Financial Results for the First Quarter of Fiscal Year Ending March 31, 2026 (FY2025)

Jin Hagimoto
Chief Financial Officer
Terumo Corporation

Aug 7, 2025

TERUMO

I’m Hagimoto, CFO.
Let me walk you through the highlights of our financial results for the first quarter of the fiscal year ending March 2026.

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. 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

Highlights

Revenue

- Achieved a record high for Q1
- Continued strong sales with 6% growth excluding foreign exchange effects led by Americas

Profit

- Record highs for a quarter in all areas of operating profit, adjusted operating profit, and profit for the period
- Continued growth exceeding sales growth through pricing measures and appropriate cost control

TERUMO

Highlight of our first quarter. We continued to benefit from a favorable business environment, achieving record-high quarterly revenue of 260 billion yen for Q1.

In particular, demand in US remained strong. Total revenue grew by 6% excluding foreign exchange effects. We are progressing well against our full-year guidance which we announced in May.

Operating profit, Adjusted Operating Profit, and Profit for the year all reached record highs for a single quarter. In addition to the increase in revenue, profits are growing at a pace that exceeds revenue growth due to pricing measures and appropriate cost control being implemented globally, and we are steadily improving profitability toward our operating profit target for GS26.

Next slide please.

P&L, FCF

- Revenue: Continued strong demand for TIS and Global Blood Solutions
- Operating profit: Increased gross profit due to higher sales and pricing measures

100M JPY	FY24 Q1	FY25 Q1	Change	Change excluding FX impact
Revenue	2,582	2,600	1%	6%
Gross Profit	1,376	1,455	6%	8%
(%)	(53.3%)	(56.0%)		
SG&A Expenses	748	755	1%	6%
(%)	(29.0%)	(29.1%)		
R&D Expenses	174	164	-5%	-1%
(%)	(6.7%)	(6.3%)		
Other Income and Expenses	-8	24	-	-
Operating Profit	446	559	25%	21%
(%)	(17.3%)	(21.5%)		
Adjusted Operating Profit	511	591	16%	13%
(%)	(19.8%)	(22.7%)		
Profit before Tax	456	553	21%	
(%)	(17.7%)	(21.3%)		
Profit for the period	339	418	23%	
(%)	(13.1)	(16.1%)		
FCF	150	107	-28%	
Average exchange rate (USD/EUR)	156 JPY/168 JPY	145 JPY/164 JPY		

TERUMO

P&L and FCF results. Revenue was driven by C&V and TBCT companies. Despite negative currency impacts, we achieved 260 billion yen in revenue, surpassing last year's Q1 which had temporary demand spikes.

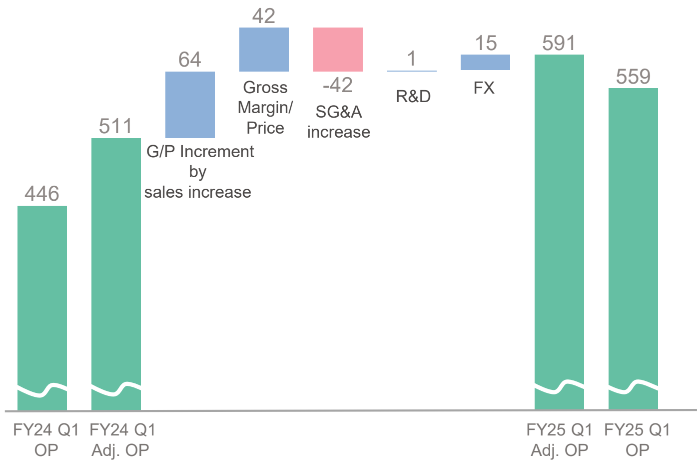
Operating profit grew significantly faster than revenue, reaching a record 55.9 billion yen. This was supported by improved gross margin from pricing strategies, effective cost management, as well as favorable currency and one-time gains.

Free cash flow was 10.7 billion yen, a decrease of 4.2 billion yen year-on-year. This was mainly due to an increase in inventories as a result of business expansion and the impact of tariffs, but we will continue to maximize free cash flow through appropriate inventory management.

Next slide please.

