

# Financial Results for the First Quarter of Fiscal Year Ending March 31, 2023 (FY2022)

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# FY22 Q1 Results Highlights

## ■ Revenue

- Positive year-on-year growth for all three companies, highest-ever quarterly revenue
- Recovery in healthcare demand including number of procedures in addition to FX (yen depreciation) contribution, resulting in double-digit growth in all regions outside of Japan
- Positive growth in all regions, even when excluding FX impact

## ■ Operating profit

- Gross profit amount grew 8% due to revenue increase, even market conditions (inflation) caused a rise in costs
- Sales promotion and R&D activities resumed emerging from COVID-19 pandemic, with the comparable period having still been affected by COVID-19
- Operating profit amount decreased 16%, but grew broadly quarter-on-quarter

# P&L Results

- Revenue: Recovery in healthcare demand including number of procedures, return to growth trend. Positive FX (yen depreciation) impact, highest-ever quarterly revenue
- Operating profit: Gross profit increased, even market conditions (inflation) caused a rise in costs. Meanwhile, activities resumed as planned amid emergence from COVID-19, resulting in 16% OP decreased.

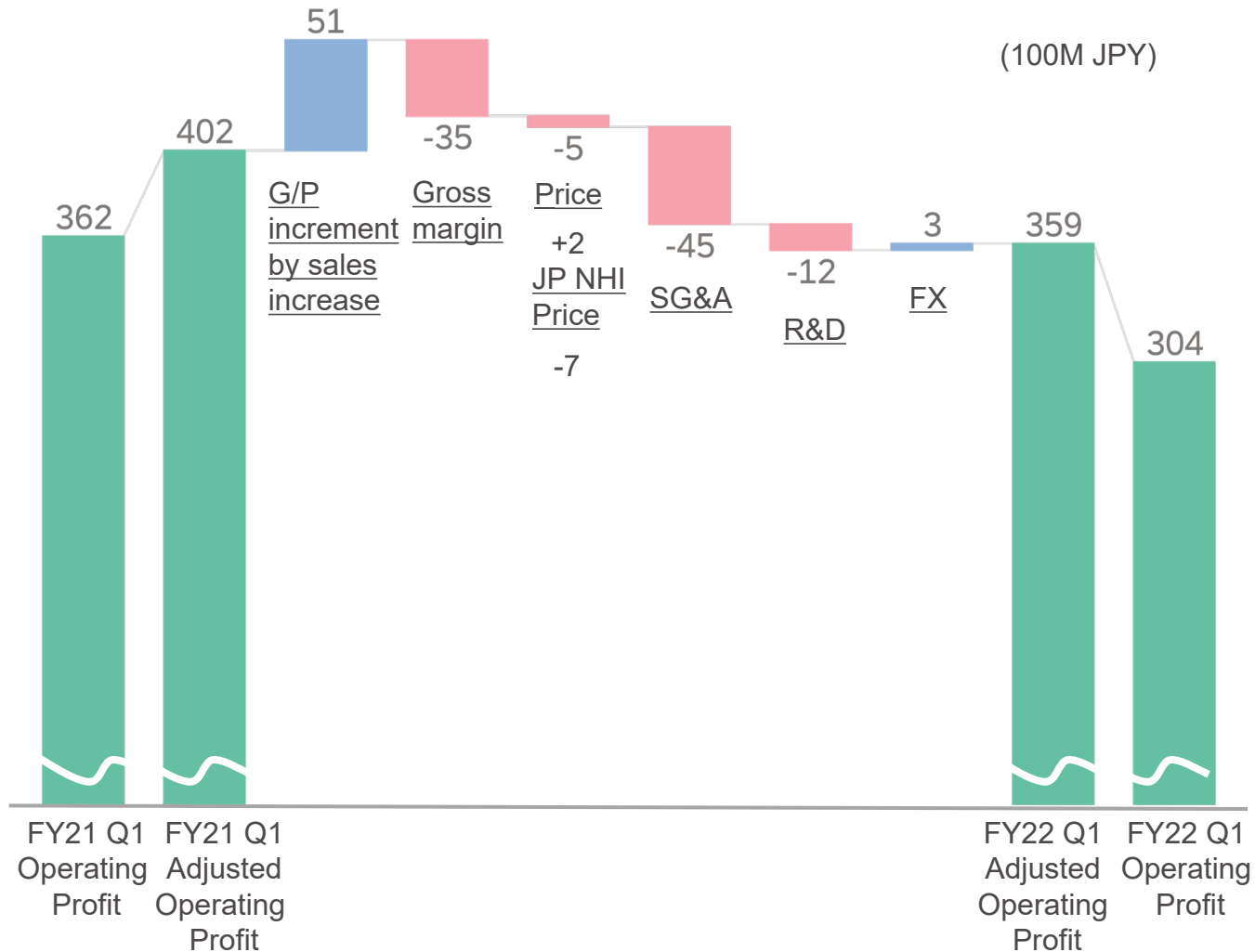
100M JPY	FY21 Q1	FY22 Q1	YoY%	YoY% (FXN)
Revenue	1,717	1,973	15%	5%
Gross profit (%)	943 (54.9%)	1,016 (51.5%)	8%	2%
SG&A Expenses (%)	465 (27.1%)	566 (28.7%)	22%	10%
R&D Expenses (%)	117 (6.8%)	141 (7.1%)	20%	11%
Other Income and Expenses	1	-6	-	-
Operating Profit (%)	362 (21.1%)	304 (15.4%)	-16%	-14%
Adjusted Operating Profit (%)	402 (23.4%)	359 (18.2%)	-11%	-11%
Profit before Tax (%)	360 (21.0%)	297 (15.0%)	-18%	
Profit for the Year (%)	279 (16.2%)	224 (11.4%)	-20%	

