

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

February 9, 2023

Naoki Muto

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Hello. I am the CAFO, Muto. I will give an overview of our earnings results for the 3rd quarter of the fiscal year ending March 31, 2023.

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Among the information that Terumo discloses, the forward-looking statements including financial projections are based upon our assumptions using information available to us at the time and are not intended to be guarantees of future events or performance. Accordingly, it should be noted that actual results may differ from those forecasts or projections due to various factors. Factors affecting to actual results include, but are not limited to, changes in economic conditions surrounding Terumo, fluctuations of foreign exchange rates, and state of competition. Information about products (including products currently in development) which is included in this material is not intended to constitute an advertisement or medical advice.

Highlights

Revenue

- Highest-ever as a three-month result
- All regions including China grew year on year even when excluding FX

Operating Profit

- Exceed 30% growth year on year and much more growth quarter on quarter
- Assertive in pricing with expanding segments and regions
- Portfolio rationalization (nutrition business) as well as Q2

Revision of FY22 guidance

- Reflect FX impact to sales (Q4 guidance rate; USD 130JPY/Euro 140JPY)
- Downward profit due to macro environment impact and progress of new driver

First, the highlights of this earnings announcement.

Revenue continued to exceed 200 billion yen as in Q2, for our highest-ever result.

When excluding FX impact, all companies and regions saw increased revenue, including China, where there were COVID-19 concerns.

Profit increased over 30% year-on-year, and expanded even further compared to Q2.

We proactively raised prices in an expanded number of businesses and regions.

We also continued activities from Q2 to rationalize our portfolio, completing the sale of the nutrition business that was part of Hospital Care Solutions. We recorded a profit of 3.9 billion yen from that sale. In light of factors including the results up to Q3, we will revise our earnings guidance.

We will revise our revenue guidance upward, primarily to reflect FX impact.

We will revise our profit guidance downward, to reflect unfavorable macro environmental factors and the starting costs of the new Plasma

Innovation business.
Next slide, please.

P&L Results

Revenue: Highest-ever quarterly and Q3 YTD revenue

Operating profit in Q3 stand alone increased significantly both YoY and QoQ, including profit from sale of the nutrition business that was part of HCS in TMCS

100M JPY	FY 21 Q3 YTD	FY 22 Q3 YTD	Change	Change excluding FX impact	FY21 Q3	FY22 Q3	Change
Revenue	5,235	6,180	18%	6%	1,788	2,147	20%
Gross Profit	2,788	3,183	14%	3%	926	1,114	20%
(%)	(53.3%)	(51.5%)			(51.8%)	(51.9%)	
SG&A Expenses	1,463	1,785	22%	9%	507	615	21%
(%)	(27.9%)	(28.9%)			(28.4%)	(28.6%)	
R&D Expenses	375	456	22%	8%	128	159	24%
(%)	(7.2%)	(7.4%)			(7.2%)	(7.4%)	
Other Income and Expenses	-6	-7	-	-	-5	35	-
Operating Profit	945	935	-1%	-6%	286	375	31%
(%)	(18.0%)	(15.1%)			(16.0%)	(17.5%)	
Adjusted Operating Profit	1,072	1,096	2%	-6%	330	392	19%
(%)	(20.5%)	(17.7%)			(18.5%)	(18.2%)	
Profit before Tax	930	921	-1%		278	375	35%
(%)	(17.8%)	(14.9%)			(15.5%)	(17.5%)	
Profit for the Year	717	702	-2%		217	299	38%
(%)	(13.7%)	(11.4%)			(12.1%)	(13.9%)	

Average exchange rate (USD/EUR)

111JPY/131JPY

136JPY/141JPY

114JPY/130JPY

142JPY/144JPY

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4 / 26



Here are the P&L results.

We recorded the highest-ever revenue for a quarter, and exceeded 600 billion yen year-to-date as well. It was an 18% increase year on year.

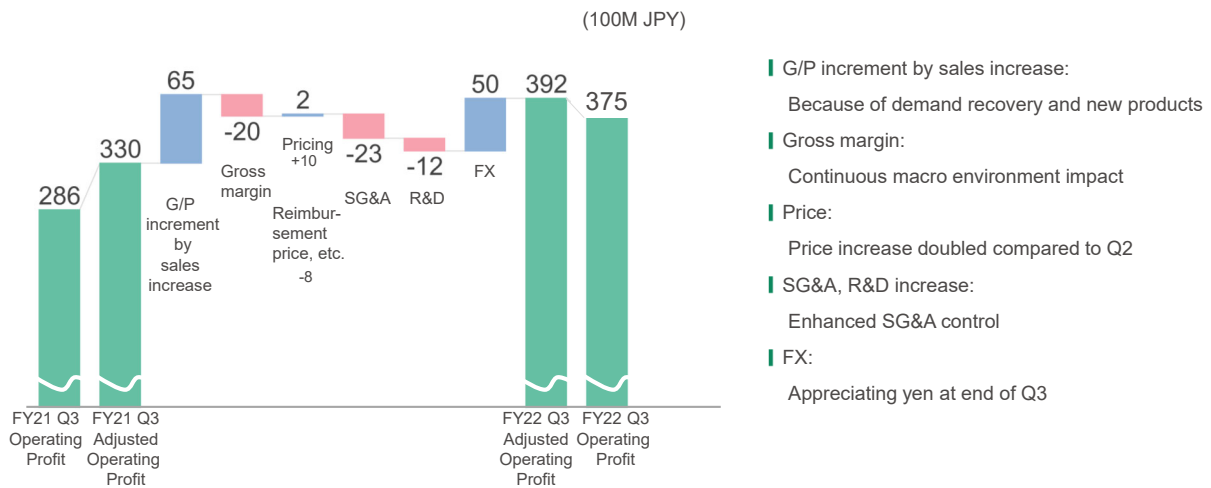
Q3 standalone gross profit improved year-on-year.

