

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

November 10, 2022

**Naoki Muto**

Chief Accounting and Financial Officer  
Terumo Corporation



## 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. Information about products (including products currently in development) which is included in this material is not intended to constitute an advertisement or medical advice.

# 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

# P&L Results

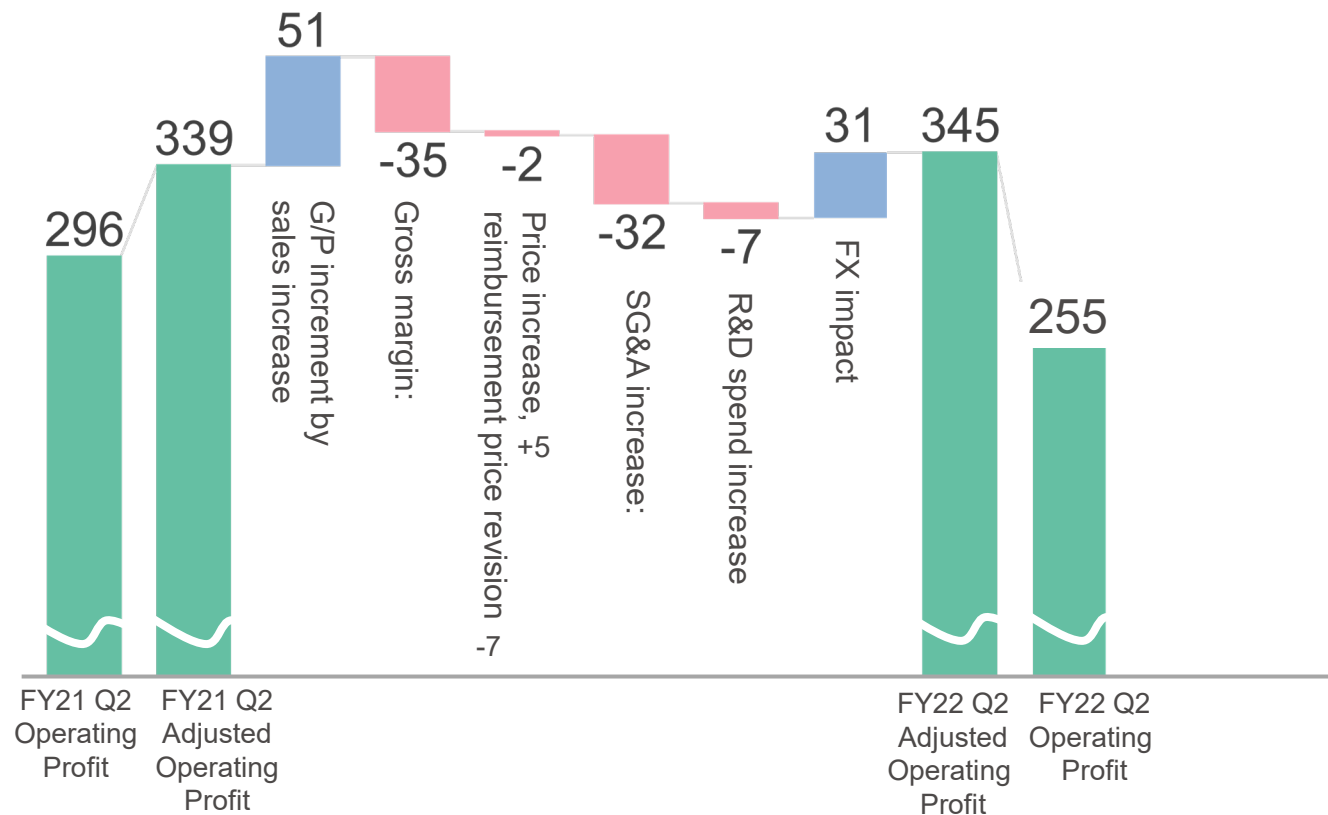
- Revenue was 400 billion yen, gross profit exceeded 200 billion yen for highest-ever result
- Operating profit includes 3.5 billion yen loss from sale of autologous cell preparation business In adjusted operating profit , Q2 standalone returned to year-on-year increase