OP Variance Analysis: Growth due to strong sales and pricing measures

(100M JPY)



- G/P increment by sales increase:
  TIS and GBS led the overall growth, progressing as planned
- Gross margin/Price:
  C&V pricing measures contributed more than expected
  Profit improvement measures also continuing
- SG&A increase:
  Increase as business expands, progressing as planned
- FX:
  Flow -1.3 B JPY, Stock +2.8 B JPY

TERUMO

OP variance analysis.

G/P increment by sales increase: Led by TIS and Global Blood Solutions, progressing as planned against full-year targets.

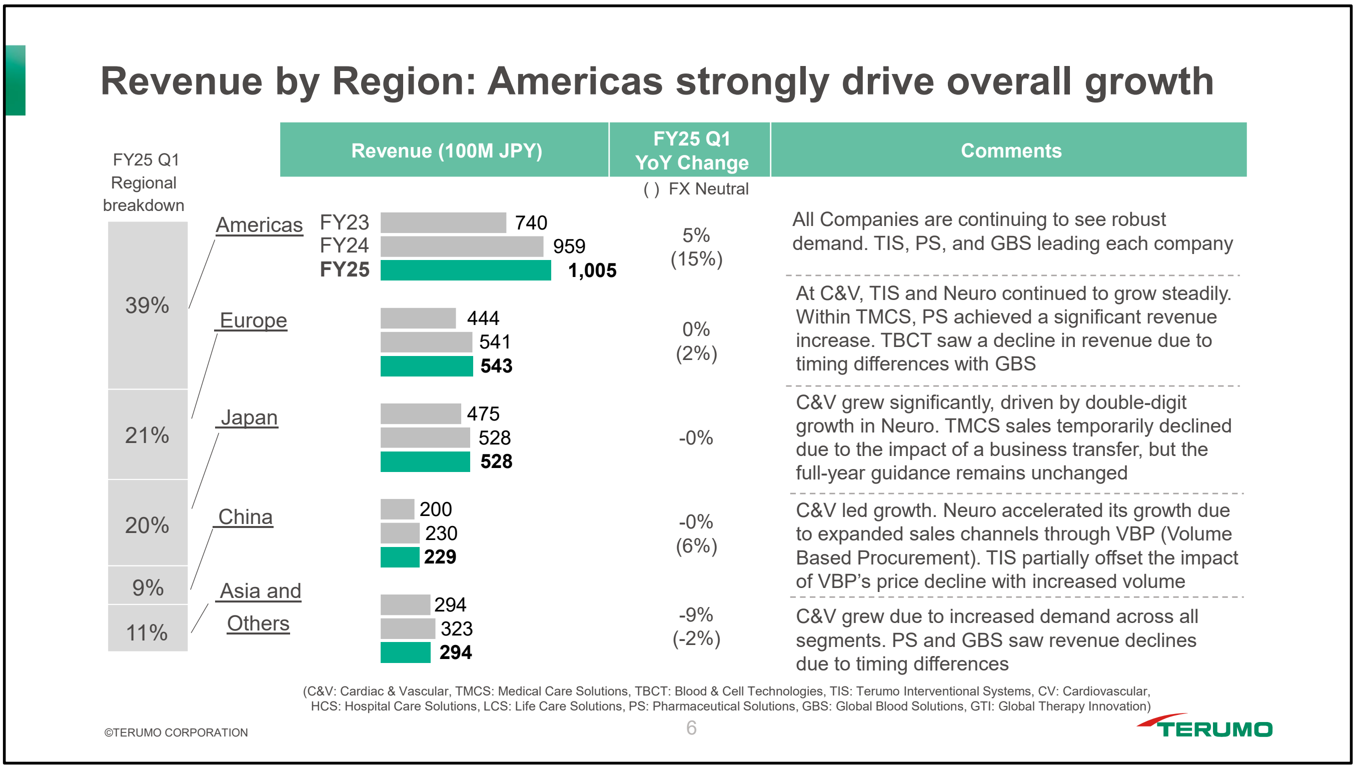
Gross Margin / Price: C&V pricing strategies contributed a lot to profit increase. Especially price increases in US and delayed VBP in China, exceeded expectations. Profitability improvement measures also steadily delivering results.

