

Financial Results for the Fiscal Year Ended March 31, 2022 (FY2021)

May 12, 2022

Naoki Muto
Chief Accounting and Financial Officer
Terumo Corporation



I am the CFO, Muto. I will now explain the results for the fiscal year ending March 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.

Terumo Corporation
Investor Relations Dept.
E-mail: kouhou_terumo01@terumo.co.jp

Highlights

FY21 Q4/Q4 YTD results

- Revenue: Highest-ever quarterly and Q4 YTD revenue driven by solid performance overseas. Demand of infection control products in Japan was normalized
- Adjusted Operating Profit: 16% profit increase in Q4 YTD, despite the negative effects anticipated at the beginning of the fiscal year, as well as effects of cost inflation and lower production level

FY22 guidance

- Double-digit growth in both revenue and profit
- Driven by recovery from the COVID-19 impacts, the growth driver in each company, and positive FX impact. Although the cost inflation impact remains, expect some relief at the end of the fiscal year

In sales revenue, Japan saw factors including a return to normal of infection prevention product demand, resulting in a slight increase. However, regions outside Japan and FX rates drove the Q4 and year-to-date sales result to our highest ever.

In adjusted operating profit, although negative impacts anticipated at the beginning of the year combined with inflation and reduced factory utilization as downward factors, the contributions of strong overseas sales and FX rates resulted in an annual result of 16% year-on-year growth.

Our FY22 guidance anticipates double-digit growth in both sales revenue and profit. In sales revenue, the number of procedures and other demand are expected to emerge from COVID impact, driving growth in each company. FX rates are also expected to have a positive impact.

Although inflation impact will occur throughout the year, we

expect that impact to lessen toward the end of the year. For this reason, we expect to see an increase in gross profit as well.

P&L Results

Revenue: Highest-ever quarterly and Q4 YTD revenue. Cardiac & Vascular demand recovery continued overseas, especially in TIS. Q4 performance was driven by solid performance in TIS and Neurovascular as well as positive FX impact

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, solid performance overseas and positive FX impact contributed to 16% YTD growth

100 M JPY	FY20 Q4 YTD	FY21 Q4 YTD	YoY%	YoY% (FXN)	FY20 Q4	FY21 Q4	YoY%
Revenue	6,138	7,033	15%	10%	1,652	1,798	9%
Gross Profit	3,266	3,693	13%	8%	854	905	6%
(%)	(53.2%)	(52.5%)			(51.7%)	(50.3%)	
SG&A Expenses	1,795	1,991	11%	6%	488	528	8%
(%)	(29.2%)	(28.3%)			(29.5%)	(29.4%)	
R&D Expenses	491	518	6%	2%	132	144	9%
(%)	(8.0%)	(7.4%)			(8.0%)	(8.0%)	
Other Income and Expenses	3	-25	-	-	-2	-18	-
Operating Profit	984	1,160	18%	12%	231	215	-7%
(%)	(16.0%)	(16.5%)			(14.0%)	(12.0%)	
Adjusted Operating Profit	1,159	1,344	16%	10%	274	273	-1%
(%)	(18.9%)	(19.1%)			(16.6%)	(15.2%)	
Profit before Tax	971	1,145	18%		221	215	-3%
(%)	(15.8%)	(16.3%)			(13.4%)	(11.9%)	
Profit for the Year	773	888	15%		187	171	-8%
(%)	(12.6%)	(12.6%)			(11.3%)	(9.5%)	

Average Exchange Rate(USD/EUR)

106JPY/124JPY

112JPY/131JPY

106JPY/128JPY

116JPY/130JPY

©TERUMO CORPORATION

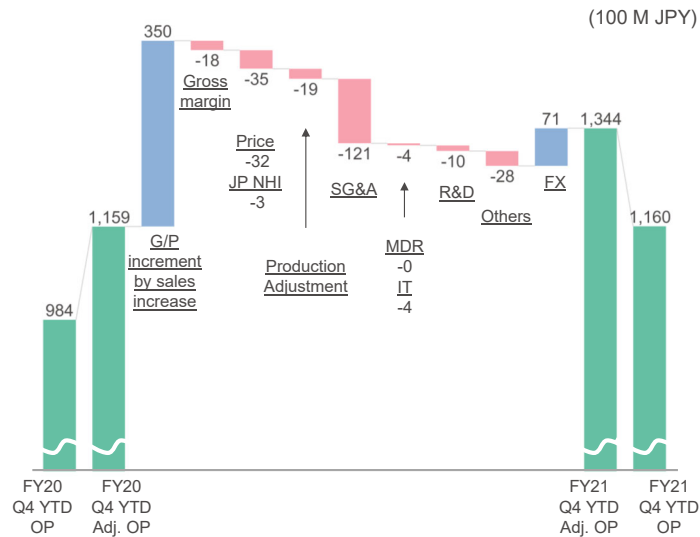
4 / 28



Sales revenue was the highest-ever, for both a Q4 and full year. COVID recovery continued into Q4 in the Cardiac and Vascular Company outside Japan, especially in the TIS business, and Neurovascular was also strong in Q4. FX rates were also a positive factor. As a result, Q4 standalone sales revenue was 179.8 billion yen, and the full year 703.3 billion yen.

Adjusted operating profit experienced the negative impacts that we anticipated at the beginning of the year, including production adjustment for safety stock level and price reductions in China tenders, as well as inflation. However, sales outside Japan were strong and FX rates had a positive impact, resulting in an adjusted operating profit amount of 134.4 billion yen and 16% growth year-on-year. And we saw the gross margin down in Q4 due to the negative impact for unrealized profit from inventory assets with FX rapid change and the ahead expenditure for global production optimization. However, both were the temporal.

