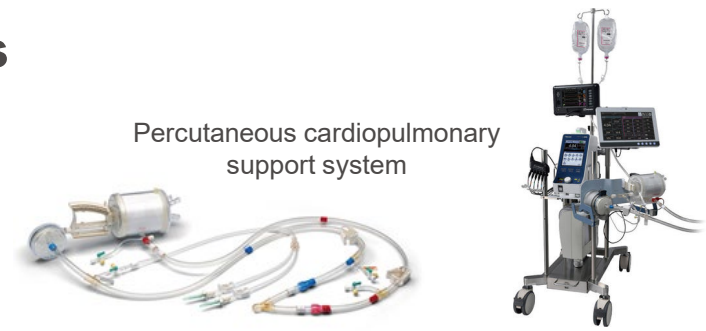


Flow diverter for Aneurysm treatment “FRED”

All Companies Contribute to COVID-19 Prevention and Treatment

Cardiac and Vascular: ECMO for severe patients

- Having started to improve capacity since Jan. 2020
- Support teams of physicians, technicians and nurses



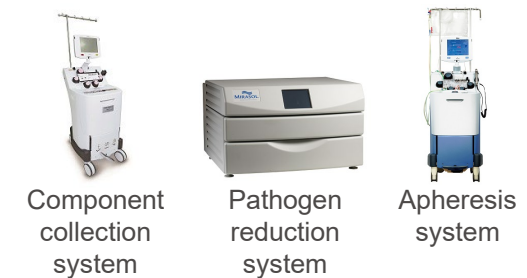
General Hospital: Infection prevention from home to hospital

- Thermometer designed in consideration of infection control
- Various hand sanitizer lineup for hospital infection prevention



Blood and Cell Technologies: Support latest treatments

- Convalescent plasma collection using component collection system
- Pathogen reduction shown efficacy against virus causing COVID-19
- Apheresis system approved in US for emergency use in cytokine reduction



