

Financial Results for the Fiscal Year Ended March 31, 2024 (FY2023)

May 14, 2024

Jin Hagimoto
Chief Financial Officer
Terumo Corporation



I'm Hagimoto, Terumo's CFO. I would like to present an overview of the year-end financial results for the fiscal year ending March 31, 2024.

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.

Highlights

FY23 Results

- Record highs in revenue, operating profit, and net income
- Revenue growth driven by Americas and Europe, +7% companywide (excluding exchange rate effects)
- Operating profit growth outpaced sales growth, +14% companywide (excluding exchange rate effects)

FY24 Guidance

- Continued global growth, revenue growth +7% (excluding exchange rate effects)
- Operating profit up 16% (excluding exchange rate effects) due to expansion of highly profitable businesses

These are the highlights of this year's financial statement.

In FY23, revenue, operating profit, and net income all reached record highs.

Revenue growth was +7% excluding exchange rate effects, driven by growth in the U.S. and Europe.

Operating profit growth outpaced sales growth, increasing by +14% when excluding exchange rate effects.

Net income surpassed 100 billion yen for the first time to reach 106.4 billion yen.

For FY24, we expect continued growth globally, with revenue growth of +7% excluding exchange rate effects.

Operating profit is expected to increase by +16%, excluding exchange rate effects, due to the expansion of highly profitable businesses.

Next slide, please.

P&L

- Revenue: Record high. TIS, blood center business, Neuro, and Vascular led with double-digit growth
- Operating profit: Record high. Steady progress in profit improvement measures. SG&A expenses increased due to increased headcount to expand sales of therapeutic devices in North America

100M JPY	FY22 Q4 YTD	FY23 Q4 YTD	Change	Change excluding FX impact	FY22 Q4	FY23 Q4	Change
Revenue	8,202	9,219	12%	7%	2,022	2,389	18%
Gross Profit (%)	4,174 (50.9%)	4,792 (52.0%)	15%	9%	990 (49.0%)	1,243 (52.0%)	26%
SG&A Expenses (%)	2,383 (29.1%)	2,759 (29.9%)	16%	10%	597 (29.5%)	737 (30.9%)	23%
R&D Expenses (%)	616 (7.5%)	691 (7.5%)	12%	8%	160 (7.9%)	199 (8.3%)	25%
Other Income and Expenses	-2	59	-	-	5	39	651%
Operating Profit (%)	1,173 (14.3%)	1,401 (15.2%)	19%	14%	238 (11.8%)	346 (14.5%)	45%
Adjusted Operating Profit (%)	1,380 (16.8%)	1,568 (17.0%)	14%	8%	284 (14.1%)	371 (15.5%)	30%
Profit before Tax (%)	1,161 (14.2%)	1,408 (15.3%)	21%		240 (11.9%)	351 (14.7%)	46%
Profit for the Year (%)	893 (10.9%)	1,064 (11.5%)	19%		191 (9.5%)	265 (11.1%)	38%

Average exchange rate (USD/EUR) 135JPY/141JPY 145JPY/157JPY

132JPY/142JPY 149JPY/161JPY

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These are our P&L results.

Sales revenue for the full year exceeded 920 billion yen, a record high. Cardiac & Vascular's TIS, neuro and vascular, as well as the Blood and Cell Technologies blood center business led with double-digit growth.

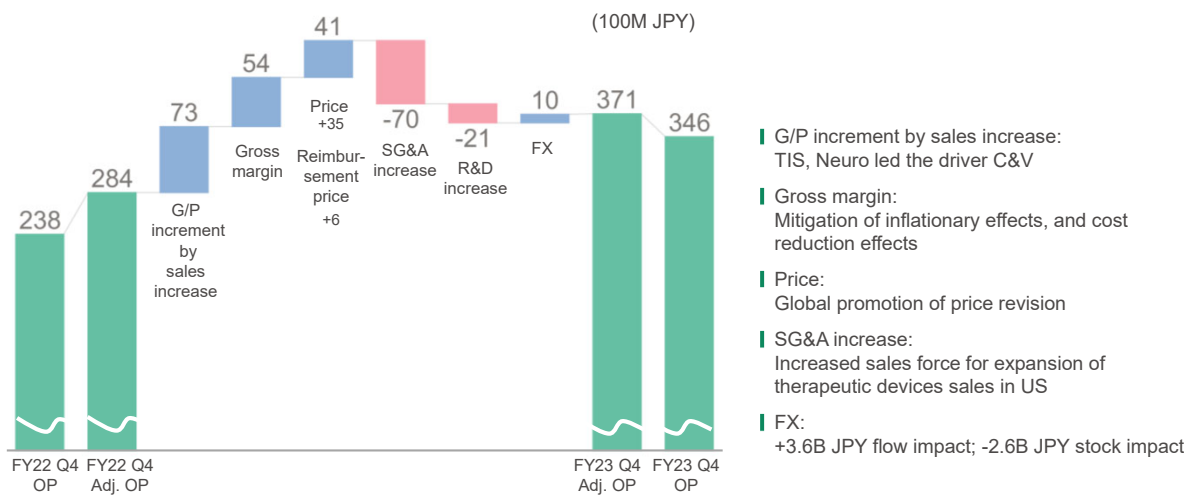
Operating profit also reached a record high of 140.1 billion yen.

The increase in SG&A expenses due to an increase in employee headcount to expand therapeutic devices sales in North America was more than offset by the steady progress of profit improvement measures and the revision of pricing policy.

Net income for the year reached a record high of 106.4 billion yen.

Gross margin, operating profit margin, and adjusted operating profit margin for the full year all improved from the previous year. Next slide, please.

OP Variance Analysis (Q4): Profitability improvements as planned



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This is an analysis of the year-on-year change in for the three months of Q4.

