



Financial Results for the Fiscal Year Ended March 31, 2021 (FY2020)

May 12, 2021

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I am the CAFO, Muto. I will now explain the results for fiscal year ended March 2021.

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Highlights

FY20 Q4/Q4 YTD results

- Revenue: Highest-ever Q4 revenue. Steady recovery in demand for Cardiac & Vascular while the COVID-19 impact remained. Increased in General Hospital and Blood & Cell Technologies driven by products contributing to infection control and therapies for COVID-19
- Adjusted Operating Profit: Recovered to single digit decrease in Q4 YTD, despite the negative impact on the gross profit in 2H from volume-based procurement(VBP) in China and lowered production level for inventory optimization. SG&A expenses spent as planned in Q4 along with ease of movement restrictions
- FY20 annual dividend proposal: 29 JPY, payout ratio: 28.3%

FY21 guidance

- Increase in revenue by 9-11%, in adjusted operating profit by 7-12%
- Expect recovery in healthcare demand including the number of procedures, while concerns about COVID-19 impact remain such as a new variant and the pace of vaccination, etc. Secure the increase in adjusted operating profit, despite the sales activities level to be raised from FY20 as well as prior investment for a new business

First, here is a summary of highlights of the results.

Sales revenue for the year saw steady recovery thanks to the return of demand, despite remaining effects of COVID-19 in the 2nd Half on the Cardiac and Vascular Company. In the General Hospital and Blood and Cell Technologies companies, products related to infection prevention and COVID-19 treatment contributed to increased sales revenue and to stability for the Group as a whole. Although some impact remained, the most recent standalone 4th Quarter results showed our highest-ever Q4 sales revenue.

In adjusted operating profit, there was some negative gross profit impact from volume based procurement in China and production adjustment with TIS products, and some acceleration of expenditures due to easing of restrictions on movement; however, recovery of sales revenue enabled restoration of profit to just a single-digit year-on-year decrease.

Due to this recovery of results, we will increase our dividend one

yen above our guidance at the beginning of the year, making the total dividend 29 yen for FY20.

Our guidance for FY21 is 9 to 11% sales revenue growth and 7 to 12% growth of adjusted operating profit. I will explain the assumptions behind this guidance in later slides.

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P&L Results

Revenue: Highest-ever Q4 revenue. Despite minor decline in YTD results, the revenue of Cardiac & Vascular showed steady recovery throughout the fiscal year (C&V revenue YoY% trend Q1: -24%, Q2 and Q3: -2%, Q4: +4%)

Adjusted Operating Profit: Recovered to single digit decrease in Q4 YTD results, despite the negative impact on the gross profit in 2H from VBP in China and lowered production level for inventory optimization. SG&A expenses spent as planned in Q4 along with ease of movement restrictions

100 M JPY	FY19 Q4 YTD	FY20 Q4 YTD	YoY%	YoY% (FXN)	FY19 Q4	FY20 Q4	YoY%
Revenue	6,289	6,138	-2%	-2%	1,588	1,652	4%
Gross Profit	3,439	3,266	-5%	-3%	853	854	0%
(Gross Profit%)	(54.7%)	(53.2%)			(53.7%)	(51.7%)	
SG&A Expenses	1,845	1,795	-3%	-2%	477	488	2%
(SG&A Expenses%)	(29.3%)	(29.2%)			(30.1%)	(29.5%)	
R&D Expenses	506	491	-3%	-2%	136	132	-3%
(R&D Expenses%)	(8.0%)	(8.0%)			(8.6%)	(8.0%)	
Other Income and Expenses	18	3	-	-	4	-2	-
Operating Profit	1,106	984	-11%	-8%	244	231	-5%
(Operating Profit%)	(17.6%)	(16.0%)			(15.3%)	(14.0%)	
Adjusted Operating Profit	1,250	1,159	-7%	-4%	266	274	3%
(Adjusted Operating Profit%)	(19.9%)	(18.9%)			(16.7%)	(16.6%)	
Profit before Tax	1,065	971	-9%		210	221	5%
(Profit before Tax%)	(16.9%)	(15.8%)			(13.2%)	(13.4%)	
Profit for the Year	852	773	-9%		183	187	2%
(Profit for the Year%)	(13.5%)	(12.6%)			(11.5%)	(11.3%)	

Average Exchange Rate(USD/EUR) 109JPY/121JPY 106JPY/124JPY

109JPY/120JPY 106JPY/128JPY

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Here are the FY20 full-year and Q4 standalone results.

