

Financial Results for the 2nd Quarter (First Half) of Fiscal Year Ending March 31, 2023 (FY2022)

November 10, 2022

Naoki Muto

Chief Accounting and Financial Officer
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I am the CAFO, Muto. I will now explain the 2nd-quarter results for the fiscal year ending March 2023.

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FY22 Q2 Results Highlights

Revenue

- First time exceeding 200 billion yen; highest-ever revenue
- Number of procedures and healthcare demand recovered, all regions outside Japan grew year-on-year even when excluding FX
- Plasma Donation System “Rika” sales began

Operating Profit

- Despite cost increases due to inflation, gross profit grew year-on-year in double digits
- Portfolio alignment (A part of Cell Therapy Technologies in TBCT)
- Adjusted operating profit bounced back to increase year-on-year

First, the highlights of this earnings announcement.

Revenue returned to a growth pattern, with all three companies growing positively year-on-year. The Group achieved quarterly revenue exceeding 200 billion yen for the first time, for its highest-ever result.

The recovery of both number of procedures and healthcare demand was steady, and all regions outside Japan grew year-on-year even when excluding FX impact.

In addition, the Plasma Innovation began sales in this quarter.

In profit, although impact from inflation caused cost increases, it was exceeded by increased revenue to result in double-digit 11% gross profit growth.

We continue to align our portfolio. As part of this, we sold the Autologous Biologics business, a part of Cell Therapy Technologies in Blood and Cell Technologies Company and booked 3.5 billion yen as impairment of the goodwill from that business.

Finally, the turnaround in this quarter to increased adjusted operating profit year-on-year is a very good sign.

P&L Results

Revenue was 400 billion yen, gross profit exceeded 200 billion yen for highest-ever result

Operating profit includes 3.5 billion yen loss from sale of autologous cell preparation business In adjusted operating profit, Q2 standalone returned to year-on-year increase

100M JPY	FY 21 Q2 YTD	FY 22 Q2 YTD	Change vs. FY21 Q2	Change excluding FX impact	FY21 Q2	FY22 Q2	Change vs. FY21 Q2
Revenue	3,446	4,033	17%	5%	1,729	2,060	19%
Gross Profit	1,862	2,070	11%	2%	920	1,054	15%
(%)	(54.0%)	(51.3%)			(53.2%)	(51.1%)	
SG&A Expenses	955	1,171	23%	9%	490	605	23%
(%)	(27.7%)	(29.0%)			(28.4%)	(29.4%)	
R&D Expenses	247	297	20%	8%	130	157	20%
(%)	(7.2%)	(7.4%)			(7.5%)	(7.6%)	
Other Income and Expenses	-2	-42	-	-	-3	-37	-
Operating Profit	659	560	-15%	-16%	296	255	-14%
(%)	(19.1%)	(13.9%)			(17.1%)	(12.4%)	
Adjusted Operating Profit	741	704	-5%	-10%	339	345	2%
(%)	(21.5%)	(17.5%)			(19.6%)	(16.8%)	
Profit before Tax	653	546	-16%		293	250	-15%
(%)	(18.9%)	(13.5%)			(16.9%)	(12.1%)	
Profit for the Year	500	403	-19%		221	179	-19%
(%)	(14.5%)	(10.0%)			(12.8%)	(8.7%)	

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Here are the P&L results.

Revenue exceeded 400 billion yen year-to-date. This was a 17% increase from the same quarter of the previous year. Positive impact by FX was 41 billion yen. Positive growth was 5% when excluding FX.

In Q2 standalone, revenue grew 19% year-on-year to reach 206 billion yen. Positive impact by FX was 24 billion yen.

Gross profit was impacted by macro environmental changes, it continued the trend from the 1st quarter to reach the highest-ever result for a quarter, 100 billion yen.

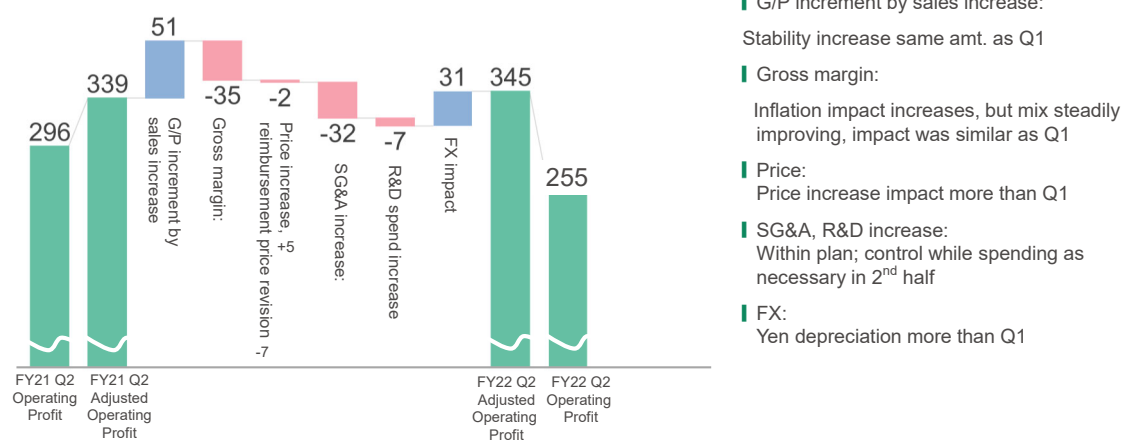
Operating profit was 25.5 billion yen, which includes the impairment that I just mentioned. This resulted in a temporarily low level, but we will book the capital gain by sale of Nutrition business in 2nd half, then no impact remains in the full financial year.