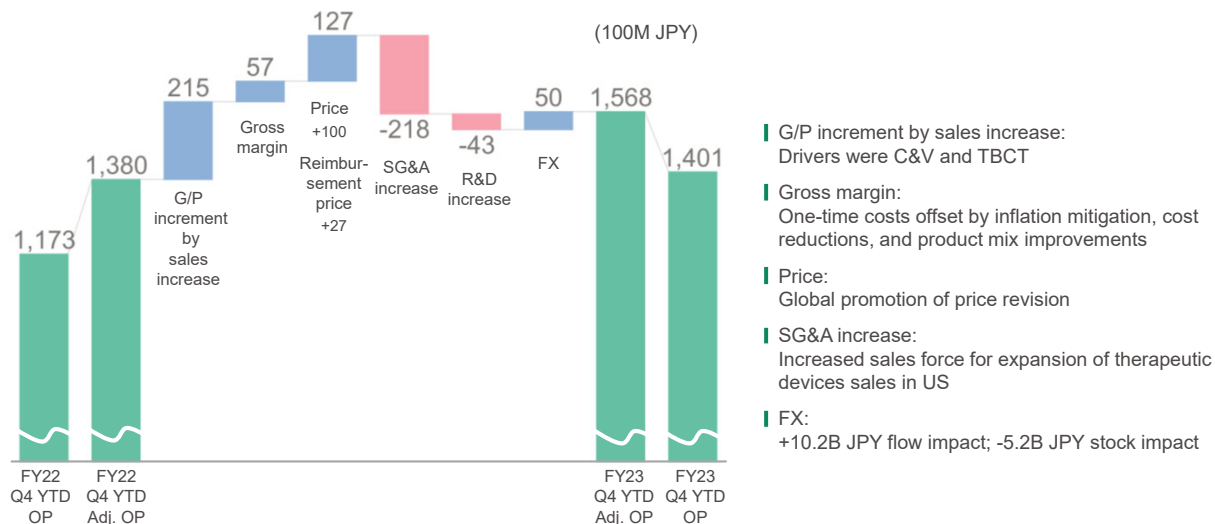
First, the gross margin effect was due to the absence of one-time expenses in the current quarter that were recorded in the same quarter of the previous year, as well as the continued easing of inflation and the effects of cost-cutting measures that continued in Q3.

In pricing, the effect of the pricing policy review, which was expanded in the second half of the year, is being felt.

The increase in SG&A expenses is mainly due to the increase in employee headcount to expand sales of therapeutic devices such as neuro and stent grafts in North America.

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OP Variance Analysis (Q4 YTD): As planned in all areas



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This is an analysis of change in profit for the full year.

Gross profit growth due to higher sales exceeded our expectations as a result of strong performance in Cardiac & Vascular and Blood and Cell Technologies.

The gross profit margin effect was in line with the original plan due to the progress of profit improvement measures and the effect of product mix improvement, as well as cost reduction measures and easing inflation.

Turning to increased SG&A expenses, we have increased employee headcount to expand sales of therapeutic devices in North America, which has led to sales growth.

The breakdown of "foreign exchange effects" was +10.2 billion yen in flow, and -5.2 billion yen in stock.

Next slide, please.

Revenue by Region: Therapeutic devices strong in Americas, Europe: Asia drove high growth rate

C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies, TIS: Interventional Systems, Neuro: Neurovascular, CV: Cardiovascular

FY23 Q4 YTD Regional breakdown	Revenue (100M JPY)		FY23 Q4 YTD YoY change () FX Neutral	Comments
	Q4 YTD	Q4		
Americas 36%	FY21	592	14% (8%)	C&V's Neuro /Vascular, TBCT's blood center business grew double digits even when excluding exchange rate effects
	FY22	742		
	FY23	898		
Japan 23%	FY21	511	2%	All companies grew. Vascular performed favorably at C&V, PS at TMCS, and the blood center business at TBCT
	FY22	503		
	FY23	524		
Europe 21%	FY21	364	20% (8%)	Double-digit growth in Neuro /Vascular in C&V, even when excluding exchange rate effects; sustained growth in the TBCT blood center business
	FY22	414		
	FY23	525		
China 9%	FY21	147	10% (8%)	All companies grew. C&V was led by double-digit growth in TIS. TBCT's blood center business and TMCS also performed well, with double-digit growth
	FY22	153		
	FY23	194		
Asia and Others 12%	FY21	184	19% (13%)	All companies continued to grow. Double-digit growth in TIS, CV, blood center business, and apheresis therapy, even when excluding exchange rate fluctuations
	FY22	209		
	FY23	249		

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This is revenue by region. Overseas sales drove growth, particularly in the Americas and Europe.

In the Americas, sales grew 8% excluding exchange rate effects due to strong sales of therapeutic devices such as neuro and vascular-related products and double-digit growth in the blood center business.

In Japan, despite negative factors such as a decrease in sales due to the divestiture of the nutrition business and a drop in demand for thermometers, sales were higher than in the previous year, driven by sales in the fields of Cardiac & Vascular and Blood and Cell Technologies.

In Europe, growth was +8% excluding exchange rate effects as a result of continued strong sales of therapeutic devices such as neuro and stent grafts.

In China, while there was some impact from restrained purchasing by distributors as access products were subject to VBP. TIS maintained double-digit growth even when excluding exchange rate effects. The new prices will not begin to apply until FY24.

Emerging economies such as Asia and the Middle East led the way in terms of growth. Growth continued in all companies, particularly in the Cardiac & Vascular's TIS and Cardiovascular businesses and in Blood and Cell Technologies' blood center business and apheresis therapy. Next slide, please.