Sales revenue was able to recover to just 2% negative year-on-year growth for the year, due to the steady recovery in Cardiac and Vascular.

Adjusted operating profit was negatively affected by volume based procurement in China in Q4, and by the production adjustment undertaken to restore normal inventory levels following increases made to ensure steady supply amid COVID-19. However, Q4 standalone results nevertheless increased year-on-year to bring the full year back up to negative 7% growth, and minus 4% when excluding FX impact.

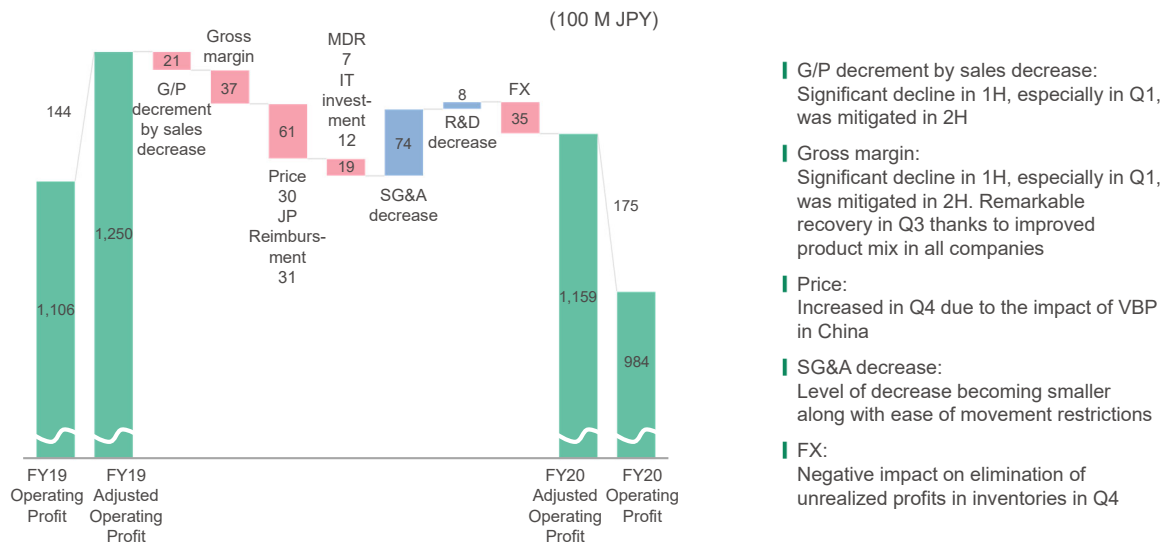
In profit for the year, recovery progressed to bring negative growth back into single digits, at minus 9%.

In Q4 standalone results, the Cardiac and Vascular Company saw a recovery in elective procedures, so each company finished with

positive sales revenue growth. This in turn resulted in the Group as a whole achieving its highest-ever sales revenue in Q4.

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Adjusted Operating Profit Variance Analysis (FY20 Q4 YTD)



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This is the adjusted operating profit variance analysis for the FY20.

“GP decrement by sales decrease” was able to be minimized from the low point of Q1, when COVID impact was greatest, due to recovery in the 2nd Half, to finish at a minus-2.1-billion-yen impact.

“Gross margin” decrement was reduced through recovery of Cardiac and Vascular in the 2nd Half and improved product mix at each company, for an impact of minus 3.7 billion yen.

“Price” impact increased due to volume based procurement in China for PCI products, to minus 3 billion yen. “Japan reimbursement” completed the cycle of impact started by the previous fiscal year’s October consumption tax increase, resulting in only a small increase from the 3rd Quarter, to minus 3.1 billion yen.

“MDR” and “IT Investment” processes both progressed and incurred increased year-on-year expenditures, to a total of minus 1.9 billion yen.