Adjusted operating profit for the standalone 2nd quarter turned around to grow positively, which in turn lessened the YTD profit

decrease.
Next slide, please.

Operating profit variance analysis (Q2)

(100M JPY)



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Here is the 2nd-quarter standalone variance analysis.

“GP increment by sales increase” was 5.1 billion yen, the same amount as in the 1st quarter.

“Gross margin” was the same amount as the 1st quarter, and though inflation impact remained, mix improvement continued steadily.

In “Price,” the price increase effect was 500 million yen, expanding from the 1st quarter.

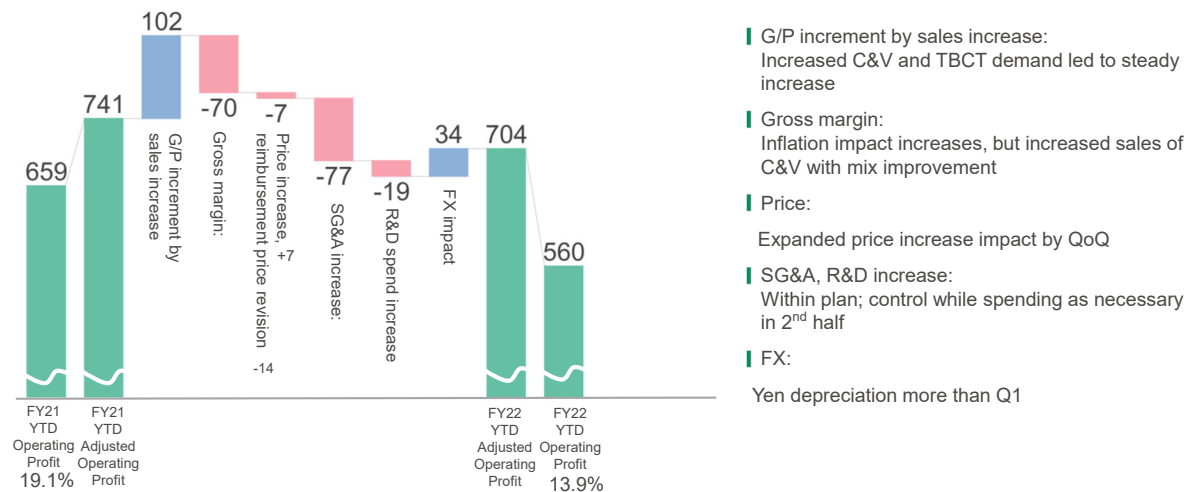
In “SG&A, R&D increase,” we invested where necessary while maintaining control and staying within plan thanks to prioritizing expenses in company, region and HQ.

In “FX,” it continued positive impact by yen depreciation from Q1. As the result, the turnaround in this quarter to increased adjusted operating profit year-on-year.

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Operating profit variance analysis (Q2 YTD)

(100M JPY)



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Here is the YTD operating profit variance analysis. I will explain the discrepancy almost 5% decrease from 19.1% in the last year to 13.9 % in this year.

Please be accepted to explain the breakdown by % although the graph shows the amount.

In “Gross margin,” factors including accelerated product mix improvement in C&V company and TBCT and no more production adjustment helped to stem the impact of expanding inflation such as material cost, electricity and gas cost as well as start-up cost of plasma innovation.

While “SG&A, R&D increase” was 1% YoY, we controlled 1% comparing with the expenditure before COVID-19.

FX impact was positive in sales amount, but sake % declined 1 %. The reason why US dollar sensitivity makes positive in sales but neutral in profit.

Finally, 1% coming from the impairment, total becomes 5% decrease of profit.

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Revenue by Region

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

FY22 Q2 YTD Regional breakdown	Revenue (100M JPY)			FY 22 Q2 YTD YoY change	Comment
	(Q1)	Q2	Q2 YTD		
Japan 25%	FY20	492	935	() FXN	All three companies affected by 7th COVID wave impact on demand. However, 3% revenue increased QoQ, new products ex. RelayPro grew
	FY21	532	1,024	-1%	
	FY22	514	1,012		
Europe 19%	(Q1)	301	555	13%	Due to recovery from COVID, all companies grew, driven by TIS, Blood Center, others TA, Neurovascular, Pharmaceutical Solutions all grew in double digits. QoQ performance, impact of seasonal factors led to same level result as Q1
	(Q2)	338	683	(5%)	
Americas 34%	(Q1)	462	825	30%	All companies continued double-digit growth, led by C&V, where number of procedures is recovering. FX led sales increase. Overall growth driven by TIS, Blood Center QoQ as well.
	(Q2)	519	1,063	(7%)	
China 10%	(Q1)	101	203	27%	All companies continued double-digit growth, led by TIS. QoQ, TIS and Blood Center Solutions saw slight seasonal decreases but saw no lockdown impact
	(Q2)	147	301	(8%)	
Asia and Others 12%	(Q1)	165	315	29%	TIS and Blood Center businesses led acceleration of demand recovery; double-digit growth even excluding FX QoQ as well, demand recovery led to growth in all companies, driven by TIS, Hospital Care Solutions, and Blood Center Solutions
	(Q2)	193	374	(14%)	
		251	484		

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Next is revenue by region.