FY19 New Product Pipeline

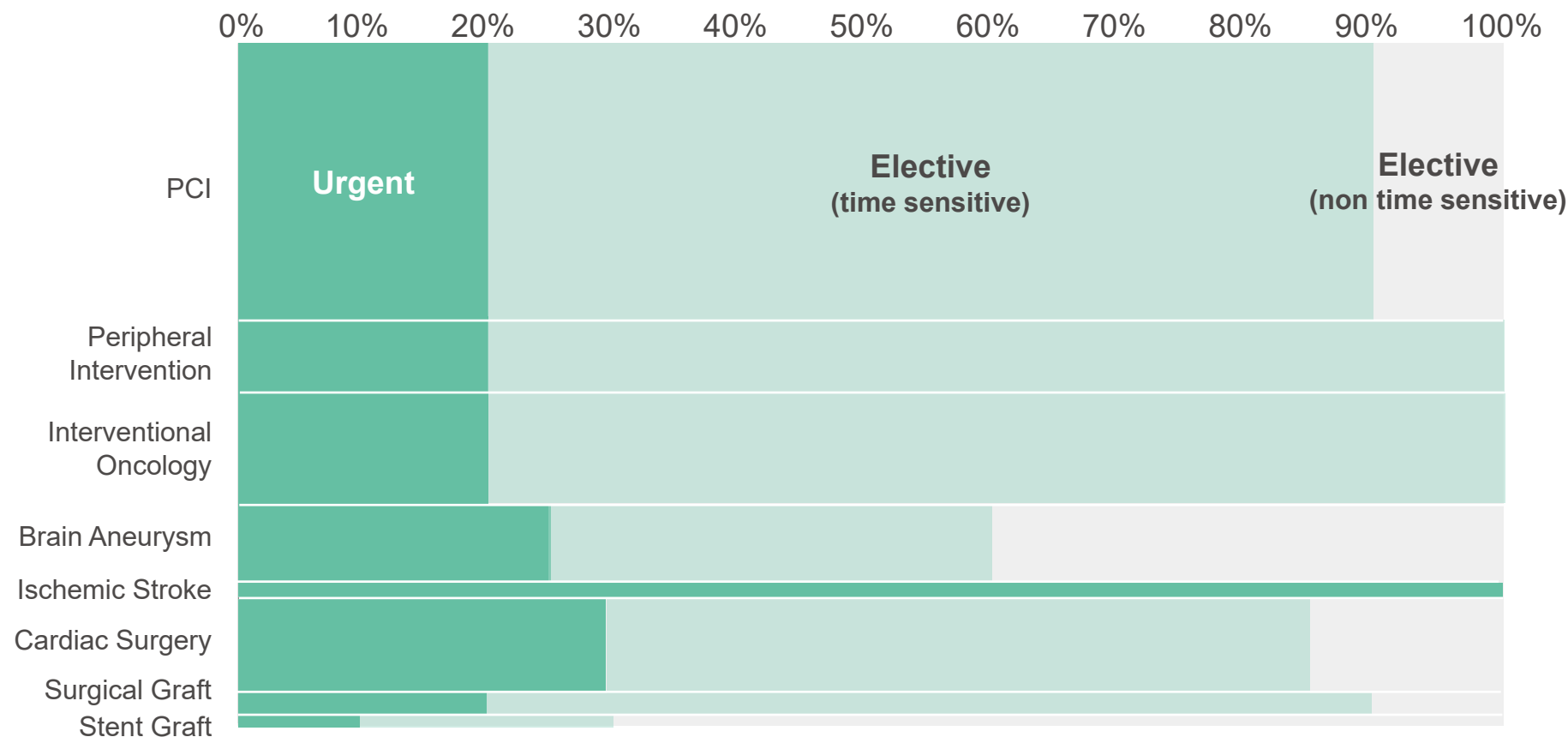
| Category | Products | Region | Launch | Category | Products | Region | Launch | |
|-----------------|---|----------|----------|----------------------------|---|--|----------|----------|
| Access | Closure device for distal radial approach | JP | FY21 | General hospital | Next generation of syringe pump | JP | FY20 | |
| Coronary | PTCA balloon | EU, Asia | Launched | Pharmaceutical | Narcotic analgesic for postoperative pain management (Fentanyl injection) | JP | Launched | |
| Peripheral | Stent (TRI) | JP, US | Launched | | Adhesion barrier (AdSpray mini) | JP | Launched | |
| Neuro | Intrasaccular aneurysm treatment device (WEB) | US | Launched | DM and consumer healthcare | Continuous glucose monitoring system | JP | Launched | |
| | Distal access catheter (Sofia EX) | EU, US | Launched | | Blood glucose monitoring system | JP | FY20 | |
| | Mini balloon | EU, US | Launched | | Insulin patch pump | JP | Launched | |
| | Aspiration catheter | JP | Launched | | Next version of blood pressure monitor | JP | Launched | |
| | Stentriever | JP | Launched | | Next version of thermometer | JP | FY20 | |
| Cardio-vascular | Next generation of oxygenator | JP | FY20 | | Cell therapy technologies | Fill and finish system for cell therapy processing (FINIA) | Global | Launched |
| | Heart lung machine (re-launch) | JP | FY20 | | | | | |
| Vascular graft | Large-bore vascular graft (Triplex Advanced) | JP | Launched | | | | | |

FY20 Annual Guidance

- Not determined yet since it is difficult to rationally estimate the COVID-19 impact on the guidance at the moment
- To be promptly disclosed when it becomes available
- Qualitative estimation of the COVID-19 impact
 - Relatively large on Cardiac and Vascular, and its extent may vary by segment and region. Necessary to consider its timelike and phaselike changes
 - Limited impact on General Hospital as well as Blood and Cell Technologies

The COVID-19 Framework of Cardiac and Vascular Procedures

- Impact varies by procedural type (urgent/elective)
- Not only procedural types but also various factors have influence on sales revenue e.g. financial situation of hospitals, hospital-based/office-based, locality, guidelines from medical societies, sales channels (direct/distributors) and patients' sentiment



Limited COVID-19 Impact on GH and TBCT

General Hospital

- | General hospital products and Pharmaceutical: The products are majorly related to medical infrastructure and hospitalization
- | DM Healthcare: Diabetes is a chronic disease and DM products are for homecare. In Healthcare, carefully monitor recoil from the special demand for thermometers
- | Alliance: Majority of the business is contract manufacturing of drug and device for chronic diseases

Blood and Cell Technologies

- | Blood center solutions: Despite slight decline in demand due to postponement of surgical cases, increase in demand for automated blood collection system for higher efficiency in blood collection has been seen
- | Therapeutic solutions: Limited impact on the demand as the majority of blood therapies are for chronic diseases
- | Cell therapy technologies: Carefully monitor slowdown in cell therapy studies by pharmaceutical companies and research institutes