SG&A Expenses: Increased as expected along with business expansion.

R&D Expenses: Flat year-on-year due to timing differences, with no change to full-year forecast.

FX Impact: Negative on flow basis but positive on stock basis, contributing to profit growth.

Next slide please.



Revenue by region.
In Americas, double-digit growth in local currency, with all companies contributing strongly, driving global sales.

In Europe, strong performance of PLAJEX drove Pharmaceuticals segment growth. TBCT saw temporary revenue decline due to delayed orders in some regions, with recovery expected going forward.

In Japan, C&V, especially Neuro, achieved double-digit growth. TMCS experienced temporary revenue decline due to certain business transfers and supply issues.

In China, Neuro saw significant growth thanks to the successful expansion of sales channels through VBP. TIS partially offset VBP-driven price declines with volume increases.

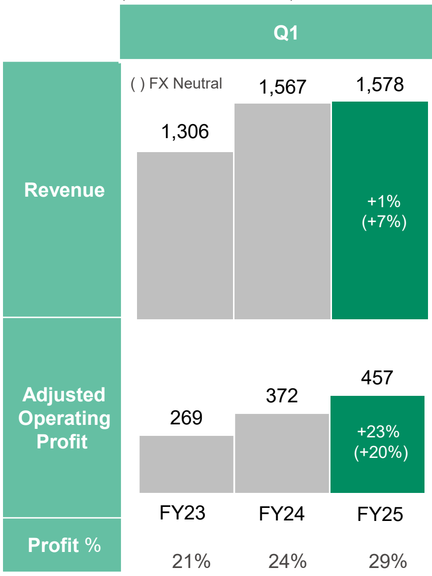
Asia: C&V achieved revenue growth. Pharmaceuticals and Global Blood Solutions saw temporary declines due to delayed bidding timelines.

Next slide please.

C&V : TIS led the way, profit made a significant growth

(C&V: Cardiac & Vascular)

(100M JPY)



	Comments	Q1 YoY
TIS Terumo Interventional Systems	: Double-digit growth in all product areas in US excluding foreign exchange effects, with volume growth as well as pricing measures contributing	+15
TN Terumo Neuro	: In China, sales channels expanded with VBP, resulting in a significant increase. In Japan, products for the treatment of cerebral aneurysms performed well	+4
TCV Terumo Cardiovascular	: Achieved global growth and exceeded plans. Effects of price revisions also materialized	+1
TA Terumo Aortic	: Sales decreased due to supply issues with surgical vascular products. Hybrid products progressed as planned	-9
Profit	: Significant increase in profit due to higher sales and pricing measures. Stock effects of foreign exchange also contributed to the increase	