In Japan in the standalone 2nd quarter, the 7th wave of COVID resulted in decreased revenue at all three companies. However, new products RelayPro, AZUR, Nagomi, etc. grew.

In the EU, both 1st half and Q2 standalone revenue saw a steady 5% increase when excluding FX. Q2 was just below Q1, but this was due to seasonal factors and the overall trend remained unchanged.

In the Americas, it was high growth thanks to FX. 1st half revenue grew 7% when excluding FX. The number of procedures is recovering and this shows that we are returning to a growth trajectory. The TIS Business of the Cardiac and Vascular Company grew 2% compared to the 1st quarter, even when taking seasonal factors into account.

In China, 1st half revenue grew 8% when excluding FX. There was no impact from the subsequent lockdown.

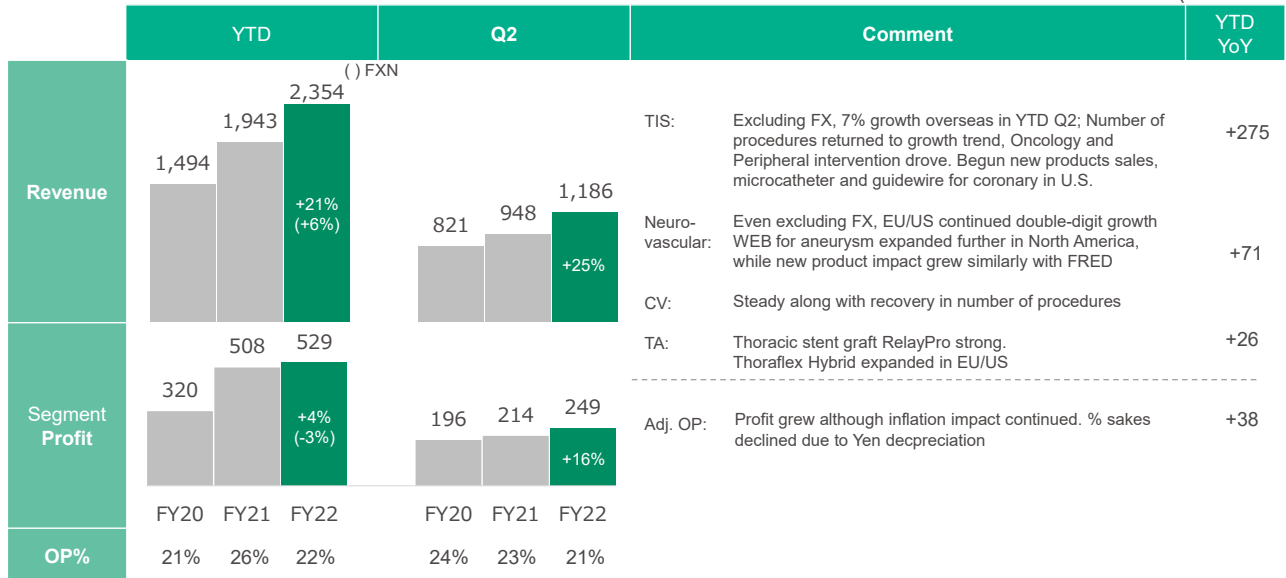
Asia and others were the fastest growing, with 14% in 1st half,

13% Q2 standalone revenue growth. Drivers included expansion in the number of procedures for the Cardiac and Vascular Company and increased demand for the Blood and Cell Technologies Company Blood Center business.
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C&V:

6% growth when excluding FX. Number of procedures returned to growth trend including U.S. Segment profit remains impact of FX and inflation

(100M JPY)



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I will now explain the results by company. First, the Cardiac and Vascular Company.

Overall revenue was 230 billion yen year-to-date for 21% year-on-year growth, or 6% when excluding FX. This was a slight decrease from Q1, but that was due to seasonal factors in places including the EU and China.

Number of procedures recovered more slowly in Japan, where COVID impact occurred, but was better than Q1 in the US. Also, each successive month of Q2 showed improvement. The EU, China, and Asia were steady, returning approximately to planned levels.

In TIS, China and Asia saw double-digit growth when excluding FX, while the EU and US grew steadily in the single digits for overall 7% growth outside Japan. New product pipeline including coronary artery microcatheter and guidewire, as well as oncology and peripheral intervention, drove high growth.

Neurovascular maintained double-digit growth in the EU and US

even when excluding FX. WEB for aneurysm expanded further in North America, while new product impact grew similarly with FRED. The revenue decrease from Q1 was due to seasonal factors, and the overall trend remained unchanged.