Average exchange rate (USD/EUR)

110JPY/132JPY

130JPY/138JPY

# Operating Profit Variance Analysis



## ■ G/P increment by sales increase:

Sales increase due to demand recovery and growth, new products launched

## ■ Gross margin:

Impact of inflation, etc. exceeded positive factors such as mix improvement

## ■ Price:

Reimbursement price revision impact (in Japan) partially mitigated by price increase

## ■ SG&A, R&D:

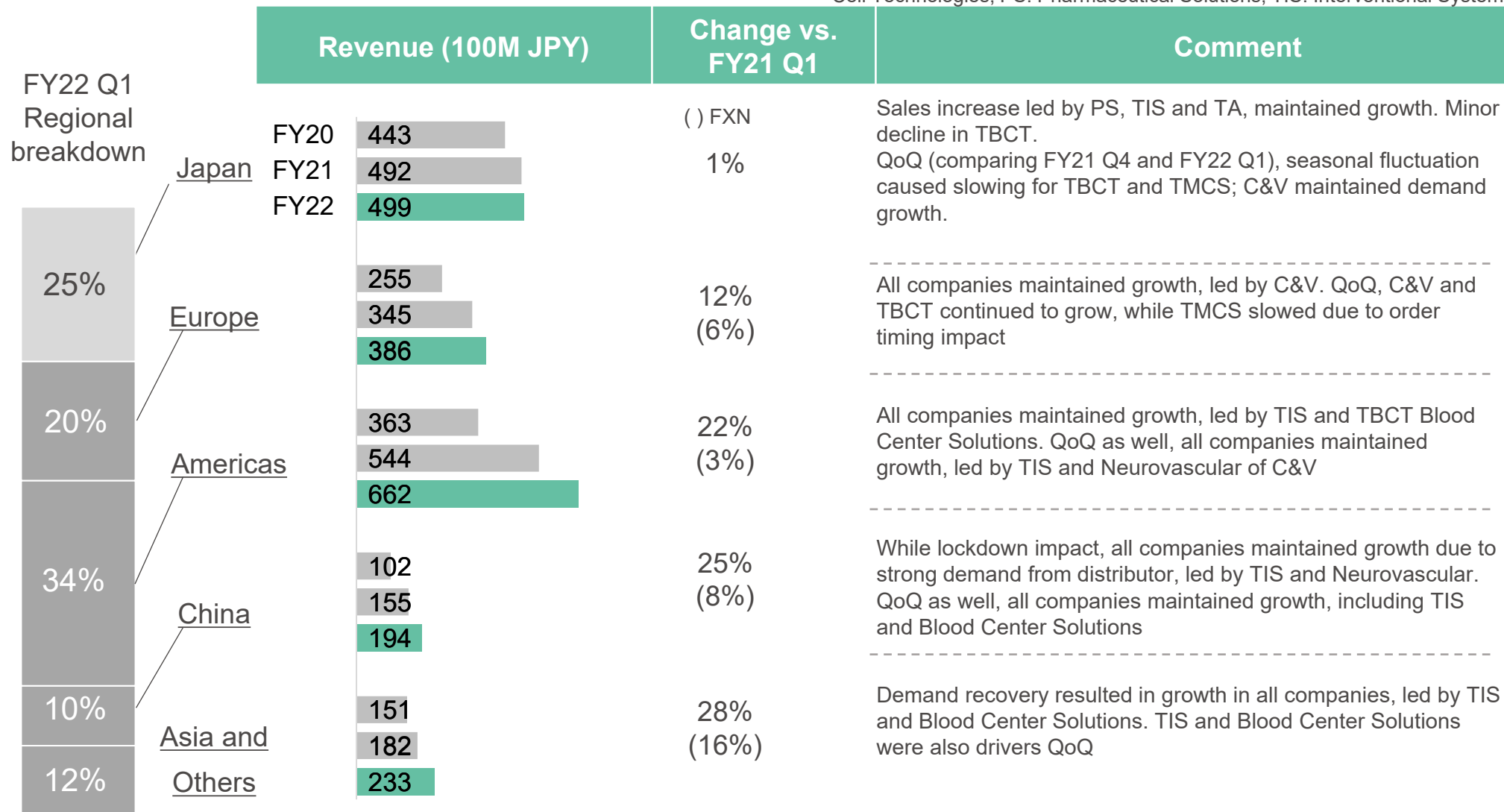
Resumption of business activities (gradual in COVID-19-affected previous year)

## ■ FX:

Flow exceeded stock

# Revenue by Region

(C&V: Cardiac & Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies, PS: Pharmaceutical Solutions, TIS: Interventional Systems)



# C&V:

Number of procedures moved from recovery to growth trend in all regions but Japan, with all businesses growing sales. Segment profit returned to normal levels as business activities resumed

(100M JPY)	Q1			Comment	Q1 YoY%
Revenue	() FXN			TIS:	+118
	673	996	1,168	Growth more gradual in Japan, which had reimbursement price revision. Overseas achieved double-digit growth, with Asia, China, Americas largest, respectively. Lockdown impact on number of procedures, but very strong demand from distributor in China. Growth in areas including oncology and peripheral	
			+17% (+5%)	Neuro-vascular:	
Segment Profit	124	294	280	CV:	+8
