



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

February 9, 2022

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Terumo Corporation



I am the CAFO, Muto. I will now explain the 3rd-quarter results for the fiscal year ending March 2022.

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## Highlights

### FY21 Q3/Q3 YTD results

- Revenue: Highest-ever quarterly and Q3 YTD revenue. Continued recovery of demand in Cardiac & Vascular, steady performance in other companies
- Adjusted Operating Profit: Over 20% profit increase in Q3 YTD, despite the negative effects anticipated at the beginning of the fiscal year, as well as effects of cost inflation and lower production level

### Upward revision of FY21 guidance

- Added 12.0 B JPY to revenue. No change in profits
- Temporary decline in number of procedures and other healthcare demand is anticipated in Q4 due to COVID-19 resurgence. Also, despite some expected cost increase due to inflation and lower production level, we aim to achieve the guidance by expense control

First, the highlights from the quarter.

Q3 standalone revenue grew 8% from the previous year. Year-to-date revenue also grew 17%. The Cardiac and Vascular Company entered a COVID-19 recovery pattern, growing 12% from the previous year. With strong demand, Blood and Cell Technologies Company grew the next most.

Adjusted operating profit slowed slightly in the 3rd quarter amid continued production adjustment to normalize inventory down from COVID safety stock levels, as well as impact from higher freight and raw materials costs caused by global supply chain disruption. Year-to-date profit grew 21% from the previous year.

In light of these 3rd-quarter results, we will revise the annual guidance for revenue only, upward by 12 billion yen. Although we anticipate a temporary Q4 decrease in healthcare demand due to COVID Omicron variant impact, we decided to account for Q3 exceeding expectations and exchange rate positive with the upward revision. However, despite normalization of factory capacity utilization, issues including cost increases from supply chain disruption and rising wages in the US will continue into the 4th quarter. Although we intensify our expense control onward, we determined that an upward revision of profit guidance could not be made.

## P&L Results

Revenue: Highest-ever quarterly and Q3 YTD revenue. Cardiac & Vascular demand recovery continued, especially in TIS. In Q3, despite normalized demand of thermometers and infection prevention products, disposable products demand further recovered and performance remained steady overall

Adjusted Operating Profit: Despite the negative impacts of production level adjustment and volume-based procurement (VBP) in China, as well as cost inflation and lower production level, product mix improvement and positive FX impact contributed to 21% YTD growth

100 M JPY	FY20 Q3 YTD	FY21 Q3 YTD	YoY%	YoY% (FXN)	FY20 Q3	FY21 Q3	YoY%
Revenue	4,486	5,235	17%	12%	1,653	1,788	8%
Gross Profit	2,413	2,788	16%	10%	908	926	2%
(%)	(53.8%)	(53.3%)			(54.9%)	(51.8%)	
SG&A Expenses	1,307	1,463	12%	8%	447	507	13%
(%)	(29.1%)	(27.9%)			(27.1%)	(28.4%)	
R&D Expenses	359	375	4%	1%	128	128	0%
(%)	(8.0%)	(7.2%)			(7.7%)	(7.2%)	
Other Income and Expenses	6	-6	-	-	2	-5	-
Operating Profit	753	945	25%	17%	334	286	-15%
(%)	(16.8%)	(18.0%)			(20.2%)	(16.0%)	
<b>Adjusted Operating Profit</b>	<b>885</b>	<b>1,072</b>	<b>21%</b>	<b>13%</b>	<b>372</b>	<b>330</b>	<b>-11%</b>
(%)	(19.7%)	(20.5%)			(22.5%)	(18.5%)	
Profit before Tax	749	930	24%		343	278	-19%
(%)	(16.7%)	(17.8%)			(20.7%)	(15.5%)	
Profit for the Year	586	717	22%		268	217	-19%
(%)	(13.1%)	(13.7%)			(16.2%)	(12.1%)	

Average Exchange Rate(USD/EUR)

106JPY/122JPY

111JPY/131JPY

105JPY/125JPY

114JPY/130JPY

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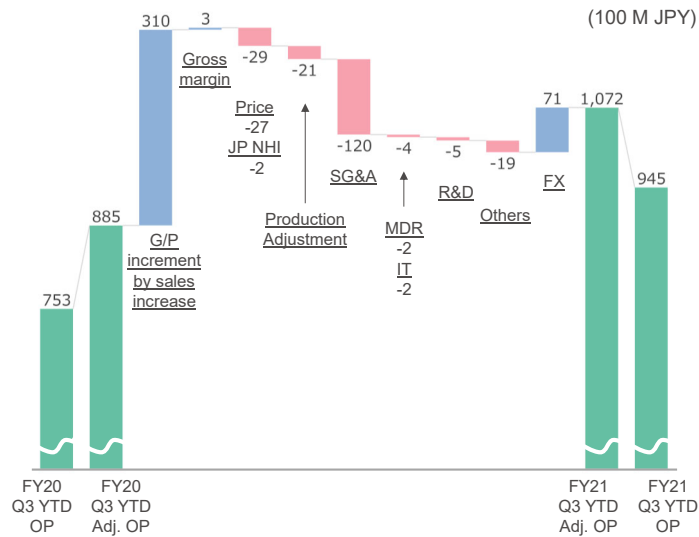
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Here are the P&L results.