C&V: Continued global demand, driven by double-digit growth in Vascular and Neuro

(C&V: Cardiac and Vascular, TIS: Interventional Systems)

(100M JPY)

	Q4 YTD			Q4			Comments	Q4 YTD YoY
Revenue	FY21 FY22 FY23			FY21 FY22 FY23			TIS: Access and therapeutic demand expanded globally. Volume-based procurement (VBP) in China caused distributors to hold off from buying; however double-digit growth continued Neuro-vascular: Stroke device market share recovered in US and Europe. China decreased due to return to normal after FY22 initial inventory buildup by new distributors; demand remains steady Cardio-vascular: Japan hardware demand returned to normal, but US and Asia sales stayed strong	+451 +122
	3,971	4,806	5,557 () FX Neutral	1,027	1,217	1,480		
Adjusted Operating Profit	FY21 FY22 FY23			FY21 FY22 FY23			Vascular Graft: US and Europe were drivers. Hybrid product and stent graft sales expansion continued Profit: Increased sales and profitability improvement. SG&A increased due to sales force expansion for growth of therapeutic devices sales in US	+76 +102
	932	1,122	1,239	209	286	319		
Profit%	23%	23%	22%	20%	23%	22%		

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I will next review business performance by company. First is the Cardiac & Vascular Company.

Excluding exchange rate effects, revenue grew 9%, exceeding the full-year forecast.

Its Vascular and neuro businesses performed well globally, particularly in the Americas and Europe.

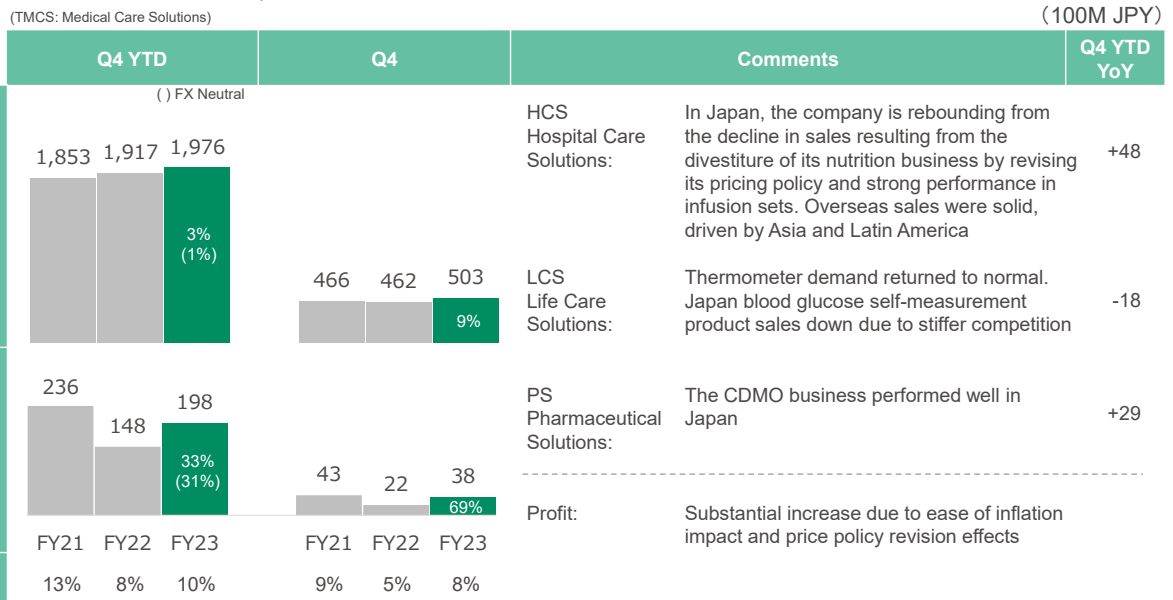
Although there have been supply issues with some access products as well as the Neuro businesses' stroke device, we are steadily recovering market share.

Vascular also continues to expand sales of hybrid products and stent grafts.

Profits increased due to higher revenues and progress with profit-improvement measures.

Next slide, please.

TMCS: Increased revenue and profit despite impact of Nutrition business divestiture, return to normal of thermometers



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Next is TMCS, Terumo Medical Care Solutions.

Negative factors such as a decrease in sales due to the sale of the nutrition business and a lull in demand for thermometers were offset by the effects of revised pricing policies and the easing of inflation, resulting in an increase in sales and a significant increase in profit.

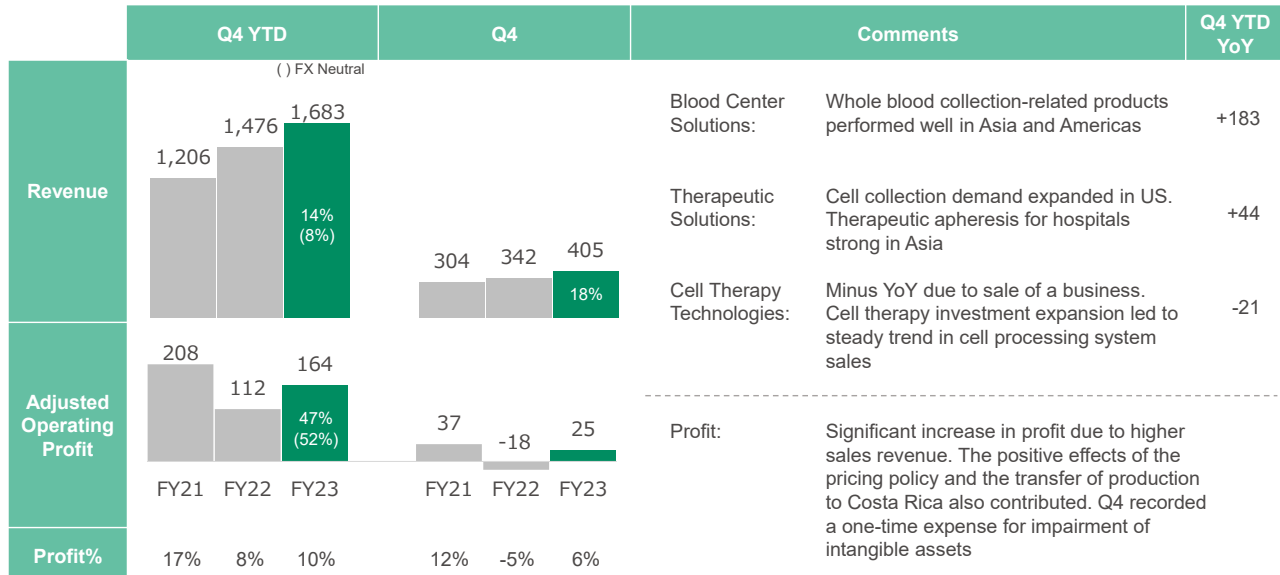
Pharmaceutical Solutions is also progressing according to plan, and the profit margin for TMCS as a whole improved by 2 percentage points.

