

Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2025 (FY2024)

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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

■ Revenue

- | Highest ever result for the first half
- | Demand continued across all companies, which together with foreign exchange contributed to company-wide growth of +15%

■ Profit

- | Operating profit, adjusted operating profit, and profit for the period all reached record highs for the first half
- | Growth significantly outpaced that of sales due to appropriate cost control measures

■ Upward revision of FY24 Guidance

- | Reflects strong performance and changes in foreign exchange assumptions
- | Expects to reach record highs in both revenue and profits

P&L, FCF

- Revenue: Global demand remained strong, even when including one-time factors. Driven by TIS and blood center business
- Operating Profit: Improved profit margins through increased sales, pricing measures, and appropriate cost control

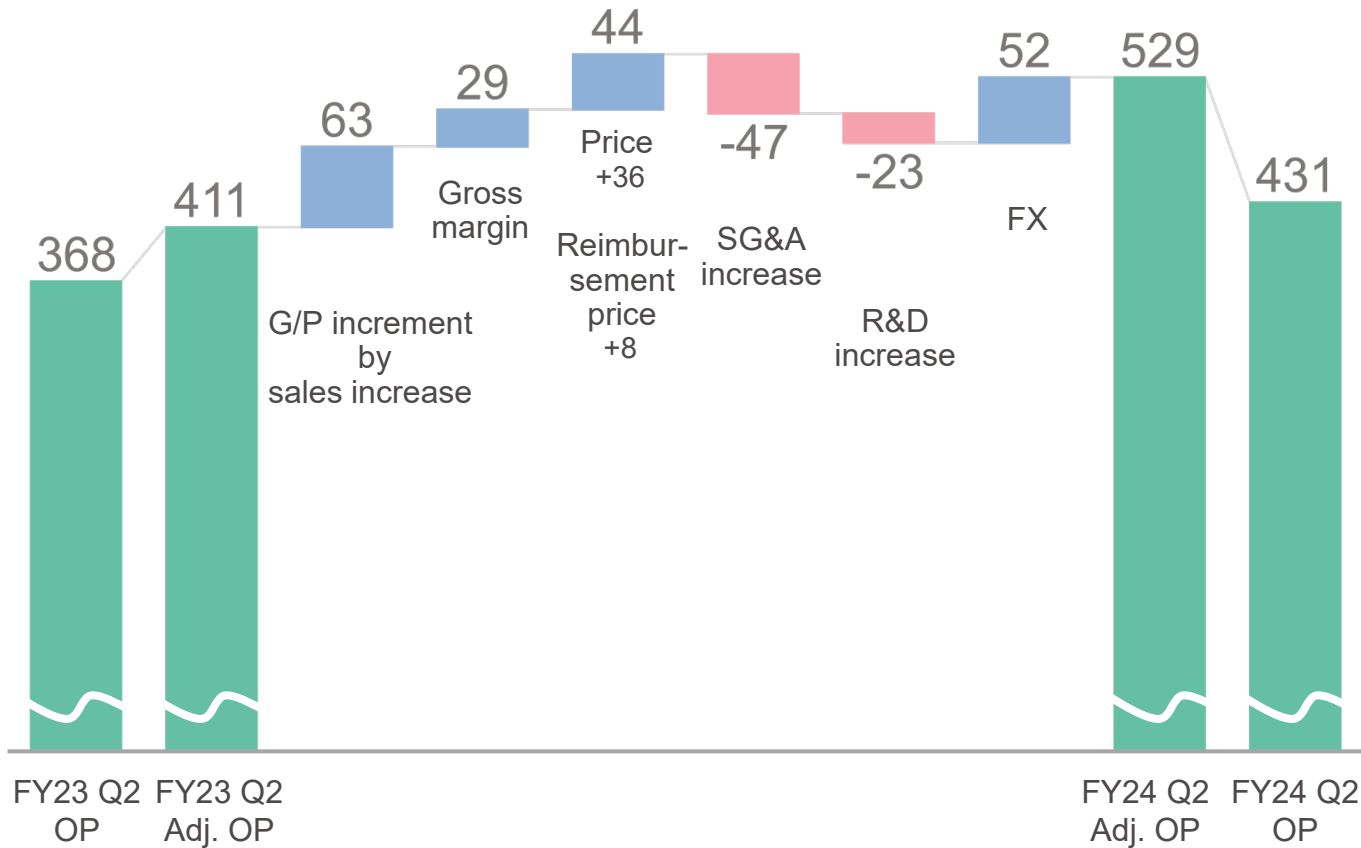
100M JPY	FY23 Q2 YTD	FY24 Q2 YTD	Change	Change excluding FX impact	FY23 Q2	FY24 Q2	Change
Revenue	4,439	5,087	15%	8%	2,286	2,505	10%
Gross Profit (%)	2,283 (51.4%)	2,770 (54.5%)	21%	12%	1,185 (51.8%)	1,395 (55.7%)	18%
SG&A Expenses (%)	1,315 (29.6%)	1,480 (29.1%)	13%	6%	664 (29.0%)	732 (29.2%)	10%
R&D Expenses (%)	318 (7.2%)	368 (7.2%)	16%	10%	164 (7.2%)	194 (7.7%)	18%
Other Income and Expenses	15	-46	-	-	12	-38	-
Operating Profit (%)	665 (15.0%)	877 (17.2%)	32%	15%	368 (16.1%)	431 (17.2%)	17%
Adjusted Operating Profit (%)	756 (17.0%)	1,040 (20.4%)	38%	22%	411 (18.0%)	529 (21.1%)	29%
Profit before Tax (%)	664 (15.0%)	851 (16.7%)	28%		366 (16.0%)	395 (15.8%)	8%
Profit for the Year (%)	501 (11.3%)	632 (12.4%)	26%		275 (12.0%)	293 (11.7%)	7%
FCF	175	621	255%				