			-5% (-9%)	TA:	+12
Profit %	FY20	FY21	FY22	Profit:	
	18%	29%	24%	In addition to inflation, SG&A increased compared to the partially limited previous year due to COVID-19, resulting in decreased segment profit	

# TMCS:

Drivers were general hospital product growth in North America and Pharmaceutical Solutions sales increase, resulting in sales growth. Segment profit decreased due to FX impact and resumption of business activities

(100M JPY)	Q1			Comment	Q1 YoY%
Revenue	() FXN				
	392	438	460	HCS; Hospital Care Solutions Amid overall flat demand in Japan, adhesion barrier grew as number of surgeries recovered. Overseas, veterinary medical devices grew in North America, driving the whole	+10
			+5% (+2%)	LCS; Life Care Solutions Thermometer, blood pressure monitor demand returned to normal following large previous-year growth; In Japan, the price for self-measurement of blood glucose products was declined due to increasing competition	-6
Segment Profit	52	64	45	PS; Pharma-ceutical Solutions Orders increased from pharma companies expecting demand recovery, resulting in sales increase	+18
Profit %			-31% (-26%)	Profit: Resumption of business activities added to inflation, FX—especially negative impact of CNY appreciation vs JPY—and worsened LCS mix impact to result in overall segment profit decrease	
	FY20	FY21	FY22		
	13%	15%	10%		