Next slide, please.

TBCT: Strong blood center business drove large profit increase

(TBCT: Blood and Cell Technologies)

(100M JPY)



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Next is TBCT, Blood and Cell Technologies.

Excluding exchange rate fluctuations, net sales increased by 8% due to the strong performance of existing businesses, especially the Blood Centers business.

Profit increased significantly as the effects of the revised pricing policy and the transfer of production to Costa Rica offset the one-time intangible asset impairment charge recorded in Q4. The profit margin also improved by 2 percentage points.

Both sales revenue and profit exceeded full-year forecasts.

Next slide, please.

FY24 Guidance

- Revenue: Continued growth led by Blood & Cell Technologies, +7% growth (excluding exchange rate effects)
- Operating profit: Double-digit growth due to expanded sales of high-profit products and further strengthening of profitability improvement measures

Amount (100 M JPY)	FY23 Actual	FY24 Guidance	YoY%	FX Neutral YoY%
Revenue	9,219	9,800	6%	7%
Operating Profit (OP %)	1,401 (15.2%)	1,650 (16.8%)	18%	16%
Adjusted Operating Profit (Adj. OP %)	1,568 (17.0%)	1,850 (18.9%)	18%	16%
Profit for the Year	1,064	1,220	15%	
ROIC	7.1%	7.6%		
ROE	8.7%	8.9%		

Exchange Rate (USD/EUR)

145JPY/157JPY

145JPY/155JPY

() FX Neutral

FY24 by Company (100 M JPY)	Revenue		Adjusted Operating Profit		Adjusted Operating Profit %
	Amount	YoY%	Amount	YoY%	
C&V	5,818	5% (5%)	1,415	14%	24%
TMCS	2,100	6% (6%)	235	19%	11%
TBCT	1,880	12% (12%)	235	43%	12%

(C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies)

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Next is the forecast for FY24.

Revenue growth is expected to continue across the company, particularly in Blood & Cell Technologies, with a forecast of +7% across the company excluding the exchange rate effects.

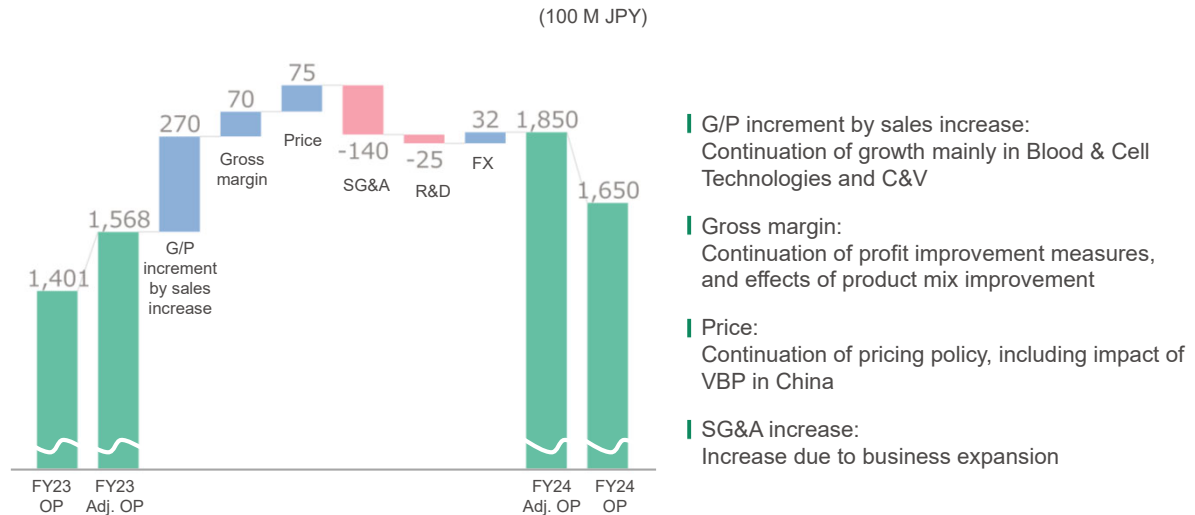
Operating profit is expected to grow +16% excluding exchange rate effects, significantly outpacing sales growth.

We aim to improve our operating margin by 1.6 percentage points, to 16.8%, by focusing on company-wide measures to improve profitability while steadily increasing the number of each company's high-profit growth drivers.

We will continue our efforts to improve capital efficiency.

Next slide, please.

Profit Variance Analysis (FY24 Guidance)



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These are factors affecting profit in the FY24 forecast.

Under "Increase in gross profit due to sales growth," we expect an increase in sales at all companies, led by the Cardiac & Vascular company.