Operating profit was 37.5 billion yen, for a 31% year-on-year increase. This includes 3.9 billion yen in profit on the sale of the nutrition business.

Year-to-date adjusted operating profit returned to profit growth.

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Operating Profit Variance Analysis (Q3)



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5 / 26



Here is the Q3 variance analysis.

Gross profit increment by revenue increase was 6.5 billion yen. In addition to demand recovery, revenue grew thanks to positive impact from new products.

Gross profitability on sales was minus 2.0 billion yen as the absolute amount of inflation impact increased.

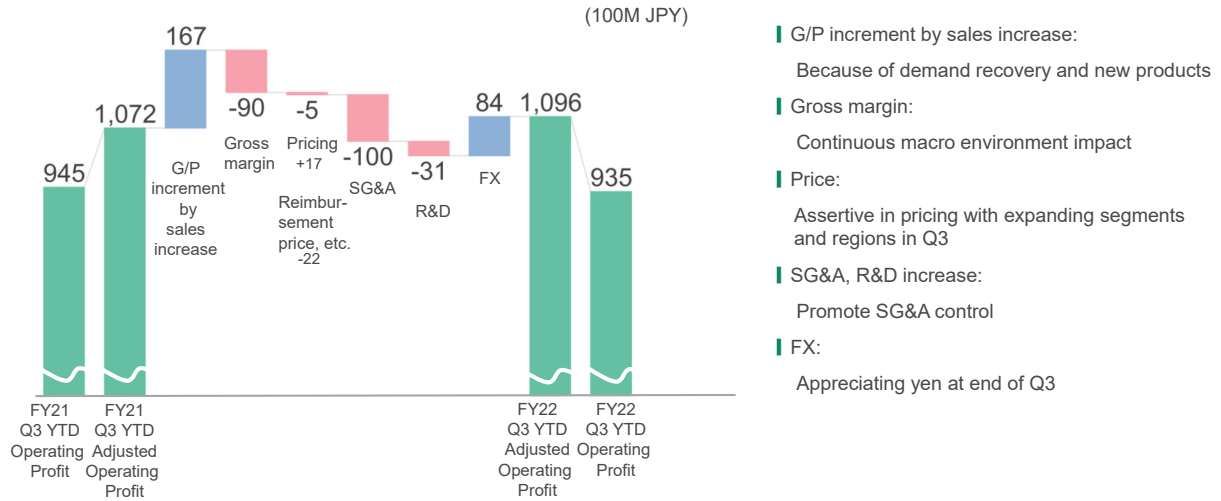
In Price, price increases had an effect of 1 billion yen, increasing further from Q2. In November, the Medical Care Solutions company raised prices in Japan as well; positive impact was achieved through efforts going beyond business segment and region.

SG&A saw stronger expense controls from Q3.

In FX, negative impact by stock was reduced by yen appreciation toward the end of the quarter.

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Operating Profit Variance Analysis (Q3 YTD)



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6 / 26



Here is the year-to-date operating profit variance analysis. The same positive factors I explained for Q3 standalone were present year-to-date as well. Price increase effect expanded to 1.7 billion yen. Next slide, please.

Revenue by Region

C&V: Cardiac & Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies, TIS: Interventional Systems, CV: Cardiovascular, TA: Terumo Aortic (Vascular Graft), HCS: Hospital Care Solutions, PS: Pharmaceutical Solutions

FY22 Q3 YTD Regional breakdown	Revenue (100M JPY)		FY22 Q3 YTD YoY change (%) FXN	Comments
	Q3	Q3 YTD		
Japan 25%	FY20	548	1,483	1% YTD sales turned to increase year-on-year, driven by TMCS with strong sales in PS and demand recovery of HCS
	FY21	526	1,550	
	FY22	558	1,570	
Europe 19%	FY20	320	875	14% (5%) Sales increase in all companies excluding FX, driven by TBCT. Steady growth in C&V and TMCS
	FY21	357	1,040	
	FY22	414	1,186	
Americas 34%	FY20	487	1,311	32% (8%) Double-digit growth excluding FX in TA, Neuro and Blood center business. TIS grew with high-single digit
	FY21	549	1,612	
	FY22	743	2,124	
China 9%	FY20	131	334	27% (9%) TIS and Neuro grew close to double-digit. Blood center business grew double-digit
	FY21	145	446	
	FY22	183	566	
Asia and Others 12%	FY20	167	482	25% (10%) C&V and TBCT grew. TIS and CV maintained double-digit growth excluding FX
	FY21	212	586	
	FY22	249	733	

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7 / 26



Next is revenue by region.