Adjusted Operating Profit Variance Analysis (Q4 YTD)



- G/P increment by sales increase:**
The revenue increased in all companies, particularly Cardiac & Vascular, compared with FY20 impacted by COVID
- Gross margin:**
Negative effects of cost inflation (freight, raw material, and labor cost), and lower production level, exceeded the 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 in which expense usage was slow due to COVID
- FX:**
Positive impact from flow by CNY and EUR partially mitigated by negative impact from stock by USD and EUR

©TERUMO CORPORATION

5 / 28



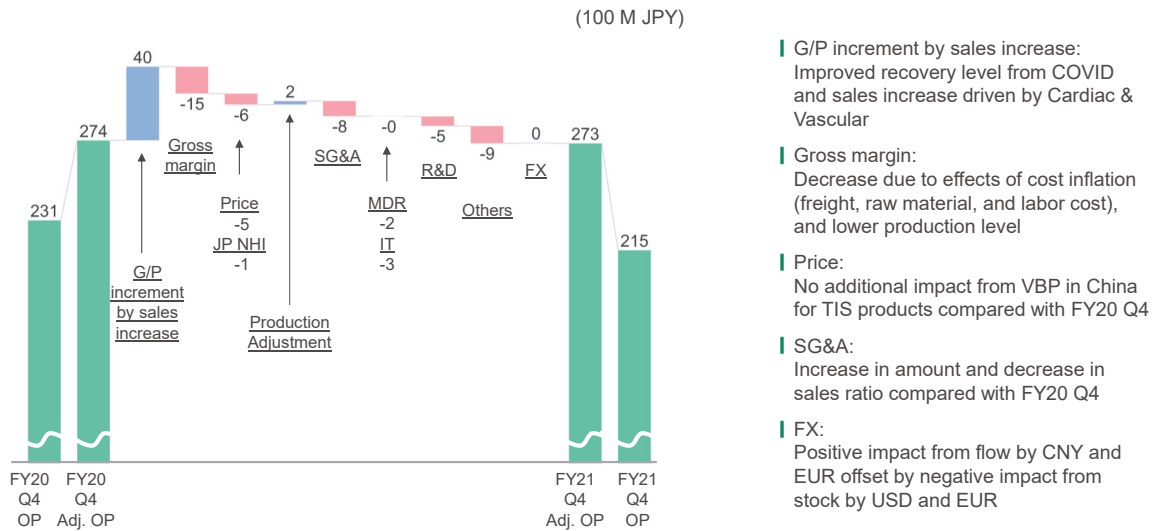
Gross profit increment by sales increase was positive for all companies, to total 35 billion yen, with the previous-year comparable being COVID-impacted.

Gross profitability on sales was minus 1.8 billion, as inflation and other factors exceeded the positive effect of product mix improvement that resulted from increased sales at Cardiac and Vascular, with TIS as a driver.

Items like Price down and SG&A increment were as initially anticipated, with SG&A having a previous-year comparable impacted by activity restrictions.

FX was a wash, as Chinese Yuan and euro appreciation caused big positive impacts, while rapid Japanese Yen depreciation in the year end caused negative impact on unrealized profit on inventory assets.

Adjusted Operating Profit Variance Analysis (Q4)



©TERUMO CORPORATION

6 / 28

TERUMO

Gross profit increment was positive 4 billion yen, with Cardiac and Vascular Company the driver, as it continued to recover from COVID.

On the other hand, gross profitability on sales decreased 1.5 billion yen as the inflation outweighed positives.

Production adjustment was positive as demand recovered. Production adjustment has been similar level of stock as of the year end of March 2019, before COVID. Therefore, we will control the appropriate stock level with monitoring the market trend from FY22. SG&A increased with a previous-year comparable in which activities were limited; however, it was lower % than that of sales while a smaller amount increase, and expense controls due to concerns about the decline in profit enacted after Q3 were effective.

FX was as I explained for the full year. The positive flow in Q4

completely absorbed the negative stock.

Revenue by Region

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

FY21 Q4 YTD Regional breakdown	Revenue (100 M JPY)		FY21 Q4 YTD YoY% () FXN	Comments	
	Q4 YTD	Q4			
Japan 29%	FY19	1,963	485	2%	TMCS steady with PS as a driver. C&V growth also continued with TIS and Neurovascular recovery. TBCT sales dropped slightly. QoQ (FY21 Q3 to Q4), TMCS and C&V slowed due to seasonal factors combined with COVID impacts on Pharmaceuticals and TIS. TBCT accelerated
	FY20	2,018	534		
	FY21	2,061	511		
Europe 20%	FY19	1,211	324	17% (10%)	Growth continued in all companies, with TIS and TA leading. QoQ, TMCS and TBCT were steady, while C&V slowed with COVID impacts on Vascular graft and Cardiovascular
	FY20	1,204	328		
	FY21	1,404	364		
Americas 20%	FY19	1,914	498	22% (15%)	Growth continued in all companies, with TIS and Neurovascular leading. QoQ as well, all companies accelerated, with TIS, Neurovascular, PS as drivers
	FY20	1,808	497		
	FY21	2,204	592		
China 31%	FY19	473	103	30% (18%)	Growth continued in all companies, with TIS leading. In FY20 1H Neurovascular had negative impact from distributor order timing; excluding this, China as a whole grew 20%. QoQ, seasonal factors led to slowing when excluding Neurovascular, which had a concentration of distributor orders in Q4
	FY20	455	121		
	FY21	594	147		
Asia and Others 8% 11%	FY19	728	178	18% (12%)	QoQ slowing in all companies, after smooth recovery up to Q3. Timing of tenders at TBCT and TMCS, COVID resurgence impacts for C&V in Cardiovascular and TIS
	FY20	654	172		
FY21	770	184			

©TERUMO CORPORATION

7 / 28



In Japan, Cardiac and Vascular Company saw TIS and Neurovascular recover slower than other regions, but the recovery trend nevertheless continued. Medical Care Solutions saw growth in businesses including Pharmaceutical Solutions, for a steady 2% positive year-on-year growth.

In the EU, TIS and the TA drove the Cardiac and Vascular Company, and all companies saw increased sales. Compared to Q3, the Cardiac and Vascular Company slowed in the first half of Q4 due to reduced number of procedures amid Omicron Variant impact; however, the other two companies were steady.

In the Americas, TIS and Neurovascular drove the Cardiac and Vascular Company, and all companies saw increased sales. The slowing seen in Europe compared to Q3 did not happen in the Americas; instead, strong results continued. The Americas became the second market after Japan to reach sales volume

of 200 billion yen, showing that the US market strategy has entered a new stage.