CV was steady and only impacted by seasonal factors; here too the overall trend remained unchanged.

TA saw strong results from the new thoracic stent graft product RelayPro. It became the fastest growing new product in the 1st half. The Thoraflex Hybrid product also grew in the EU and US. Profitability temporarily dipped with up-front investments in future sales expansion, including the Neurovascular business shift to direct sales in Korea.

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TMCS:

Sales declined in Q2 due to the seventh COVID wave, Sales increase YTD Q2 Segment Profit; Decrease by inflation and FX impact by storing CNY

(100M JPY)

	YTD			Q2			Comment	YTD YoY
Revenue	() FXN						HCS Hospital Care Solutions: Although sales declined in Japan due to 7th COVID wave, overseas covered with impact by Yen depreciation. Excluding FX, sales declined a little. LCS Life Care Solutions: Demand for thermometers, blood pressure monitors decreased after extraordinary demand in previous year Japan price of blood glucose self-measurement dropped amid stiff competition	+8
	818	920	938	426	482	478		
			+2% (-1%)			-1%		
Segment Profit	117	134	81	65	70	37	PS Pharmaceutical Solutions: Pharmaceutical container was sales strong, especially outside Japan, for steady 15% revenue growth YTD Adj. OP: In addition to material cost inflation after 2 nd half in FY21, utility cost inflation increased. As well. FX negative impact by CNY continued	+22
			-39% (-33%)			-47%		
OP%	14%	15%	9%	15%	15%	8%		

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“TMCS” is the Terumo Medical Care Solutions Company.

Its overall revenue was just above 90 billion yen, or minus 1% growth when excluding FX. However, Q2 standalone revenue increased 3% over Q1, showing signs of recovery.

Hospital Care Solutions was 2% growth in 1st half. We saw a revenue decrease due to 7th-wave COVID impact in Japan, but regions outside Japan covered this. Revenue decreased a little when excluding FX.

Life Care Solutions revenue was impacted by the return to normal of demand for products including thermometers and blood pressure monitors, which saw extraordinary demand in the previous year. Another impact was the intensification of competition in products for self-measurement of blood glucose, which pushed prices down.

Pharmaceutical Solutions had a strong Q2 with brisk sales of pharmaceutical containers outside Japan, for 15% year-to-date growth.

Segment profit declined by electricity and gas cost inflation in Q2 standalone in addition to material cost inflation as well as CNY appreciation.

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TBCT:

Sales grew with double digit and profit declined because of Plasma Donation System
Began Plasma donation "Rika" sales

(100M JPY)

	YTD			Q2			Comment	YTD YoY
	() FXN							
Revenue	520	582	740				Blood Centers: Global recovery in transfusion demand. In EU/US, automation innovation in whole blood collection contributed to increased sales. Component collection also contributed to sales growth in EU/US, China, etc. Plasma donation system "Rika" sales began	+119
			+27% (+12%)	272	299	395		
Segment Profit	89	118	91				Cell Processing: As the need for cell therapy expands, there is steady demand for cell processing instruments. This includes autologous preparation business, the sell-off of which concluded in October.	+10
			-23% (-24%)	50	58	55		
OP%	17%	20%	12%	18%	19%	14%		

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Next is Blood and Cell Technologies Company.

1st half revenue increased 27%, Q2 standalone increased 32%, as well as double digits growth when FX excluding.

In the Blood Center business, continuing from Q1, global demand for transfusions recovered. In the EU and US, whole blood automation innovation also contributed to the revenue increase. Component collection grew in the EU, US, and China. In addition, Plasma Innovation sales began in Q2.

Therapeutic Solutions saw steady demand in line with an increased number of cell therapy treatments. Excluding FX, it grew 9%.

As the need for cell therapy expands, there is steady demand for cell processing instruments. Also, this sub-segment includes Autologous Biologics, whose sale I explained in the P&L slides. The sale was completed in October.

In profit, it was decrease due to up-front investment in Plasma Innovation and inflation as well. However, thanks to extreme

sales growth in core business, it was increase QoQ base.
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Action Ahead

■ For 2nd half

- Implementation of price increase more in 2nd half
- To squeeze SG&A expenses control

■ For Mid. & Long

- | | |
|------------------------------------|--|
| ■ Anti-inflation in Logistics cost | Selection of freight & air, restructuring of global logistics network |
| ■ Anti-inflation in Material Cost | Creation of global optimal procurement route |
| ■ Anti-inflation in Wage | Stable production & speed-up global optimal production as in Costa Rica, Vietnam |
| ■ VC2 | Begin GBS in Europe & U.S.A. as of Nov 1 st |

For profitability improvement, we started further price increasing. We boost the control of expenditure in both production and sales promoting expenses.

In middle and long term, we implement the measures following that CEO Sato spoke, today.

The one is cost saving of logistics. Freight company and air selection as well as reforming global logistics network.

Secondary, for material cost inflation, we improve global procurement network.

The third, for wage increase, we are speeding up the shift to production optimization with continuing stable production in the factories. This is important for minimizing the FX impact.