The third row shows year-to-date revenue of 523.5 billion yen, for a 17% year-on-year increase. Adjusted operating profit was 107.2 billion yen, for a 21% year-on-year increase and 20.5% profitability on revenue. The second row from right shows Q3 standalone numbers. Revenue was 178.8 billion yen, for an 8% year-on-year increase. Adjusted operating profit was 28.6 billion yen, for an 11% year-on-year decrease, and 18.5% profitability on revenue.

The next slide shows a waterfall chart illustrating these numbers.

## Adjusted Operating Profit Variance Analysis (Q3 YTD)



### G/P increment by sales increase:

The revenue increased in all companies, particularly Cardiac & Vascular, compared with FY20 Q3 YTD impacted by COVID-19

### Gross margin:

Negative effects of cost inflation (freight, raw material, and labor cost), and lower production level, were exceeded by positive impact of product mix improvement from sales increase in Cardiac & Vascular, especially TIS

### Price:

Decline mainly due to VBP in China for TIS products

### SG&A:

Large increase compared with FY20 Q3 YTD in which expense usage was slow due to COVID-19

### FX:

Positive impact from flow mainly by CNY and EUR. Small impact from stock

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This is the year-to-date adjusted operating profit variance analysis compared to the previous year.

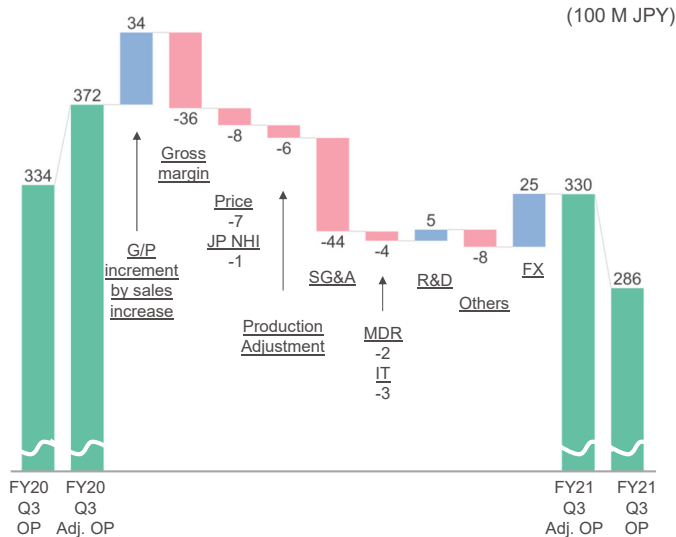
Revenue increases from each company helped to raise gross profit. Further, in gross profitability on revenue, cost increases due to 3rd-quarter shipping and raw materials inflation was downward factors. However, the positive effect of product mix improvement in TIS and other businesses exceeded downward impacts, to total a positive 300 million yen.

Impacts from price erosion, production adjustment, SG&A, and EU regulatory changes were higher than the COVID-affected previous year, but are the result of sales activities and normalization, and indicate progress happening as planned.

The steady progress of R&D and other costs, such as startup costs for the source plasma business, is a little slow due to COVID-19.

FX impact was a positive 7.1 billion yen. The impact on stock is minor.

## Adjusted Operating Profit Variance Analysis (Q3)



- G/P increment by sales increase:** Improved recovery level from COVID-19 and sales increase driven by Cardiac & Vascular
- Gross margin:** Decrease due to effects of cost inflation (freight, raw material, and labor cost), and lower production level
- Price:** Decline mainly due to VBP in China for TIS products
- SG&A:** Large increase compared with FY20 Q3 in which expense usage was slow due to COVID-19
- FX:** Positive impact from flow mainly by CNY and EUR. Small impact from stock

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This is the adjusted operating profit variance analysis for 3rd quarter standalone, compared to the previous year. Gross profitability on revenue was impacted by cost inflation, as well as a temporal lower production level, resulting in minus 3.6 billion yen year-on-year.

SG&A increased significantly compared to the COVID-affected previous year; however, this indicates that activities are normalizing and progressing as planned. EU regulatory compliance costs were processing in line with its progress.

R&D costs reflect some delays due to COVID-19, but research and development is firmly progressing.

FX had a positive impact of 2.5 billion yen.