China also saw TIS driving the Cardiac and Vascular Company, while each company grew. Year-to-date growth was 30%. However, results of the Neurovascular business were in comparison to a previous year in which the distributor network was reorganized in the first half, temporarily increasing demand in the second; this means that the FY21 second-half result actually showed even faster growth than it appears. Excluding this impact, growth was approximately 20%. Compared to Q3, seasonal factors including the Chinese New Year caused some slowing.

In other Asian countries, recovery had continued up to Q3, but Q4 saw slowing. Tender timing for Medical Care Solutions and Blood and Cell Technologies was concentrated in Q3, while Cardiac and Vascular was impacted by the Omicron Variant in the first half. Nevertheless, year-to-date growth was 18%.

C&V:

Sales growth in all businesses with continued recovery of number of procedures in US and EU. Negative effects on 2H profit were mitigated by strong sales and positive FX impact

(100 M JPY)

	Q4 YTD			Q4			Comments	Q4 YTD Rev. YoY
Revenue	() FXN						TIS: Continued recovery outside Japan, centered in US and EU. Overall low single-digit growth QoQ (FY21 Q3 to Q4) with mixed factors; decline in number of procedures in early Q4 due to spread of Omicron variant, and quick recovery from the impact driven by Access devices	+433
	3,506	3,285	3,971	871	901	1,027		
			+21% (+14%)			+14%	Neurovascular: Continued recovery of aneurysm treatment, led by US and EU. Aspiration catheter also maintained high growth. Flat QoQ growth when excluding concentration of China distributor orders in Q4	+131
Adjusted Operating Profit	869	744	932	181	184	209	Cardiovascular: In addition to clear recovery of number of procedures in US and EU, hardware sales were strong as investment by hospitals resumed. Overall mid-single-digit QoQ decline due to spread of Omicron variant, while US was strong	+58
			+25% (+16%)			+14%	Vascular graft: Continued recovery pattern in EU and US. Overall mid-single-digit QoQ decline impacted by spread of Omicron variant	+64
Adj. OP%	25%	23%	23%	21%	20%	20%	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	

©TERUMO CORPORATION

8 / 28



Overall, sales revenue continued to grow in all businesses. Q4 growth was 14%, and year-to-date was 21%. Sales grew 2% from Q3 through Q4.

TIS grew outside Japan, especially in North America and Europe. Although there was some Omicron impact in the first half of Q4, Access products recovered rapidly thereafter. As a result, even compared to Q3, growth recovered to low single digits. Amid overall decreased demand in Japan, Cardiology products grew with the release of the new Ultimaster Nagomi.

In Neurovascular, aneurysm care demand grew especially in North America and Europe, while aspiration catheters used in stroke treatment also maintained high growth. Compared to Q3, the Q4 results were affected by China distributor orders focusing in Q4, so that overall growth was in the double digits; however, when this impact is excluded, growth was approximately flat. In Q4, there was also the news that the

flow diverter FRED X for treating aneurysm was used in the United States for the first time.

CV also saw a significant recovery in number of procedures in North America and Europe, and instrument sales were strong as hospitals resumed investment in such devices. Compared to Q3, North America continued to grow in Q4, but Omicron Variant impact in the first part of Q4 brought the whole down to the mid-single digits.

TA, like CV, saw a recovery of number of procedures in North America and Europe. And again, similarly, compared to Q3, North America continued to grow in Q4, but the first part of Q4 brought the whole down to the mid-single digits for TA as well.

In profit for the full year, price erosion of China tenders and production adjustment combined with inflation and the rest, which emerged during the period, to bring gross profit down, cancelling out increased sales and positive FX impact, for an adjusted operating profit result of 23%.

TMCS: Pumps and infusion sets drove HCS. In 2H, multiple negative factors impacted profit

(100 M JPY)

	Q4 YTD			Q4			Comments	Q4 YTD Rev. YoY
Revenue	() FXN						* HCS: Hospital care solutions (formerly General hospital products + Pharmaceutical) LCS: Life care solutions (formerly DM and consumer healthcare) PS: Pharmaceutical solutions (formerly Alliance)	
	1,710	1,755	1,853	432	465	466		
			+6% (+4%)			+0%	HCS: Demand recovery in needles, syringes, and infusion sets in Asia and Japan, and COVID-19 pump demand drove high-single-digit growth. Infection control product demand returned to normal. Continued strong growth in pain management and adhesion barrier. Mid-single-digit decline QoQ (FY21 Q3 to Q4) due to demand decrease impacted by spread of Omicron variant, especially of pharmaceutical products, despite strong sales of pumps	+73
Adjusted Operating Profit	252	257	236	54	53	43	LCS: Thermometer demand returned to normal, blood pressure monitors remained strong in Asia and Japan. Flat QoQ growth	+5
			-8% (-5%)			-19%	PS: CDMO business drove high-single-digit growth	+20
Adj. OP%	15%	15%	13%	13%	11%	9%	Adj. OP: Negative impacts from demand decline due to repeated COVID resurgence, cost inflation, as well as normalized product mix due to thermometer demand and FX impact on manufacturing cost in China partially mitigated by revenue growth	

©TERUMO CORPORATION

9 / 28



Sales revenue grew 6% annually. Q4 standalone was similar to the previous year, and flat compared to Q3. High-demand pumps and infusion products such as anticancer drug-related devices grew along with HCS, which saw demand for vaccine syringes, resulting in the Hospital Care Solutions business driving the company as a whole.

In HCS, COVID demand for infection prevention products returned to normal after spiking, while pharmaceuticals such as adhesion barrier and pain management continued to grow. Pumps grew greatly compared to Q3, while Omicron Variant impact caused slowing in IV solutions as well as disposable products other than pumps.

LCS (Life Care Solutions) saw high demand shift from thermometers to blood pressure monitors, driving the whole to finish the year at +2%. New diabetes products had some impact, but the whole increased only slightly. Compared

standalone to Q3 as well, the whole grew only slightly.