Finally, in HQ function, we started GBS in EU/US to make global process scandalization and process effective as the one of Value Creation through Collaboration called VC2 actions.

Speak about our guidance, because sales trend is strong, and FX is favorable, we will achieve the target of profitability even the

business environment is tough. Finally, we did not change the guidance because we need to see the impact by inflation and FX impact longer.

Dividend guidance revision

Continue to increase dividend in a stable manner with the mid-term aim of 30% dividend payout ratio

FY22 annual dividend of 38 yen (2 yen above previous guidance)

	Previous guidance	Current guidance
Dividend / share (yen)	34.0 yen Interim 17 yen Period end 17 yen	38.0 yen Interim 19 yen Period end 19 yen
Dividend payout ratio	26.9%	28.4%

*FY22 guidance Profit for the year: 100 billion yen; EPS: 133.88 yen

*Interim dividend set according to "Terumo Revises Interim Dividend Distribution and Year-End Dividends Forecast for Fiscal Year Ending March 31, 2023" communication released November 10, 2022.

Regarding our dividend guidance for this fiscal year, taking into account the 1st-half results, we will raise the interim and year-end dividends by 2 yen each, for a full-year increase of 4 yen, to 38 yen total. The interim dividend increase was already decided and announced.

Product Pipeline and Major Topics

Major Product Launch, Approval Status

*C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies,
TIS: Terumo Interventional Systems; HCS: Hospital Care Solutions; LCS: Life Care Solutions

Field	General	product name <small>Complete</small>	To FY21	FY22	FY23 and beyond
TIS	Drug-eluting coronary stent	Ultimaster Nagomi	Japan sales	EU launch	Asia, Latin America launch
Neurovascular	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 <small>Complete</small>	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

- Group: (1) Announced "Terumo's Purpose" to Enhance Joint Value Creation with Diverse Stakeholders
(2) Three products of WEB, Dexcom G6, and Nagomi received 2022 Good Design Awards (WEB won Good Design Gold Award, which is the Minister of Economy Award)
- C&V: R2P (radial approach to peripheral) clinical trial results announced at US academic conference; results indicated efficacy including safety and early discharge
- TMCS: Product developed jointly with Kyowa Kirin "G-Lasta® subcutaneous injection 3.6mg BodyPod" approved for manufacture
- TBCT: First plasma collections from donors completed using source plasma collection system "Rika"

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Lastly, I will introduce the progress of this fiscal year's pipeline for our main products, and the major topics.

In Q2, the second item, FRED X, further expanded sales in the United States.

The third item, RelayPro, sold well, and acquired approval for the aortic dissection indication, which raises expectations for further sales expansion.

One major topic is that Terumo announced its Purpose on July 8. Taking into view the next 10 years, the Terumo Purpose expresses in specific terms the direction that Terumo intends to go, upon considering what contributions it can make to global healthcare to meet the expectations of society.

In addition, the Company topics all indicate achievement of important milestones in key themes of GS26. We look forward to further developments.

This concludes my explanation of our earnings. Thank you.

Reference

Revenue by Segment and Region

2022年度 上期 セグメント別売上収益

Revenue by Segment for the First Half of FY2022

(百万円 / millions of yen)