Average exchange rate (USD/EUR) 141JPY/153JPY 153JPY/166JPY

145JPY/157JPY 149JPY/164JPY

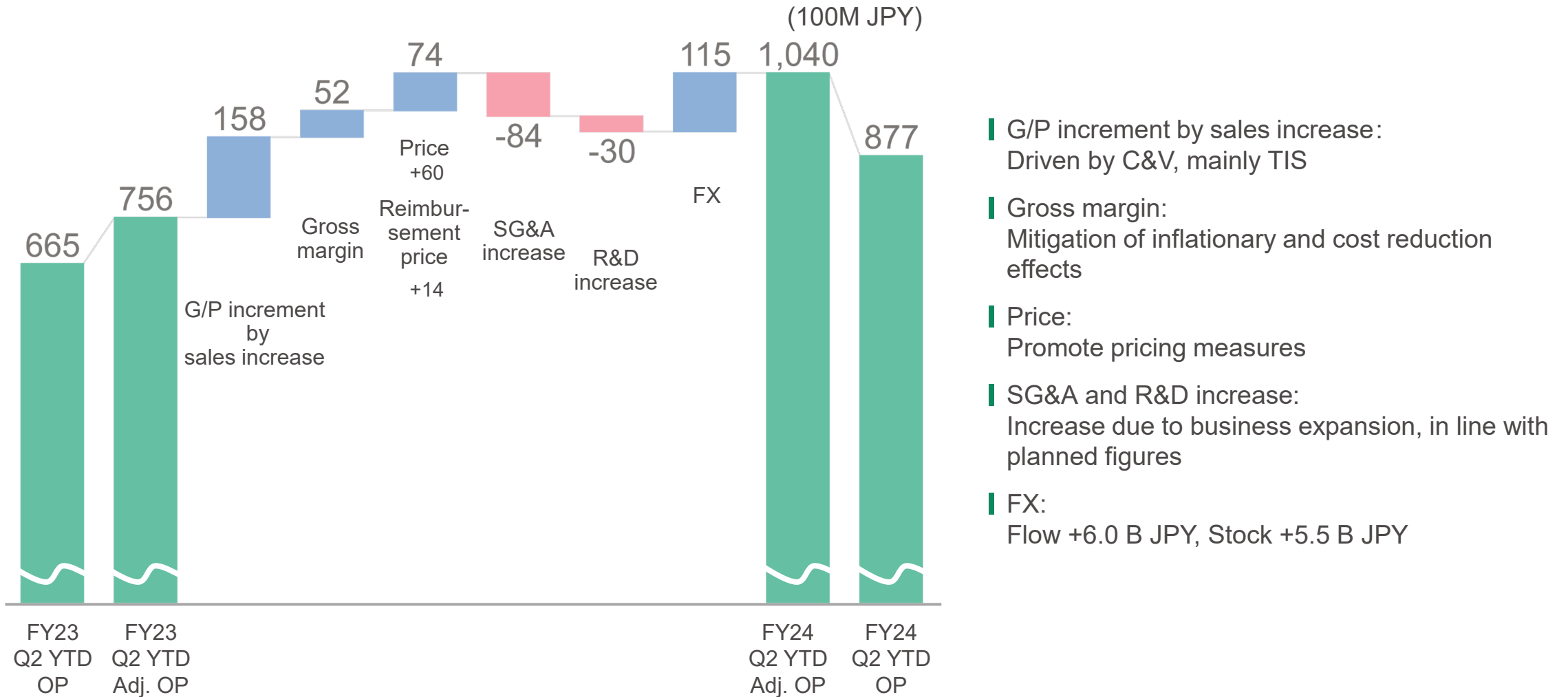
OP Variance Analysis (Q2): Continued demand and foreign exchange effects contributed