In Japan, year-to-date revenue pivoted to growth. Pharmaceutical Solutions was strong and HCS saw demand recovery, while TMCS (Medical Care Solutions) was the main driver.

In Europe, TBCT (Blood and Cell Technologies) was strong, while C&V (Cardiac and Vascular) and TMCS were also steady, resulting in all companies growing their revenue when excluding FX.

In the US, TA, Neurovascular, and Blood Center Solutions all grew in double digits, while TIS grew in the high single digits, when excluding FX.

In China, there was some COVID-19 impact, but TIS and Neurovascular grew nearly in the double digits even when excluding FX, while TBCT was a driver growing in the double digits.

In Asia and others, C&V and TBCT grew, with TIS and CV in particular maintaining strong double-digit growth even when excluding FX impact.

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C&V: 6% growth excluding FX. China grew high-single digit
Segment profit improved both YoY and QoQ due to FX and expense control

(100M JPY)

	Q3 YTD			Q3			Comments	Q3 YTD YoY
Revenue	() FXN						TIS: Expanded sales of PTCA guidewire including new products in the therapeutic field, closure device and sheath in access	+441
	2,384	2,944	3,589	890	1,001	1,235	Neuro-vascular: China business increased due to distribution network expansion	+103
Segment Profit							CV: Number of procedures in Japan not fully recovered due to COVID-19 impact	+46
	560	723	836	240	215	307	TA: Strong revenue of Thoracic stent graft RelayPro, expanded application in Japan market. Thoraflex Hybrid and other products also strong	+55
Profit%	24%	25%	23%	27%	22%	25%	Profit: Improvement due to FX and expense control	

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8 / 26



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

Overall revenue continued to grow, at 6% when excluding FX. China, too, continued high single-digit growth.

TIS grew revenue in PTCA guidewires, which added a new product, and in products including closure devices.

Neurovascular showed growth through expansion of its China sales network.

CV experienced delays in the recovery of number of surgical procedures in Japan, but nevertheless continued to maintain growth.

In TA, the thoracic stent graft Relay Pro was strong, while receiving additional application and insurance reimbursement for aortic dissection by Japan regulators. In the US, the Thoraflex Hybrid and other products grew sales as planned.

In segment profit, factors including FX impact and cost control contributed for an increase in profit.

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TMCS: HCS: Japan demand showing signs of recovery PS: New products added, rapid growth
Pricing action in Japan to offset macro environment impact

(100M JPY)

	Q3 YTD			Q3			Comments	Q3 YTD YoY
Revenue	() FXN						HCS Hospital Care Solutions:	+30
	1,290	1,387	1,455 +5% (+2%)	472	468	517 +11%	In infusion area, medical devices and drugs are showing signs of recovery in Japan. Adhesion barrier also expanding. November 2022, medical device price increase also contributing	
Segment Profit							LCS Life Care Solutions:	-12
	205	193	126 -35% (-27%)	88	59	45 -25%	Revenue of SMBG dropped due to severer competition. Thermometer and blood pressure monitor demand recovered in Q3	
Profit%							PS Pharmaceutical Solutions:	+49
	16%	14%	9%	19%	13%	9%	Sales launch of the combination product "G-lasta subcutaneous injection 3.6mg bodypod" we jointly developed with Kyowa Kirin Co., Ltd.	
							Profit:	
							Expanded macro environment impact in Japan in areas including rising electricity prices and continuous FX impact. Medical device price increase in Japan for HCS etc. from November	

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9 / 26



“TMCS” is the Terumo Medical Care Solutions Company.

Q3 revenue exceeded 50 billion yen for an 11% increase year on year. In HCS (Hospital Care Solutions), there were signs of demand recovery in Japan, while PS (Pharmaceutical Solutions) grew strongly as it added new products.

Hospital Care Solutions also saw signs of demand recovery in Japan for devices and pharmaceuticals in the infusion space, while adhesion barrier expanded. A November 2022 medical device price increase we enacted was also a contributor.

In Life Care Solutions, self-measurement of blood glucose products had been experiencing increasingly harsh competition that led to reduced prices and declining revenue; however, Q3 standalone demand recovered year-on-year in thermometers and blood pressure monitors.

Pharmaceutical Solutions added the new combination product developed jointly with Kyowa Kirin, G-Lasta subcutaneous injection BodyPod, growing sales as planned.

In segment profit, inflation impacts including rising electricity costs in

Japan are expanding, although we did institute medical device price increases in Japan in November. FX impacts are continuing.
Next slide, please.