FY20 New Product Pipeline

■ Having integrated certain impact by COVID-19, still need to carefully monitor further delay in R&D, etc.

| Category | Products | Region |
|-----------------|--|--------|
| Coronary | Steerable sheath | JP |
| | PTCA balloon (manufactured by Essen Technology) | China |
| Imaging | IVUS catheter | JP |
| Oncology | Biodegradable drug eluting microspheres | EU |
| | Peripheral embolization plug | US |
| Neuro | Flow diverter | JP, US |
| | Balloon guide catheter | EU |
| | Carotid stent | JP |
| | Intrasaccular aneurysm treatment device (WEB) | JP |
| Cardio-vascular | Oxygenator | JP |
| | Heart lung machine (re-launch) | JP |
| | Surgical stabilizer | Global |

| Category | Products | Region |
|----------------------------|--|----------|
| Vascular graft | Abdominal aortic stent graft | US |
| General hospital | Syringe pump | JP |
| | Safety IV catheter | JP |
| | Syringe pump for open TCI | EU, Asia |
| Pharmaceutical | Strong opioid analgesic (Fentanyl citrate tape for 1 day use) | JP |
| DM and consumer healthcare | Continuous glucose monitoring system | JP |
| | Blood glucose monitoring system | JP |
| | Thermometer | JP |

FY20 Liquidity and Cash Allocation

Managing Liquidity

- 40 B JPY fund-raised in FY19
(FY19 year-end cash on hand: worth approx. 3.2 months of revenue)
- For further preservation purpose, having concluded commitmentline contracts for 60 B JPY

FY20 Cash Allocation

- Continue investments for further growth post COVID-19
* Pursue M&A opportunities for “**Sustainable and Profitable Growth**”
- Put non-urgent expenses and investment projects on hold
- Keep annual dividend at 28.0 JPY unchanged for the time being
(Following our current policy, plan to restart dividend increase after the full recovery from the COVID-19 impact)

Reference

FY19 Revenue and Growth by Region

(billion JPY)

| Business Segment | Japan | Overseas | | | | | Total |
|------------------------------------|--------------------|---------------------|--------------------|---------------------|-------------------|-------------------|--------------------|
| | | Subtotal | Europe | Americas | China | Asia | |
| Cardiac and Vascular | 50.9 (+6%) | 299.6 (+11%) | 86.2 (+8%) | 138.4 (+14%) | 39.5 (+9%) | 35.6 (+13%) | 350.6 (+10%) |
| Out of C&V Interventional Systems* | 38.0 (+6%) | 246.0 (+13%) | 70.1 (+9%) | 109.5 (+16%) | 37.0 (+9%) | 29.3 (+12%) | 284.0 (+12%) |
| General Hospital | 132.9 (+4%) | 38.1 (+4%) | 9.3 (+3%) | 9.1 (+10%) | 2.5 (-2%) | 17.2 (+2%) | 171.0 (+4%) |
| Blood and Cell Technologies | 12.3 (-2%) | 94.8 (+7%) | 25.6 (+5%) | 44.0 (+8%) | 5.3 (+5%) | 20.0 (+10%) | 107.2 (+6%) |
| Total | 196.3 (+4%) | 432.6 (+10%) | 121.1 (+7%) | 191.4 (+12%) | 47.3 (+8%) | 72.8 (+9%) | 628.9 (+8%) |

*Including Neurovascular business

(YoY%): FXN

Operating Expenses

(billion JPY)

| | FY18 | FY19 | YoY | YoY% | YoY% (FXN) |
|---------------------------------|----------------------|----------------------|-------------|------------|---------------|
| Salaries & Wages | 87.4 | 89.8 | +2.4 | +3% | +6% |
| Sales Promotion | 18.2 | 19.7 | +1.4 | +8% | +10% |
| Logistical Costs | 13.6 | 13.9 | +0.3 | +2% | +5% |
| Depreciation & Amortization | 14.3 | 18.9 * | +4.6 | +32% | +35% |
| Others | 45.1 | 42.3 * | -2.9 | -6% | -4% |
| SG&A Expenses Total | 178.7 (29.8%) | 184.5 (29.3%) | +5.9 | +3% | +6% |
| R&D Expenses | 47.7 (8.0%) | 50.6 (8.0%) | +2.9 | +6% | +8% |
| Operating Expenses Total | 226.3 (37.8%) | 235.1 (37.4%) | +8.8 | +4% | +6% |