(100M JPY)



- G/P increment by sales increase:
Driven by TIS and the blood center business
- Gross margin:
Mitigation of inflationary and cost reduction effects
- Price:
Negative impact of China VBP offset by the effects of pricing measures
- SG&A and R&D increase:
Increase due to business expansion, in line with planned figures
- FX:
Flow +2.2 B JPY, Stock +3.0 B JPY

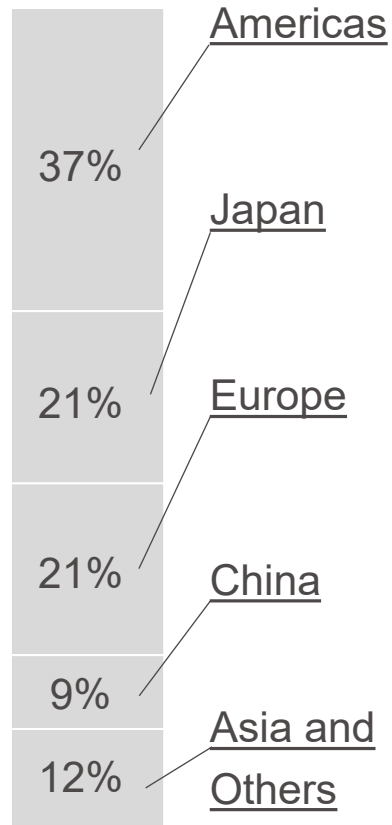
OP Variance Analysis (Q2 YTD): Contribution from pricing measures and strong sales



Revenue by Region: Steady progress in all regions, led by US and Europe

C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies, TIS: Interventional Systems, Neuro: Neurovascular, CV: Cardiovascular, HCS: Hospital Care Solutions, LCS: Life Care Solutions, PS: Pharmaceutical Solutions

FY24Q2 YTD
Regional
breakdown



	Revenue (100M JPY)	FY24 Q2 YTD YoY change	Comments
	Q2YTD Q2	() FX Neutral	
FY22	1,381		
FY23	1,537	24%	All companies posted double-digit growth, even when excluding exchange rate effects. Driven by TIS and Neuro in C&V, and the blood center business in TBCT
FY24	1,906	(16%)	
	1,012		
	1,011	6%	TMCS grew significantly. Price measures contributed in HCS, PS also progressing as planned
FY24	1,068		
	772		
	896	16%	Double-digit growth in cardiology / Vascular in C&V, even when excluding exchange rate effects. Performed well in TMCS/PS, and TBCT/apheresis therapy
FY24	1,040	(7%)	
	384		
	411	8%	In C&V, TIS revenues declined due to the impact of VBP. Significant growth in Neuro because of the reorganization of distribution channels
FY24	446	(1%)	
	484		
	585	7%	The blood center business returned to normal from FY23H1 one-time high. C&V and TMCS were driven by cardiology and PS respectively, growing double-digits even excluding exchange rate effects
FY24	627	(1%)	

C&V: Both sales and profits exceeded planned figures, driven by US and Europe

(C&V: Cardiac and Vascular, TIS: Interventional Systems, Neuro: Neurovascular, CV: Cardiovascular)

(100M JPY)

	Q2YTD			Q2			Comments	Q2YTD YoY
Revenue	() FX Neutral						TIS	+248
	2,354	2,657	3,063	1,186	1,351	1,496	: Double-digit growth globally. Driven by the resolution of supply issues for some access products in US, despite lower sales in China with the VBP impact	
			15% (8%)			11%	Neuro-vascular	+92
							: Strong demand continues globally. Driven by double-digit growth in US and China, even when excluding exchange rate effects	
Adjusted Operating Profit	529	576	769	249	308	397	Cardio-vascular	+18
			33% (13%)			29%	: Hardware demand has run its course. However, driven by sales in US	
							Vascular Graft	+48
							: Led by US and Europe. Hybrid products sales expansion continued.	
Profit %							Profit	
	22%	22%	25%	21%	23%	27%	: Significant increase in profit due to strong sales and the effects of profit improvement measures, SG&A cost control, as well as FX effects	

TMCS: Revenues and profits increased due to strong sales including one-time factors and the effects of pricing measures

(TMCS: Medical Care Solutions)

(100M JPY)