# TBCT:

Automation innovation and demand recovery contributed to large growth in whole blood market. Plasma Innovation expenses and resumption of activities, resulting in slowing of segment profit

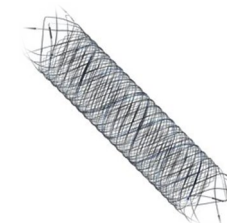
(100M JPY)	Q1			Comment	Q1 YoY%
Revenue	() FXN				
	247	283	345 +22% (+9%)	Blood Center; As global blood transfusion demand recovered, whole blood collection in EU/US saw increased sales led by automation innovation. Component collection also saw steady demand including in China	+46
				Apheresis; Cell therapy number of procedures grew centered in Japan and EU/US, resulting in continued high demand. Hospitals also continued to invest for devices	+11
Segment Profit	39	60	36 -40% (-39%)	Cell Processing; With expansion of cell therapy needs, cell processing instrument demand steady	+5
Profit %	FY20	FY21	FY22	Profit; In addition to resumption of business activities including Plasma Innovation investment, inflation and appreciation USD negative impact led to slowing of segment profitability.	
	16%	21%	10%		

# Product Pipeline and Major Topics

\*C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies, HCS: Hospital Care Solutions, LCS: Life Care Solutions

## Major Product Launch, Approval Status

Field	General	Product name	To FY21	FY22	FY23 and beyond
TIS	Drug-eluting coronary stent	Ultimaster Nagomi	Japan sales	EU launch	Asia, Latin America launch
Neuro-vascular	Flow diverter stent	FRED X	EU, US sales	US sales expansion, regional expansion	
TA	Thoracic aorta stent graft	Relay Series	EU sales, US, Japan aneurysm indication approval	In US, dissection and trauma; in Japan, dissection indication approved	Additional models, RelayBranch clinical trials conducted
HCS	General infusion pump	Terufusion infusion pump 18 model	Japan sales	EU, Latin America launch	Asia launch
LCS	Patch insulin pump	Medisafe WITH series	Current model Japan, EU sales	Improved model Japan launch	Diabeloop Company AID system collaboration, regional expansion considered
TBCT	Cell expansion system	Quantum Flex	Quantum global sales	Launch Quantum Flex additional model	Cell processing business aims for double-digit growth



FRED X



RelayPro

## Major Topics

- Corporate: Terumo Purpose announced: Advancing Healthcare and Enhancing Patients' Quality of Life
- C&V : Announced the results of DISCO RADIAL worldwide, large-scale clinical trial. Support for building new evidence of radial procedure
- TMCS : Closed infusion connector SURPLUG AD awarded with the Japan Institute of Invention and Innovation President's Award and the Working of Inventions Award at the 2022 National Commendation for Invention
- TBCT : Littleton Factory opened as new site for source plasma collection system production

# Reference

# Revenue by Segment and Region

2022年度 第1四半期 セグメント別売上収益

Revenue by Segment for the First Quarter of FY2022

(百万円 / millions of yen)