Gross margin effect includes the effect of cost reduction measures and business mix improvement, as well as the impact of inflation.

Among cost reduction measures, we will continue to optimize and improve the efficiency of our production system, and we will promote projects to further improve efficiency at the Ashitaka Plant, which serves as the backbone of TIS.

Although we are making some conservative assumptions, such as high raw material prices and high electricity costs, inflation is expected to be almost flat for the full year versus FY23.

In terms of prices, we have conservatively factored in the impact of lower sales and profits from VBP in China, but we expect this to be offset by further revisions to pricing policies in existing businesses, in addition to the positive impact of price increases implemented in FY23, the effects of which will be felt in FY24.

SG&A expenses are expected to increase at a healthy rate in line with business expansion. At the same time, we will review head office expenses by promoting a company-wide cross-functional cost optimization project for support functions.

Next slide, please.

Assumptions Underlying FY24 Guidance

(C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies)



- Despite the impact of volume-based procurement (VBP) in China and official price revisions in Japan, this is expected to be covered by all businesses, and sales are expected to grow
- Profitability improving due to **continued profit improvement measures** and **the effect of improved product mixes**



- Despite assumptions of raw material cost increases, 6% sales growth is expected due to **price actions** and **double-digit growths in the Pharmaceutical Solutions business**
- Impacts on performance from the first overseas CDMO project (to be closed soon) and the Antibody for Alzheimer's disease are limited.



- Assumes **acceleration of plasma innovation business rollout** and **stable growth in core business**
- **Profitability improvement** of 2 percentage points total

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These are the assumptions we are making for the FY24 guidance, by company.

At Cardiac & Vascular, the impact of the decrease in sales and profit due to VBP in China and the official price revision in Japan has already been factored into the planned figures. However, this negative impact will be covered by all businesses, and sales are expected to grow for the Company as a whole. Profits are expected to grow faster than sales growth due to continued profit improvement measures and the effects of product mix improvements.

For TMCS, while we expect raw material price increases, we will bounce back from these as a result of price revisions and double-digit growth in the Pharmaceutical Solutions business, and expected to achieve +6% sales growth and further improvement in profit margins.

The first overseas CDMO project and Alzheimer's drug, both of which are slated for this fiscal year, are expected to have limited impact on FY24 results.

TBCT's losses in the Plasma Innovation business will narrow due to the accelerated rollout of Rika.

For the core business, we expect stable growth continuing on from FY23.

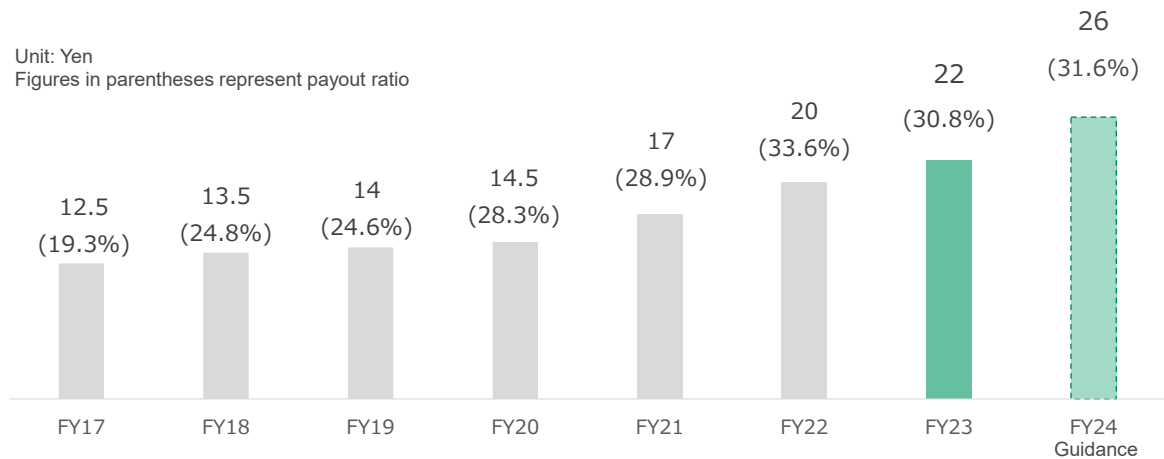
As a result, the Company as a whole expects to improve its profit margin by 2 percentage points.

Next slide, please.

Dividend Proposal: Continuous increase per shareholder return policy

Shareholder return policy: Continue stable increase in dividend, aiming for 50% total payout ratio

Unit: Yen
Figures in parentheses represent payout ratio



FY17-FY23: Dividend amounts per share are adjusted based on the number of shares issued and outstanding as of 1st April 2024.

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This is the last slide.

The Company executed a 2-for-1 stock split of its common stock in April 2019 and again in April 2024. The graphs and figures on this page reflect these stock splits.

Our dividend policy will remain unchanged, and stable dividend increases will be implemented.

The annual dividend for FY23 is expected to be 22 yen per share, with a payout ratio of 30.8%.

For FY24, we expect to increase the dividend by 4 yen, to 26 yen per share, achieving a payout ratio of 31.6%.

Together with ongoing annual dividend increases, we aim to achieve a total return ratio of 50%.

This concludes my explanation. Thanks for listening.