	Q2YTD			Q2			Comments	Q2YTD YoY
Revenue	() FX Neutral						HCS Hospital Care Solutions : In Japan, sales increased due to the effects of the pricing measures implemented in the H2 of FY23 and the reimbursement rate revision in the current fiscal year, as well as strong sales of infusion sets. Overseas sales were strong due to a transient increase in demand in US	+65
	938	940	1,043	478	503	525		
Adjusted Operating Profit							LCS Life Care Solutions : Decreased sales due to termination of the CGM (Continuous Glucose Monitor) distributorship agreement	-9
	81	83	127	37	55	62		
Profit %							PS Pharmaceutical Solutions : CDMO business in Japan moved ahead as planned. Overseas, PLAJEX in US, Europe and Asia performed well	+47
	9%	9%	12%	8%	11%	12%		
							Profit : Profit increased due to higher sales and the effect of pricing measures. Effects of price revisions implemented in H2 FY23 will be realized until H1 of this fiscal year	

TBCT: Revenues and profits increased due to strong performance by the blood center business

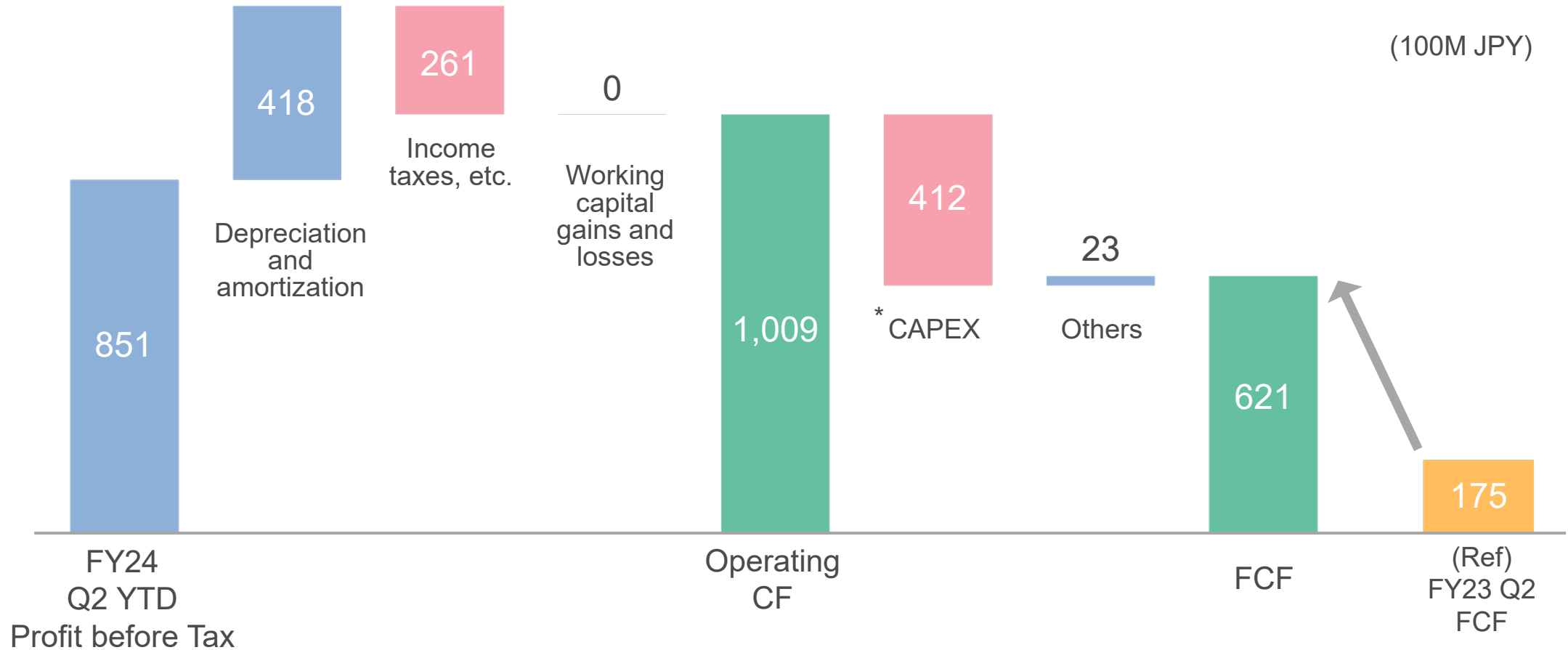
(TBCT: Blood and Cell Technologies)

(100M JPY)