| 100M JPY                         | FY 21<br>Q2 YTD  | FY 22<br>Q2 YTD  | Change vs.<br>FY21 Q2 | Change<br>excluding FX<br>impact |
|----------------------------------|------------------|------------------|-----------------------|----------------------------------|
| Revenue                          | 3,446            | 4,033            | 17%                   | 5%                               |
| Gross Profit<br>(%)              | 1,862<br>(54.0%) | 2,070<br>(51.3%) | 11%                   | 2%                               |
| SG&A Expenses<br>(%)             | 955<br>(27.7%)   | 1,171<br>(29.0%) | 23%                   | 9%                               |
| R&D Expenses<br>(%)              | 247<br>(7.2%)    | 297<br>(7.4%)    | 20%                   | 8%                               |
| Other Income and<br>Expenses     | -2               | -42              | -                     | -                                |
| Operating Profit<br>(%)          | 659<br>(19.1%)   | 560<br>(13.9%)   | -15%                  | -16%                             |
| Adjusted Operating Profit<br>(%) | 741<br>(21.5%)   | 704<br>(17.5%)   | -5%                   | -10%                             |
| Profit before Tax<br>(%)         | 653<br>(18.9%)   | 546<br>(13.5%)   | -16%                  |                                  |
| Profit for the Year<br>(%)       | 500<br>(14.5%)   | 403<br>(10.0%)   | -19%                  |                                  |

| FY21<br>Q2     | FY22<br>Q2       | Change vs.<br>FY21 Q2 |
|----------------|------------------|-----------------------|
| 1,729          | 2,060            | 19%                   |
| 920<br>(53.2%) | 1,054<br>(51.1%) | 15%                   |
| 490<br>(28.4%) | 605<br>(29.4%)   | 23%                   |
| 130<br>(7.5%)  | 157<br>(7.6%)    | 20%                   |
| -3             | -37              | -                     |
| 296<br>(17.1%) | 255<br>(12.4%)   | -14%                  |
| 339<br>(19.6%) | 345<br>(16.8%)   | 2%                    |
| 293<br>(16.9%) | 250<br>(12.1%)   | -15%                  |
| 221<br>(12.8%) | 179<br>(8.7%)    | -19%                  |

# Operating profit variance analysis (Q2)

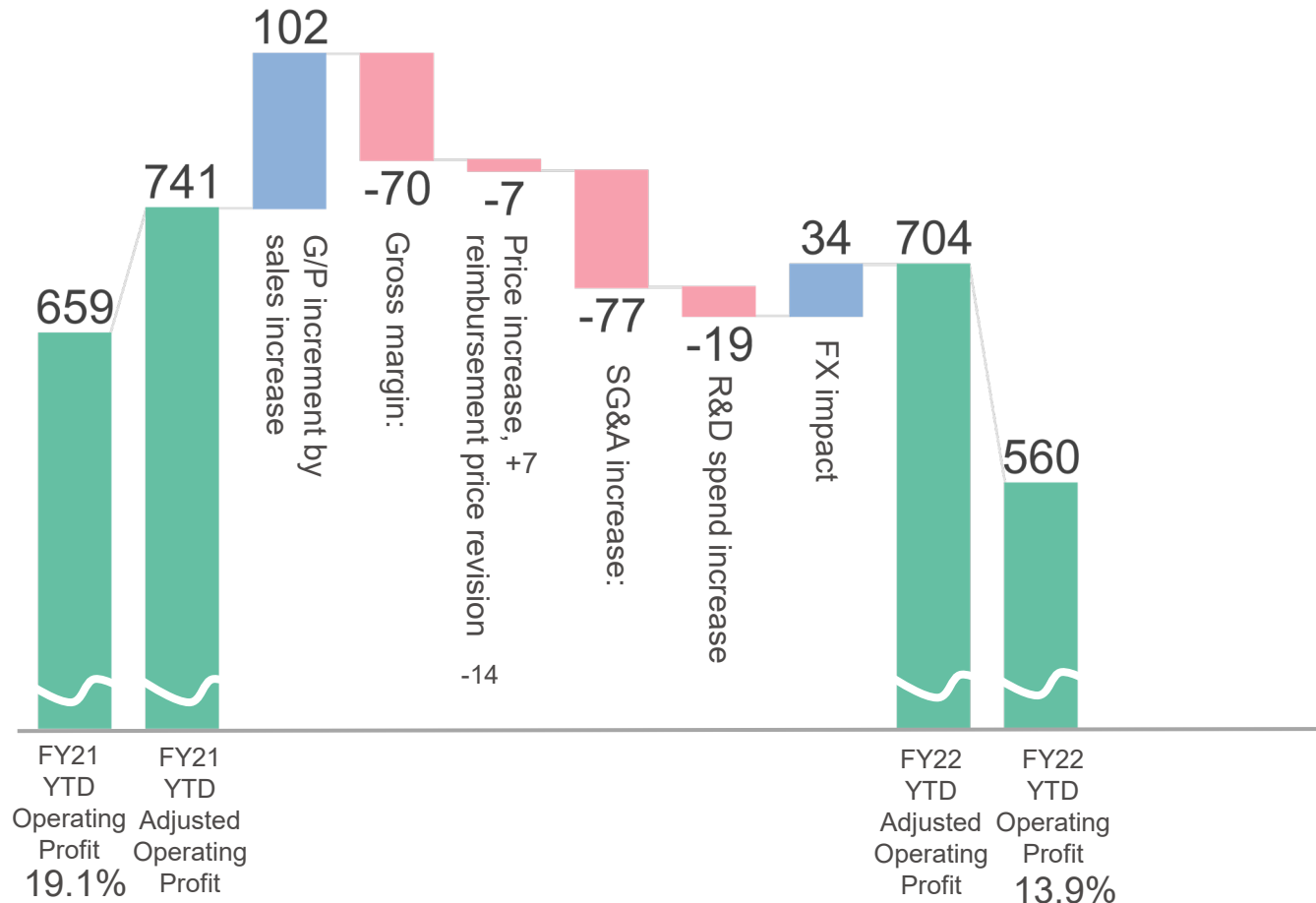
(100M JPY)