TBCT:

Blood centers outside Japan strong, maintaining double-digit growth excluding FX
Update for plasma innovation; IDE approval for nomogram ver.2 last weekend

(100M JPY)

	Q3 YTD			Q3			Comments	Q3 YTD YoY
	() FXN							
Revenue	810	902	1,134				Blood Centers: Outside Japan remains strong. Sales increased in products including component collection kits and whole blood collection automation innovation Apheresis: Sales expansion due to increasing number of procedures using therapeutic apheresis and hematopoietic stem cell collection	+180
			+26% (+10%)	291	319	394		
Segment Profit	144	172	129				Cell Processing: Steady demand from continuous growth in cell therapy Profit: In the process of launching the new business, continuous macro environment impact	+10
			-25% (-26%)	56	54	38		
Profit%	18%	19%	11%	19%	17%	10%		

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10 / 26



Next is TBCT (Blood and Cell Technologies) Company.

Revenue remained strong in Q3, with continued double-digit growth when excluding FX.

The Blood Center business remained strong outside Japan, while component collection consumables and whole blood collection automation innovation grew in Europe and the United States especially.

There was an increase in number of patients using apheresis, leading to continued sales expansion.

Cell processing saw steady demand thanks to sustained growth in cell therapy.

In segment profit, the worsening of macro environmental factors are impacting the new plasma innovation business start.

As the latest update regarding plasma innovation: That business has just received IDE approval for the nomogram version 2.

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Guidance Revision

() excluding FX

Amount(\$100M)	FY21 Actual (A)	FY22 Previous guidance (B)	FY22 Revised guidance (C)	Revision amount (C)-(B)	YoY (C)÷(A)
Revenue	7,033	7,750	8,150	+400	+16% (+5%)
Operating profit	1,160	1,320	1,220	-100	+5% (-2%)
(%)	16.5%	17.0%	15.0%		
Adjusted operating profit	1,344	1,510	1,430	-80	+6% (-3%)
(%)	19.1%	19.5%	17.5%		
Profit for the year	888	1,000	915	-85	+3%

Annual guidance rate (USD/EUR)

125JPY/135JPY

135JPY/140JPY

Q4 guidance rate (USD/EUR)

125JPY/135JPY

130JPY/140JPY

() excluding FX

By company Amount(\$100M)	Revenue					Adjusted operating profit				
	FY21 Actual (A)	FY22 Previous guidance (B)	FY22 Revised guidance (C)	Revision amount (C)-(B)	YoY (C)÷(A)	FY21 Actual (A)	FY22 Previous guidance (B)	FY22 Revised guidance (C)	Revision amount (C)-(B)	YoY (C)÷(A)
C&V	3,971	4,445	4,752	+307	+20% (+7%)	932	1,134	1,115	-19	+20% (+3%)
TMCS	1,853	1,923	1,933	+10	+4% (+1%)	236	223	171	-52	-28% (-22%)
TBCT	1,206	1,380	1,463	+83	+21% (+4%)	208	182	151	-31	-28% (-29%)

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11 / 26

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Terumo has announced a revision of its earnings guidance. In revenue, we are revising upward by 40 billion yen from the original guidance, to 815 billion yen, to reflect FX impact. Our Q4 assumptions are 130 yen to the US dollar and 140 yen to the euro. In operating profit, we are revising downward by 10 billion yen from our original guidance to 122 billion yen. Our assumption at the start of the fiscal year that inflation impacts would lessen in the second half was not realized; in fact, impacts are expanding in ways including rising electricity prices in Japan. In addition, we reflected the status of the Plasma Innovation business start. Other items included in this, as well as the guidance revision by company, are included in the reference materials.

Dividend Guidance Revision

- Achieve 30% dividend payout ratio
- FY22 annual dividend of 40 yen (2 yen increase from the previous guidance)

	Previous guidance (Q2)	Current guidance
Dividend / share (yen)	38.0 yen Interim 19 yen Period end 19 yen	40.0 yen Interim 19 yen Period end 21 yen
Dividend payout ratio	28.4%	32.8%

*FY22 Revised Guidance Profit for the Year: 91.5 billion yen; EPS: 121.90 yen

Regarding our dividend guidance for the fiscal year, we will take a step in a new shareholder return direction to increase the dividend by 2 yen above original guidance, for an annual dividend amount of 40 yen.

New Measures to Raise Corporate Value

■ More assertive growth strategy

- More assertive M&A promotion
- Focus areas: While maintaining multidirectional perspective, focus on areas such as Vein, CDMO and Diabetes

■ Accelerate profitability improvement

- Continue worldwide price policy review in FY23
- Get VC2 results earlier to fight inflation pressure

■ Capital policy reinforcement

- Transition from dividend payout ratio toward total return ratio
- Improve capital efficiency/Raise financial leverage

■ Sustainability management

- Establish Sustainability Management Committee
- Implementation of future corporate value targets to executive officers

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13 / 26



In December 2021, Terumo announced GS26. Before the second year of GS26, now we can see the light clear from COVID-19. This is a good timing to enhance our corporate value with management perspective.

Today, I will explain the four initiatives newly set for enhancing corporate value.