*Reclassification between Depreciation & Amortization and Others due to IFRS 16 (Lease Accounting)

Quarterly Results

(billion JPY)

| | FY18Q4 (Jan-Mar) | FY19Q1 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) | Q4 (Jan-Mar) |
|------------------------------|---------------------|---------------------|-----------------|-----------------|-----------------|
| Revenue | 155.9 | 152.5 | 154.8 | 162.9 | 158.8 |
| Gross Profit | 84.3 (54.1%) | 85.2 (55.8%) | 86.3 (55.8%) | 87.2 (53.5%) | 85.3 (53.7%) |
| SG&A Expenses | 46.7 (29.9%) | 44.5 (29.2%) | 45.1 (29.1%) | 47.2 (29.0%) | 47.7 (30.1%) |
| R&D Expenses | 11.6 (7.5%) | 11.8 (7.8%) | 12.5 (8.1%) | 12.7 (7.8%) | 13.6 (8.6%) |
| Other Income and Expenses | 2.1 | 0.4 | 1.3 | -0.2 | 0.4 |
| Operating Profit | 28.2 (18.1%) | 29.2 (19.1%) | 30.0 (19.4%) | 27.1 (16.6%) | 24.4 (15.3%) |
| Adjusted Operating Profit | 30.9 (19.9%) | 33.9 (22.3%) | 33.1 (21.4%) | 31.4 (19.3%) | 26.6 (16.7%) |

| | | | | | | |
|-----------------------------|-----|---------|---------|---------|---------|---------|
| Average Exchange Rate | USD | 110 JPY | 110 JPY | 107 JPY | 109 JPY | 109 JPY |
| | EUR | 125 JPY | 123 JPY | 119 JPY | 120 JPY | 120 JPY |

Adjusted Operating Profit: Adjustments

(billion JPY)

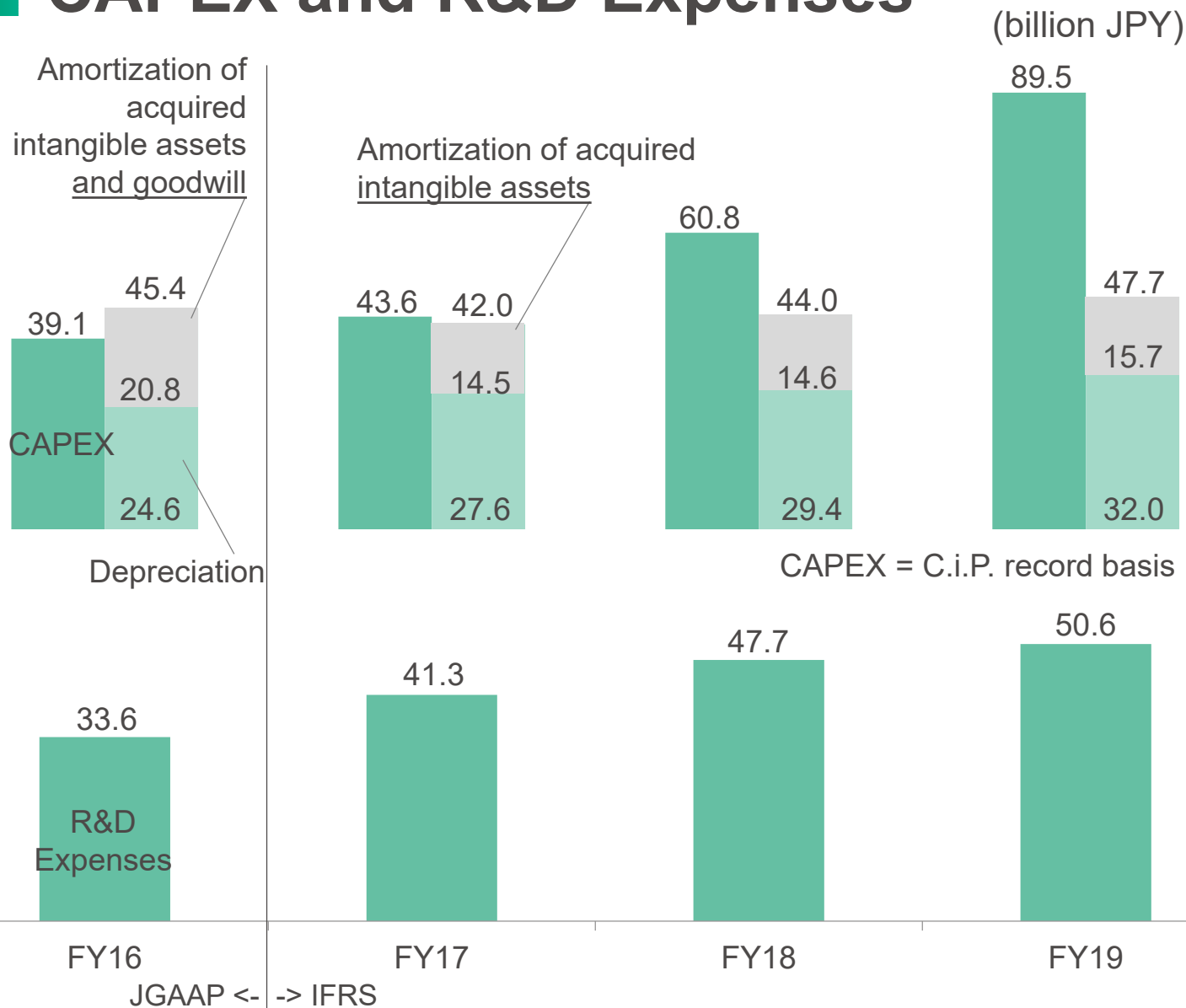
| | FY18 | FY19 |
|--|-------|-------|
| Operating Profit | 106.6 | 110.6 |
| Adjustment 1. Amortization of acquired intangible assets | +14.6 | +15.7 |
| Adjustment 2. Non-recurring profit or loss | +0.9 | -1.3* |
| Adjusted Operating Profit | 122.1 | 125.0 |