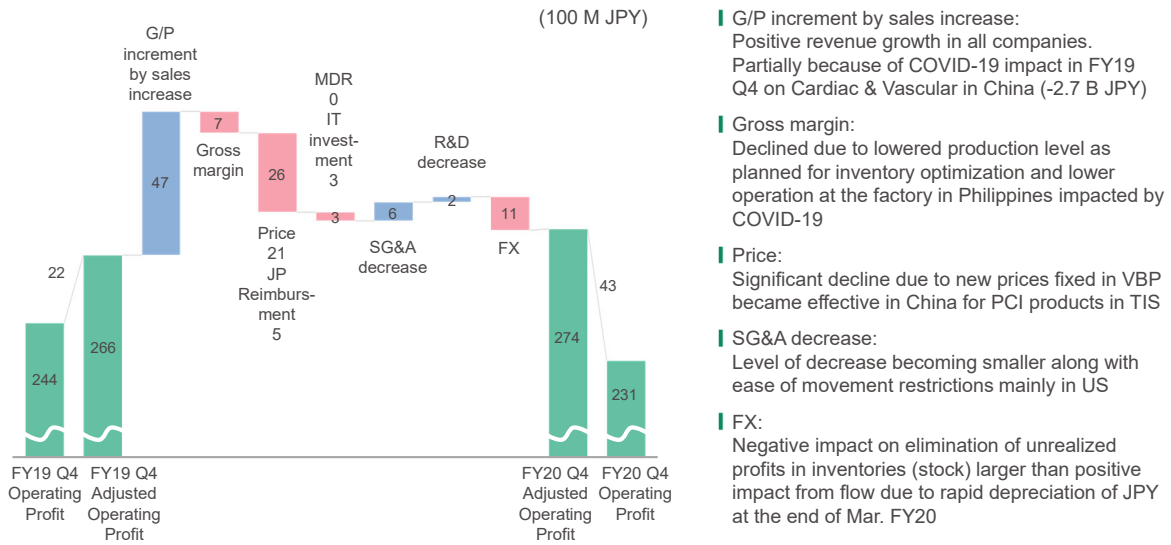
With “SG&A decrease,” the level of decrease became smaller due to easing of restrictions on movement and resulting spending, to finish for a positive impact of 7.4 billion yen.

“R&D decrease” had a 800-million-yen positive impact, as we reconfirmed the level of priority for each project while largely maintaining R&D investment in projects that will contribute mid- to long-term.

“FX” saw greater impact with yen depreciation against the dollar and euro amid unrealized profit from inventory assets, with year-on-year amounts of 1.7 billion yen in flow and 1.8 billion yen in stock for a total negative impact of 3.5 billion yen.

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Adjusted Operating Profit Variance Analysis (FY20 Q4)



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This is the standalone adjusted operating profit variance analysis for Q4.

“Gross profit increment by sales increase ” is compared with the previous year which had already seen Q4 COVID-19 impact in China; however, due to recovery of demand, each company returned to positive growth for a 4.7-billion-yen positive impact.

In “Gross margin,” the production adjustment to normalize inventory levels had already begun in Q4; in addition to this impact, COVID-19 impact at the Philippines Plant reduced its operation level for a total negative impact of 700 million yen.

In “Price” there was significant impact from a new price being applied to PCI product volume based procurement in China, which combined with “Reimbursement” for a total negative impact of 2.6 billion yen.

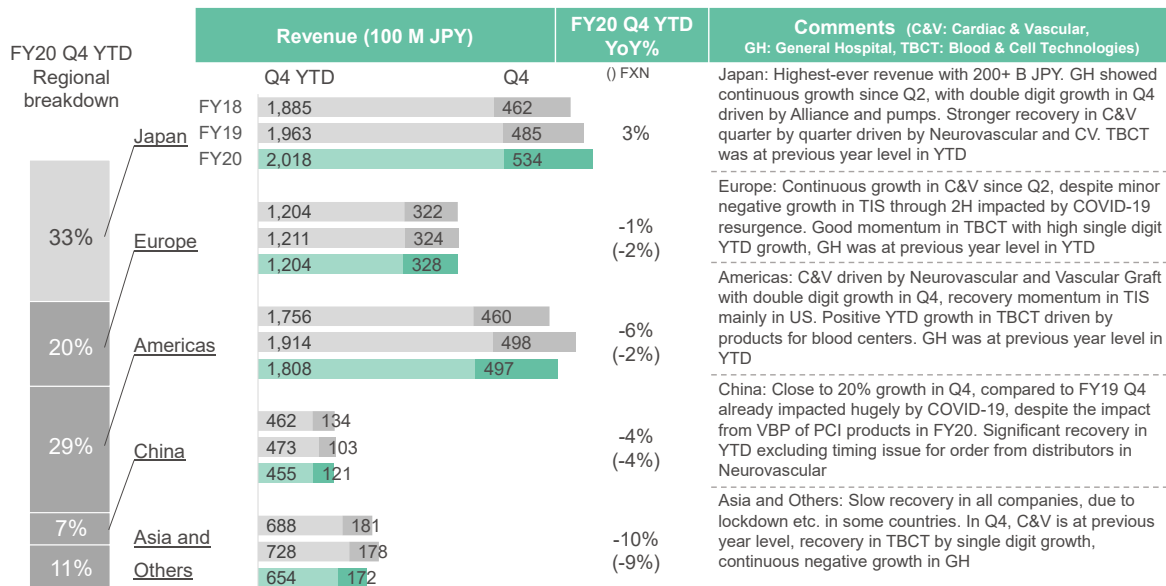
“SG&A” and “R&D” combined for only a modest positive impact, as