		Q1 YTD FY2021							Q1 YTD FY2022												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	TIS	7,862	59,069	16,166	26,176	10,040	6,686	66,932	8,064	2.6%	70,641	19.6%	17,656	9.2%	31,551	20.5%	12,108	20.6%	9,324	39.5%	78,705	17.6%	39.9%
	ニューロバスキュラー	1,371	12,532	4,228	5,518	1,845	939	13,904	1,342	-2.1%	16,055	28.1%	4,925	16.5%	7,120	29.0%	2,667	44.5%	1,342	42.9%	17,397	25.1%	8.8%
	カーディオバスキュラー	2,749	9,239	1,456	6,017	526	1,239	11,989	2,622	-4.6%	10,158	9.9%	1,552	6.6%	6,474	7.6%	600	13.9%	1,532	23.6%	12,781	6.6%	6.5%
	血管	714	6,027	3,297	1,975	401	353	6,742	823	15.3%	7,116	18.1%	3,855	16.9%	2,594	31.4%	340	-15.1%	326	-7.8%	7,940	17.8%	4.0%
Cardiac and Vascular Company		12,698	86,869	25,148	39,687	12,814	9,219	99,568	12,853	1.2%	103,972	19.7%	27,989	11.3%	47,740	20.3%	15,716	22.7%	12,525	35.9%	116,825	17.3%	59.2%
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	23,496	6,646	753	2,149	352	3,390	30,143	23,310	-0.8%	7,868	18.4%	701	-6.9%	2,806	30.6%	544	54.5%	3,816	12.5%	31,179	3.4%	15.8%
	ライフケアソリューション	5,722	829	200	8	229	390	6,551	5,110	-10.7%	815	-1.7%	203	1.0%	-	-100.0%	307	34.0%	304	-22.0%	5,925	-9.6%	3.0%
	ファーマシューティカルソリューション	4,776	2,310	1,464	580	20	245	7,087	6,091	27.5%	2,796	21.0%	1,693	15.7%	696	20.0%	80	290.5%	324	32.5%	8,887	25.4%	4.5%
Medical Care Solutions Company		33,996	9,786	2,419	2,738	602	4,027	43,783	34,512	1.5%	11,480	17.3%	2,598	7.4%	3,503	27.9%	931	54.7%	4,446	10.4%	45,992	5.0%	23.3%
血液・細胞 テクノロジー カンパニー	血液センター	2,300	18,252	5,337	7,022	1,732	4,161	20,552	2,303	0.2%	22,886	25.4%	6,074	13.8%	9,049	28.9%	2,411	39.2%	5,350	28.6%	25,190	22.6%	12.8%
	アフェレシス治療他	77	5,551	1,408	3,169	264	709	5,628	118	53.1%	6,572	18.4%	1,680	19.3%	3,794	19.7%	300	14.0%	796	12.3%	6,690	18.9%	3.4%
	細胞処理	39	2,080	187	1,779	60	52	2,119	20	-48.6%	2,558	23.0%	230	23.1%	2,157	21.2%	7	-86.9%	162	209.5%	2,579	21.7%	1.3%
Blood and Cell Technologies Company		2,416	25,884	6,933	11,971	2,057	4,923	28,301	2,441	1.1%	32,018	23.7%	7,986	15.2%	15,001	25.3%	2,720	32.3%	6,310	28.2%	34,459	21.8%	17.5%
その他	Others	64	-	-	-	-	-	64	62	-3.2%	-	-	-	-	-	-	-	-	-	-	62	-3.2%	0.0%
合計	Total	49,175	122,541	34,501	54,397	15,473	18,169	171,716	49,869	1.4%	147,470	20.3%	38,574	11.8%	66,244	21.8%	19,369	25.2%	23,282	28.1%	197,340	14.9%	100.0%
売上比率	% to Total	28.6%	71.4%	20.1%	31.7%	9.0%	10.6%	100.0%	25.3%		74.7%		19.5%		33.6%		9.8%		11.8%		100.0%		

(期中平均為替レート)

(Average Exchange Rates)

(USD1=¥109.52)

(EUR1=¥131.94)

(USD1=¥129.73)

(EUR1=¥138.26)

\* 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、サブセグメントにつきましては、従来の、医療器事業と医薬品事業が「ホスピタルケアソリューション」に、DM・ヘルスケア事業が「ライフケアソリューション」に、アライアンス事業が「ファーマシューティカルソリューション」に変更となっています。これに伴い、2021年度につきましても、変更後の名称で記載しています。