First is to make M&A more proactive. Historically, Terumo gained its growth momentum from both organic and M&A contributions. In addition to existing growth drivers, we will spread more wide perspective in M&A including Vein, CDMO and Diabetes as the new growth drivers.

Second is to accelerate profitability improvement. We will continue and expand the price increase activities we started from this 2nd half, regardless of business segment and region.

In VC2, we will bring forward profitability improvements, with the production sites transitions to cost competitive locations such as Costa Rica and Vietnam deployment of automation models, GBS implementation, and other elements.

Third is to enhance our capital policy. We continue the steady increase of dividend and improvement of dividend payout ratio, as well as aim total shareholder return to 50% within five years with the acquisition of treasury shares in the right timeframe. We also aim ROE to improve by plowback as well as raising financial leverage with applying debt for financing. We will raise both profitability and capital efficiency, which will lead to enhancements of our corporate value.

Last is regarding our promotion of sustainability management. We announced the establishment of Sustainability Committee as of April 1st. Today, we also announced the policy revision of executive performance evaluations for implementing ESG and CSV themes in GS26 responsibly. We will implement corporate governance to sustainability management as well.

We look forward to reporting the progress and process of these initiatives regularly onward.

This concludes my explanation of our earnings. Thank you.

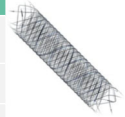
Reference

Product Pipeline and Major Topics

*C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies,
TIS: Terumo Interventional Systems, TA: Terumo Aortic (Vacular Graft), HCS: Hospital Care Solutions, LCS: Life Care Solutions

Major Product Launch, Approval Status

Field	General	Product name	Till FY21 (Complete all)	FY22 Complete / Update	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, Aneurysm indication approval in US, Japan	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	Launch in Asia	Launch in EU, Latin America
LCS	Patch insulin pump	Medisafe WITH series	Current model Japan, EU sales	Version-up model Japan launch	AID system collaboration with Diabeloop, Planning regional expansion
TBCT	Cell expansion system	Quantum Flex	Quantum global sales	Launch Quantum Flex additional model	Cell processing business aims for double-digit growth



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RelayPro

Major Topics

- Group: Finished acquisition of treasury stock and cancelled shares based on BOD decision (December 2022)
- C&V: Ultimaster, first stent to receive the mention 1-month DAPT in the reimbursement conditions in France(December 2022)
- TMCS: New indwelling needle Surflo ZERO launched (January 2023)

Revenue by Segment and Region

2022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 FY2022

(百万円 / millions of yen)

		Q3 YTD FY2021							Q3 YTD FY2022							換算比 % 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	海外 Overseas	欧州 Europe	米州 Americas	中国 China	アジア他 Asia and others	合計 WW								
心臓血管 カンパニー	TIS	24,055	171,870	47,159	77,369	27,047	20,394	196,025	23,952	-0.4%	216,133	22.7%	53,463	18.4%	101,330	31.8%	34,087	26.0%	27,249	33.6%	240,086	22.2%	33.8%
	ニューロバスキュラー	4,084	38,143	12,362	16,266	6,397	3,117	42,228	4,146	1.3%	48,409	26.8%	14,033	18.7%	17,791	34.0%	8,732	36.8%	3,811	22.3%	52,555	24.2%	8.2%
	カーディオバスキュラー	8,249	27,473	4,899	17,191	1,551	3,819	38,722	7,631	-7.2%	32,671	18.8%	5,023	4.4%	20,631	39.0%	1,753	13.0%	5,261	34.2%	40,302	22.8%	6.2%
	血管	2,088	18,326	10,154	6,075	1,225	880	20,428	2,649	26.8%	23,313	27.3%	11,773	13.9%	9,226	32.6%	1,144	-6.7%	1,180	31.8%	25,963	27.3%	4.2%
Cardiac and Vascular Company		38,478	255,924	74,487	116,993	36,221	28,312	294,403	38,379	-8.1%	320,528	22.2%	84,316	13.2%	152,990	39.8%	45,727	28.3%	37,483	32.4%	358,907	21.9%	19.1%
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	75,932	20,810	2,076	6,006	1,008	11,720	96,743	76,420	8.6%	23,314	22.0%	1,951	-6.0%	7,832	39.4%	1,330	31.8%	11,899	2.4%	99,735	3.1%	16.1%
	ライフケアソリューション	17,417	3,904	619	25	852	1,490	20,843	16,778	-3.8%	2,411	-7.0%	594	-4.1%	-	-100.0%	917	7.6%	899	36.2%	19,189	-2.7%	-3.2%
	ファーマシューティカルソリューション	14,294	7,352	4,887	1,511	144	700	21,646	16,950	18.4%	9,635	31.1%	6,103	22.4%	2,168	43.4%	305	111.4%	1,056	49.0%	26,585	22.8%	4.3%
	Medical Care Solutions Company		107,664	31,069	7,662	7,543	2,005	13,837	138,733	110,149	2.3%	35,361	13.8%	8,650	22.0%	10,001	32.6%	2,754	37.3%	13,955	0.9%	145,511	4.0%
血液・細胞 テクノロジー カンパニー	血液センター	8,307	58,075	16,829	21,883	3,244	14,018	66,382	7,865	-5.3%	76,480	31.7%	19,714	17.1%	30,993	41.8%	6,793	29.3%	18,979	33.4%	84,346	27.1%	13.6%
	アブレーション治療	300	17,161	4,363	8,645	894	2,243	17,462	377	22.8%	21,323	24.3%	5,077	16.4%	12,574	39.4%	1,076	19.0%	2,594	12.4%	21,701	24.3%	3.2%
	細胞処理	92	6,216	653	5,145	220	200	6,309	85	-7.8%	7,254	16.7%	856	33.1%	5,804	12.8%	265	11.7%	328	37.0%	7,340	16.3%	1.2%
Blood and Cell Technologies Company		8,700	81,453	21,827	36,772	6,378	16,478	90,154	8,329	-4.3%	105,058	29.0%	25,648	17.2%	49,372	34.3%	8,136	27.0%	21,901	32.8%	113,388	22.0%	18.8%
その他		190	-	-	-	-	-	190	186	-2.4%	-	-	-	-	-	-	-	-	-	186	-2.4%	0.0%	
Total		155,034	368,447	103,997	161,219	44,605	58,625	523,482	157,044	1.3%	460,948	23.2%	118,615	14.1%	212,363	31.7%	56,628	27.0%	73,341	22.1%	617,993	18.1%	100.0%
売上比率		29.6%	70.4%	19.9%	38.8%	8.3%	11.2%	100.0%	25.4%	74.6%	23.2%	34.4%	34.4%	9.2%	11.9%	100.0%							