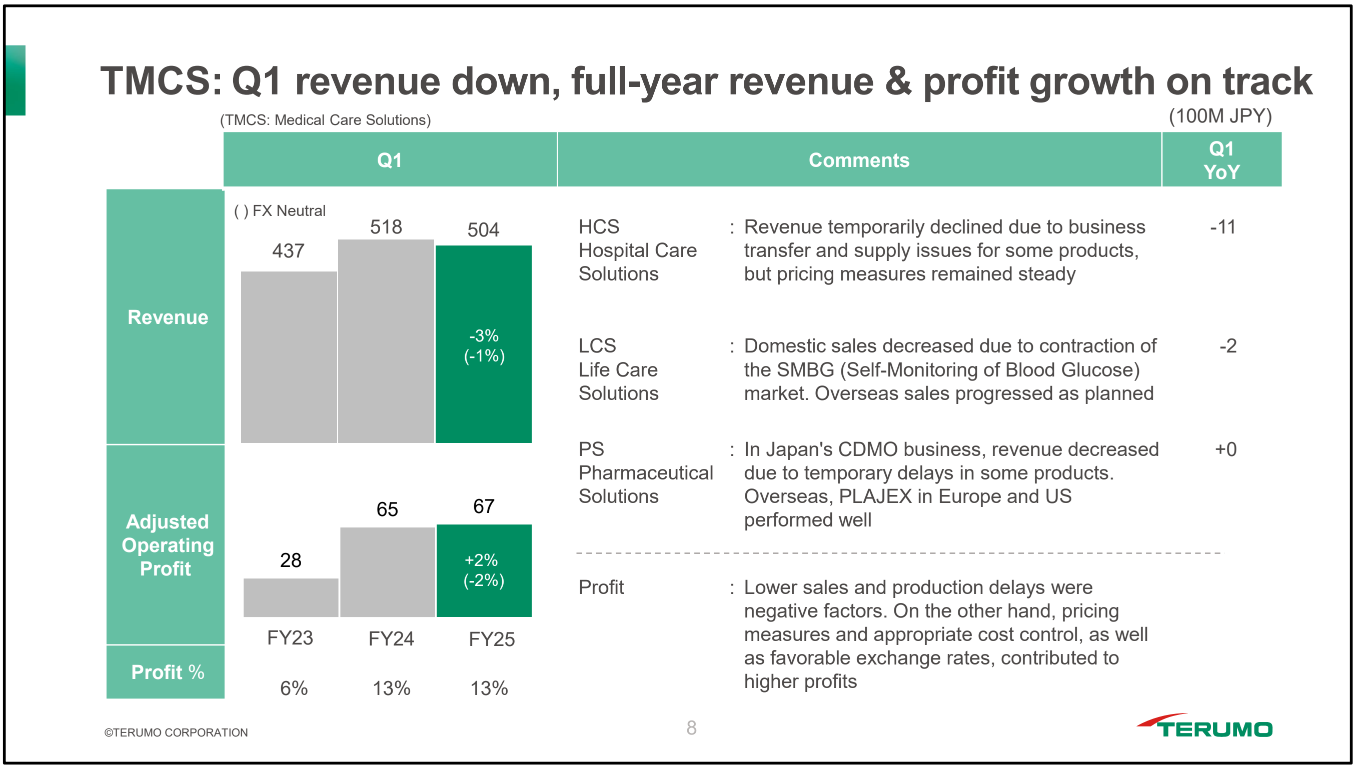
TERUMO

I will now explain results by Company. First is the Cardiovascular Company

Revenue grew 7% on a local currency basis, driven by strong performance in the US. TIS and Neuro led growth. Aortic segment saw temporary decline due to supply issues with its surgical graft product line, now resolved already. On the other hand, hybrid products expanded steadily, improving profitability.

Operating margin improved by 5 points to 29%. Various initiatives such as pricing strategies, profitability improvement measures, and the review of unprofitable regions have contributed. The stock effect of foreign exchange also worked positively, resulting in a profit increase that exceeded expectations.

Next slide please.