Profit stayed down as demand in Japan did not recover fully. In addition, a return to usual levels of thermometer demand normalized product mix. This combined with inflation impact and Chinese Yuan appreciation to raise manufacturing cost; therefore, several negative factors coincided. Adjusted operating profitability was 13% of sales for the full year, down 8% year-on-year.

TBCT:

Continued demand recovery of whole blood collection. Although negative impacts on profit grew in 2H, maintained improved profit level in YTD

(100 M JPY)

	Q4 YTD			Q4			Comments	Q4 YTD Rev. YoY
Revenue	() FXN						Blood center solutions: Continued recovery of whole blood collection in EU and US. Component collection was strong in China, absorbed the impact of decreased COVID-19 convalescent plasma demand. Mid-single-digit decline QoQ (FY21 Q3 to Q4) with tender and order timing in Asia and China, despite strong sales in EU and US Therapeutic solutions: Double-digit growth in US and EU driven by investment at hospitals to support higher number of procedures. Mid-single-digit decline QoQ, due to order timing in China and Asia Cell therapy technologies: Following FY20 1H deployment delays due to COVID, recovery after 2H in US indicates a return to growth trajectory	
	1,072	1,095	1,206	284	285	304		
			+10% (+5%)			+7%		+29
Adjusted Operating Profit	151	191	208	46	47	37	Adj. OP: Positive effects from sales growth and FX offset some decrease from cost inflation, lower production level, preparation expenses for the new business, and accelerated production transfer. Profit level improved in FY20 and maintained in FY21	
			+9% (+1%)			-21%		
Adj. OP%	14%	17%	17%	16%	16%	12%		

©TERUMO CORPORATION

10 / 28



Sales revenue grew 10% annually, and 7% in Q4 alone. Compared to Q3, Q4 was minus 5%; however, this was partly due to the concentration of tenders in China and other Asian in Q3. Overall, the company was strong, as whole blood collection demand recovered and apheresis grew.

In the Blood Center business, whole blood collection in the US and Europe, and component collection in China, were each strong. Comparing Q4 to Q3, the impact from the sales fluctuations in China and other Asian countries that I mentioned before led to Q4 coming out about 5% weaker.

In apheresis, US and European hospitals moved forward with investment in systems, leading to double-digit growth. Blood Center business trended similarly from Q3 to Q4.

Cell Therapy Technologies emerged from its COVID slowdown to return to a growth trajectory.

Profit was affected not only by inflation and the rest, but also the coinciding of ultimately positive investments in plasma innovation preparation costs and ahead-of-schedule production transfer activities for the cost reduction. Amid this situation, sales remained strong while FX rates were a positive impact, resulting in the company maintaining 17% adjusted operating profitability for the year.

Further, in March during Q4, the Plasma Innovation solution Rika received FDA approval. This was very good news.

FY22 Guidance: Double-digit growth in both revenue and profit

- Driven by recovery from the COVID impacts, the growth driver in each company, and positive FX impact
- Although the cost inflation impact remains, expect some relief at the end of the fiscal year

() FXN

Amount (100 M JPY)	FY21 Actual	FY22 Guidance	YoY%
Revenue	7,033	7,750	10% (6%)
Operating Profit	1,160	1,320	14% (9%)
(%)	16.5%	17.0%	
Adjusted Operating Profit	1,344	1,510	12% (7%)
(%)	19.1%	19.5%	
Profit for the Year	888	1,000	13%
Exchange Rate (USD/EUR)	112 JPY/131 JPY	125 JPY/135 JPY	

() FXN

FY22 by Company (100 M JPY)	Revenue		Adjusted Operating Profit	
	Amount	YoY%	Amount	YoY%
C&V	4,445	12% (6%)	1,134	22% (10%)
TMCS	1,923	4% (2%)	223	-6% (1%)
TBCT	1,380	14% (9%)	182	-13% (-3%)

©TERUMO CORPORATION

11 / 28



Our market assumption is that overall, COVID impact will end and demand, including number of procedures, will recover. Although inflation impact will occur throughout the year, we expect that impact to lessen toward the end of the year.

With this assumption, and the growth drivers in each business, we will aim for double-digit growth and 775 billion yen in sales revenue. We also expect FX rates to remain a positive factor.

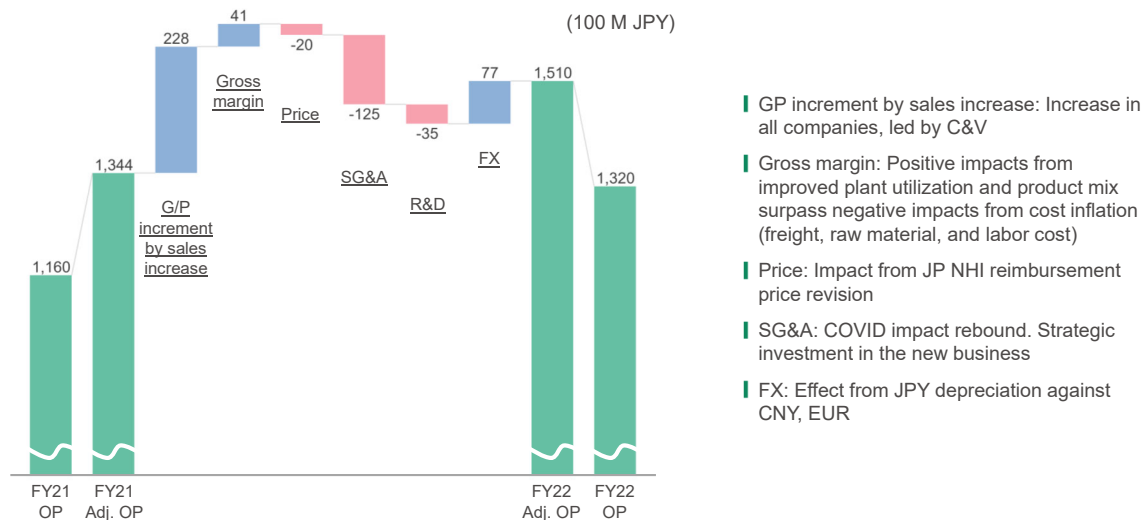
In adjusted operating margin, we will aim for double-digit growth to 151 billion yen, or 19.5% in adjusted operating profitability. and income will reach to 100 billion yen as our highest ever.