	Q2YTD			Q2			Comments	Q2YTD YoY
Revenue	() FX Neutral						Blood Center Solutions : Strong sales of apheresis collection systems and whole blood collection-related products in US. Rika (Source plasma collection system) is also progressing well	+113
	740	841	980	395	432	484		
	17% (9%)			12%				
Adjusted Operating Profit	91	106	132	55	48	64	Therapeutic Solutions : Strong sales, mainly in Americas, as a result of increased demand for cell collections associated with cell and gene therapies Cell Therapy Technologies : Cell processing systems sluggish due to increased competition	+30
	24% (12%)			33%				

Profit %	12%	13%	13%	14%	11%	13%	Profit : Profit increased due to strong performance in core business and higher revenues from Rika (Source plasma collection system)	-4
	FY22	FY23	FY24	FY22	FY23	FY24		

Free Cash Flow : 62.1 B JPY (YoY +44.6 B JPY)



YoY	+187	+51	-34	+270	+473	-85	+58	+446
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* Construction in progress record basis

Upward revision of FY24 guidance due to strong performance and FX effects

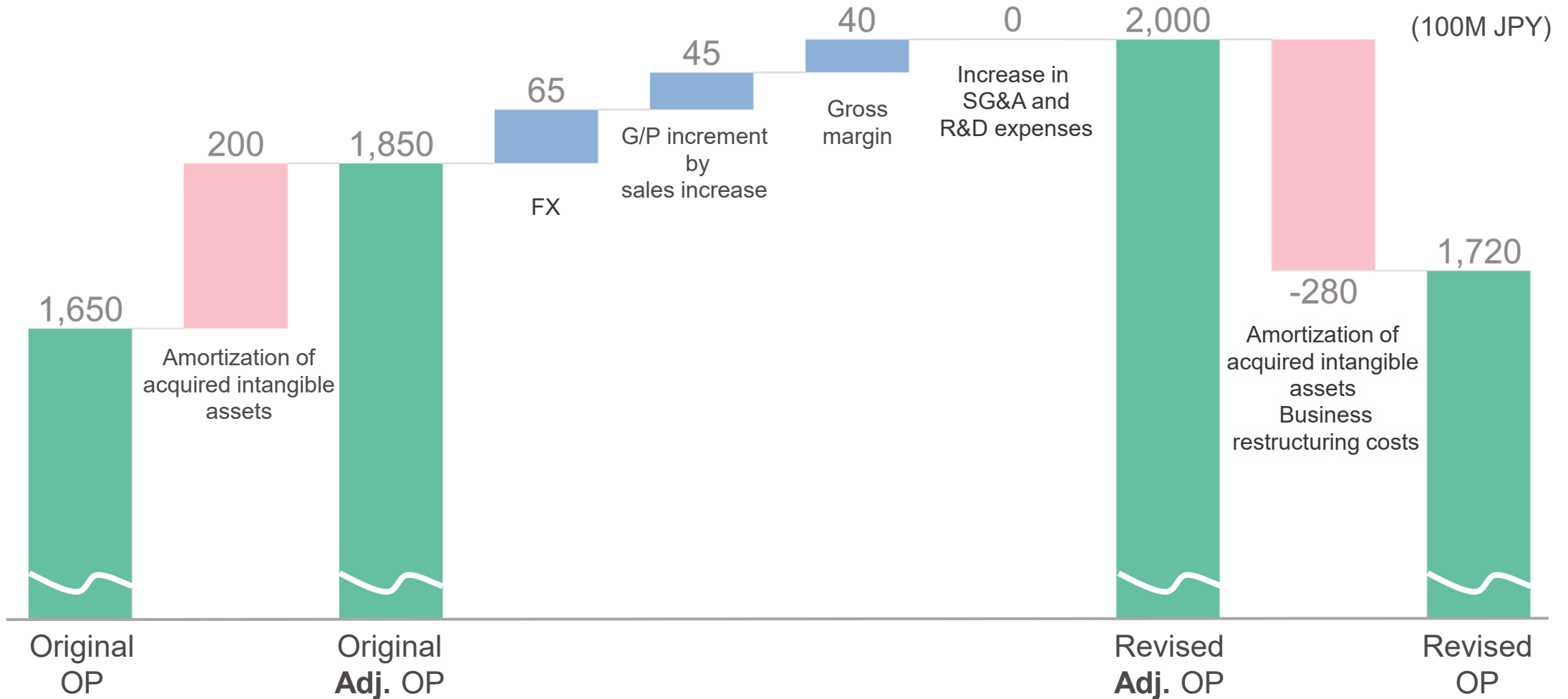
() FX Neutral

100M JPY	FY23 results (A)	FY24 Previous guidance (B)	FY24 revised forecast (C)	Revision (C)-(B)	Change (C)÷(A)
Revenue	9,219	9,800	10,100	+300	+10% (+8%)
Operating Profit (%)	1,401 (15.2%)	1,650 (16.8%)	1,720 (17.0%)	+70	+23% (+16%)
Adjusted Operating Profit (%)	1,568 (17.0%)	1,850 (18.9%)	2,000 (19.8%)	+150	+28% (+22%)
Profit for the Year	1,064	1,220	1,245	+25	
ROIC	7.1%	7.6%	7.9%		
ROE	8.7%	8.9%	9.2%		
Full Year Earnings Forecast Assumptions Rate(USD/EUR)		145JPY/155JPY	149JPY/163JPY		
H2 Earnings Forecast Assumptions Rate(USD/EUR)		145JPY/155JPY	145JPY/160JPY		

By Company	Revenue					Revised Operating Profit				
	FY23 results (A)	FY24 Previous guidance(B)	FY24 revised forecast(C)	Revision (C)-(B)	Change (C)÷(A)	FY23 results (A)	FY24 Previous guidance(B)	FY24 revised forecast(C)	Revision (C)-(B)	Change (C)÷(A)
C&V	5,557	5,818	6,030	+212	+9% (+6%)	1,239	1,415	1,517	+98	+22%
TMCS	1,976	2,100	2,110	+10	+7% (+6%)	198	235	246	+11	+24%
TBCT	1,683	1,880	1,960	+80	+16% (+14%)	164	235	248	+13	+51%