<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

| * FY19 main items in Adjustment 2. Non-recurring profit or loss | Amount |
|---|--------|
| Business reorganizing cost | +1.5 |
| Disaster insurance income for Puerto Rico factory | -1.2 |
| Others | -1.5 |

CAPEX and R&D Expenses



Expand investment in production capacity and space as well as IT in FY19

Under IFRS since FY17

- Depreciation includes amortization of non-acquired intangible assets & depreciation of capitalized R&D expenses

Lease depreciation (IFRS16) is not included in FY19 result

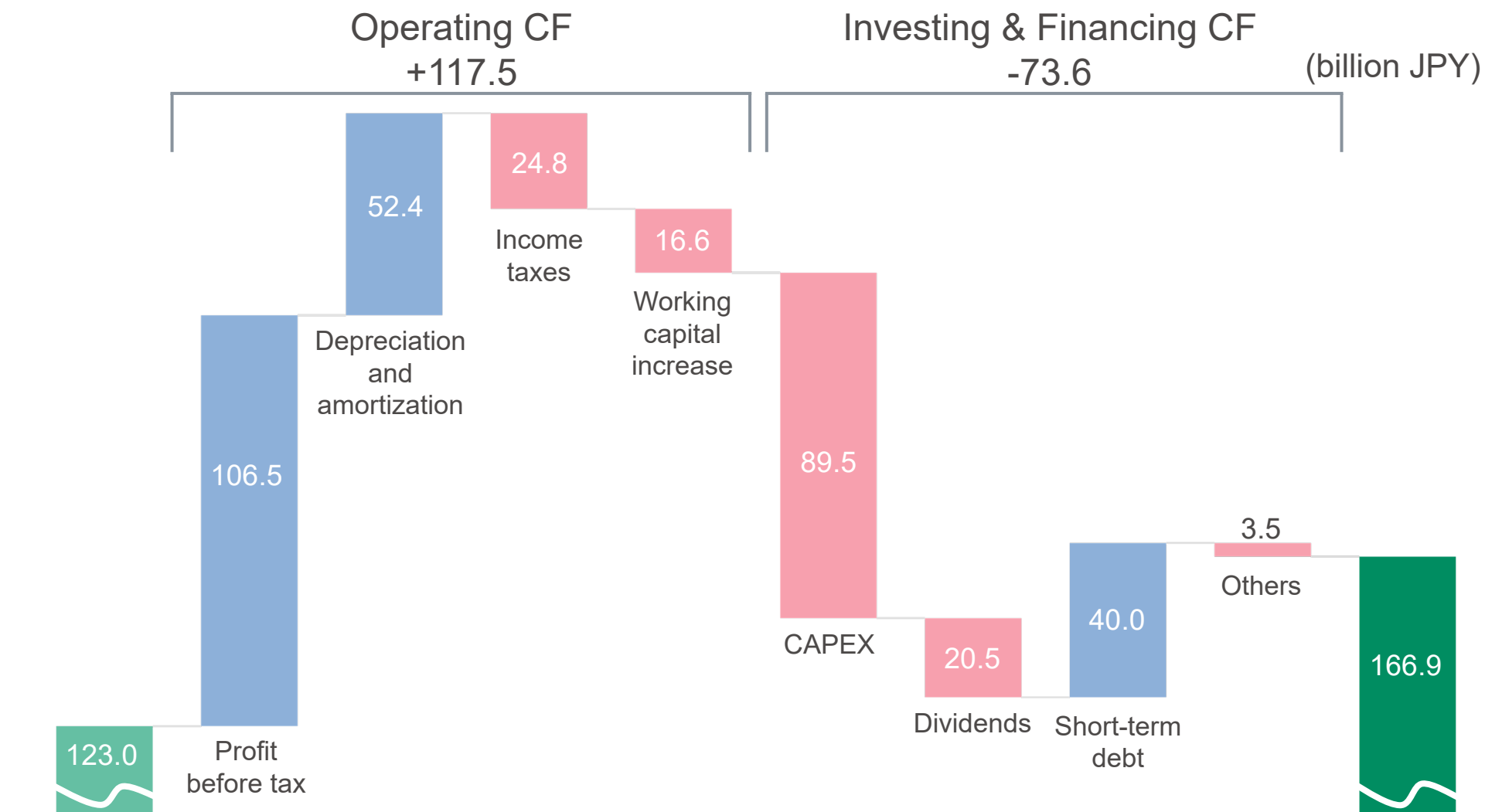
Further promote R&D activities mainly for TIS, Neurovascular and TBCT