## Revenue by Region

FY21 Q3 YTD Regional breakdown	Revenue (100 M JPY)		FY21 Q3 YTD YoY%	Comments (C&V: Cardiac & Vascular, GH: General Hospital, TBCT: Blood & Cell Technologies)	
	Q3 YTD	Q3			
Japan 30%	FY19	1,478	519	5%	Continued strength in GH driven by Alliance and General hospital products. Continued growth in C&V driven by recovery of TIS and Neurovascular. Minor decline in TBCT. QoQ (comparison of FY21Q3 to Q2) slowdown in GH as the vaccine syringe and thermometer demand returned to normal, while TBCT was steady and C&V approached double-digit growth
	FY20	1,483	548		
	FY21	1,550	526		
Europe 20%	FY19	887	305	19% (11%)	All companies continued to grow, led by TIS and Vascular graft. QoQ, C&V drove growth, GH was also steady, and TBCT saw a decline due to blood component collection orders concentrating in Q2
	FY20	875	320		
	FY21	1,040	357		
Americas 20%	FY19	1,416	489	23% (17%)	All companies continued to grow, led by TIS and Neurovascular. QoQ, all companies accelerated, with drivers including blood center products, Neurovascular, and Vascular graft
	FY20	1,311	487		
	FY21	1,612	549		
China 31%	FY19	370	126	34% (21%)	All companies continued to grow, led by TIS. Grew 20% in China overall excluding negative impact of Neurovascular distributor order timing in FY20 1H. QoQ growth was steady in the mid-single-digits when excluding the concentration of Neurovascular distributor orders in Q2
	FY20	334	131		
	FY21	446	145		
Asia and Others 9% 11%	FY19	550	189	22% (15%)	All companies exceeded 20% YoY growth in the 3 months of Q3, after previous slow recovery. Double-digit QoQ growth in TBCT and C&V, while GH slowed as the demand returned to normal
	FY20	482	167		
FY21	586	212			

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Next is revenue by region.

Japan was minus 4% in the 3rd quarter. Year-to-date, it grew 5% year-on-year and the same 5% compared to FY19. Cardiac and Vascular Company grew 9% compared to Q2 with a gradual recovery in demand, but was minus 2% compared with the previous year, when there was a temporary restoration of demand during COVID-19 pandemic. Similarly, compared to the previous year in which there was high demand for COVID-19-related products such as infection prevention and thermometers in General Hospital company, as well as Blood and Cell Technologies company saw corresponding negative growth as that demand decreased.

EU grew 11% in the 3rd quarter and 19% year-to-date. The Cardiac and Vascular Company was strong, growing 17% year-on-year, and 9% compared to the 2nd quarter. In addition to the strong TIS and Neurovascular businesses, CV and TA grew significantly. On the other hand, Blood and Cell Technologies saw negative growth in the 3rd quarter after seeing demand concentrated in the 2nd quarter. However, the overall trend is strong for the company.

The Americas grew 13% in the 3rd quarter and 23% year-to-date. Cardiac and Vascular company grew 15% thanks to strong TIS, Neurovascular, and TA. Quarter-to-quarter growth from Q2 was 4%. With their businesses steady, General Hospital and Blood and Cell Technologies maintained strong growth in the high single digits.

China grew 10% in the 3rd quarter and 34% year-to-date. The Cardiac and Vascular Company grew 7% in the 3rd quarter and 35% year-to-date.

Compared to the 2nd quarter, Access within the TIS business grew 3%, as the number of procedures maintained its solid trend. In addition, blood component collection in the Blood and Cell Technologies Company is growing strongly, driving the company as a whole.

In other Asian countries, the recovery from COVID-19 gained momentum, resulting in 27% growth in Q3 and 22% growth year-to-date.



**C&V:**

Continued recovery of number of procedures in US and EU, and of sales growth in all businesses. Negative effects on Q3 profit were mitigated by strong sales and positive FX impact

(100 M JPY)

	Q3 YTD			Q3			Comments	Q3 YTD Rev. YoY
Revenue	() FXN						TIS: Continued recovery outside Japan, centered in US and EU. Clear recovery QoQ (comparison of FY21Q3 to Q2) from decline in number of procedures during Q2 spread of COVID-19 Delta variant. 8% growth QoQ when excluding backorder of an Access device due to materials supply issues	+342
	2,635	2,384	2,944					
Adjusted Operating Profit							Neurovascular: Continued recovery of aneurysm treatment, led by US and EU. Aspiration catheter also maintained high growth. Double-digit QoQ growth when excluding concentration of China distributor orders in Q2	+111
	688	560	723	909	890	1,001		
Adj. OP%							Cardiovascular: In addition to clear recovery of number of procedures in US and EU, hardware sales were strong as investment by hospitals resumed. US and EU grew in high-single-digits QoQ	+51
	26%	24%	25%	216	240	215		
							Vascular graft: Continued recovery pattern in US and EU. Recovery from COVID-19 resurgence was seen QoQ, accelerating as EU and US grew over 20% QoQ	+55
							Adj. OP: Positive impacts from strong sales and FX mitigated some of the negative impact of cost inflation and lower production level in addition to VBP of TIS products in China, production level adjustment for inventory level optimization	
FY19			FY20			FY21		
24%			27%			22%		

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I will now explain results by company, starting with Cardiac and Vascular. Revenue grew 12% in the 3rd quarter, and 23% year-to-date. It was 6% growth quarter-on-quarter.

TIS revenue has increased 34.2 billion yen year-to-date, driving overall growth. Access led within TIS. However, a backorder in vascular closure devices occurred due to delays in materials procurement caused by supply chain disruption, as well as temporarily reduced production level amid rising COVID-19 infections. Production delays were resolved by the end of January, and we are working to fully eliminate the backorder situation.