	1st Half FY2021								1st Half FY2022								売上比 % of total						
	日本 JPY	海外 Overseas	欧州 Europe	北米 Americas	中国 China	アジア Asia and others	合計 WW	YoY	日本 JPY	海外 Overseas	欧州 Europe	北米 Americas	中国 China	アジア Asia and others	合計 WW	YoY							
心臓血管 カンパニー	TIS	15,564	114,817	31,838	31,589	18,501	13,397	130,282	15,416	-0.0%	142,497	24.1%	34,533	10.2%	65,672	27.0%	23,967	29.5%	18,322	36.6%	157,914	21.7%	39.2%
	ニューロバスキュラー	2,695	25,115	8,638	10,659	4,512	1,904	27,811	2,722	1.0%	32,195	28.2%	9,534	18.6%	14,512	36.1%	5,137	0.1	3,010	58.1%	34,917	23.6%	8.7%
	カーディオバスキュラー	5,441	17,928	3,653	11,429	1,049	2,396	23,378	5,095	-6.4%	20,887	16.9%	3,174	4.0%	13,314	16.3%	1,191	14.0%	3,209	33.7%	25,983	11.2%	6.4%
	血管	1,303	11,473	6,288	3,820	774	597	12,777	1,683	20.2%	14,906	29.9%	7,621	21.7%	5,799	31.6%	797	8.0%	637	11.3%	16,590	29.6%	4.1%
Cardiac and Vascular Company		25,005	169,335	48,718	77,490	24,827	18,229	194,341	24,917	-0.4%	210,487	24.3%	54,894	12.7%	99,299	28.1%	31,098	23.2%	25,196	37.6%	235,405	21.7%	58.4%
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	49,771	13,638	1,880	4,065	589	7,693	63,410	48,981	-1.0%	15,265	11.0%	1,317	-4.6%	3,093	25.3%	3,078	83.6%	7,774	2.3%	64,246	1.3%	13.0%
	ライフケアソリューション	12,212	1,871	406	13	528	921	14,084	11,361	-7.0%	1,545	-17%	378	-7%	7	-47%	190	12%	568	-35%	12,907	-8.4%	3.2%
	ファーマシューティカルソリューション	9,742	4,724	3,178	963	63	516	14,466	10,406	6.6%	6,245	32.2%	3,899	22.7%	1,350	38.1%	104	210.6%	811	56.9%	16,651	13.1%	4.1%
Medical Care Solutions Company		71,726	20,234	4,966	5,042	1,164	9,042	91,961	70,749	-1.4%	23,056	13.9%	5,596	12.7%	6,421	27.6%	1,872	38.2%	9,155	1.3%	93,805	2.0%	23.3%
血液・細胞 テクノロジー カンパニー	血液センター	5,297	37,529	11,419	14,129	3,397	8,583	42,826	5,124	-3.3%	49,623	32.2%	12,822	12.3%	20,159	42.7%	4,341	33.7%	12,099	41.6%	54,748	27.8%	13.6%
	アブセンス治療機	186	11,062	2,802	6,296	560	1,402	11,249	268	44.0%	13,816	24.9%	3,312	18.2%	8,072	28.2%	713	27.6%	1,712	22.3%	14,084	23.2%	3.5%
	細胞治療	71	4,062	400	3,384	144	132	4,134	50	-29.5%	5,095	25.3%	526	38.0%	4,133	22.1%	142	-1.6%	264	100.3%	5,147	24.2%	1.2%
Blood and Cell Technologies Company		5,555	52,656	14,622	23,811	4,102	10,117	58,210	5,444	-2.0%	68,536	30.2%	16,691	14.2%	32,365	33.9%	5,399	31.6%	14,079	39.1%	73,980	27.1%	18.3%
Others		124	-	-	-	-	-	124	124	-0.3%	-	-	-	-	-	-	-	-	-	-	124	-0.3%	0.0%
合計 Total		102,412	242,225	68,307	196,243	30,124	37,449	344,637	101,235	-1.1%	302,080	24.7%	77,181	13.0%	138,096	29.9%	38,371	27.4%	48,430	29.3%	483,316	17.0%	100.0%
売上比率 % to Total		29.7%	70.3%	19.8%	38.9%	8.7%	10.9%	100.0%	25.1%	74.9%	19.1%	31.2%	9.3%	12.0%	100.0%								

(平均円換率)

(Average Exchange Rate)

(USD)=110.80

(EUR)=130.80

(USD)=114.03

(EUR)=126.70

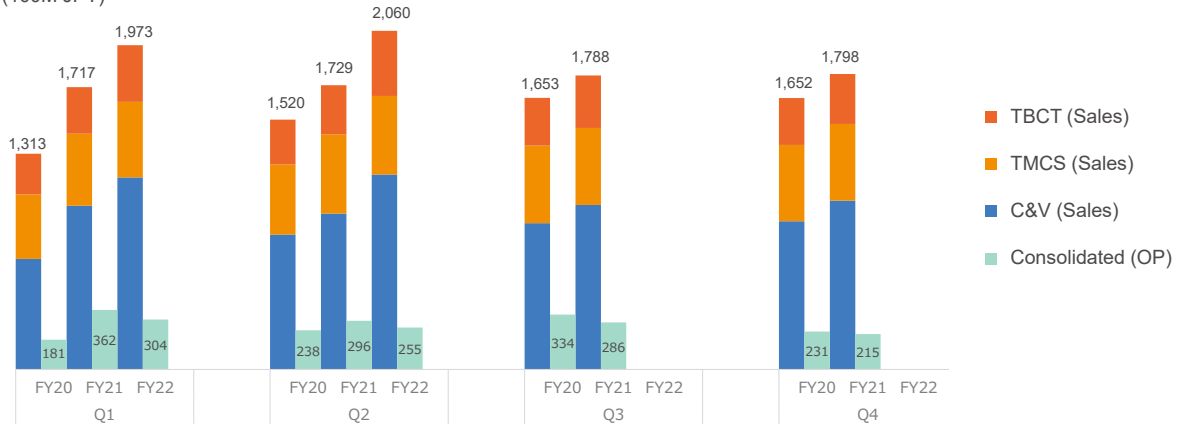
* 2022年度上期、従来のメディカルケアカンパニーのセグメント名を「メディカルケアソリューションズカンパニー」に変更しています。なお、サブセグメントについては、従来の医療事業部が「ホスピタルケアソリューション」に、DM・ヘルケア事業部が「ライフケアソリューション」に、ファーマシューティカル事業部が「ファーマシューティカルソリューション」に変更されています。これに伴い、2021年度についても、変更後の名称で記載しています。
* Effective fiscal 2022, the segment name of the former "General Hospital Company" has been changed to "Medical Care Solutions Company". As for sub-segments, the former "General Hospital 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 2021 figure is also listed under the new names.