Capitalized R&D expenses are included in CAPEX

FY18: 2.4

FY19: 4.8

Cash Flows



Cash at the end of FY18

CAPEX = C.i.P. record basis

Cash at the end of each period is equal to "cash and cash equivalents" on B/S

Cash at the end of FY19

Foreign Exchange Sensitivity

Annual impact of 1 JPY depreciation (billion JPY)

| | USD | EUR | CNY |
|---------------------------|-----|-----|-----|
| Revenue | 1.7 | 0.8 | 2.4 |
| Adjusted Operating Profit | 0.0 | 0.5 | 1.3 |

<Reference> Impact when JPY is depreciated by 10%

| | North America | Latin America | EMEA | | Asia | |
|---------------------------|---------------|---------------|------|--------|------|--------|
| | | | EUR | Others | CNY | Others |
| Adjusted Operating Profit | -0.1 | 1.0 | 6.5 | 1.3 | 2.0 | 3.6 |

The Status of Convertible Bonds

Detail of the bonds (issued in Dec. 2014)

*After two-for-one stock split implemented in Apr. 2019

| Maturity | Aggregate principal amount (billion JPY) | Coupon | Conversion Price (JPY) | Contingent conversion price (JPY) | Number of shares required to be issued for conversion |
|-----------|--|--------|------------------------|-----------------------------------|---|
| Dec. 2019 | 50.0 | 0.0% | 1,919 | 2,495 | Approx. 26 M shares |
| Dec. 2021 | 50.0 | 0.0% | 1,919 | 2,495 | Approx. 26 M shares |
| Total | 100.0 | | | | Approx. 52 M shares |

The status of conversion (as of Apr. 30, 2020)

| Bonds | Amount of shares issued for conversion (% against the total amount of bonds) | Number of shares issued for conversion (% against total number of issued shares) |
|---------------------------------|--|--|
| Convertible bonds due Dec. 2019 | 50.0 B JPY (100.0%) | 26 M shares (3.4%) |
| Convertible bonds due Dec. 2021 | 45.2 B JPY (90.5%) | 23 M shares (3.1%) |
| Total | 95.2 B JPY (95.2%) | 49 M shares (6.5%) |

Allocated treasury shares to the shares issued for conversion

- Status of treasury shares: 5 M shares
(at the end of Apr. 2020, treasury stock cost per share: 1,949JPY, % against total number of issued shares: 0.8%)

IR Contact

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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.