In Neurovascular, the number of brain aneurysm procedures increased in the EU and US, and aspiration catheter for stroke sales was in particular growing well. Some products are seeing stiffer competition, but our broad portfolio is serving tremendous demand.

In CV as well, there was strong instrument demand along with the recovery in surgical procedures, driving growth especially in the US and EU.

Like other businesses, TA enjoyed a growth tailwind from recovery in the number of procedures, but also made progress expanding its portfolio and regional sales activities, to accelerate growth and approach 30% from the 2nd to the 3rd quarter.

In profit, the price erosion and production adjustment we anticipated at the outset of the year combined with inflation, but these negative factors were approximately offset by product mix improvement due to revenue increase. As a result, adjusted operating profitability was 22%, and 25% year-to-date in line with our guidance. Lower production level has also bottomed out and entered a recovery trend recently.

**GH:** Pumps and disposables drove General hospital products. Although multiple negative factors impacted profit, secured guidance level margin in YTD

(100 M JPY)

	Q3 YTD			Q3			Comments	Q3 YTD Rev. YoY
Revenue	() FXN							
	1,278	1,290	1,387	450	472	468	General hospital products: Demand recovery in disposables in Asia and Japan, and COVID-19 pump demand drove double-digit growth. Infection prevention product demand returned to normal. Mid-teens % QoQ (comparison of FY21Q3 to Q2) growth with drivers of pumps and vaccine syringes in Japan, and disposables in Asia	+51
Adjusted Operating Profit	198	205	193	72	88	59	Pharmaceutical: Low-single-digit growth with slow demand recovery for IV solutions. Continued strong growth in pain management and adhesion barrier. Steady demand recovery QoQ led to mid-single-digit QoQ growth	+10
							DM & consumer healthcare: Thermometer demand returned to normal, blood pressure monitors remained strong in Asia and Japan. While DM grew steadily in mid-single-digits QoQ, consumer healthcare demand returned to normal	+6
Adj. OP%							Alliance: CDMO business drove mid-teens % growth	+30
	16%	16%	14%	16%	19%	13%	Adj. OP: Despite negative impact from normalized product mix due to thermometer demand, FX impact on manufacturing cost in China, and cost inflation, secured guidance level margin in YTD	

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Next, the General Hospital Company.

Revenue growth was minus 1% in the 3rd quarter, and positive 8% year-to-date. It was minus 3% quarter-on-quarter.

In General Hospital Products, increased supply of vaccine syringes and enormous demand for syringe pumps and infusion pumps drove that business's overall results. In the second-largest market following Japan, Asia, revenue saw growth above 20% both in Q3 standalone and year-to-date, amid high healthcare demand due to COVID-19.

The recovery of IV solutions and other pharmaceuticals is gradual, but adhesion spray within that business recovered along with the number of procedures, and thanks to progress in marketing activities, to grow 20% year-on-year and over 10% from the 2nd quarter.

Healthcare saw a return to normal for products such as thermometers and blood pressure monitors that saw higher demand amid COVID-19.

This resulted in negative year-on-year growth, but with DM steady, year-to-date growth is positive.

Alliance remains strong, with 16% year-to-date growth.

In profit, Q3 saw multiple negative impacts coincide, including inflation, a return to normal in demand for thermometers after COVID-19 increases, and CNY appreciation. Year-to-date adjusted operating profitability was 14%, staying in line with our guidance.

**TBCT:**

Continued demand recovery of whole blood collection. Although negative impacts on profit grew in Q3, profitability improvement continued in YTD

(100 M JPY)

	Q3 YTD			Q3			Comments	Q3 YTD Rev. YoY
Revenue	() FXN						Blood center solutions: Continued recovery of whole blood collection in US and EU. Component collection was strong in Asia and China, absorbed the impact of decreased COVID-19 convalescent plasma demand. Mid-single-digit growth QoQ (comparison of FY21Q3 to Q2) with strong whole blood collection in US and Asia	+61
	787	810	902	270	291	319		
Adjusted Operating Profit							Therapeutic solutions: Double-digit growth in US and EU driven by investment at hospitals to support higher number of procedures. Double-digit QoQ growth as well, driven by US and EU	+24
	104	144	172	37	56	54		
Adj. OP%							Cell therapy technologies: Following FY20 1H deployment delays due to COVID-19, recovery after 2H in US indicates a return to growth trajectory	+7
	13%	18%	19%	14%	19%	17%		
							Adj. OP: Positive effects from sales growth and FX offset some of the negative impacts from normalized product mix due to whole blood collection demand recovery, preparation expenses for the new business, cost inflation, and lower production level. Continued profitability improvement in YTD	

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Next is Blood and Cell Technologies Company.

Revenue grew 10% in the 3rd quarter, and 11% year-to-date. It was 7% growth quarter-on-quarter.

In the Blood Center Solutions business, there was a strong increase in demand for blood component collection in the US and EU, in addition to recovery in whole blood, as well as component collection demand increase in China and other Asian countries. These factors combined to result in growth above 10%, against a previous year comparable with high COVID-19 treatment demand.