We stated sales and adjusted operating margin by company in the table below.

We will aim for ROIC over 10% as we stated in the

announcement of GS26 in the five years.

Adjusted Operating Profit Variance Analysis (FY22 Guidance)



©TERUMO CORPORATION

12 / 28



First, all companies will see increased sales, led by Cardiac and Vascular, and we anticipate a 22.8-billion-yen gross profit increment by sales increase. Product mix improvement and recovery from reduced factory utilization will have a positive impact of 4.1 billion yen, to exceed inflation impact.

The size of price down is expected to shrink year-on-year with the reimbursement price revision in Japan and other impacts.

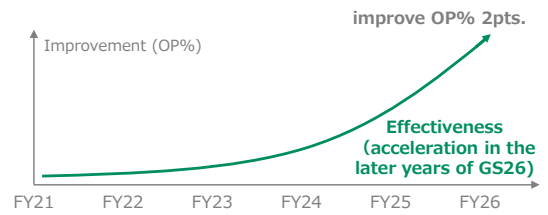
SG&A will increase along with activity in support of expanded sales, as well as Plasma Innovation strategic investment costs; all this increase is positive and necessary for growth.

FX rate, we anticipate 125 yen per a dollar, 135 yen per a euro and 19.2 yen per a Chinese yuan with considering its truck record in April. FX impact is expected totally positive. Dollar will be neutral, euro and Chinese yuan will be favorable by the depreciation of yen; however, positive or negative varies

depending on each company.

Actions for Profit Improvement

Commenced activities in 4 areas



Production
Best Practice sharing of manufacturing operations towards newly built facilities

→ FY22: review and analyze current manufacturing process, create implementation plans
FY23: implement improved process



Logistics
Consolidate and/or establish US distribution centers based on optimized logistics network

→ FY22: Create heatmap based on business volume and review optimized location
FY23 onwards: contribute to reduction of logistics cost ratio to sales



Procurement
Direct material cost review, arrange for stable inflow of materials

→ FY22: Risk analysis and create BCM. Implement global policy for BCM
FY23: Review alternative materials, improve forecast accuracy and aim for cost reduction



Support functions
Planning for establishment of GBS, consolidation of office at timing of renewal, global insurance policy, etc.

→ FY22: Create shared services for some accounting processes
FY23 onwards: Expansion of shared service function to reduce SG&A ratio

©TERUMO CORPORATION

13 / 28



Regarding the Group-wide earnings improvement efforts outlined in GS26, FY22 will include full ramp-up of activities in the four areas of production, procurement, logistics, and indirect.

In production, areas to be improved will be selected. In procurement, efforts will include direct material price optimization and supply stabilization. Logistics efforts will include specific themes such as consolidation of US distribution centers, office consolidation for better efficiency in indirect departments, comprehensive insurance contracts, and establishing shared services across businesses.

We will be able to see the effect onset by this activity in the latter part of GS26. Starting this fiscal year, we will also share the progress of these efforts at each earnings announcement.

Dividend Proposal and Acquisition of the Company's Own Shares

FY21 annual dividend: 34.0 JPY (increased by 2.0 JPY from the guidance)

- Stably increasing, and aim for the target dividend payout ratio of 30% over the mid- to long-term
- Continue to increase FY22 annual dividend up to 36.0 JPY

	FY21 Results	FY22 Guidance
Profit for the Year (100 M JPY)	888	1,000
EPS (JPY)	117	134
Dividend proposal/share	34.0 JPY Interim 16.0 Year-end 18.0	36.0 JPY Interim 18.0 Year-end 18.0
Dividend payout ratio	28.9%	26.9%

Maximum total value of shares to be acquired: 50 B JPY

- Resolved to cancel the shares after acquisition

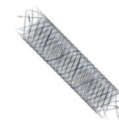
During FY21, we proposed a 2-yen dividend increase; however, we will add further to that for a total 34-yen annual dividend. In FY22 we plan to maintain this dividend-increase trend, to 36 yen for the year, while continuing to enact stable increases toward the mid- to long-term goal of a 30% dividend payout ratio.

We also announce that our board of directors has resolved to provide 50 billion yen as the maximum total value for acquisition of treasury shares and to cancel the shares after acquisition.

FY21-22 Product Pipeline and Topics

Major product launches and Indications

Business area	General name	Product name	Until FY21	FY22 plan	FY23 and/or later
TIS	Drug-eluting coronary stent	Ultimaster Nagomi	Selling in JP	Launch in EU	Launch in Asia & Latin America
Neuro-vascular	Flow diverter	FRED X	Selling in EU & US	Expansion in US, regional expansion	
Vascular graft	Thoracic stent graft	Relay family	Selling in EU, obtained indication of RelayPro for aneurysm in US & JP	Obtain additional indications; dissections & traumatic transections in US & dissections in JP	Additional Relay platform derivatives, RelayBranch clinical trial
HCS	Infusion pump	Terufusion infusion pump type 18	Selling in JP	Launch in EU & Latin America	Launch in Asia
LCS	Insulin patch pump	Medisafe With series	Selling the current model in JP & EU	Launch updated version in JP	Develop AID system with Diabeloop, consider regional expansion
TBCT	Cell expansion system	Quantum Flex	Selling Quantum globally	Launch Quantum Flex as an addition to portfolio	Aim at double-digit growth of Cell therapy technologies business



"FRED X"



"Thoraflex Hybrid"



"Rika"

Major Topics

- Corporate: Announced commitment to achieve carbon neutrality by 2040 and support for the Task Force on Climate-related Financial Disclosures (TCFD) and its recommendations
- C&V: Announced U.S. FDA approval for the surgical hybrid stent graft Thoraflex Hybrid
- TMCS: Announced collaboration on new solution for diabetes data sharing
- TBCT: U.S. FDA cleared the new Rika Plasma Donation System

(C&V: Cardiac & Vascular, TMCS: Medical Care Solutions, TBCT: Blood & Cell Technologies, HCS: Hospital care solutions, LCS: Life care solutions)

We also have high expectations for products launched in FY21 to expand regionally and in application, toward further growth of our results in this year and beyond.