Reference

Revenue by Segment and Region

2023年度 セグメント別売上収益

Revenue by Segment for FY2023

(百万円 / millions of yen)

		FY2023						FY2022						増減率 % to 2022									
		米州 America	欧州 Europe	中国 China	アジア その他 Asia and other	海外 Oceania	日本 JPN	合計 Total	米州 America	欧州 Europe	中国 China	アジア その他 Asia and other	海外 Oceania		日本 JPN	合計 Total							
心臓血管 カンパニー	TIS	216,869	72,477	49,389	14,678	287,108	319,396	222,083	11.7%	86,113	11.8%	49,684	11.8%	49,861	11.4%	133,182	11.4%	33,286	2.1%	264,488	14.1%	18.2%	
	ニューロバスキュラー	86,018	11,782	11,282	4,086	65,288	5,827	70,915	36,369	21.7%	24,074	28.3%	11,004	-1.2%	5,767	17.7%	77,413	18.6%	5,740	2.0%	83,153	17.3%	8.0%
	カーディオバスキュラー	28,189	6,722	2,189	6,783	44,081	10,404	54,489	32,873	11.1%	7,840	18.8%	2,718	10.7%	8,679	27.8%	53,914	17.8%	10,184	-2.0%	62,108	14.0%	6.7%
	血管	11,179	11,912	1,411	1,111	11,227	3,580	18,307	17,337	18.1%	20,879	20.0%	1,374	-2.8%	2,022	11.2%	41,544	28.9%	4,441	24.1%	48,985	18.4%	3.0%
Cardiac and Vascular Company		207,867	112,869	58,994	47,876	426,708	61,900	480,610	242,864	10.1%	118,427	11.4%	64,902	10.0%	56,828	10.8%	502,054	17.1%	53,662	6.4%	558,716	11.6%	60.0%
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	10,212	2,871	1,979	16,137	31,261	68,533	129,794	11,719	14.0%	2,787	4.7%	2,212	8.9%	17,820	8.6%	34,554	10.7%	99,987	2.1%	134,541	8.7%	14.4%
	ライフケアソリューション	-	792	1,141	1,119	3,111	21,411	24,726	19	-	784	-1.0%	1,243	7.0%	1,856	12.3%	3,371	8.1%	18,510	-0.3%	22,830	-7.3%	2.3%
	ファーマシューティカルソリューション	2,847	1,846	816	1,701	11,872	23,151	37,220	2,100	-10.0%	8,842	12.1%	710	88.1%	2,224	100.0%	14,988	0.0%	15,008	7.1%	40,006	7.1%	4.1%
Medical Care Solutions Company		13,194	12,284	3,527	19,230	48,247	143,502	191,749	13,838	11.0%	13,524	9.9%	4,099	16.0%	21,440	11.0%	52,913	9.7%	144,656	0.1%	197,569	1.0%	21.4%
血液・細胞 テクノロジー カンパニー	血液センター	46,868	21,916	7,770	21,384	68,217	11,061	109,242	48,280	17.9%	10,241	16.7%	1,781	11.0%	18,472	10.7%	111,808	17.9%	11,884	7.1%	127,412	16.9%	13.1%
	アブレスシブ治療	17,113	6,870	1,131	1,319	28,181	591	29,177	18,094	8.2%	1,010	17.0%	1,110	11.7%	4,683	44.7%	32,939	11.2%	686	11.3%	33,626	11.2%	3.6%
	細胞治療	7,110	1,020	289	161	9,027	137	9,166	3,179	-18.1%	1,133	19.9%	126	-17.9%	192	6.7%	7,026	-12.2%	63	-14.7%	7,089	-12.0%	0.8%
Blood and Cell Technologies Company		65,411	31,244	9,422	27,822	105,866	11,738	147,605	72,359	10.1%	19,546	16.8%	18,470	10.8%	31,548	14.1%	155,774	14.1%	12,553	4.0%	168,328	14.0%	18.1%
その他		-	-	-	-	-	248	248	-	-	-	-	-	-	-	-	-	-	248	2.1%	248	2.1%	0.0%
合計		286,589	149,097	78,948	94,779	612,827	207,188	820,209	327,982	10.4%	191,490	10.7%	79,412	10.4%	111,847	10.8%	710,742	10.0%	211,121	1.0%	921,863	11.4%	100.0%
売上比率		84.9%	19.3%	8.8%	11.1%	74.7%	28.2%	100.0%	33.8%	20.8%	8.8%	12.1%	17.1%	22.9%	100.0%								

(百万円未満を四捨五入)

(Average Exchange Rates)

(USD: ¥136.500)
(EUR: ¥141.990)

(USD: ¥144.500)
(EUR: ¥156.710)

2024年度見通し

Guidance for FY2024

	FY2024		増減率 % to 2023
	合計 Total	売上 Sales	
心臓血管カンパニー	531,800	4.7%	10.4%
メディカルケアソリューションズカンパニー	210,000	8.3%	11.4%
血液・細胞テクノロジーカンパニー	183,000	11.7%	19.2%
その他	200	-19.7%	0.0%
合計	980,000	6.3%	100.0%

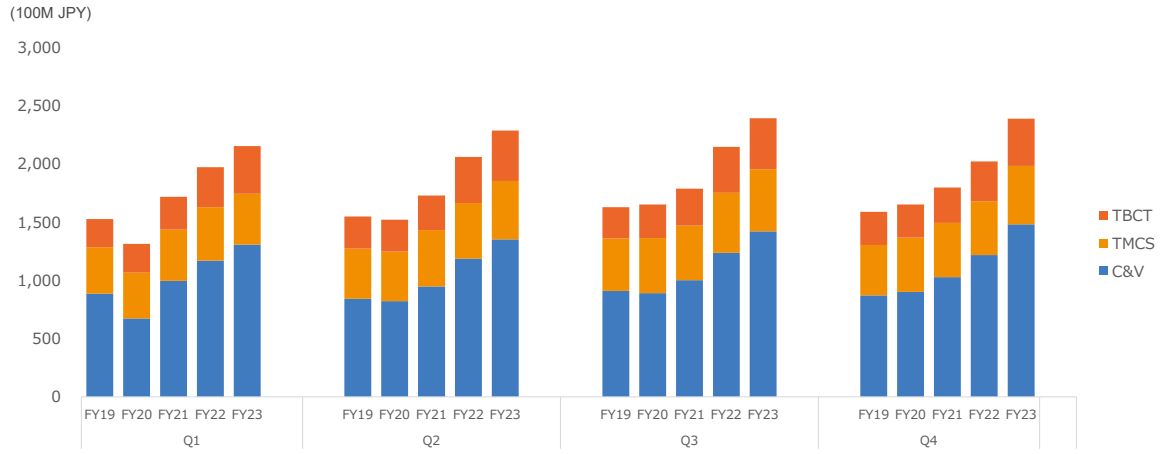
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(Average Exchange Rates)