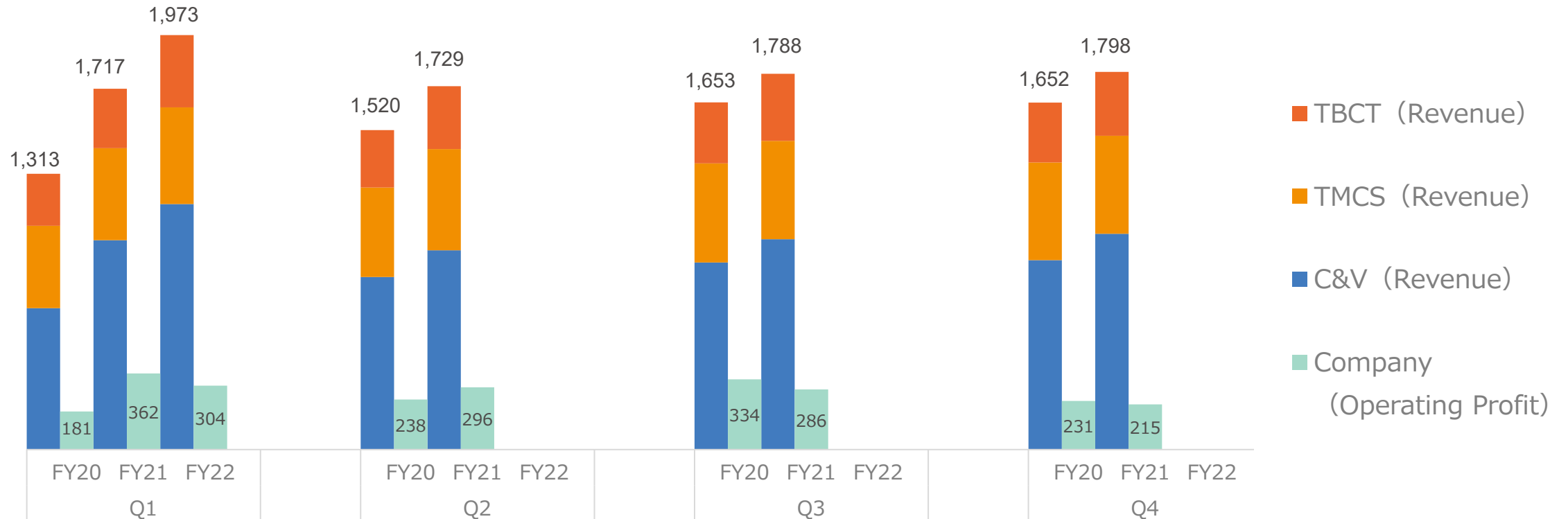
\* Effective fiscal 2022, the segment name of the former "General Hospital Company" has been changed to "Medical Care Solutions Company". As for sub-segments, the former "General Hospital Products" and "Pharmaceutical" have been combined into "Hospital Care Solutions", "DM and Consumer Healthcare" has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

# Quarterly Trend of Revenue and Operating Profit

Revenue: Q1 growth 15% year-on-year, and grew 10% quarter-on-quarter, highest-ever quarterly revenue

Operating profit: Q1 decreased 16% year-on-year, and grew 41% quarter-on-quarter

(100M JPY)



# Quarterly Results

(100M JPY)

		FY21 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY22 Q1 (Apr-Jun)
Revenue		1,717	1,729	1,788	1,798	1,973
Gross Profit		943 (54.9%)	920 (53.2%)	926 (51.8%)	905 (50.3%)	1,016 (51.5%)
SG&A Expenses		465 (27.1%)	490 (28.4%)	507 (28.4%)	528 (29.4%)	566 (28.7%)
R&D Expenses		117 (6.8%)	130 (7.5%)	128 (7.2%)	144 (8.0%)	141 (7.1%)
Other Income and Expenses		1	-3	-5	-18	-6
Operating Profit		362 (21.1%)	296 (17.1%)	286 (16.0%)	215 (12.0%)	304 (15.4%)
Adjusted Operating Profit		402 (23.4%)	339 (19.6%)	330 (18.5%)	273 (15.2%)	359 (18.2%)
Quarter	USD	110 JPY	110 JPY	114 JPY	116 JPY	130 JPY
Average Rate	EUR	132 JPY	130 JPY	130 JPY	130 JPY	138 JPY