Key points of the upward revision of adjusted operating profit

Upward revision of 15 B JPY due to strong overseas performance and more efficient production operations in addition to FX effects



Reference

P&L (QoQ)

(100M JPY)

		FY23 Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY24 Q1 (Apr-Jun)	Q2 (Jul-Sep)
Revenue		2,286	2,391	2,389	2,582	2,505
Gross Profit		1,185 (51.8%)	1,266 (52.9%)	1,243 (52.0%)	1,376 (53.3%)	1,395 (55.7%)
SG&A Expenses		664 (29.0%)	707 (29.6%)	737 (30.9%)	748 (29.0%)	732 (29.2%)
R&D Expenses		164 (7.2%)	173 (7.3%)	199 (8.3%)	174 (6.7%)	194 (7.7%)
Other Income and Expenses		12	5	39	-8	-38
Operating Profit		368 (16.1%)	390 (16.3%)	346 (14.5%)	446 (17.3%)	431 (17.2%)
Adjusted Operating Profit		411 (18.0%)	441 (18.5%)	371 (15.5%)	511 (19.8%)	529 (21.1%)
Quarterly Average Rate	USD	145JPY	148JPY	149JPY	156JPY	149JPY
	EUR	157JPY	159JPY	161JPY	168JPY	164JPY

SG&A (QoQ)

(100M JPY)

		FY23 Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY24 Q1 (Apr-Jun)	Q2 (Jul-Sep)
Salaries & Wages		349	371	373	398	384
Sales Promotion		44	54	54	52	47
Logistics Costs		46	49	51	51	59
Depreciation and Amortization		61	65	66	70	68
Others		164	168	192	178	175
SG&A Expenses Total		664	707	737	748	732
(%)		(29.0%)	(29.6%)	(30.9%)	(29.0%)	(29.2%)
R&D Expenses		164	173	199	174	194
(%)		(7.2%)	(7.3%)	(8.3%)	(6.7%)	(7.7%)
Total		828	881	937	922	926
(%)		(36.2%)	(36.8%)	(39.2%)	(35.7%)	(37.0%)
Quarterly	USD	145JPY	148JPY	149JPY	156JPY	149JPY
Average Rate	EUR	157JPY	159JPY	161JPY	168JPY	164JPY

SG&A (YoY)

(100M JPY)

	FY23 Q2 YTD	FY24 Q2 YTD	YoY	YoY%	YoY% excluding FX impact	FY23 Q2	FY24 Q2	YoY	YoY%
Salaries & Wages	685	782	97	14%	7%	349	384	35	10%
Sales Promotion	93	99	6	6%	1%	44	47	3	7%
Logistics Costs	94	109	16	17%	11%	46	59	13	28%
Depreciation and Amortization	119	137	18	15%	9%	61	68	6	11%
Others	325	353	28	9%	3%	164	175	11	7%
SG&A Expenses Total	1,315	1,480	165	13%	6%	664	732	68	10%
(%)	(29.6%)	(29.1%)				(29.0%)	(29.2%)		
R&D Expenses	318	368	50	16%	10%	164	194	30	18%
(%)	(7.2%)	(7.2%)				(7.2%)	(7.7%)		
Total	1,633	1,847	215	13%	7%	828	926	98	12%
(%)	(36.8%)	(36.3%)				(36.2%)	(37.0%)		