Apheresis saw more procedures as instrument demand increased, while Cell Therapy Technologies demand also recovered. Both businesses thereby maintained double-digit growth, and the overall business grew in the double digits in Q3 year-on-year.

In profit, it was caused by a recovery in whole blood collection demand led product mix to normal level and inflation, Q3 adjusted operating profitability was 17%, which was negative growth year-on-year. Year-to-date the figure was 19%, or an 8% increase. Production level is recovering at Vietnam and other sites.

## Upward Revision of FY21 Guidance

(100 M JPY)

	Original Guidance	Revised Guidance	Change in amount
Revenue	6,850	6,970	+120
Operating Profit (%)	1,200 (17.5%)	1,200 (17.2%)	-
Adjusted Operating Profit (%)	1,370 (20.0%)	1,370 (19.7%)	-
Profit for the Year	920	920	-

Exchange Rate (USD/EUR)

108 JPY/129 JPY

112 JPY/130 JPY

Factored in the better Q3 YTD performance including favorable FX impact

Temporary decline in number of procedures and other healthcare demand is anticipated in Q4 due to COVID-19 resurgence. Also, despite some expected cost increase due to cost inflation and lower production level, we aim to achieve the guidance by expense control

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As I mentioned in the highlights at the beginning, we will revise our annual guidance. We will revise the annual guidance for revenue, upward by 12 billion yen to 697 billion yen. There are no other revisions to our guidance.

## Major Topics

### Corporate

- Announced five-year growth strategy "GS26"
- Established "Terumo Group Sustainability Policy" and revised the Sustainability Priorities



### Cardiac & Vascular

- Launched drug-eluting coronary stent "Ultimaster Nagomi" in Japan
- Received the "Prime Minister's Award for Japanese Healthcare Research and Development," for the research and development, commercialization, and spread of ECMO technology
- Obtained manufacturing and sales approval in Japan for the thoracic stent graft "RelayPro"



### General Hospital

- Launched the small size syringe pump "TE-362" in Japan
- Launched liquid bandage "Gelclair oral gel" in Japan
- Reached a comprehensive partnership agreement in the diabetes field with Diabeloop SA.



### Blood & Cell Technologies

- Established agreement with Immunicom, Inc. to launch breakthrough cancer immunotherapy treatment in Europe

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Lastly, the main topics for the 3rd quarter.

First, we announced our five years Growth Strategy, GS26, in December. With this year as a foundation, we will strive toward even greater growth. In support of these, we already see the next-generation Ultimaster launch, Relaypro regional expansion, development of diabetes business partnerships, innovation in blood and cell technologies, and many other efforts progressing in each company.

This concludes my overview of this earnings results.

Thank you.

## Reference

## FY21 New Product Pipeline

Category	Products	Region	Launch
Coronary	Drug-eluting stent	JP	Launched
	Biodegradable drug-eluting microsphere	EU	
Oncology	Peripheral embolization coil	JP	Launched
	Peripheral embolization plug	US	Launched
Neuro-vascular	Flow diverter	EU, US	EU: Launched
	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	Launched
	FN syringe (16mm needle)	JP	Launched
Pharmaceutical	Flumazenil I.V. infusion	JP	Launched
	Sterile connecting device	JP	Launched
	Gelclair	JP	Launched
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	Launched
Blood and cell technologies	Automated blood processing system	Global	
	Value-added services	Global	Launched



# Revenue by Segment and Region

2021年度 第3四半期 セグメント別売上収益

Revenue by Segment for the Third Quarter of FY2021

(百万円/ millions of yen)