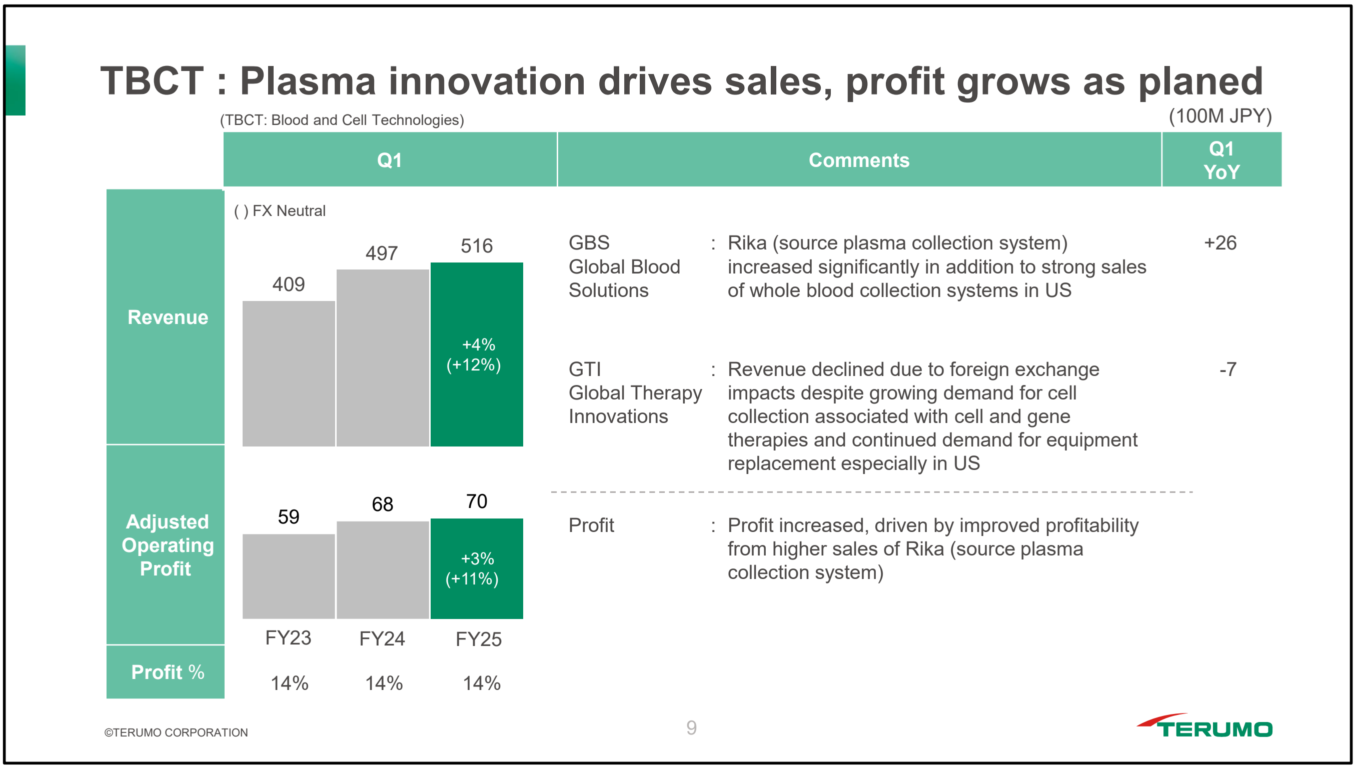
TMCS, Medical Care Solutions.

Revenue declined temporarily due to business transfer in Hospital Care and supply issues for some products. Pricing strategies launched in April are progressing well. In Pharmaceuticals, domestic CDMO deliveries were delayed causing sales declines for the quarter, while PLAJEX performed strongly overseas, resulting in revenue growth.

In terms of profits, pricing measures and foreign exchange rates had a positive impact, resulting in an increase in profits on an actual exchange rate basis, however lower sales and production delays in Pharmaceuticals were negative factors, resulting in a decrease in profits on a local currency basis.

Although sales and profits were affected by one-time factors, we expect to achieve the planned increase in sales and profits for the full fiscal year.

Next slide please.