(USD: ¥141.000)
(EUR: ¥147.000)

Quarterly Revenue Trend

FY23 Q4: +18% vs. FY22 Q4 -0% vs. FY23 Q3



P&L (QoQ)

(100M JPY)

		FY22 Q4 (Jan-Mar)	FY23 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
Revenue		2,022	2,153	2,286	2,391	2,389
Gross Profit		990 (49.0%)	1,098 (51.0%)	1,185 (51.8%)	1,266 (52.9%)	1,243 (52.0%)
SG&A Expenses		597 (29.5%)	651 (30.2%)	664 (29.0%)	707 (29.6%)	737 (30.9%)
R&D Expenses		160 (7.9%)	154 (7.2%)	164 (7.2%)	173 (7.3%)	199 (8.3%)
Other Income and Expenses		5	3	12	5	39
Operating Profit		238 (11.8%)	296 (13.8%)	368 (16.1%)	390 (16.3%)	346 (14.5%)
Adjusted Operating Profit		284 (14.1%)	345 (16.0%)	411 (18.0%)	441 (18.5%)	371 (15.5%)
Quarterly	USD	132JPY	137JPY	145JPY	148JPY	149JPY
Average Rate	EUR	142JPY	150JPY	157JPY	159JPY	161JPY

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SG&A (QoQ)

(100M JPY)

	FY22 Q4 (Jan-Mar)	FY23 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	
Salaries & Wages	307	336	349	371	373	
Sales Promotion	45	49	44	54	54	
Logistical Costs	44	47	46	49	51	
Depreciation and Amortization	58	58	61	65	66	
Others	143	161	164	168	192	
SG&A Expenses (%)	597 (29.5%)	651 (30.2%)	664 (29.0%)	707 (29.6%)	737 (30.9%)	
R&D Expenses (%)	160 (7.9%)	154 (7.2%)	164 (7.2%)	173 (7.3%)	199 (8.3%)	
Total (%)	757 (37.4%)	805 (37.4%)	828 (36.2%)	881 (36.8%)	937 (39.2%)	
Quarterly Average Rate	USD	132JPY	137JPY	145JPY	148JPY	149JPY
	EUR	142JPY	150JPY	157JPY	159JPY	161JPY

SG&A (YoY)

(100M JPY)

	FY22 Q4 YTD	FY23 Q4 YTD	YoY	YoY%	YoY% excluding FX impact	FY22 Q4	FY23 Q4	YoY	YoY%
Salaries & Wages	1,233	1,429	197	16%	9%	307	373	66	22%
Sales Promotion	187	201	14	8%	3%	45	54	9	21%
Logistical Costs	184	193	9	5%	-0%	44	51	7	16%
Depreciation and Amortization	234	250	16	7%	3%	58	66	8	13%
Others	545	685	140	26%	20%	143	192	49	34%
SG&A Expenses	2,383	2,759	376	16%	10%	597	737	140	23%
(%)	(29.1%)	(29.9%)				(29.5%)	(30.9%)		
R&D Expenses	616	691	74	12%	8%	160	199	39	25%
(%)	(7.5%)	(7.5%)				(7.9%)	(7.3%)		
Total	2,999	3,450	451	15%	9%	757	937	179	24%
(%)	(36.6%)	(37.4%)				(37.4%)	(39.2%)		

Adjusted Operating Profit: Adjustment Items

(100M JPY)

	FY22 Q4 YTD	FY23 Q4 YTD	FY22 Q4	FY23 Q4
Adjusted Operating Profit	1,380	1,568	284	371
Adjustment 1. Amortization of acquired intangible assets	-188	-200	-44	-54
Adjustment 2. Non-recurring profit or loss	-19	33	-2	29
Operating Profit	1,173	1,401	238	346

<General examples of adjustment items>

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

Adjustment 2. Non-recurring profit or loss	FY22 Q4 YTD	FY23 Q4 YTD
Restructuring loss	-25	-23
Goodwill amortization related to sale of part of cell processing business	-36	-
Profit from sale of nutrition business	39	-
Profit from sale of Olympus Terumo Biomaterials stock	-	13
Litigation-related gains (losses)	-	34
Others	4	10

CAPEX, Depreciation and Amortization, R&D Expenses

(100M JPY)

	FY20	FY21	FY22	FY23	FY24 Guidance
CAPEX	772	692	758	784	930
Depreciation and Amortization	484	532	635	702	770
Amortization of acquired intangible assets	146	161	188	200	200
Others	338	371	447	502	570