		Q3 YTD FY2020							Q3 YTD FY2021							構成比 % to total *							
		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	%YoY	海外 Overseas	%YoY	欧州 Europe	%YoY	米州 Americas		%YoY	中国 China	%YoY	アジア他 Asia and others **	%YoY	合計 WW	%YoY
心臓血管 カンパニー	TDS	23,015	138,760	88,686	61,502	22,052	16,517	161,776	24,055	4.8%	171,970	21.9%	47,139	21.9%	77,369	25.0%	27,047	22.0%	20,394	21.2%	196,025	21.2%	17.4%
	ニューロバスキュラー	3,330	27,766	10,100	12,141	2,612	2,911	31,096	4,084	22.7%	38,143	17.4%	12,362	22.4%	16,266	34.0%	6,397	144.9%	3,117	7.1%	42,228	35.4%	8.1%
	カーディオバスキュラー	8,344	22,243	3,793	13,911	1,146	3,392	30,588	8,249	-1.1%	27,473	21.5%	4,809	20.8%	17,191	23.0%	1,551	35.4%	3,919	15.0%	35,722	16.8%	6.8%
	血管	1,918	13,026	7,101	4,052	960	711	14,944	2,088	6.9%	18,336	40.8%	10,134	39.1%	6,075	49.9%	1,225	27.6%	850	23.8%	20,425	16.7%	3.9%
Cardiac and Vascular Company		36,608	201,796	59,881	91,608	26,773	23,532	238,405	38,478	5.1%	255,924	26.8%	74,487	24.4%	116,903	27.6%	36,221	35.3%	28,312	20.3%	294,403	25.5%	56.2%
ホスピタル カンパニー	医療器	38,741	17,511	1,969	4,840	923	9,777	56,253	40,503	4.5%	20,810	18.8%	2,076	5.4%	6,006	24.1%	1,008	9.2%	11,720	19.9%	61,314	9.0%	11.7%
	医薬品	34,397	-	-	-	-	-	34,397	35,429	1.0%	-	-	-	-	-	-	-	-	-	35,429	3.0%	6.8%	
	DM・ヘルスケア	17,624	2,126	588	7	701	818	19,751	17,437	-1.1%	2,906	56.7%	619	3.5%	25	246.0%	852	21.6%	1,408	72.0%	20,343	3.0%	3.6%
	ホスピタルシステム小計	90,764	19,637	2,568	4,847	1,625	10,596	110,402	93,370	2.9%	23,717	20.8%	2,695	4.9%	6,031	24.4%	1,861	14.3%	13,128	23.9%	117,087	6.3%	22.4%
アライアンス	11,830	6,791	4,693	1,561	100	435	18,621	14,294	20.8%	7,352	8.3%	4,987	6.2%	1,511	-3.2%	144	44.2%	708	62.6%	21,646	16.2%	4.1%	
General Hospital Company		102,594	26,429	7,262	6,408	1,725	11,022	129,023	107,664	4.9%	31,069	17.6%	7,682	5.8%	7,542	17.7%	2,005	16.2%	13,837	25.4%	138,733	7.5%	26.5%
血液・細胞 テクノロジー カンパニー	血液センター	8,480	51,782	16,012	20,058	4,206	11,415	60,262	8,307	-2.0%	58,075	12.2%	16,829	5.1%	21,982	9.6%	5,244	22.1%	14,018	22.8%	66,382	10.2%	12.7%
	がんレジス治療法	355	14,738	3,793	8,293	507	2,041	15,094	300	-15.6%	17,161	16.4%	4,363	15.0%	9,645	14.0%	904	78.3%	2,248	10.0%	17,462	15.7%	3.1%
	細胞治療	118	5,532	588	4,663	92	178	5,650	92	-21.7%	6,216	12.4%	633	6.0%	5,145	10.3%	229	149.4%	208	16.3%	6,399	11.7%	1.2%
Blood and Cell Technologies Company		8,954	72,053	20,403	33,115	4,896	13,638	81,007	8,700	-2.8%	81,453	13.0%	21,827	7.0%	26,772	11.0%	6,378	30.3%	16,475	20.8%	90,154	11.3%	17.2%
その他		191	-	-	-	-	-	191	190	-0.4%	-	-	-	-	-	-	-	-	-	190	-0.4%	0.0%	
合計		148,349	300,279	87,547	131,132	33,393	48,202	448,628	155,034	4.5%	368,447	22.7%	103,997	18.8%	161,219	22.9%	44,605	33.6%	38,625	21.6%	523,482	16.7%	100.0%
売上比率		33.1%	66.9%	19.5%	29.2%	7.4%	10.7%	100.0%	29.6%	70.4%	19.9%	30.8%	8.5%	11.2%	100.0%								

(期中平均為替レート)

(Average Exchange Rates)

(USD)=¥106.11  
(EUR)=¥122.44

(USD)=¥111.14  
(EUR)=¥130.60

\* 「中国」の売上を提示したとに併し、「アジア他」から「中国」の売上を除いています。

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

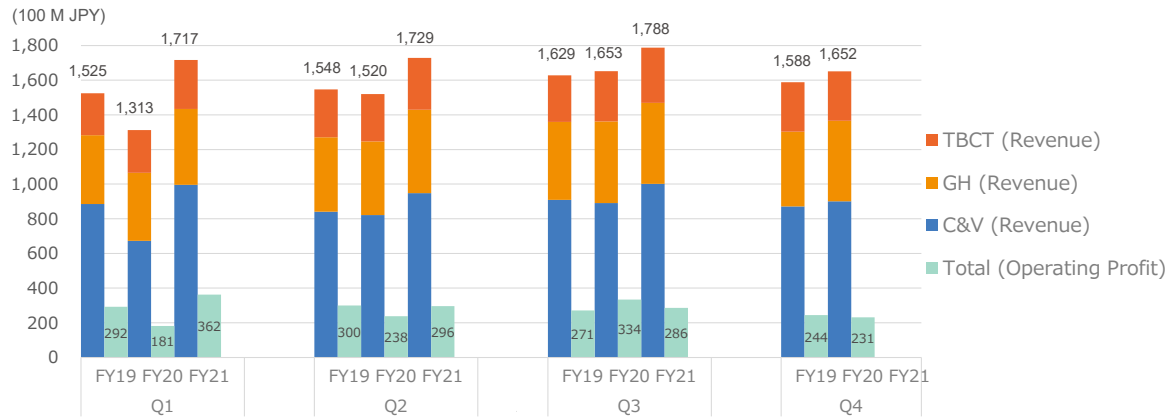
\*\* 構成比は、小数点第2位を四捨五入して表示しており、合計が100%にならない場合があります。