- G/P increment by sales increase:  
Stability increase same amt. as Q1
- Gross margin:  
Inflation impact increases, but mix steadily improving, impact was similar as Q1
- Price:  
Price increase impact more than Q1
- SG&A, R&D increase:  
Within plan; control while spending as necessary in 2<sup>nd</sup> half
- FX:  
Yen depreciation more than Q1

# Operating profit variance analysis (Q2 YTD)

(100M JPY)



- G/P increment by sales increase: Increased C&V and TBCT demand led to steady increase
- Gross margin: Inflation impact increases, but increased sales of C&V with mix improvement
- Price: Expanded price increase impact by QoQ
- SG&A, R&D increase: Within plan; control while spending as necessary in 2<sup>nd</sup> half
- FX: Yen depreciation more than Q1

# Revenue by Region

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

| FY22 Q2<br>YTD<br>Regional<br>breakdown | Revenue (100M JPY) |            |              | FY 22 Q2 YTD<br>YoY change | Comment  |
|---|--------------------|------------|--------------|----------------------------|--|
|   | (Q1)               | Q2         | Q2 YTD       |                            |  |
| 25%<br>Japan                            | FY20               | 492        | 935          | -1%                        | 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        |                            |  |
|   | <b>FY22</b>        | <b>514</b> | <b>1,012</b> |                            |  |
| 19%<br>Europe                           | FY20               | 301        | 555          | 13%<br>(5%)                | 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     |
|   | FY21               | 338        | 683          |                            |  |
|   | <b>FY22</b>        | <b>386</b> | <b>772</b>   |                            |  |
| 34%<br>Americas                         | FY20               | 462        | 825          | 30%<br>(7%)                | 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.   |
|   | FY21               | 519        | 1,063        |                            |  |
|   | <b>FY22</b>        | <b>719</b> | <b>1,381</b> |                            |  |
| 10%<br>China                            | FY20               | 101        | 203          | 27%<br>(8%)                | All companies continued double-digit growth, led by TIS. QoQ, TIS and Blood Center Solutions saw slight seasonal decreases but saw no lockdown impact  |
|   | FY21               | 147        | 301          |                            |  |
|   | <b>FY22</b>        | <b>190</b> | <b>384</b>   |                            |  |
| 12%<br>Asia and<br>Others               | FY20               | 165        | 315          | 29%<br>(14%)               | 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 |
|   | FY21               | 193        | 374          |                            |  |
|   | <b>FY22</b>        | <b>251</b> | <b>484</b>   |                            |  |

# 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)

|                | YTD   |       |            | Q2  |     |       | Comment  | YTD YoY |
|----------------|-------|-------|------------|-----|-----|-------|--|---------|
| Revenue        | 1,494 | 1,943 | 2,354      | 821 | 948 | 1,186 | TIS: Excluding FX, 7% growth overseas in YTD Q2; Number of procedures returned to growth trend, Oncology and Peripheral intervention drove. Begun new products sales, microcatheter and guidewire for coronary in U.S. | +275    |
|                |       |       | +21% (+6%) |     |     | +25%  | Neuro-vascular: Even excluding FX, EU/US continued double-digit growth WEB for aneurysm expanded further in North America, while new product impact grew similarly with FRED   | +71     |
|                |       |       |            |     |     |       | CV: Steady along with recovery in number of procedures   |         |
| Segment Profit | 320   | 508   | 529        | 196 | 214 | 249   | TA: Thoracic stent graft RelayPro strong. Thoraflex Hybrid expanded in EU/US   | +26     |
|                |       |       | +4% (-3%)  |     |     | +16%  | Profit: Profit grew although inflation impact continued. % sakes declined due to Yen depreciation  | +38     |
|                |       |       |            |     |     |       |  |         |
| Profit%        | 21%   | 26%   | 22%        | 24% | 23% | 21%   |  |         |