Quarterly Trend of Revenue and Operating Profit

Revenue: Q2 results were 19% growth YoY, highest-ever for a quarter. 4% growth QoQ

Operating profit: Q2 results were 14% decrease YoY, 16% decrease QoQ

(100M JPY)



P&L (QoQ)

(100M JPY)

		FY21 Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY22 Q1 (Apr-Jun)	Q2 (Jul-Sep)
Revenue		1,729	1,788	1,798	1,973	2,060
Gross Profit		920 (53.2%)	926 (51.8%)	905 (50.3%)	1,016 (51.5%)	1,054 (51.1%)
SG&A Expenses		490 (28.4%)	507 (28.4%)	528 (29.4%)	566 (28.7%)	605 (29.4%)
R&D Expenses		130 (7.5%)	128 (7.2%)	144 (8.0%)	141 (7.1%)	157 (7.6%)
Other Income and Expenses		-3	-5	-18	-6	-37
Operating Profit		296 (17.1%)	286 (16.0%)	215 (12.0%)	304 (15.4%)	255 (12.4%)
Adjusted Operating Profit		339 (19.6%)	330 (18.5%)	273 (15.2%)	359 (18.2%)	345 (16.8%)
Quarterly	USD	110 JPY	114 JPY	116 JPY	130 JPY	138 JPY
Average Rate	EUR	130 JPY	130 JPY	130 JPY	138 JPY	139 JPY

SG&A (QoQ)

(100M JPY)

		FY21 Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY22 Q1 (Apr-Jun)	Q2 (Jul-Sep)
Salaries & Wages		249	255	256	298	312
Ssales Promotion		40	44	45	46	44
Logistics		39	39	41	44	47
Depreciation		50	51	54	56	59
Others		112	118	132	123	142
SG & A total		490	507	528	566	605
(%)		(28.4%)	(28.4%)	(29.4%)	(28.7%)	(29.4%)
R & D total		130	128	144	141	157
(%)		(7.5%)	(7.2%)	(8.0%)	(7.1%)	(7.6%)
Total		621	635	672	706	761
(%)		(35.9%)	(35.5%)	(37.3%)	(35.8%)	(37.0%)
Quarter	USD	110Yen	114Yen	116Yen	130Yen	138Yen
Average ratio	EUR	130Yen	130Yen	130Yen	138Yen	139Yen

SG&A (YoY)

(100M JPY)

	FY 21 Q2 YTD	FY 22 Q2 YTD	+ / -	Change vs. FY21 Q2	Change excluding FX impact	FY21 Q2	FY22 Q2	+ / -	Change vs. FY21 Q2
Salaries & Wages	498	610	112	22%	6%	249	312	63	25%
Sales Promotion	70	90	20	28%	16%	40	44	4	10%
Logistical Costs	77	91	14	18%	7%	39	47	8	21%
Depreciation and amortization	98	115	17	17%	8%	50	59	9	18%
Others	211	265	53	25%	14%	112	142	30	27%
SG&A Expenses Total	955	1,171	215	23%	9%	490	605	114	23%
(%)	(27.7%)	(29.0%)				(28.4%)	(29.4%)		
R&D Expenses	247	297	50	20%	8%	130	157	26	20%
(%)	(7.2%)	(7.4%)				(7.5%)	(7.6%)		
SG&A Expenses Total	1,202	1,468	266	22%	8%	621	761	141	23%
(%)	(34.9%)	(36.4%)				(35.9%)	(37.0%)		

Adjusted Operating Profit amount

(100M JPY)

	FY 21 Q2 YTD	FY 22 Q2 YTD	FY21 Q2	FY22 Q2
Operating Profit	659	560	296	255
Adjustment 1. Amortization of acquired intangible assets	79	95	40	49
Adjustment 2. Non-recurring profit or loss	4	49	3	40
Adjusted Operating Profit	741	704	339	345

<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

Major items in Adjustment 2. Non-recurring profit or loss	FY 21 Q2 YTD	FY 22 Q2 YTD
Restructuring loss	4	10
Loss on goodwill related to sale of AB business	-	35
Others	-	4

CAPEX, Depreciation and R&D Expenses

(100M JPY)