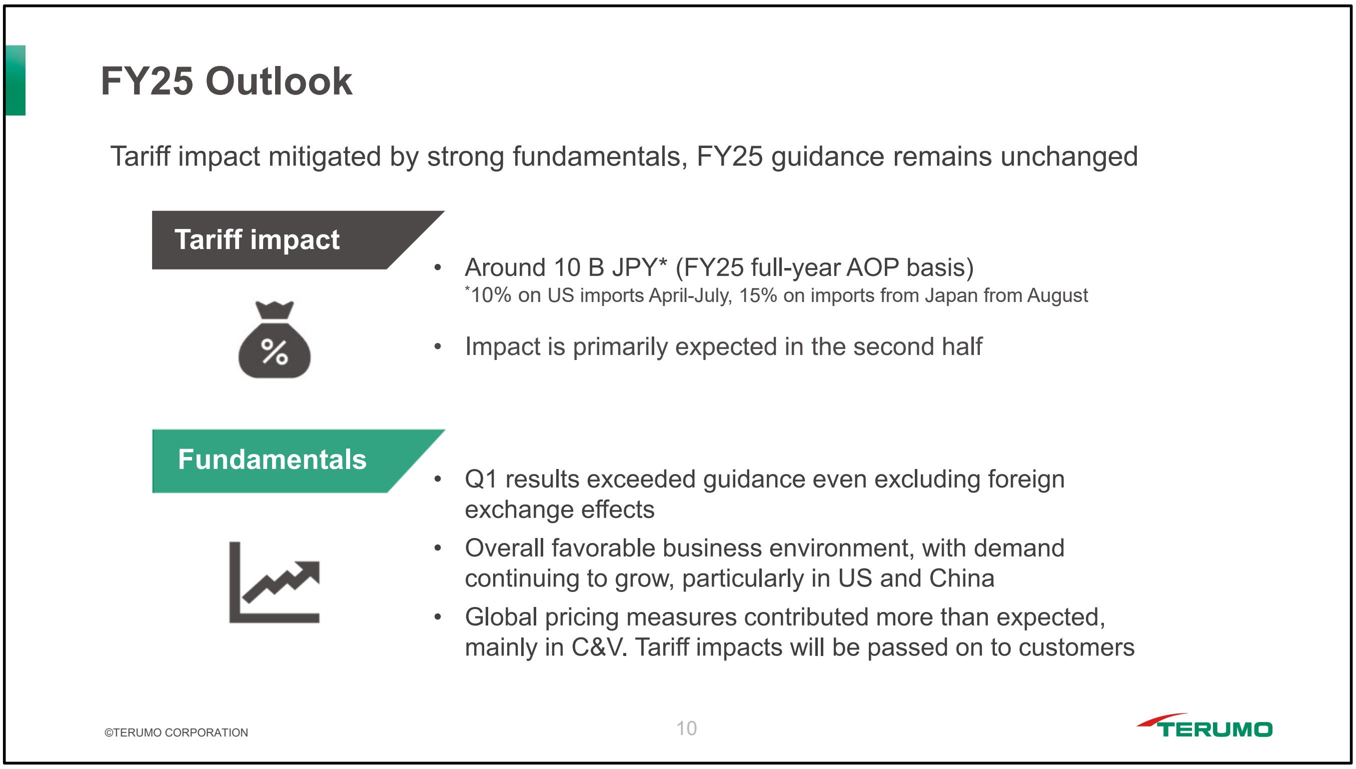


TBCT, Blood and Cell Technologies.

Revenue grew significantly in plasma innovation under Global Blood Solutions. Rika deployment to existing customers is complete, with further revenue growth expected as operations optimize. Core business is progressing as expected. Global Therapy Innovation saw increased demand for cell collection in cell and gene therapy, especially in the US, along with replacement demand for certain devices.

Profit increased, led by improved profitability from higher sales of Rika.

Next slide please.



Last slide, I will now give an outlook for this fiscal year.

Regarding tariff impacts, the estimated full-year impact is around 10 billion yen, revised down from the previous estimate of 17 billion yen due to changes in tariff rates mainly on imports from Japan. The impact included in Q1 is extremely limited due to local inventory, and most of the impact is expected to materialize in the second half of the fiscal year.

On the other hand, our fundamentals remain solid, and even excluding foreign exchange effects, the first quarter results exceeded the plan that forms the basis of our full-year forecast. In particular, demand is expanding in the US and China, and this is expected to continue. In addition, the pricing measures being promoted throughout the company are having a greater effect than expected, and we plan to pass on tariff impact to prices to mitigate that impact. Of course, depending on the situation, it may not be possible to pass on the entire amount during the current fiscal year, but we will strive to mitigate the impact of tariffs as much as possible. Considering these strong fundamentals, we are maintaining our guidance for the current fiscal year and shall work to achieve it.

Thank you for your attention.

Reference

P&L (QoQ)

(100M JPY)

	FY24 Q1 (Apr-Jun)		Q2 (Jul-Sep)		Q3 (Oct-Dec)		Q4 (Jan-Mar)		FY25 Q1 (Apr-Jun)	
Revenue	2,582		2,505		2,636		2,639		2,600	
Gross Profit	1,376	(53.3%)	1,395	(55.7%)	1,451	(55.1%)	1,385	(52.5%)	1,455	(56.0%)
SG&A Expenses	748	(29.0%)	732	(29.2%)	777	(29.5%)	818	(31.0%)	755	(29.1%)
R&D Expenses	174	(6.7%)	194	(7.7%)	187	(7.1%)	188	(7.1%)	164	(6.3%)
Other Income and Expenses	-8		-38		-30		-138		24	
Operating Profit	446	(17.3%)	431	(17.2%)	458	(17.4%)	242	(9.2%)	559	(21.5%)
Adjusted Operating Profit	511	(19.8%)	529	(21.1%)	553	(21.0%)	441	(16.7%)	591	(22.7%)