Group-wide topics include our announcement of Carbon Neutrality by 2040.

This concludes my explanation of our earnings. Thank you.

Reference

Revenue by Segment and Region

2021年度 セグメント別売上収益

Revenue by Segment for FY2021

(百万円/ millions of yen)

	FY2020								FY2021								増減率 % to total
	日本 JPY	海外 Overseas	欧州 Europe	米州 Americas	中国 China	アジア Asia and others	合計 WW	% of 1	日本 JPY	海外 Overseas	欧州 Europe	米州 Americas	中国 China	アジア Asia and others	合計 WW	% of 2	
心臓血管 カンパニー																	
TIS	31,337	189,280	52,896	84,648	29,180	22,464	239,638	2.2%	33,137	212,228	63,181	102,228	36,048	27,058	263,841	2.2%	
ニューロバスキュラー	4,880	40,126	13,817	17,472	6,088	3,837	45,816	5.4%	5,208	32,296	16,264	22,441	9,322	4,346	68,156	6.8%	
カーディオバスキュラー	11,402	30,180	8,239	18,929	3,310	4,509	41,582	10.8%	36,543	21,176	6,234	23,114	2,001	3,093	47,359	13.6%	
血管	2,587	18,733	10,469	5,938	1,340	681	21,222	2.7%	24,896	13,712	33,091	8,488	1,336	1,148	27,677	8.9%	
Cardiac and Vascular Company	50,208	278,341	82,523	126,978	37,019	31,818	328,549	3.1%	345,986	244,214	99,796	159,570	48,942	37,677	397,130	3.6%	
メディカルケア ソリューションズ カンパニー																	
ホスピタルケアソリューション	97,593	20,200	2,839	6,293	1,262	12,813	130,712	100.0%	27,737	19,296	2,758	7,996	1,370	15,611	128,041	6.1%	
ライフケアソリューション	23,319	2,881	798	11	976	1,096	26,201	22.0%	3,740	29,276	822	38	224,076	1,078	1,891	1.0%	
ファーマシューティカルソリューション	18,316	10,313	6,963	2,448	183	778	28,630	19.4%	11,121	7,876	7,421	2,573	5,176	217	849	6.9%	
Medical Care Solutions Company	139,139	34,405	10,241	9,653	2,422	14,688	175,545	14.2%	42,599	17,048	11,063	10,608	2,666	18,262	185,335	5.6%	
血液・細胞 テクノロジー カンパニー																	
血液センター	11,549	69,682	21,376	27,273	5,242	15,791	81,231	11.4%	77,190	109,896	22,715	30,316	11,276	17,786	88,597	9.1%	
アフェレンス治療機	493	20,017	3,381	11,239	690	2,823	29,588	4.3%	22,958	14,296	3,946	12,226	1,062	33,836	29,510	3.3%	
細胞治療	151	7,599	943	6,225	149	243	7,760	1.1%	8,424	10,926	896	6,503	10,476	315	8,596	1.0%	
Blood and Cell Technologies Company	12,154	97,336	27,624	44,765	6,082	18,864	109,491	12.6%	108,573	135,118	29,558	50,221	7,741	21,652	120,586	10.7%	
その他	256	-	-	-	-	-	256	0.0%	-	-	-	-	-	-	251	0.0%	
合計	201,788	412,084	226,289	280,798	45,525	65,372	613,842	2.2%	206,143	497,159	140,417	220,400	59,350	76,991	703,303	14.0%	
売上比率	22.9%	67.1%	19.6%	29.2%	7.4%	10.6%	100.0%	29.3%	28.0%	28.0%	31.3%	8.4%	10.9%	100.0%			

(原単位の換算レート)

(Average Exchange Rates)

(USD1=¥106.10)

(EUR1=¥123.76)

(USD1=¥112.39)

(EUR1=¥130.55)

* FY2021より「中国」の売上を除外しているため、「アジア他」から「中国」の売上を除外しております。

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

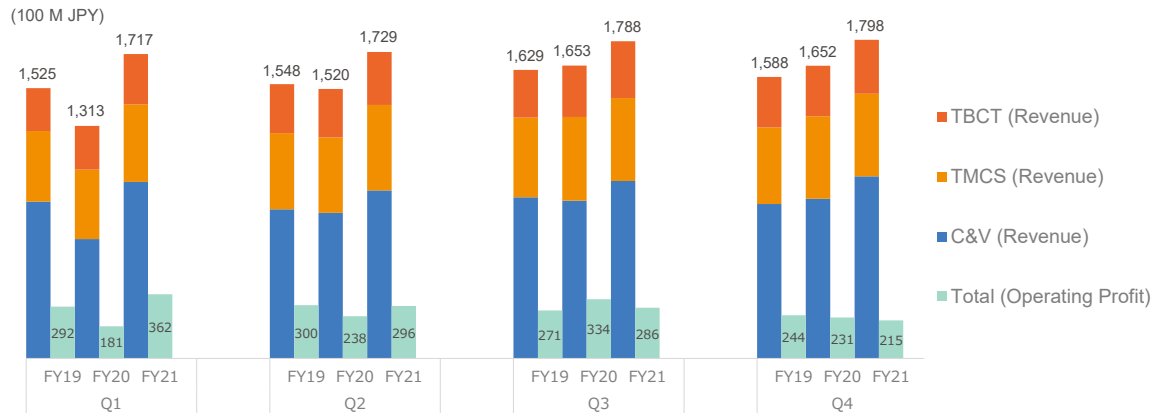
* 2022年度より、従来の「ホスピタルカンパニー」のセグメント名称を「メディカルケアソリューションズカンパニー」に変更しています。なお、サブセグメントに「ホスピタルケアソリューションズカンパニー」は、「ホスピタルケアソリューションズカンパニー」に統合されています。従来の「ライフケアカンパニー」は、「ホスピタルケアソリューションズカンパニー」に統合されています。従来の「ファーマシューティカルカンパニー」は、「ファーマシューティカルソリューションズカンパニー」に変更されています。以上は2021年10月1日時点の数字です。変更後の名称で記載しています。

* Effective fiscal 2022, the segment name of the former "General Hospital Company" has been changed to "Medical Care Solutions Company". As for sub-segments, the former "General Hospital Product" and "Pharmaceutical" have been combined into "Hospital Care Solutions", "DM and Consumer Healthcare" has been renamed "Life Care Solutions", and the "Alliance" has been renamed "Pharmaceutical Solutions". In accordance with this change, the fiscal 2020 and 2021 figures are also listed under the new names.