(期中平均為替レート)

(Average Exchange Rates)

(USD)=¥111.14

(EUR)=¥130.60

(USD)=¥136.50

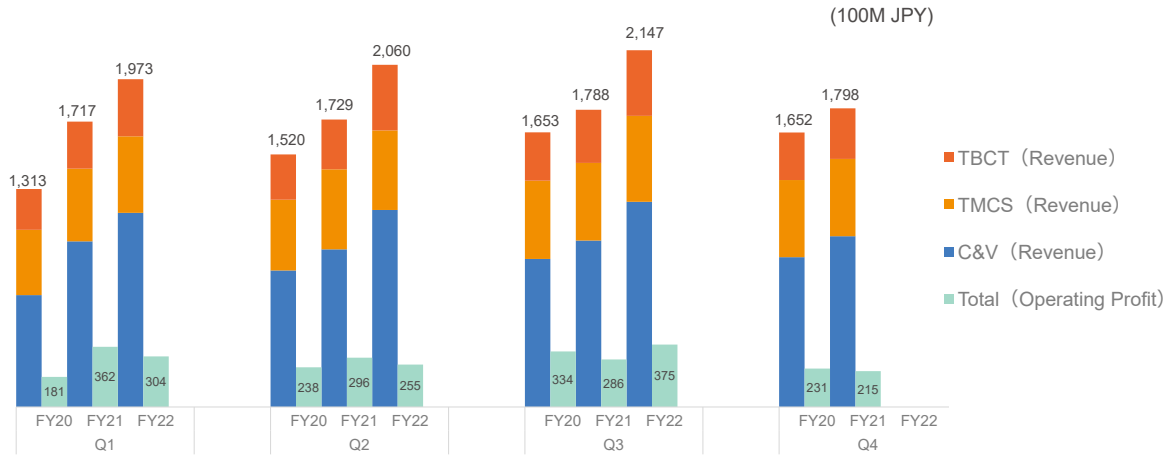
(EUR)=¥140.60

* 2022年度より、従来の「ホスピタルケアソリューション」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、サブセグメントの名称については、従来の「血液センター」「血液治療」「血液細胞処理」を「血液・細胞テクノロジーカンパニー」に、「ホスピタルケアソリューション」を「ホスピタルケアソリューションズカンパニー」に、「ライフケアソリューション」を「ライフケアソリューションズカンパニー」に、「ファーマシューティカルソリューション」を「ファーマシューティカルソリューションズカンパニー」に変更しています。これに伴い、2021年度どうも変更後の名称で記載しています。

Quarterly Trend of Revenue and Operating Profit

Revenue: 20% growth YoY in Q3, highest-ever for a quarter. 4% growth QoQ

Operating profit: 31% growth YoY in Q3. 47% growth QoQ



P&L (QoQ)

(100M JPY)