Quarterly Average rate		FY24 Q1	Q2	Q3	Q4	FY25 Q1
	USD	156 JPY	149 JPY	152 JPY	153 JPY	145 JPY
	EUR	168 JPY	164 JPY	163 JPY	161 JPY	164 JPY

TERUMO

SG&A (QoQ)

(100M JPY)

	FY24 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY25 Q1 (Apr-Jun)
Salaries & Wages	398	384	406	430	406
Sales Promotion	52	47	54	60	55
Logistics Costs	51	59	56	57	57
Depreciation and Amortization	70	68	70	71	68
Others	178	175	190	200	169
SG&A Expenses Total (%)	74 (29.0%)	732 (29.2%)	777 (29.5%)	818 (31.0%)	755 (29.1%)
R&D Expenses (%)	174 (6.7%)	194 (7.7%)	187 (7.1%)	188 (7.1%)	164 (6.3%)
Total (%)	922 (35.7%)	926 (37.0%)	963 (36.6%)	1,006 (38.1%)	920 (35.4%)

Quarterly Average rate						
	USD	156 JPY	149 JPY	152 JPY	153 JPY	145 JPY
	EUR	168 JPY	164 JPY	163 JPY	161 JPY	164 JPY

TERUMO

SG&A (YoY)

(100M JPY)

	FY24 Q1	FY25 Q1	YoY%	YoY% excluding FX impact
Salaries & Wages	398	406	2%	8%
Sales Promotion	52	55	6%	10%
Logistics Costs	51	57	13%	19%
Depreciation and Amortization	70	68	-2%	4%
Others	178	169	-5%	-0%
SG&A Expenses Total	748	755	1%	6%
(%)	(29.0%)	(29.1%)		
R&D Expenses	174	164	-5%	-1%
(%)	(6.7%)	(6.3%)		
Total	922	920	-0%	5%
(%)	(35.7%)	(35.4%)		

TERUMO

Adjusted Operating Profit: Adjustments

(100M JPY)

	FY24 Q1	FY25 Q1
Adjusted Operating Profit	511	591
Adjustment 1. Amortization of acquired intangible assets	-56	-51
Adjustment 2. Non-recurring profit or loss	-9	19
Operating Profit	446	559

<General examples of adjustment items>

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

Adjustment 2. Non-recurring profit or loss	FY24 Q1	FY25 Q1
Restructuring loss	-11	-13
Loss compensation from pharmaceutical companies	-	32
Others	2	-0

CAPEX, Depreciation and Amortization, R&D Expenses

(100M JPY)

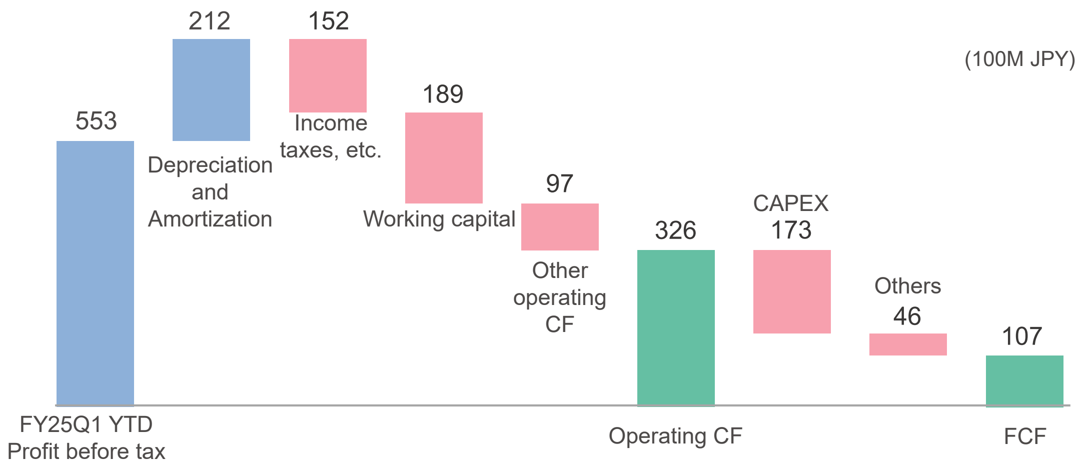
	FY22	FY23	FY24	FY25Q1	FY25 Guidance
CAPEX	758	784	825	173	950
Depreciation	635	702	781	194	830
Amortization of acquired intangible assets	188	200	210	50	200
Others	447	502	571	144	630