( ) FXN



# TMCS:

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

(100M JPY)

|                | YTD     |     |     | Q2  |     |     | Comment                         | YTD YoY   |     |
|----------------|---------|-----|-----|-----|-----|-----|---------------------------------|---|-----|
| Revenue        | ( ) FXN |     |     |     |     |     | HCS<br>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.                                    | +8  |
|                | 818     | 920 | 938 | 426 | 482 | 478 |                                 |   |     |
| Segment Profit |         |     |     |     |     |     | LCS<br>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 | -12 |
|                | 117     | 134 | 81  | 65  | 70  | 37  |                                 |   |     |
| Profit%        |         |     |     |     |     |     | PS<br>Pharmaceutical Solutions: | Pharmaceutical container was sales strong, especially outside Japan, for steady 15% revenue growth YTD  | +22 |
|                | 14%     | 15% | 9%  | 15% | 15% | 8%  |                                 |   |     |
|                |         |     |     |     |     |     | Profit:                         | In addition to material cost inflation after 2 <sup>nd</sup> half in FY21, utility cost inflation increased. As well. FX negative impact by CNY continued                           |     |

# 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 |
|----------------|-------------|-----|-----|------|-----|-----|--|---------|
| Revenue        | ( ) FXN     |     |     |      |     |     | <p>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</p> <p>Apheresis: Steady demand increase along with expansion of cell therapy procedures. Even excluding FX, high growth of 9%</p> <p>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.</p> | +119    |
|                | 520         | 582 | 740 | 272  | 299 | 395 |  |         |
|                | +27% (+12%) |     |     | +32% |     |     |  |         |
| Segment Profit | 89          | 118 | 91  | 50   | 58  | 55  | Declined profit due to the investment advanced for Plasma Innovation as well as inflation.   | +28     |
|                | -23% (-24%) |     |     | -5%  |     |     |  |         |
|                |             |     |     |      |     |     |  |         |
| Profit%        | 17%         | 20% | 12% | 18%  | 19% | 14% |  | +10     |

# Action Ahead

## ■ For 2<sup>nd</sup> half

- Implementation of price increase more in 2<sup>nd</sup> 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      Began GBS in Europe & U.S.A. as of Nov 1<sup>st</sup>

# 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<br>Interim 17 yen<br>Period end 17 yen | 38.0 yen<br>Interim 19 yen<br>Period end 19 yen |
| Dividend payout ratio  | 26.9%   | <b>28.4%</b>                                    |

\*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.

# 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                      | Complete 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 | 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”