Adjusted Operating Profit: Adjustments

(100M JPY)

	FY23 Q2 YTD	FY24 Q2 YTD	FY23 Q2	FY24 Q2
Adjusted Operating Profit	756	1,040	411	529
Adjustment 1. Amortization of acquired intangible assets	-97	-109	-50	-53
Adjustment 2. Non-recurring profit or loss	6	-54	8	-45
Operating Profit	665	877	368	431

<General examples of adjustment items>

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

Adjustment 2. Non-recurring profit or loss	FY23 Q2 YTD	FY24 Q2 YTD
Restructuring loss	-7	-66
Gain on sale of shares of Olympus Terumo Biomaterials	13	-
Gain on sale of TBCT land	-	14
Others	-	- 1

CAPEX, Depreciation and Amortization, R&D Expenses

(100M JPY)

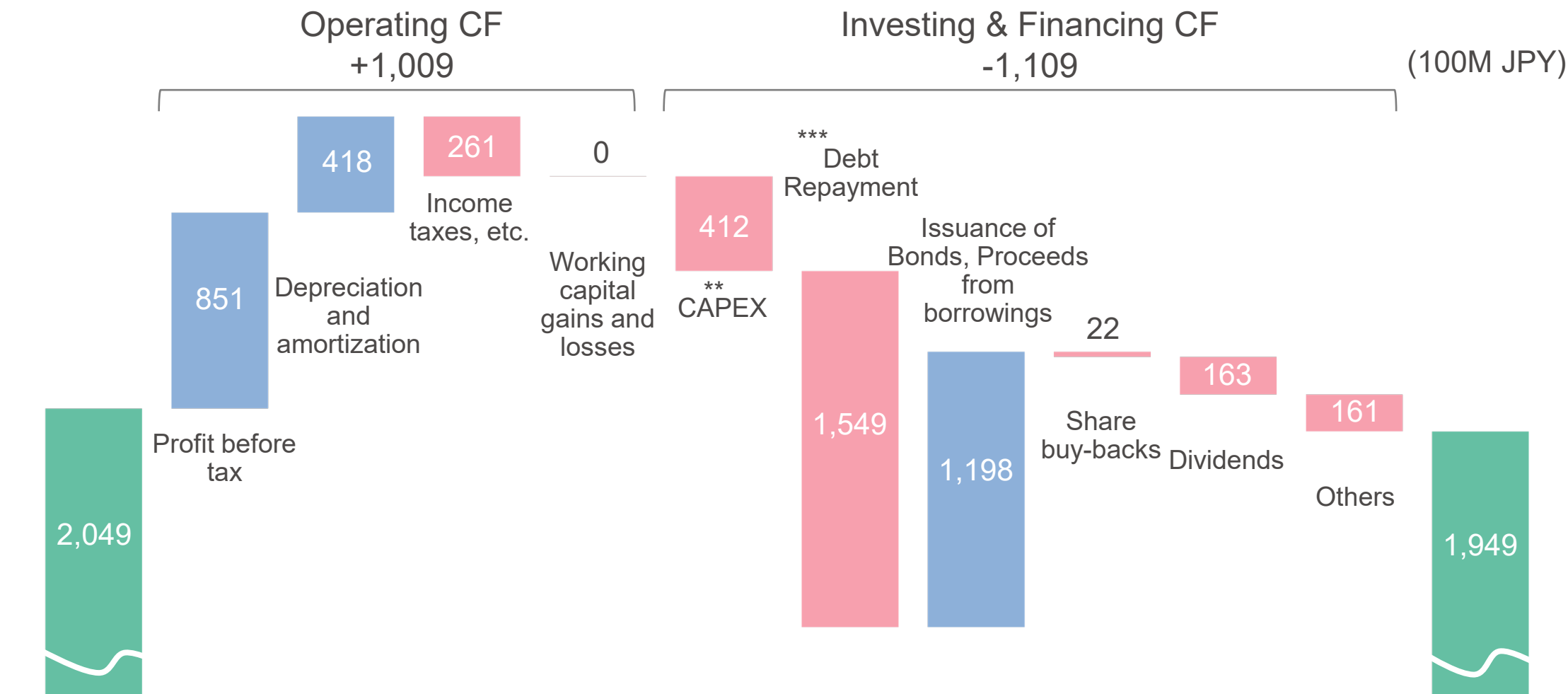
	FY21	FY22	FY23	FY24Q2 YTD	FY24 Guidance
CAPEX	692	758	784	412	930
Depreciation and Amortization	532	635	702	382	770
Amortization of acquired intangible assets	161	188	200	105	200
Others	371	447	502	277	570