Quarterly Trend of Revenue and Operating Profit

Revenue: Increase by +9% YoY. +13% overall growth against FY19 Q4, driven by +18% increase in C&V with positive impact of FX such as EUR

Operating Profit: The negative GP impact from cost inflation, lower production level, and VBP in China partially mitigated by strong sales and positive FX impact



©TERUMO CORPORATION

18 / 28



P&L (Quarterly Results)

(100 M JPY)

	FY20 Q4 (Jan-Mar)	FY21 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	
Revenue	1,652	1,717	1,729	1,788	1,798	
Gross Profit	854 (51.7%)	943 (54.9%)	920 (53.2%)	926 (51.8%)	905 (50.3%)	
SG&A Expenses	488 (29.5%)	465 (27.1%)	490 (28.4%)	507 (28.4%)	528 (29.4%)	
R&D Expenses	132 (8.0%)	117 (6.8%)	130 (7.5%)	128 (7.2%)	144 (8.0%)	
Other Income and Expenses	-2	1	-3	-5	-18	
Operating Profit	231 (14.0%)	362 (21.1%)	296 (17.1%)	286 (16.0%)	215 (12.0%)	
Adjusted Operating Profit	274 (16.6%)	402 (23.4%)	339 (19.6%)	330 (18.5%)	273 (15.2%)	
Average Rate	USD EUR	106 JPY 128 JPY	110 JPY 132 JPY	110 JPY 130 JPY	114 JPY 130 JPY	116 JPY 130 JPY

©TERUMO CORPORATION

19 / 28



Operating Expenses (Quarterly Results)

(100 M JPY)

		FY20 Q4 (Jan-Mar)	FY21 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
Salaries & Wages		240	249	249	255	256
Sales Promotion		43	30	40	44	45
Logistical Costs		37	38	39	39	41
Depreciation & Amortization		49	48	50	51	54
Others		119	99	112	118	132
SG&A Expenses Total		488	465	490	507	528
(%)		(29.5%)	(27.1%)	(28.4%)	(28.4%)	(29.4%)
R&D Expenses		132	117	130	128	144
(%)		(8.0%)	(6.8%)	(7.5%)	(7.2%)	(8.0%)
Operating Expenses Total		620	581	621	635	672
(%)		(37.5%)	(33.9%)	(35.9%)	(35.5%)	(37.3%)
Average Rate	USD	106 JPY	110 JPY	110 JPY	114 JPY	116 JPY
	EUR	128 JPY	132 JPY	130 JPY	130 JPY	130 JPY

Operating Expenses (YTD and Quarterly Results)

(100 M JPY)

	FY20 Q4 YTD	FY21 Q4 YTD	YoY	YoY%	YoY% (FXN)	FY20 Q4	FY21 Q4	YoY	YoY%
Salaries & Wages	928	1,010	82	9%	4%	240	256	16	7%
Sales Promotion	128	160	31	24%	20%	43	45	2	6%
Logistical Costs	144	157	14	10%	6%	37	41	4	10%
Depreciation & Amortization	191	203	12	6%	3%	49	54	5	11%
Others	404	461	57	14%	10%	119	132	12	10%
SG&A Expenses Total	1,795	1,991	196	11%	6%	488	528	40	8%
(%)	(29.2%)	(28.3%)				(29.5%)	(29.4%)		
R&D Expenses	491	518	27	6%	2%	132	144	12	9%
(%)	(8.0%)	(7.4%)				(8.0%)	(8.0%)		
Operating Expenses Total	2,286	2,509	223	10%	5%	620	672	51	8%
(%)	(37.2%)	(35.7%)				(37.5%)	(37.3%)		

Adjusted Operating Profit: Adjustments

(100 M JPY)

	FY20 Q4 YTD	FY21 Q4 YTD	FY20 Q4	FY21 Q4
Operating Profit	984	1,160	231	215
Adjustment 1. Amortization of acquired intangible assets	146	161	38	42
Adjustment 2. Non-recurring profit or loss	29	24	5	16
Adjusted Operating Profit	1,159	1,344	274	273

<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 Q4 YTD	FY21 Q4
Business reorganizing cost	16	10
Others	8	6

CAPEX, Depreciation and R&D Expenses

	FY18	FY19	FY20	FY21	(100 M JPY) FY22 Guidance
CAPEX	608	895	772	692	900
Depreciation	440	477	484	532	635
Amortization of acquired intangible assets	146	157	146	161	173
Others	294	320	338	371	462

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

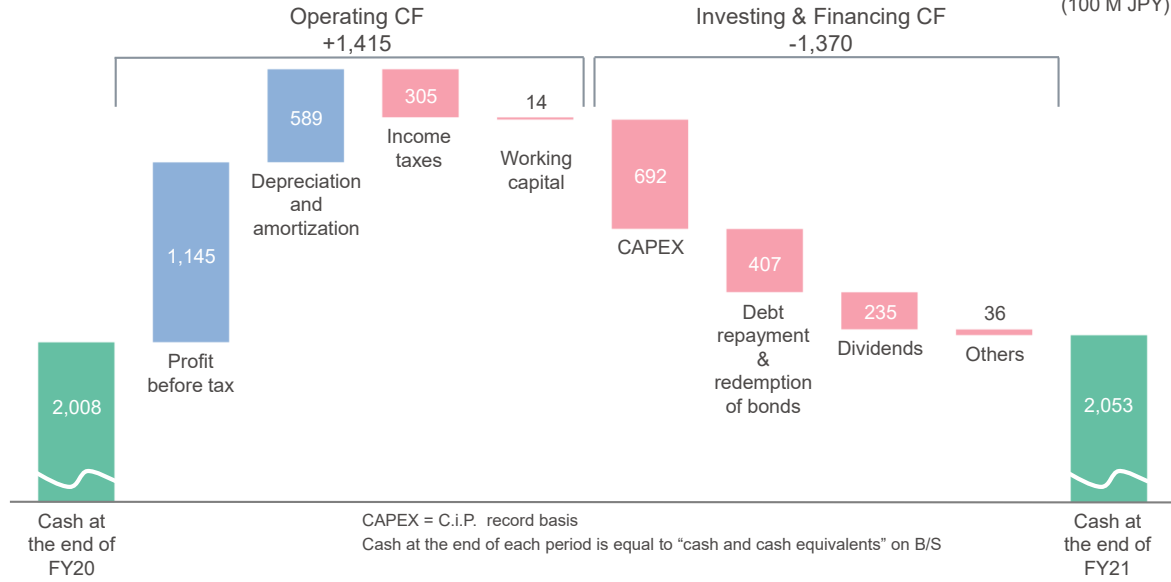
■ FY21 (69.2 B JPY): Continued investment mainly for TIS, Neurovascular, PS, and Blood & Cell Technologies in production capacity and space, R&D as well as IT infrastructure (SAP)