# Operating Expenses (Quarterly Trend)

(100M JPY)

		FY21 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY22 Q1 (Apr-Jun)
Salaries & Wages		249	249	255	256	298
Sales Promotion		30	40	44	45	46
Logistics Costs		38	39	39	41	44
Depreciation & Amortization		48	50	51	54	56
Others		99	112	118	132	123
SG&A Expenses Total		465	490	507	528	566
(%)		(27.1%)	(28.4%)	(28.4%)	(29.4%)	(28.7%)
R&D Expenses		117	130	128	144	141
(%)		(6.8%)	(7.5%)	(7.2%)	(8.0%)	(7.1%)
Sales Promotion Total		581	621	635	672	706
(%)		(33.9%)	(35.9%)	(35.5%)	(37.3%)	(35.8%)
Quarter	USD	110JPY	110JPY	114JPY	116JPY	130JPY
Average Rate	EUR	132JPY	130JPY	130JPY	130JPY	138JPY

# Operating Expenses (Quarterly Results)

(100M JPY)

	FY21 Q1	FY22 Q1	YoY	Change vs. FY21 Q1	Change excluding FX impact
Salaries & Wages	249	298	48	19%	6%
Sales Promotion	30	46	16	51%	40%
Logistics Costs	38	44	6	15%	6%
Depreciation & Amortization	48	56	8	17%	9%
Others	99	123	23	23%	13%
SG&A Expenses Total	465	566	101	22%	10%
(%)	(27.1%)	(28.7%)			
R&D Expenses	117	141	24	20%	11%
(%)	(6.8%)	(7.1%)			
SG&A Expenses Total	581	706	125	21%	10%
(%)	(33.9%)	(35.8%)			



# Adjusted Operating Profit amount

(100M JPY)

	FY21 Q1	FY22 Q1
Operating Profit	362	304
Adjustment 1. Amortization of acquired intangible assets	39	46
Adjustment 2. Non-recurring profit or loss	1	9
Adjusted Operating Profit	402	359

<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

Adjustment 2. Major one-time profits & losses	FY22 Q1
Restructuring loss	5
Others	4

# CAPEX, Depreciation and R&D Expenses

	FY19	FY20	FY21	FY22 Q1	FY22 Guidance
CAPEX	895	772	692	129	900
Depreciation	477	484	532	150	635
Amortization of acquired intangible assets	157	146	161	46	173
Others	320	338	371	104	462