		FY21 Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY22 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)
Revenue		1,788	1,798	1,973	2,060	2,147
Gross Profit		926 (51.8%)	905 (50.3%)	1,016 (51.5%)	1,054 (51.1%)	1,114 (51.9%)
SG&A Expenses		507 (28.4%)	528 (29.4%)	566 (28.7%)	605 (29.4%)	615 (28.6%)
R&D Expenses		128 (7.2%)	144 (8.0%)	141 (7.1%)	157 (7.6%)	159 (7.4%)
Other Income and Expenses		-5	-18	-6	-37	35
Operating Profit		286 (16.0%)	215 (12.0%)	304 (15.4%)	255 (12.4%)	375 (17.5%)
Adjusted Operating Profit		330 (18.5%)	273 (15.2%)	359 (18.2%)	345 (16.8%)	392 (18.2%)
Quarterly	USD	114 JPY	116 JPY	130 JPY	138 JPY	142 JPY
Average Rate	EUR	130 JPY	130 JPY	138 JPY	139 JPY	144 JPY

SG&A (QoQ)

(100M JPY)

		FY21 Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY22 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)
Labor		255	256	298	312	316
Promotion		44	45	46	44	52
Logistics		39	41	44	47	49
Depreciation		51	54	56	59	60
Others		118	132	123	142	138
SG&A total		507	528	566	605	615
(%)		(28.4%)	(29.4%)	(28.7%)	(29.4%)	(28.6%)
R&D		128	144	141	157	159
(%)		(7.2%)	(8.0%)	(7.1%)	(7.6%)	(7.4%)
Total		635	672	706	761	774
(%)		(35.5%)	(37.3%)	(35.8%)	(37.0%)	(36.0%)
Quarterly	USD	114JPY	116JPY	130JPY	138JPY	142JPY
Average rate	EUR	130JPY	130JPY	138JPY	139JPY	144JPY

SG&A (YoY)

(100M JPY)

	FY21 Q3 YTD	FY22 Q3 YTD	+ / -	Change vs. FY21 Q3 YTD	Change excluding FX impact	FY21 Q3	FY22 Q3	+ / -	Change vs. FY21 Q3
Salaries & Wages	753	926	172	23%	7%	255	316	61	24%
Sales Promotion	114	142	27	24%	13%	44	52	8	17%
Logistical Costs	117	140	24	21%	9%	39	49	10	26%
Depreciation and amortization	149	175	26	18%	9%	51	60	9	19%
Others	330	402	73	22%	11%	118	138	20	17%
SG&A Expenses Total	1,463	1,785	323	22%	9%	507	615	108	21%
(%)	(27.9%)	(28.9%)				(28.4%)	(28.6%)		
R&D Expenses	375	456	81	22%	8%	128	159	31	24%
(%)	(7.2%)	(7.4%)				(7.2%)	(7.4%)		
SG&A Expenses Total	1,837	2,241	404	22%	8%	635	774	138	22%
(%)	(35.1%)	(36.3%)				(35.5%)	(36.0%)		

Adjusted Operating Profit amount

(100M JPY)

	FY 21 Q3 YTD	FY 22 Q3 YTD	FY21 Q3	FY22 Q3
Operating Profit	945	935	286	375
Adjustment 1. Amortization of acquired intangible assets	118	144	39	49
Adjustment 2. Non-recurring profit or loss	9	17	5	-32
Adjusted Operating Profit	1,072	1,096	330	392

<General examples of adjustment items>

- Acquisition related cost
- Impairment loss
- Nonlife insurance income
- Other one-time profits & losses
- Lawsuit settlement
- Restructuring loss
- Loss on disaster

Adjustment 2. Major one-time profits & losses	FY 21 Q3 YTD	FY 22 Q3 YTD
Restructuring loss	6	16
Goodwill amortization related to sale of part of cell processing business	-	36
Profit from sale of nutrition business	-	-39
Others	2	4

CAPEX, Depreciation and R&D Expenses

(100M JPY)

	FY19	FY20	FY21	FY22 Q3 YTD	FY22 Guidance
CAPEX	895	772	692	511	750
Depreciation	477	484	532	474	635
Amortization of acquired intangible assets	157	146	161	144	173
Others	320	338	371	330	462