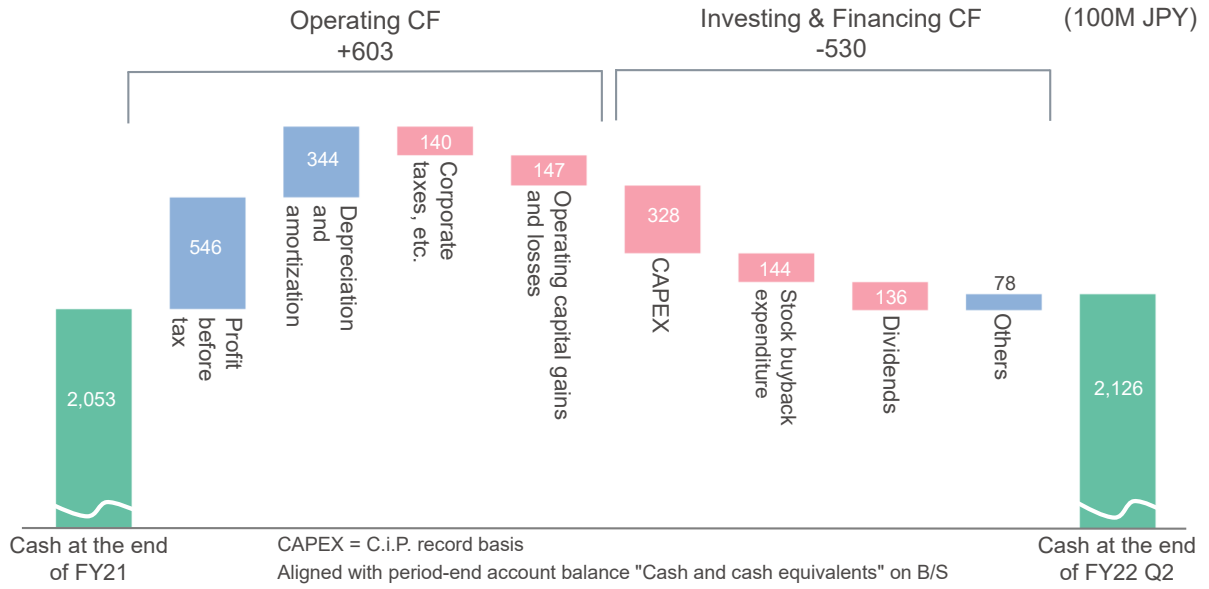
	FY19	FY20	FY21	FY22 Q2 YTD	FY22 Guidance
CAPEX	895	772	692	328	900
Depreciation	477	484	532	310	635
Amortization of acquired intangible assets	157	146	161	95	173
Others	320	338	371	215	462

■ FY22 Q2 YTD(32.8B JPY): Continued investment mainly for TIS, Neurovascular, PS, and Blood & Cell Technologies in production capacity, source plasma collection, R&D, as well as IT infrastructure (SAP)

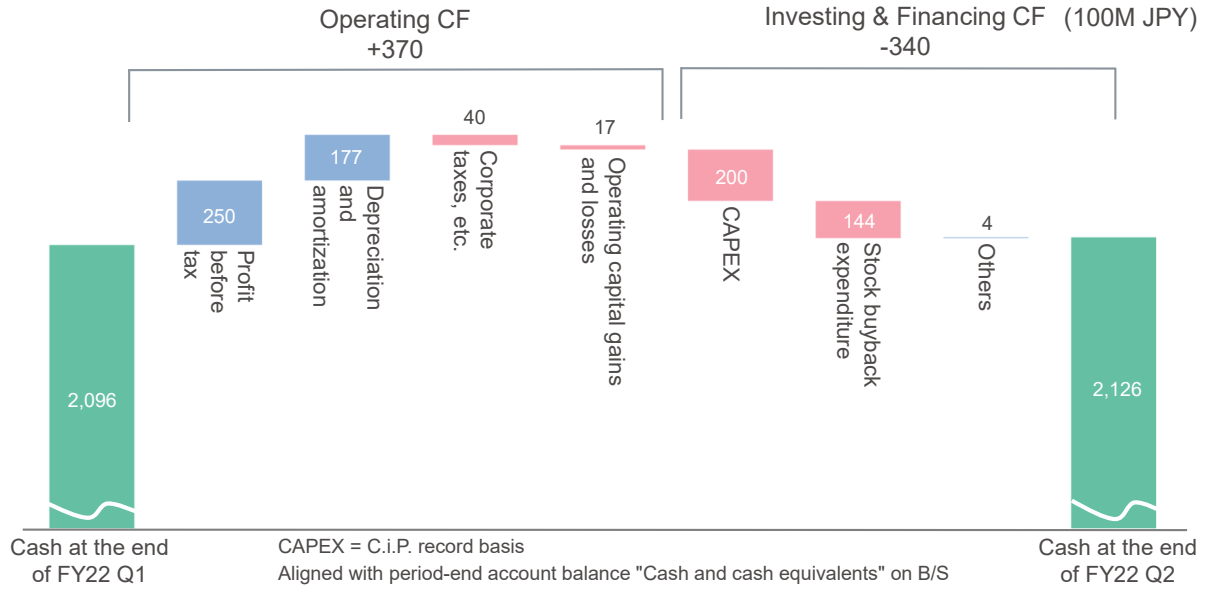
■ FY22 guidance (90 B JPY): Executing appropriately in light of FY22 results

	FY19	FY20	FY21	FY22 Q2 YTD	FY22 Guidance
R&D Expenses	506	491	518	297	580

Cash flow (Q2 YTD)



Cash Flows



FY22 FX Impact Breakdown (Flow, Stock)

■ FX impact vs FY21 +3.4BJPY

■ Flow Annual +6.4B JPY: EUR, CNY appreciation positive impact

Rate (JPY)	FY21 Q2 YTD Average rate during period	FY22 Q2 YTD Average rate during period	Variati on
EUR	131	139	8
CNY	17.0	19.9	2.9

■ Stock Annual -3.0B JPY: FX impact from elimination of unrealized profit on inventory assets

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

Rate (JPY)	FY22 Q2 YTD Average rate during period	FY22 End September	Variati on
USD	134	145	11
EUR	139	142	4

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 Zone	Others	CNY	Others
Adjusted Operating Profit	7	10	74	13	31	36