# 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 |              |                |              |               |              |                |              |               |              |                            | 精細比<br>% to total |                |              |               |
|--|--------------------|-----------------|----------------|---------------|----------------|---------------|----------------------------|----------------|-----------------|--------------|----------------|--------------|---------------|--------------|----------------|--------------|---------------|--------------|----------------------------|-------------------|----------------|--------------|---------------|
|  |                    | 日本<br>JPN       | 海外<br>Overseas | 欧州<br>Europe  | 米州<br>Americas | 中国<br>China   | アジア他<br>Asia and<br>others | 合計<br>WW       | 日本<br>JPN       | %YoY         | 海外<br>Overseas | %YoY         | 欧州<br>Europe  | %YoY         | 米州<br>Americas | %YoY         | 中国<br>China   | %YoY         | アジア他<br>Asia and<br>others |                   | %YoY           | 合計<br>WW     | %YoY          |
| 心臓血管<br>カンパニー                              | TIS                | 15,564          | 114,817        | 31,338        | 51,580         | 18,501        | 13,397                     | 130,382        | 15,416          | -1.0%        | 142,497        | 24.1%        | 34,533        | 10.2%        | 65,672         | 27.3%        | 23,967        | 29.5%        | 18,323                     | 36.8%             | 157,914        | 21.1%        | 39.2%         |
|  | ニューロバスキュラー         | 2,695           | 25,115         | 8,038         | 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         | 25.6%        | 8.7%          |
|  | カーディオバスキュラー        | 5,441           | 17,928         | 3,053         | 11,429         | 1,049         | 2,396                      | 23,370         | 5,095           | -6.4%        | 20,887         | 16.5%        | 3,174         | 4.0%         | 13,314         | 16.5%        | 1,195         | 14.0%        | 3,203                      | 33.7%             | 25,983         | 11.2%        | 6.4%          |
|  | 血管                 | 1,303           | 11,473         | 6,288         | 3,820          | 774           | 591                        | 12,777         | 1,683           | 29.2%        | 14,906         | 29.9%        | 7,651         | 21.7%        | 5,799          | 51.8%        | 797           | 3.0%         | 657                        | 11.3%             | 16,590         | 29.8%        | 4.1%          |
| <b>Cardiac and Vascular Company</b>        |                    | <b>25,005</b>   | <b>169,335</b> | <b>48,718</b> | <b>77,490</b>  | <b>24,837</b> | <b>18,289</b>              | <b>194,341</b> | <b>24,917</b>   | <b>-0.4%</b> | <b>210,487</b> | <b>24.3%</b> | <b>54,894</b> | <b>12.7%</b> | <b>99,299</b>  | <b>28.1%</b> | <b>31,098</b> | <b>25.2%</b> | <b>25,196</b>              | <b>37.8%</b>      | <b>235,405</b> | <b>21.1%</b> | <b>58.4%</b>  |
| メディカルケア<br>ソリューションズ<br>カンパニー               | ホスピタルケアソリューション     | 49,771          | 13,638         | 1,380         | 4,065          | 589           | 7,603                      | 63,410         | 48,981          | -1.6%        | 15,265         | 11.9%        | 1,317         | -4.6%        | 5,093          | 25.3%        | 1,078         | 83.0%        | 7,774                      | 2.3%              | 64,246         | 1.3%         | 15.9%         |
|  | 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%         | 590           | 12%          | 568                        | -38%              | 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            | 65            | 516                        | 14,466         | 10,406          | 6.8%         | 6,245          | 32.2%        | 3,899         | 22.7%        | 1,330          | 38.1%        | 204           | 210.6%       | 811                        | 56.9%             | 16,651         | 15.1%        | 4.1%          |
| <b>Medical Care Solutions Company</b>      |                    | <b>71,726</b>   | <b>20,234</b>  | <b>4,966</b>  | <b>5,042</b>   | <b>1,184</b>  | <b>9,042</b>               | <b>91,961</b>  | <b>70,749</b>   | <b>-1.4%</b> | <b>23,056</b>  | <b>13.9%</b> | <b>5,596</b>  | <b>12.7%</b> | <b>6,431</b>   | <b>27.6%</b> | <b>1,873</b>  | <b>58.2%</b> | <b>9,155</b>               | <b>1.3%</b>       | <b>93,805</b>  | <b>2.0%</b>  | <b>23.3%</b>  |
| 血液・細胞<br>テクノロジー<br>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%        | 4,541         | 33.7%        | 12,099                     | 41.0%             | 54,748         | 27.8%        | 13.6%         |
|  | アフェシス治療他           | 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%        | 715           | 27.6%        | 1,715                      | 22.3%             | 14,084         | 25.2%        | 3.5%          |
|  | 細胞処理               | 71              | 4,062          | 400           | 3,384          | 144           | 132                        | 4,134          | 50              | -29.5%       | 5,096          | 25.5%        | 556           | 38.9%        | 4,133          | 22.1%        | 142           | -1.6%        | 264                        | 100.3%            | 5,147          | 24.5%        | 1.3%          |
| <b>Blood and Cell Technologies Company</b> |                    | <b>5,555</b>    | <b>52,655</b>  | <b>14,622</b> | <b>23,811</b>  | <b>4,102</b>  | <b>10,118</b>              | <b>58,210</b>  | <b>5,444</b>    | <b>-2.0%</b> | <b>68,536</b>  | <b>30.2%</b> | <b>16,691</b> | <b>14.2%</b> | <b>32,365</b>  | <b>35.9%</b> | <b>5,399</b>  | <b>31.6%</b> | <b>14,079</b>              | <b>39.1%</b>      | <b>73,980</b>  | <b>27.1%</b> | <b>18.3%</b>  |
| その他  | Others             | 124             | -              | -             | -              | -             | -                          | 124            | 124             | -0.3%        | -              | -            | -             | -            | -              | -            | -             | -            | -                          | -                 | 124            | -0.3%        | 0.0%          |
| 合計   | <b>Total</b>       | <b>102,412</b>  | <b>242,225</b> | <b>68,307</b> | <b>106,343</b> | <b>30,124</b> | <b>37,449</b>              | <b>344,637</b> | <b>101,235</b>  | <b>-1.1%</b> | <b>302,080</b> | <b>24.7%</b> | <b>77,181</b> | <b>13.0%</b> | <b>138,096</b> | <b>29.9%</b> | <b>38,371</b> | <b>27.4%</b> | <b>48,430</b>              | <b>29.3%</b>      | <b>403,316</b> | <b>17.0%</b> | <b>100.0%</b> |
| 売上比率                                       | <b>% to Total</b>  | <b>29.7%</b>    | <b>70.3%</b>   | <b>19.8%</b>  | <b>30.9%</b>   | <b>8.7%</b>   | <b>10.9%</b>               | <b>100.0%</b>  | <b>25.1%</b>    |              | <b>74.9%</b>   |              | <b>19.1%</b>  |              | <b>34.2%</b>   |              | <b>9.5%</b>   |              | <b>12.0%</b>               |                   | <b>100.0%</b>  |              |               |

(期中平均為替レート)

(Average Exchange Rates)

(USD1=¥109.81)  
(EUR1=¥130.88)

(USD1=¥134.03)  
(EUR1=¥138.76)