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

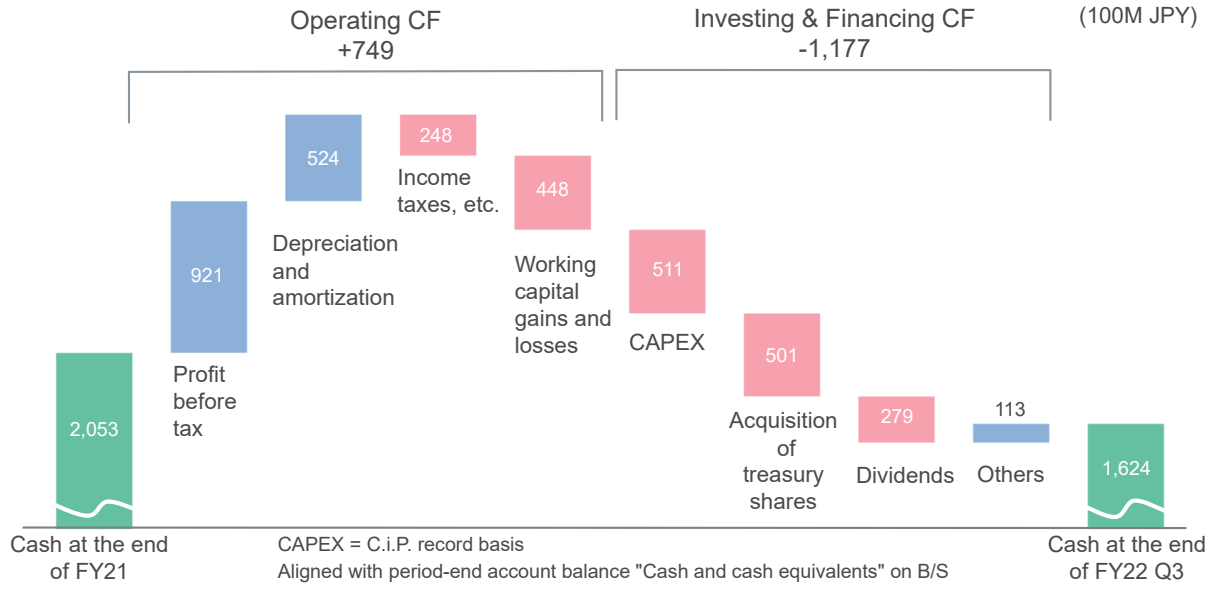
■ FY22 Q3YTD (51.1 BJPY): Continued investment mainly for TIS, Neurovascular, PS, and Blood & Cell Technologies in production capacity, source plasma collection, R&D, as well as IT infrastructure (SAP)

■ "CAPEX" FY22 guidance revision: Due to progress of projects

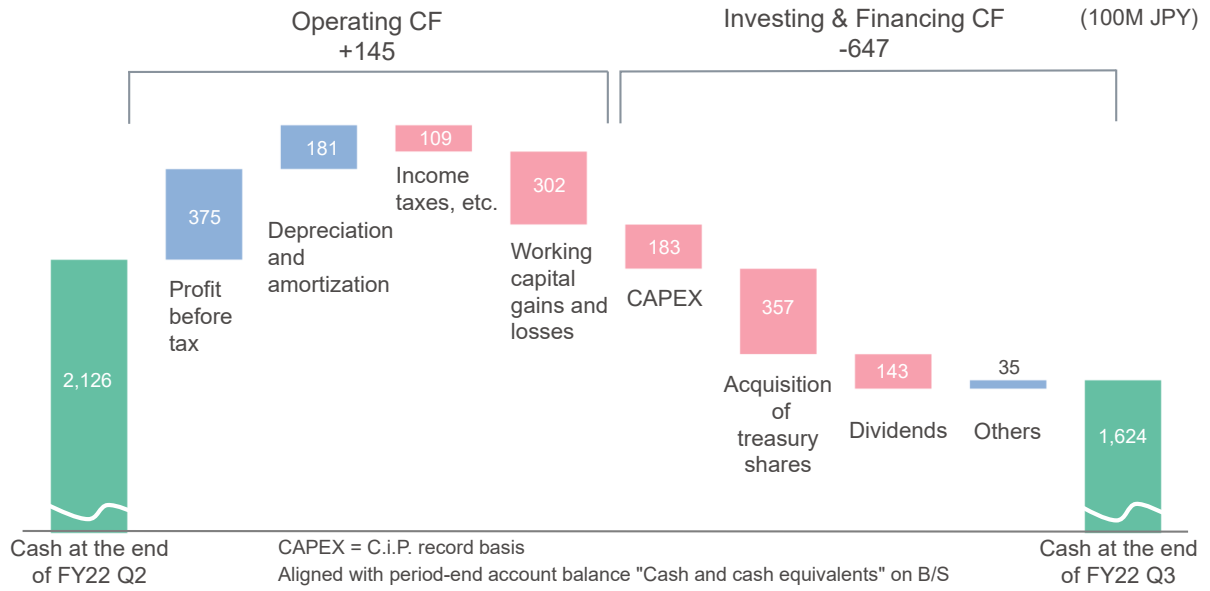
	FY19	FY20	FY21	FY22 Q3 YTD	FY22 Guidance
R&D Expenses	506	491	518	456	600

■ FY22 guidance revision: Revision of FX rate

Cash Flows (Q3 YTD)



Cash Flows (Q3)



FY22 FX Impact Breakdown (Flow, Stock)

■ FX impact vs FY21 +8.4B JPY

■ Flow Q3 YTD **+9.0B JPY**: EUR, CNY appreciation positive impact

Rate (JPY)	FY21 Q3 YTD Average rate during period	FY22 Q3 YTD Average rate during period	Variation
EUR	131	141	10
CNY	17.3	19.9	2.6

■ Stock Q3 **+2.5B JPY**, Q3 YTD **-0.6B JPY**: FX impact from elimination of unrealized profit on inventory assets

- Yen appreciation progressed in December for positive effect in Q3 Annual impact reduced to minus 0.6B JPY

Rate (JPY)	FY22 Q3 YTD Average rate during period	FY22 End of December	Variation
USD	136	133	-4
EUR	141	142	1

Foreign Exchange Sensitivity

(100M JPY)

Annual impact of 1 JPY depreciation

	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