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

■ FY2024 Q2 results (41.2 B JPY): Construction of a new building in the Kofu Plant to strengthen production system for CDMO (contracted development and manufacturing) and others. Other investments include TIS and Blood and Cell Technology production increases, source plasma collection-related, R&D investments, and continued investment in IT, including core systems (SAP)

	FY21	FY22	FY23	FY24Q2 YTD	FY24 Guidance
R&D Expenses	518	616	691	368	715

Cash Flow (Q2 YTD)

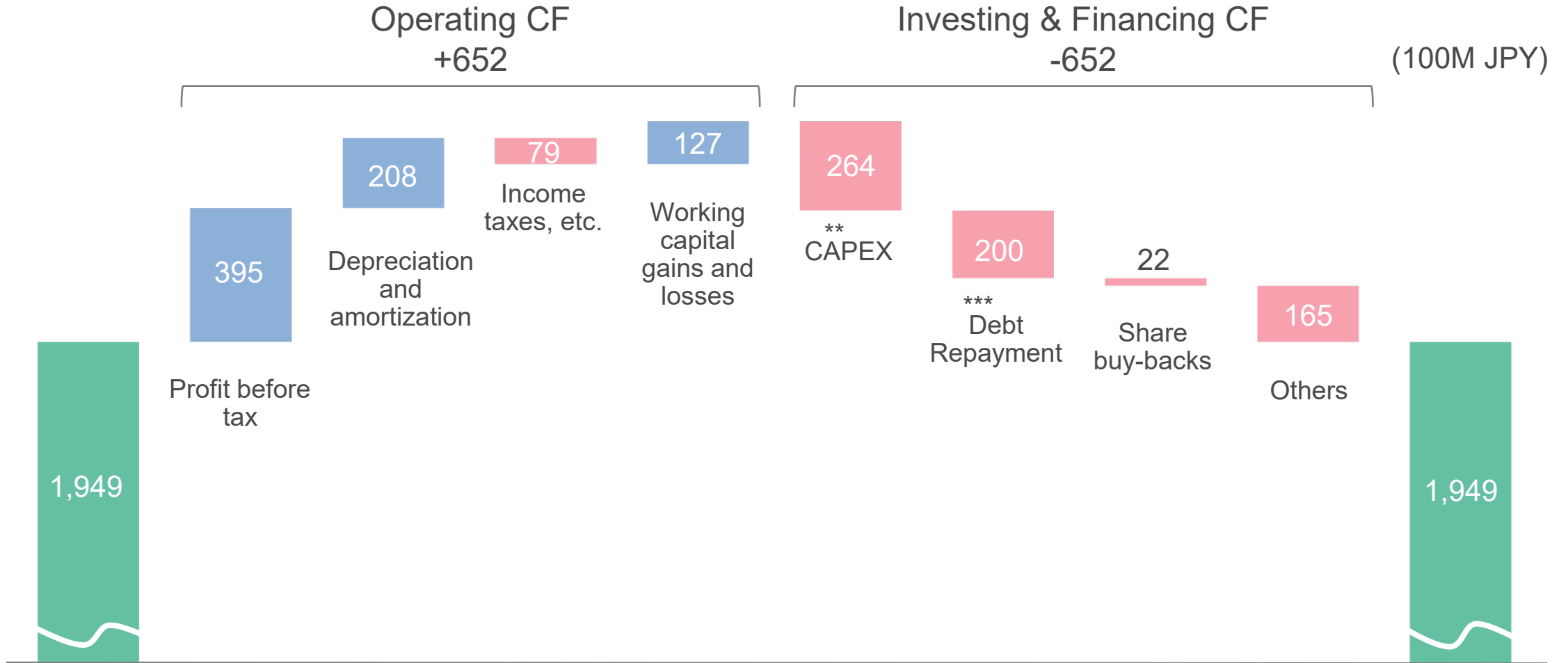


*Cash at the end of FY23

* Aligned with period-end account balance "Cash and cash equivalents" on B/S
 ** Construction in progress record basis
 *** After taking into account derivative settlements

*Cash at the end of FY24 Q2

Cash Flow (Q2)



*Cash at the end of FY24 Q1

* Aligned with period-end account balance "Cash and cash equivalents" on B/S
 ** Construction in progress record basis
 *** After taking into account derivative settlements

*Cash at the end of FY24 Q2

Foreign Exchange Sensitivity

Annual impact of 1 JPY depreciation (Flow)

(100M JPY)

	USD	EUR	CNY
Revenue	25	11	39
Adjusted Operating Profit	1	5	23

Impact of 1 JPY depreciation (Stock)

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