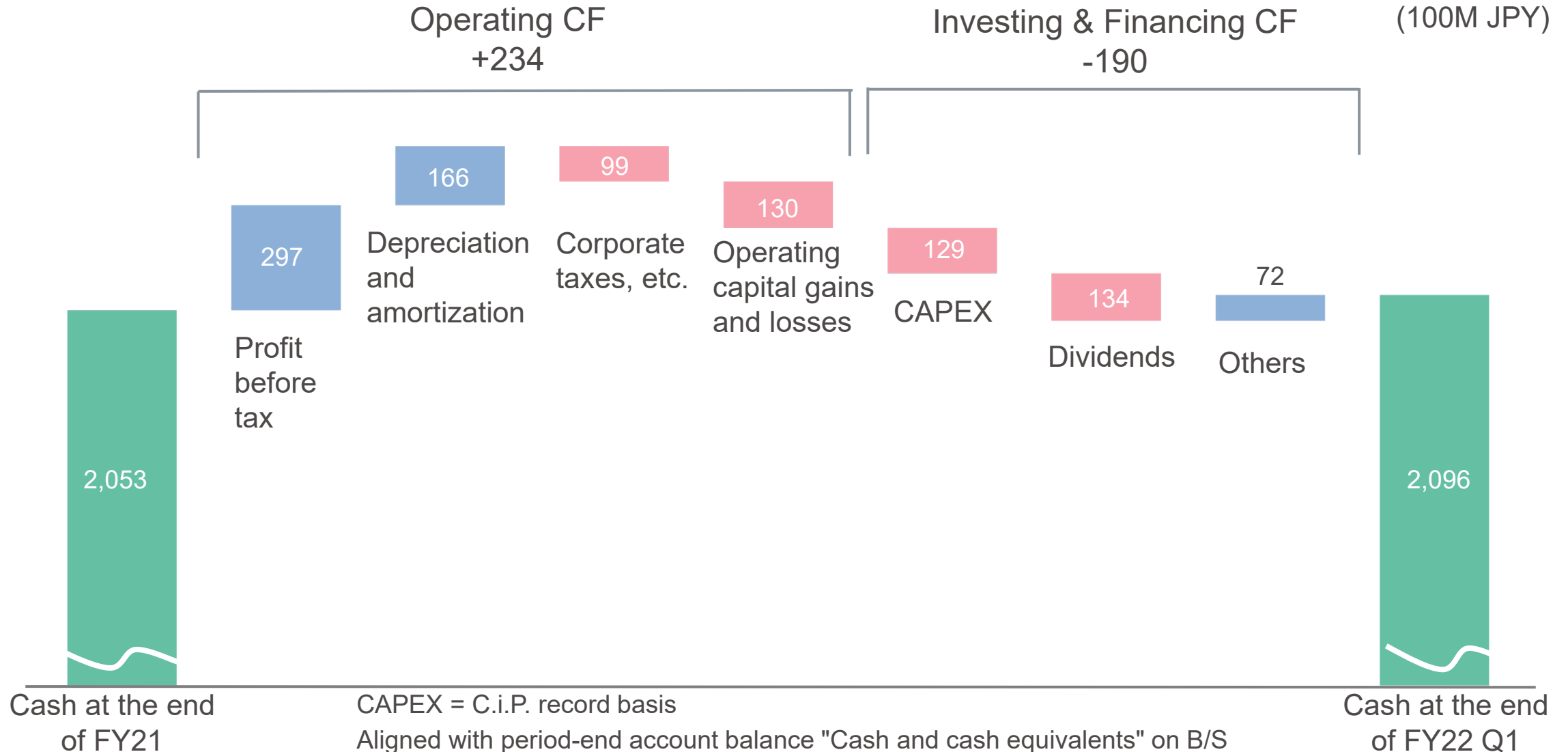
CAPEX = C.i.P. record basis, lease depreciation (IFRS16) is not included in Depreciation

■ FY22 Q1 (12.9B 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)

■ FY22 guidance (90B JPY): Other than above, investment for plasma collection, and controlling investment considering FY22 performance

	FY19	FY20	FY21	FY22 Q1	FY22 Guidance
R&D Expenses	506	491	518	141	580

# Cash Flows (Q1)



# FY22 FX Impact Breakdown (Flow, Stock)

## FX impact vs FY21 +300M JPY

Flow Annual +2.3B JPY: EUR, CNY appreciation positive impact

Rate (JPY)	FY21 Q1 Average Rate	FY22 Q1 Average Rate	Variation
EUR	132	138	6
CNY	17.0	19.6	2.6

Stock Annual -2.0B JPY: FX impact from elimination of unrealized profit on inventory assets

- Rapid JPY depreciation in June, variation between average rate and quarter-end rate resulted in negative impact

Rate (JPY)	FY22 Q1 Average Rate	At the end of Jun. 2022	Variation
USD	130	137	7
EUR	138	143	6

# Foreign Exchange Sensitivity

Annual impact of 1 JPY depreciation

(100M JPY)

	USD	EUR	CNY
Revenue	20	9	38
Adjusted Operating Profit	1	5	16

<Reference> Impact when JPY depreciation 10%

	North America	Latin America	Europe		Asia	
			EUR	Others	CNY	Others
Adjusted Operating Profit	7	10	74	13	31	36