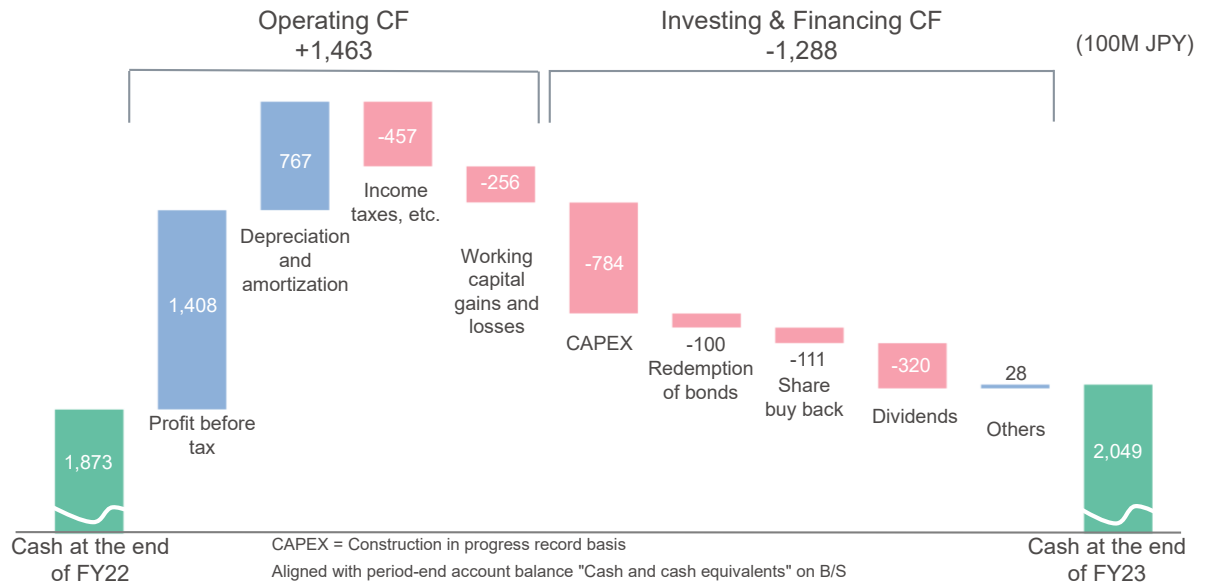
CAPEX = Construction in progress record basis, lease depreciation (IFRS16) is not included in Depreciation

| FY23 CAPEX (78.4B JPY): Mainly TIS, Neurovascular, and Pharmaceutical Solutions, continued investment in IT, including increased production facilities for Blood and Cell Technologies Company, raw material plasma collection, R&D investment, and core system (SAP); construction of a new building in the Kofu Plant to strengthen the production system for CDMO (contracted development and manufacturing) and other services

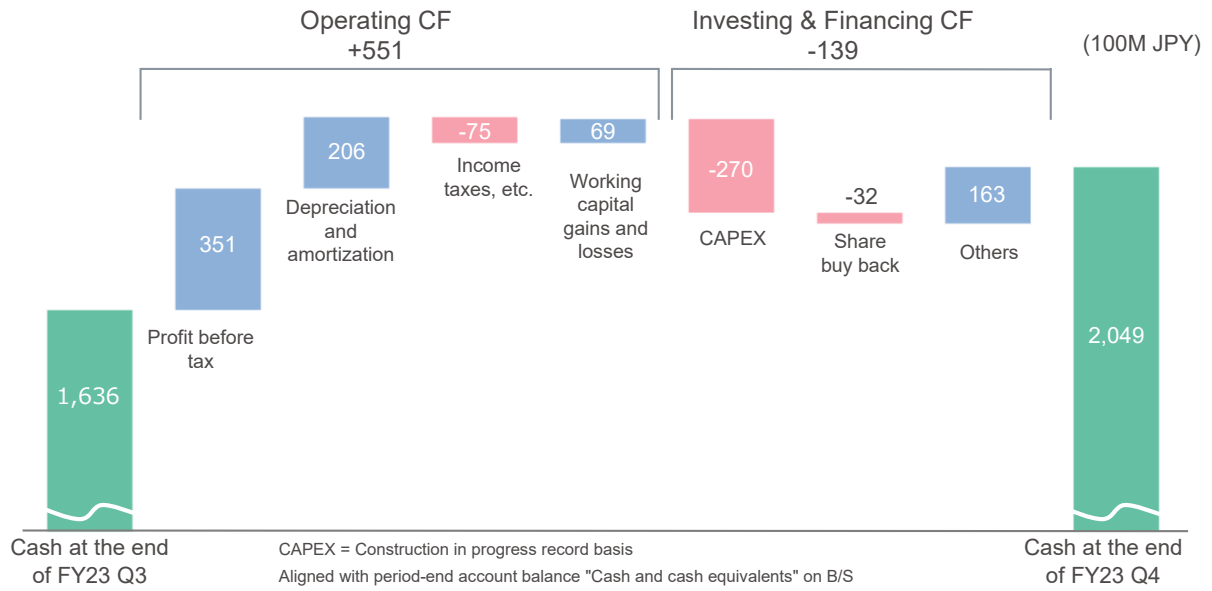
| FY24 CAPEX (93.0B JPY): Including the projects mentioned above, investments are planned for production capacity expansion and new growth drivers.

	FY20	FY21	FY22	FY23	FY24 Guidance
R&D Expenses	491	518	616	691	715

Cash Flows (Q4 YTD)



Cash Flows (Q4)



FY23 Q4 YTD FX Impact Breakdown (Flow and Stock)

FX impact vs. FY22 Q4 YTD +5.0B JPY

Flow +10.2B JPY: USD and EUR appreciation positive impact

Rate (JPY)	FY22 Q4 YTD Average Rate	FY23 Q4 YTD Average Rate	Variation
USD	135	145	10
EUR	141	157	16
CNY	19.7	20.1	0.4

Stock -5.2B JPY: FX impact from elimination of unrealized profit on inventory assets

Rate (JPY)	FY22 End of March	FY23 End of March	Variation
USD	134	151	17
EUR	146	163	17

Foreign Exchange Sensitivity

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

	USD	EUR	CNY
Revenue	22	11	39
Adjusted Operating Profit	0	5	23

Impact of 1 JPY depreciation (Stock)

	USD	EUR	CNY
Adjusted Operating Profit	-2.5	-0.6	-2.0