\*\* 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: Increase by +8% YoY. Against FY19 Q3, +10% growth overall, driven by C&V increased by +10% with positive impact of FX such as EUR

Operating Profit: Although the negative GP impact from cost inflation and lower production level in addition to VBP in China and production level adjustment, mitigated those impacts by strong sales and positive FX impact



## P&L (Quarterly Results)

(100 M JPY)

	FY20 Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY21 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	
Revenue	1,653	1,652	1,717	1,729	1,788	
Gross Profit	908 (54.9%)	854 (51.7%)	943 (54.9%)	920 (53.2%)	926 (51.8%)	
SG&A Expenses	447 (27.1%)	488 (29.5%)	465 (27.1%)	490 (28.4%)	507 (28.4%)	
R&D Expenses	128 (7.7%)	132 (8.0%)	117 (6.8%)	130 (7.5%)	128 (7.2%)	
Other Income and Expenses	2	-2	1	-3	-5	
Operating Profit	334 (20.2%)	231 (14.0%)	362 (21.1%)	296 (17.1%)	286 (16.0%)	
Adjusted Operating Profit	372 (22.5%)	274 (16.6%)	402 (23.4%)	339 (19.6%)	330 (18.5%)	
Average Rate	USD EUR	105 JPY 125 JPY	106 JPY 128 JPY	110 JPY 132 JPY	110 JPY 130 JPY	114 JPY 130 JPY

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## Operating Expenses (Quarterly Results)

(100 M JPY)

	FY20 Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY21 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	
Salaries & Wages	231	240	249	249	255	
Sales Promotion	35	43	30	40	44	
Logistical Costs	38	37	38	39	39	
Depreciation & Amortization	47	49	48	50	51	
Others	97	119	99	112	118	
SG&A Expenses Total	447	488	465	490	507	
(%)	(27.1%)	(29.5%)	(27.1%)	(28.4%)	(28.4%)	
R&D Expenses	128	132	117	130	128	
(%)	(7.7%)	(8.0%)	(6.8%)	(7.5%)	(7.2%)	
Operating Expenses Total	575	620	581	621	635	
(%)	(34.8%)	(37.5%)	(33.9%)	(35.9%)	(35.5%)	
Average Rate	USD EUR	105 JPY 125 JPY	106 JPY 128 JPY	110 JPY 132 JPY	110 JPY 130 JPY	114 JPY 130 JPY

## Operating Expenses (YTD and Quarterly Results)

(100 M JPY)

	FY20 Q3 YTD	FY21 Q3 YTD	YoY	YoY%	YoY% (FXN)	FY20 Q3	FY21 Q3	YoY	YoY%
Salaries & Wages	687	753	66	10%	5%	231	255	24	10%
Sales Promotion	86	114	29	34%	30%	35	44	10	28%
Logistical Costs	106	117	10	9%	6%	38	39	2	4%
Depreciation & Amortization	142	149	6	5%	2%	47	51	4	8%
Others	285	330	45	16%	12%	97	118	21	22%
<b>SG&amp;A Expenses Total</b>	<b>1,307</b>	<b>1,463</b>	<b>156</b>	<b>12%</b>	<b>8%</b>	<b>447</b>	<b>507</b>	<b>60</b>	<b>13%</b>
(%)	(29.1%)	(27.9%)				(27.1%)	(28.4%)		
<b>R&amp;D Expenses</b>	<b>359</b>	<b>375</b>	<b>16</b>	<b>4%</b>	<b>1%</b>	<b>128</b>	<b>128</b>	<b>0</b>	<b>0%</b>
(%)	(8.0%)	(7.2%)				(7.7%)	(7.2%)		
<b>Operating Expenses Total</b>	<b>1,665</b>	<b>1,837</b>	<b>172</b>	<b>10%</b>	<b>6%</b>	<b>575</b>	<b>635</b>	<b>60</b>	<b>10%</b>
(%)	(37.1%)	(35.1%)				(34.8%)	(35.5%)		

## Adjusted Operating Profit: Adjustments

(100 M JPY)

	FY20 Q3 YTD	FY21 Q3 YTD	FY20 Q3	FY21 Q3
Operating Profit	753	945	334	286
Adjustment 1. Amortization of acquired intangible assets	108	118	37	39
Adjustment 2. Non-recurring profit or loss	24	9	1	5
Adjusted Operating Profit	885	1,072	372	330

<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 Q3 YTD	FY21 Q3
Business reorganizing cost	6	3
Others	2	2