movement restrictions in the US and other regions were eased, leading to more normal expenditures.

In "FX," as I just explained, yen depreciation at the end of March resulted in negative impact amid inventory asset unrealized profits, which exceeded the positive flow impact for a total negative impact of 1.1 billion yen.

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Revenue by Region



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Next is revenue by region.

In Japan, Cardiac and Vascular Company showed steady recovery each quarter, driven by Neurovascular and CV. The General Hospital Company, in addition to its COVID-19-related infection prevention and other products, experienced accelerated sales of Alliance and general hospital products like pumps in Q4 to continuously record positive growth since Q2. The Blood and Cell Technologies Company maintained good performance in line with the previous year. As a whole, the region returned to positive growth of 3% year on year, and in amount reached the 200 billion yen level for the first time for its highest-ever result.

In Europe, there was some impact from COVID-19 resurgence, but the Cardiac and Vascular Company continued the positive growth that began in the 2nd Quarter, while the other two companies grew cumulatively in the high single digits or double digits to bring the region back to the levels of the previous year.

In Americas, the Neurovascular business and Vascular Graft business powerfully drove the Cardiac and Vascular Company in the 2nd Half, in addition to TIS making a steady recovery, to reduce negative sales growth to single digits. The General Hospital Company was stable with similar results to the previous year, and Blood and Cell Technologies Company saw positive growth with the driver of blood center products.

In China, there was negative impact in Q4 from the prices of PCI products in volume based procurement, but year-on-year growth was nearly 20% positive, as the previous year had already seen COVID-19 impact. Cumulatively as well, when excluding the impact of distributor order timing in Neurovascular, positive growth continued and there is steady recovery on the whole.

In Asia, there was some impact in countries where lockdowns are continuing, so the region's recovery remains slower when compared to other regions. Despite this, though, looking at Q4 only, Cardiac and Vascular returned to the level of the previous year, and Blood and Cell Technologies is trending upward with steady positive growth.

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C&V:

Turned to positive growth in Q4 along with a progressing recovery in the # of procedures excl. Cardiovascular. In YTD, Vascular Graft showed positive growth, and TIS and Neurovascular improved to single digit negative

(100 M JPY)

	Q4 YTD			Q4			Comments	Q4 YTD Rev. YoY
Revenue	() FXN						TIS: Progressing recovery with low single digit negative growth in Q2&Q3 and positive growth in Q4, despite the decreased demand among all products. Recovery in the number of procedures faster in US and JP, slower in EU. Despite the negative impact of VBP in 2H, significant recovery in China, compared to FY19 already impacted hugely by COVID-19	-157
	3,285	3,506	3,285	875	871	901		
Adjusted Operating Profit	809	869	744	229	181	184	Cardiovascular: Decreased demand especially in US and EU due to postponement of procedures. Double digit growth in JP both in Q4 and YTD, driven by hardware such as ECMO. Accelerated recovery in China with high single digit growth in Q4	-47
	FY18 FY19 FY20						FY18 FY19 FY20	
Adj. OP%	25%	25%	23%	26%	21%	20%	Vascular graft: Continuous growth since Q2, strong finish with 5% YTD growth. Good momentum in US driven by the new product "TREGO" despite remained impact from postponement of procedures in several regions until Q3. Growth in all regions in Q4 coupled with recovery in China	
							Adj. OP: Despite decline in YTD due to the revenue decline, growth in Q4 with a progressing recovery exceeded the impact from Chinese VBP of TIS products and lowered production level for inventory optimization	

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Here is Cardiac and Vascular Company.

In sales revenue, Q4 alone saw a shift to positive growth of 4%, with the full year cumulative result recovering from Q2 to finish at minus 6% growth.