CAPEX = Construction in progress record basis, lease depreciation (IFRS16) is not included in Depreciation

- FY25Q1 results (17.3 B JPY): Ongoing construction of a new building at the Kofu Plant to strengthen production systems for CDMO (contract development and manufacturing) and other operations, as well as investments in source plasma collection related, R&D and core IT systems (SAP)

	FY22	FY23	FY24	FY25Q1	FY25 Guidance
R&D Expenses	616	691	742	164	715

Free Cash Flow

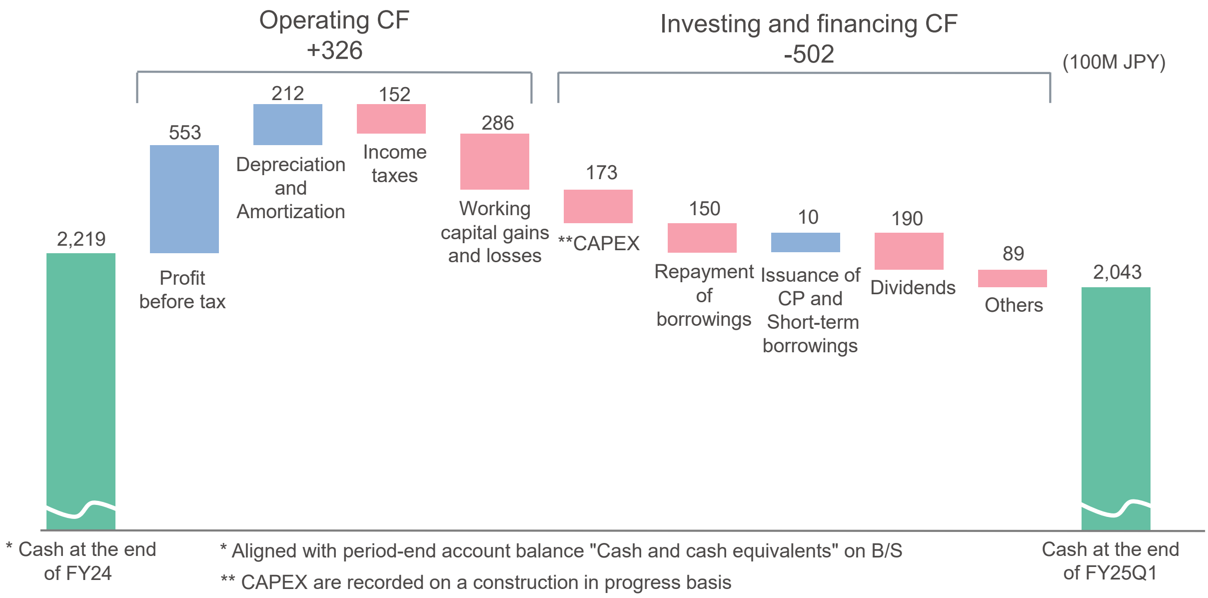


YoY	+96	+2	+30	-161	+3	-31	-26	+14	-42

CAPEX are recorded on a construction in progress basis

TERUMO

Cash Flow



* Aligned with period-end account balance "Cash and cash equivalents" on B/S

** CAPEX are recorded on a construction in progress basis

TERUMO

Foreign Exchange Sensitivity

Annual impact of 1 JPY depreciation (Flow) (100M JPY)

	USD	EUR	CNY
Revenue	28	12	40
Adjusted Operating Profit	3	6	23

Impact of 1 JPY depreciation (Stock)

	USD	EUR	CNY
Adjusted Operating Profit	-3.0	-1.0	-2.5

TERUMO

TERUMO