## CAPEX, Depreciation and R&D Expenses

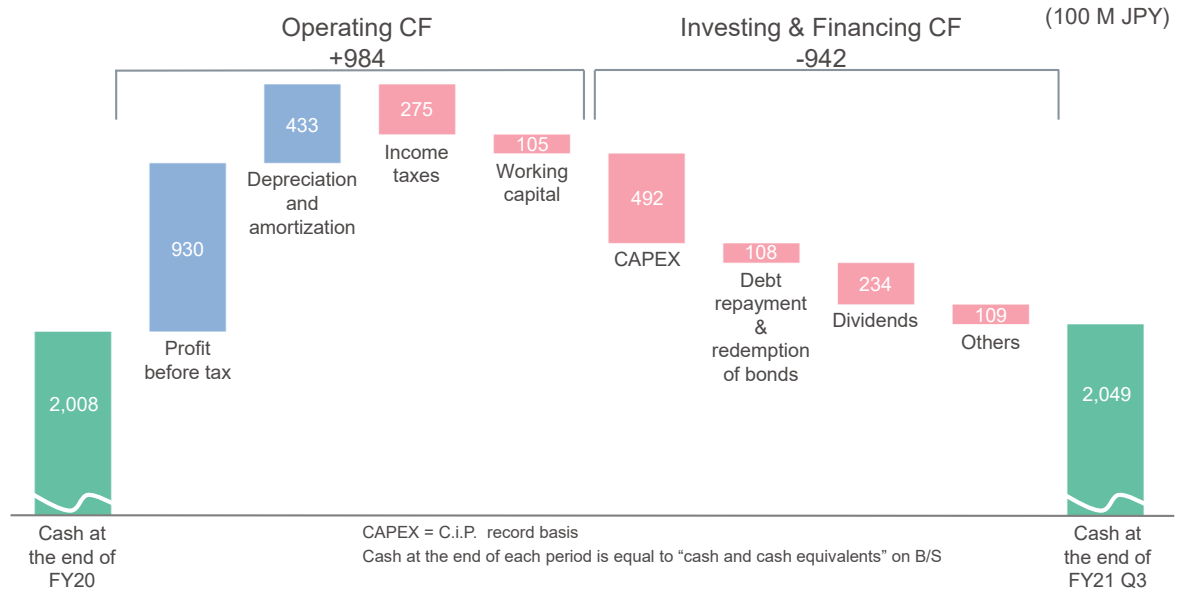
	FY18	FY19	FY20	FY21 Q3 YTD	(100 M JPY) FY21 Guidance
CAPEX	608	895	772	492	770
Depreciation	440	477	484	390	530
Amortization of acquired intangible assets	146	157	150	108	155
Others	294	320	334	282	375

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

FY21 Q3 YTD (49.2 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)

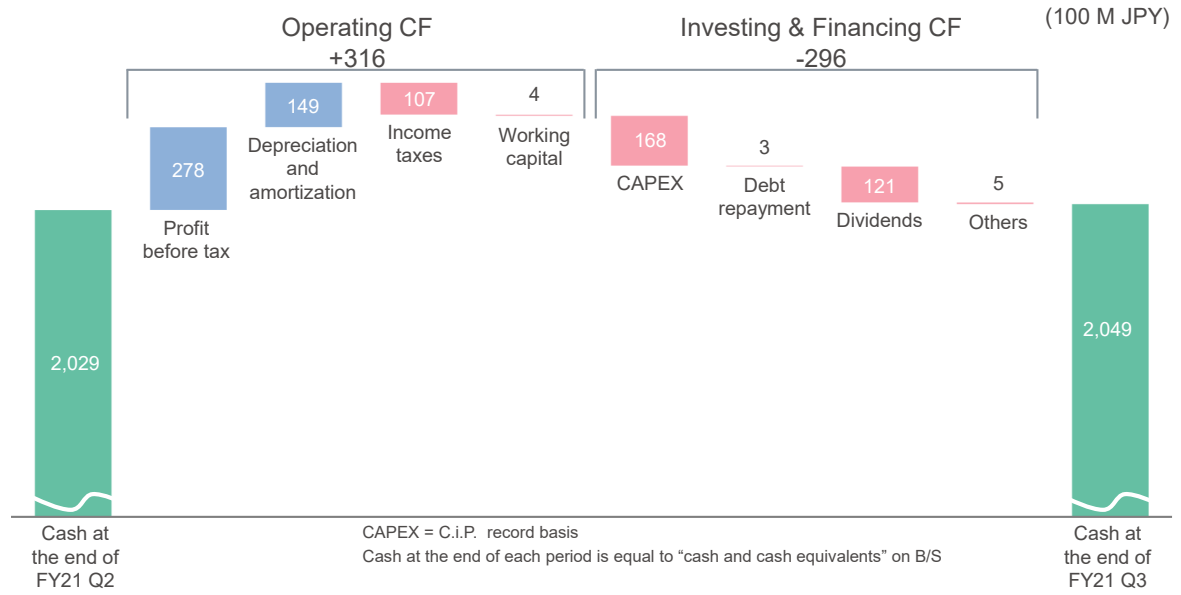
	FY18	FY19	FY20	FY21 Q3 YTD	FY21 Guidance
R&D Expenses	477	506	491	375	515

## Cash Flows (Q3 YTD)





## Cash Flows (Q3)



## 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>*