From the 2nd Quarter onward, TIS saw a steady recovery as demand returned. In the most recent Q4, although there was impact from the pricing of volume based procurement in China, the business shifted back to positive growth.

Going into the 2nd Half, Neurovascular normalized the timing of distributor orders to end its impact, shifting into positive growth from Q3 onward. In the most recent Q4, the business accelerated in developed countries especially, and although the full year saw COVID-19 impact, it is returning toward its usual pattern of strong performance.

In the CV business, there remains significant impact due to the

postponement of elective surgical procedures which require a lot of hospital resources. However, increased ECMO product sales in Japan and positive impact from certain products and regions, the business began to see positive growth and easing of negative impacts.

Vascular continued positive growth from Q2 onward, finishing up positive 5% for the year. The abdominal stent graft Treo that was introduced into the North American market was a growth driver.

In profit, the result for the full year was decreased due to negative sales growth, but in Q4, the company overcame China volume based procurement pricing impact to turn around and resume positive profit growth.

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GH:

Driven by Alliance and infection control products.
Each sub-segment results showed gradually progressing recovery from decreased demand

(100 M JPY)

	Q4 YTD			Q4			Comments	Q4 YTD Rev. YoY
Revenue	() FXN							
	1,658	1,710	1,755	399	432	465	General hospital products: The negative impact due to the limited number of medical examinations in JP and Asia was mitigated by increased demand for infection control products and pumps. Continuous growth in 2H driven by pump sales increased against the backdrop of supplementary budget executed in JP	-14
Adjusted Operating Profit	268	252	257	45	54	53	Pharmaceutical: Sales decline in IV solutions was mitigated by solid sales of pain management products including a new product. Despite the COVID-19 impact, steady momentum in PD(Peritoneal Dialysis) with 4% YTD growth and continuous double digit YTD growth in adhesion barrier sales	-6
			+2% (+3%)			-3%	DM Healthcare: Increased demand for Healthcare products including thermometers in YTD. Continuous growth in DM through 2H despite the suppression of consultation. Q4 sales of Healthcare products were at previous year level as the special demand ran its course	+16
Adj. OP%	16%	15%	15%	11%	13%	11%	Alliance: Continued double digit growth both inside and outside JP. Overall 20%+ YTD growth. High growth in Q4 due to order timing	+50
	FY18	FY19	FY20	FY18	FY19	FY20	Adj. OP: Despite revenue increase driven by Alliance, minor decline in Q4 due to lower operation at the factory in Philippines impacted by COVID-19 and selling expenses as well as R&D expenses spent as planned. Positive YTD growth thanks to improved product mix by solid sales of Alliance and Healthcare, as well as expense control	

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Next, the General Hospital Company.

In sales revenue, impact from decreased demand due to restrictions on hospital visits remained for the full year, but a gradual recovery began. Amid this situation, Alliance and infection prevention products were strong drivers, enabling the company to overcome the negative impacts and achieve positive growth of 3%.

In profit, production at the Philippines Plant was reduced in Q4 due to COVID-19, and additionally, sales promotion and R&D expenses began to recover, leading to a slightly negative profit growth. However, for the full year, the Alliance business, Health Care, and other high-profitability products improved the product mix, leading to 2% profit growth.

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TBCT:

Despite the impact of decreased blood transfusion demand, continued increase in both revenue and profit thanks to better product mix driven by higher component collection system sales and expense control

(100 M JPY)

	Q4 YTD			Q4			Comments	Q4 YTD Rev. YoY
	() FXN							
Revenue	1,050	1,072	1,095				Blood center solutions: Driven by component collection system thanks to increase in collection demand for the COVID-19 convalescent plasma therapy as well as software update. The negative growth in whole blood collection products impacted by decreased blood transfusion demand in EU, Asia and Latin America, etc. Although the demand for convalescent plasma therapy decreased in Q4 due to distribution of COVID-19 vaccines, component collection system showed continuous double digit growth Therapeutic solutions: The impact from the decreased number of procedures remained. Though Q3 growth turned to positive, Q4 growth was slightly negative due to COVID-19 resurgence Cell therapy technologies: Despite the delay in implementation due to COVID-19, showed double digit growth in 2H and recovered to the previous year level in YTD	+30
			+2% (+4%)	284	284	285		
Adjusted Operating Profit	157	151	191				Adj. OP: Product mix in Q4 became normalized due to recovery in blood transfusion demand and decline in convalescent plasma therapy demand, mainly in US where COVID-19 vaccines have been distributed well. Secured growth in Q4 while selling expenses and R&D expenses were spent as planned. Large YTD growth thanks to expense control in addition to gross profit improvement by better product mix	-7
			+27% (+30%)	48	46	47		
Adj. OP%	FY18	FY19	FY20	FY18	FY19	FY20		+0
	15%	14%	17%	17%	16%	16%		

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Next is Blood and Cell Technologies Company.