■ Continue investment on the above projects in FY22

	FY18	FY19	FY20	FY21	FY22 Guidance
R&D Expenses	477	506	491	518	580

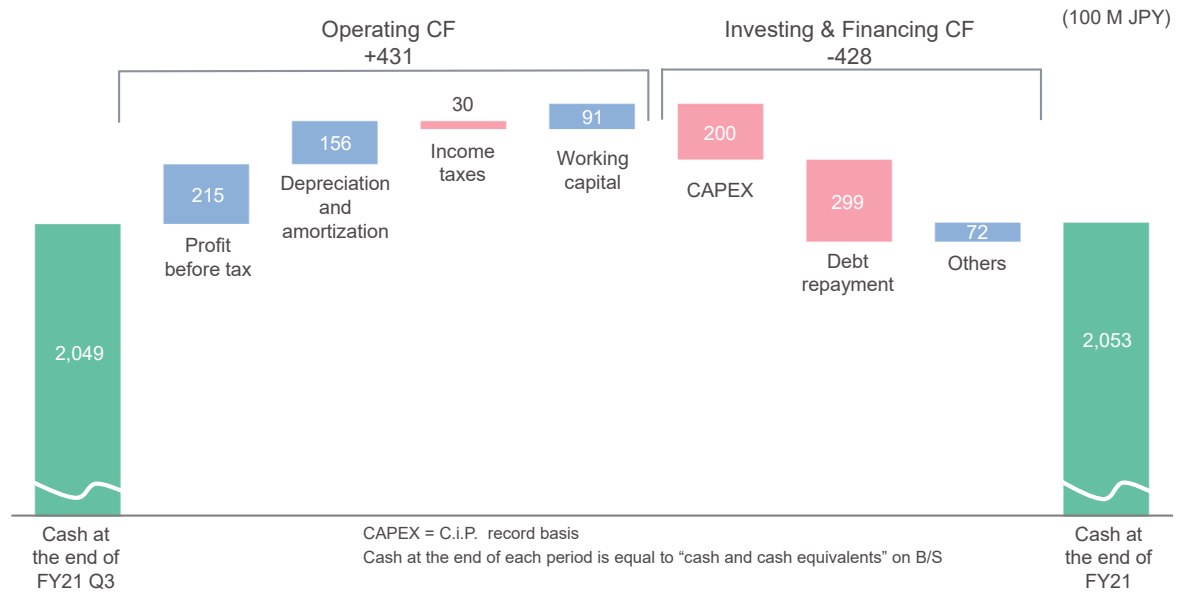
Cash Flows (Q4 YTD)

(100 M JPY)



CAPEX = C.i.P. record basis
Cash at the end of each period is equal to "cash and cash equivalents" on B/S

Cash Flows (Q4)



FY21 FX Impact Breakdown (Flow and Stock)

+7.1 B JPY FX impact vs FY20: No change from +7.1 B JPY Q3 YTD level

+8.7 B JPY for year (+1.8 B JPY in Q4) from flow: Positive impact of JPY depreciated against EUR and CNY

	(JPY)		
	FY20 average	FY21 average	Variance
EUR	124	131	7
CNY	15.7	17.5	2

-1.6 B JPY for year (-1.8 B JPY in Q4) from stock: FX impact on elimination of unrealized profit in inventories

- Rapid JPY depreciation in Q4 vs Q3, larger gap between period-average and end-of-period rates led to negative impact

	(JPY)				(JPY)			
	FY21 Q3 average	At the end of Dec. 2021	Variance		FY21 Q4 average	At the end of Mar. 2022	Variance	
USD	114	115	1	▶	USD	116	122	6
EUR	130	131	0		EUR	130	137	6

Foreign Exchange Sensitivity

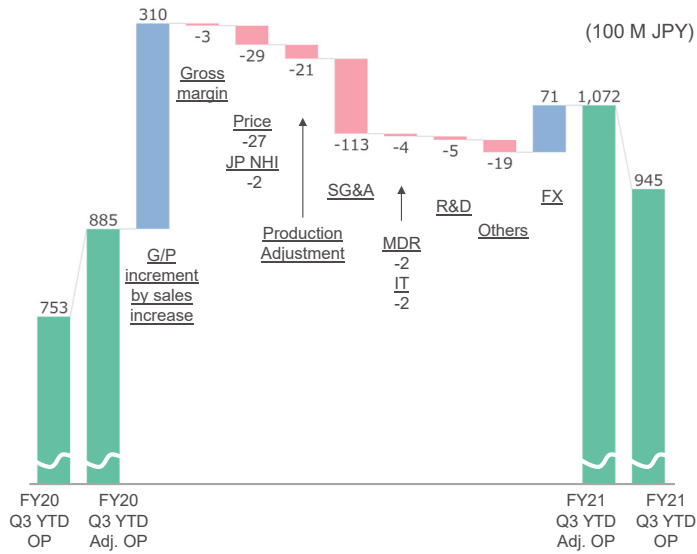
Annual impact of 1 JPY depreciation (100 M JPY)

	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

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, exceeded 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