\* 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。

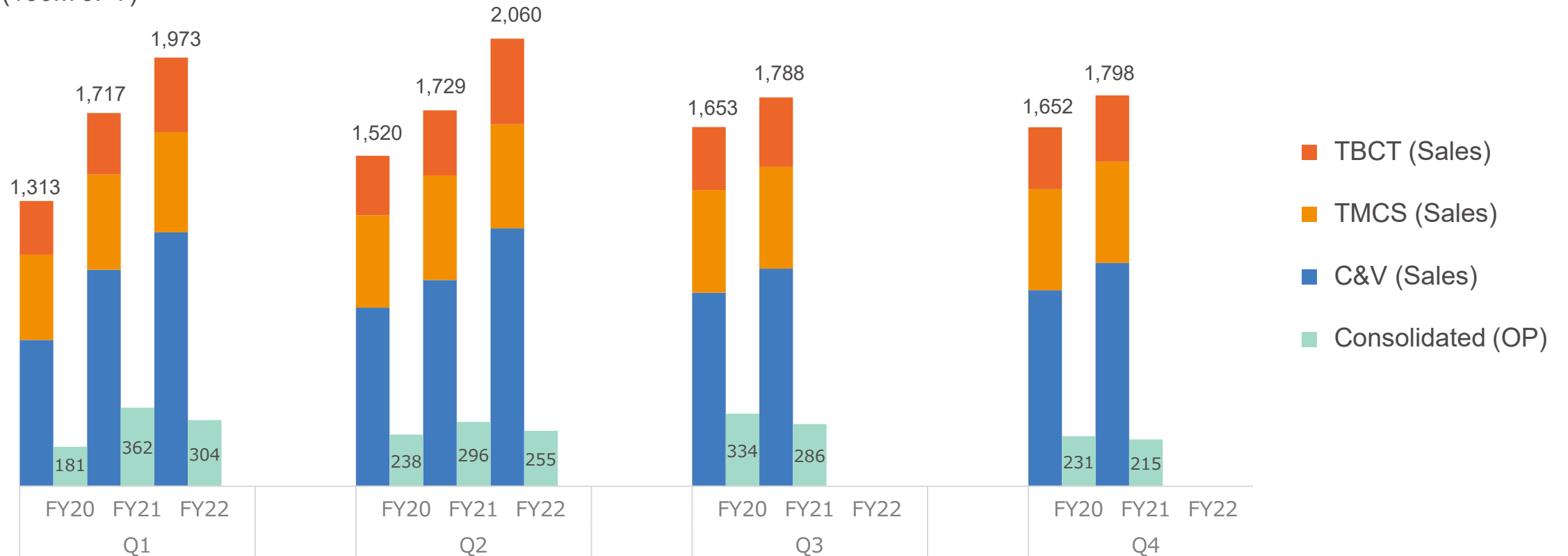
\* Effective fiscal 2022, the segment name of the former "General Hospital Company" has been changed to "Medical Care Solutions Company". As for sub-segments, the former "General Hospital Products" and "Pharmaceutical" have been combined into "Hospital Care Solutions", "DM and Consumer Healthcare" has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

# Quarterly Trend of Revenue and Operating Profit

Revenue: Q2 results were 19% growth YoY, highestever 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<br>(Jul-Sep) | Q3<br>(Oct-Dec) | Q4<br>(Jan-Mar) | FY22 Q1<br>(Apr-Jun) | Q2<br>(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<br>(Jul-Sep) | Q3<br>(Oct-Dec) | Q4<br>(Jan-Mar) | FY22 Q1<br>(Apr-Jun) | Q2<br>(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 |
|--------------------------------|--------------|--------------|------------|--------------------|----------------------------|
| Salaries & Wages               | 498          | 610          | 112        | 22%                | 6%                         |
| Sales Promotion                | 70           | 90           | 20         | 28%                | 16%                        |
| Logistical Costs               | 77           | 91           | 14         | 18%                | 7%                         |
| Depreciation and amortization  | 98           | 115          | 17         | 17%                | 8%                         |
| Others                         | 211          | 265          | 53         | 25%                | 14%                        |
| <b>SG&amp;A Expenses Total</b> | <b>955</b>   | <b>1,171</b> | <b>215</b> | <b>23%</b>         | <b>9%</b>                  |
| (%)                            | (27.7%)      | (29.0%)      |            |                    |                            |

|                         |            |            |           |            |           |
|-------------------------|------------|------------|-----------|------------|-----------|
| <b>R&amp;D Expenses</b> | <b>247</b> | <b>297</b> | <b>50</b> | <b>20%</b> | <b>8%</b> |
| (%)                     | (7.2%)     | (7.4%)     |           |            |           |

|                                |              |              |            |            |           |
|--------------------------------|--------------|--------------|------------|------------|-----------|
| <b>SG&amp;A Expenses Total</b> | <b>1,202</b> | <b>1,468</b> | <b>266</b> | <b>22%</b> | <b>8%</b> |
| (%)                            | (34.9%)      | (36.4%)      |            |            |           |

| FY21 Q2    | FY22 Q2    | + / -      | Change vs. FY21 Q2 |
|------------|------------|------------|--------------------|
| 249        | 312        | 63         | 25%                |
| 40         | 44         | 4          | 10%                |
| 39         | 47         | 8          | 21%                |
| 50         | 59         | 9          | 18%                |
| 112        | 142        | 30         | 27%                |
| <b>490</b> | <b>605</b> | <b>114</b> | <b>23%</b>         |
| (28.4%)    | (29.4%)    |            |                    |

|            |            |           |            |
|------------|------------|-----------|------------|
| <b>130</b> | <b>157</b> | <b>26</b> | <b>20%</b> |
| (7.5%)     | (7.6%)     |           |            |

|            |            |            |            |
|------------|------------|------------|------------|
| <b>621</b> | <b>761</b> | <b>141</b> | <b>23%</b> |
| (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)

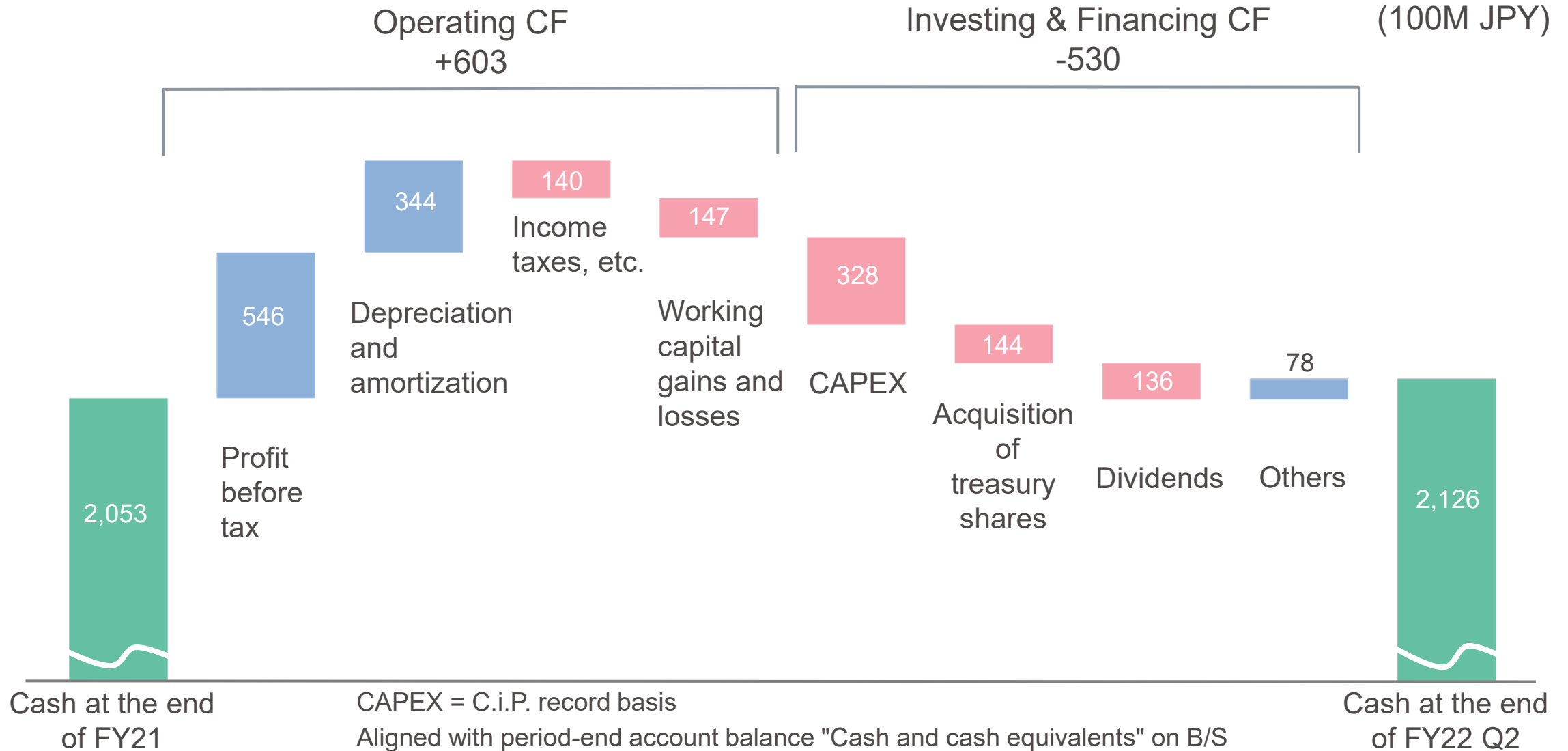
|  | FY19 | FY20 | FY21 | FY22<br>Q2 YTD | FY22<br>Guidance |
|--|------|------|------|----------------|------------------|
| CAPEX  | 895  | 772  | 692  | 328            | 900              |
| Depreciation                                     | 477  | 484  | 532  | 310            | 635              |
| Amortization of<br>acquired intangible<br>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)

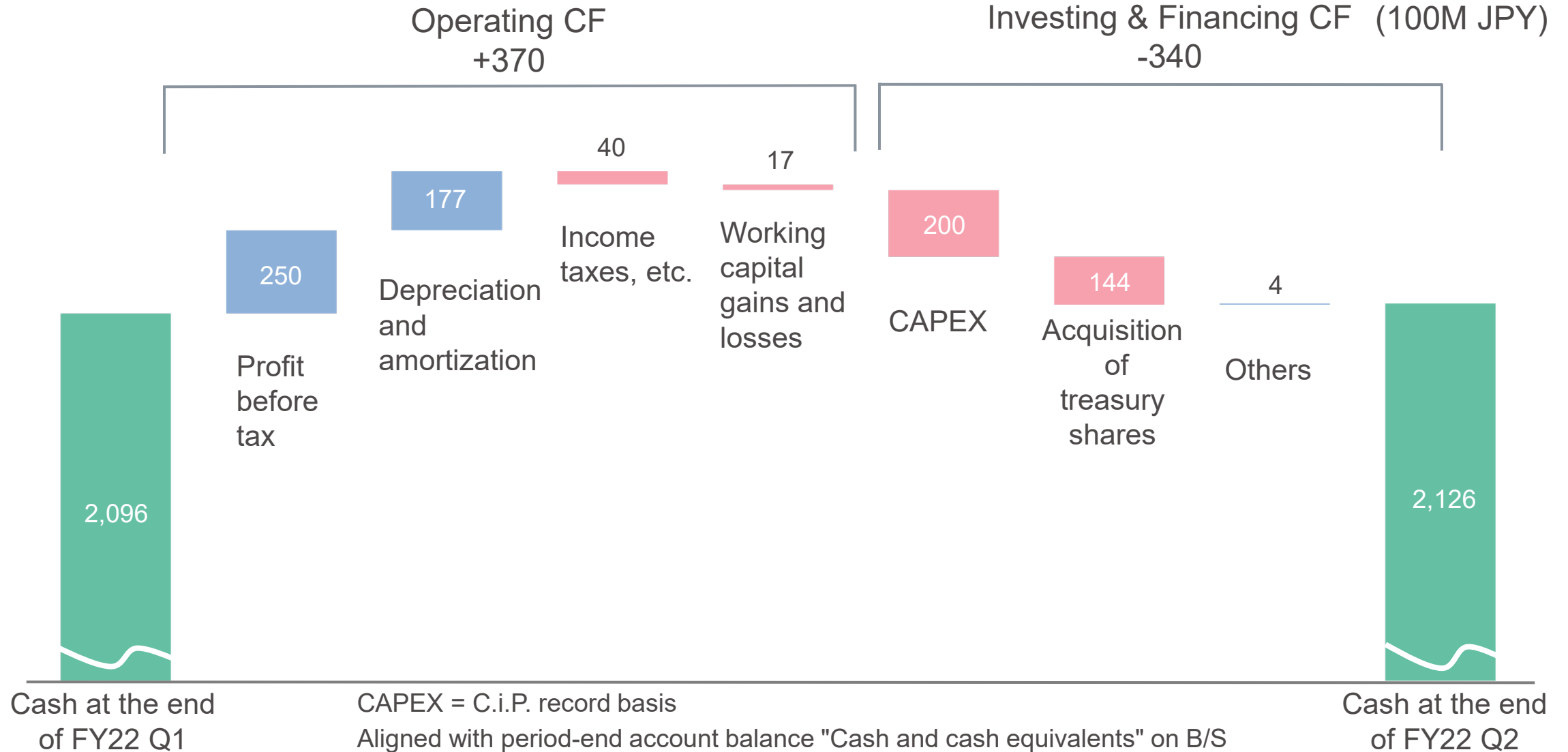
■ FY22 guidance (90 B JPY): Executing appropriately in light of FY22 results

|              | FY19 | FY20 | FY21 | FY22<br>Q2 YTD | FY22<br>Guidance |
|--------------|------|------|------|----------------|------------------|
| R&D Expenses | 506  | 491  | 518  | 297            | 580              |

# Cash flow (Q2 YTD)



# Cash Flows(Q2)



# 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<br>Average rate during<br>period | FY22 Q2 YTD<br>Average rate during<br>period | Variation |
|------------|--|--|-----------|
| 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<br>Average rate during<br>period | FY22 End<br>September | Variation |
|------------|--|-----------------------|-----------|
| 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     |