In sales revenue, drivers for the company included increased demand for convalescent plasma used in COVID-19-related treatment, as well as new software for component collection systems, leading to full-year positive growth of 2%. In the most recent Q4, the spread of vaccinations resulted in decreased convalescent plasma demand and an overall result similar to the previous year; however, component collection systems grew in the double digits.

In profit, product mix moved toward normal levels as demand recovered for whole blood collection, while component collection systems used with convalescent plasma treatment slowed; in addition, sales promotion and R&D expenditures progressed back toward normal, bringing profit to the same level as the previous year. On the other hand, for the full year, product mix resulted in significant gross profit increase through sales increment, along with a contribution from strict expense controls, for positive profit

growth of 27%.

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Major Topics in FY20 Q4

Corporate	<ul style="list-style-type: none"> • Selected as the “Winner Company” in Corporate Governance of the Year 2020 by Japan Association of Corporate Directors • Established “DX Promotion Department” for accelerating group-wide digital transformation 	 <p>A physician checking data analysed by “ePRISM”</p>
Cardiac & Vascular	<ul style="list-style-type: none"> • Signed a definitive agreement to acquire all assets of Health Outcomes Sciences, Inc. developing and selling a software for clinical decision support “ePRISM” 	
General Hospital	<ul style="list-style-type: none"> • Started production of a lower dead-volume syringe for drug injection “FN syringe” • Announced a technology integration with Glooko to deliver new diabetes data solutions • Completed clinical study in JP of a novel drug-device combination product “G-Lasta” using automated injection device developed in collaboration with Kyowa Kirin Co., Ltd. 	 <p>Syringe for drug injection “FN syringe”</p>
Blood & Cell Technologies	<ul style="list-style-type: none"> • Started collaboration with CSL Plasma to deliver new plasma collection platform in US 	 <p>Glooko’s diasend platform</p>

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Here are the major topics for Q4.

As a whole, the Terumo Group was honored to be selected for the “Corporate Governance of the Year” Award.

Many of the company topics involve collaborations or acquisitions of companies that have digital health technologies. The Group headquarters has established a DX promotion office, and digital transformation is accelerating Group-wide.

The General Hospital Company began production in Q4 on syringes that reduce dead volume, in order to contribute to vaccination efforts.

In Blood and Cell Technologies Company, it was announced in April that a joint business would begin with CSL in plasma collection.

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FY21 Guidance

Projected revenue range in conjunction with the level of demand recovery from COVID-19

- Highest in the range: Progress in distribution of vaccines and in recovery of healthcare demand from 1H. Return to growth trajectory in 2H
- Lowest in the range: Number of COVID-19 patients in 1H continues to rise and fall as with FY20. Recovery from 2H with better control of infection

(100 M JPY)

	FY20 Actual	FY21 Guidance	YoY%	YoY% (FXN)
Revenue	6,138	6,700-6,800	9-11%	8-9%
Operating Profit	984	1,070-1,130	9-15%	4-11%
(Operating Profit%)	16.0%	16.0-16.6%		
Adjusted Operating Profit	1,159	1,240-1,300	7-12%	3-8%
(Adjusted Operating Profit%)	18.9%	18.5-19.1%		
Profit for the Year	773	820-865	6-12%	

Exchange Rate (USD/EUR) 106 JPY/124 JPY 107 JPY/128 JPY

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Next is our FY21 guidance.

Although the 3rd and 4th waves of COVID-19 continue and variants pose a new serious threat, vaccinations are progressing at varying speeds between country and region.

With this difficult situation to predict, we are anticipating sales revenue expressed as a range that corresponds to the degree of recovery that occurs.

The upper end of the range anticipates a certain amount of vaccination progress in the 1st Half of FY21, leading to recovery of demand and a restoration of growth in the 2nd Half.

The lower end of the range is the scenario in which continued sporadic waves of infections similar to FY20 occur and the number of COVID-19 patients fluctuates repeatedly, and then vaccination takes effect in the 2nd Half to control infections.

Based on the upper and lower scenarios of this range, our sales

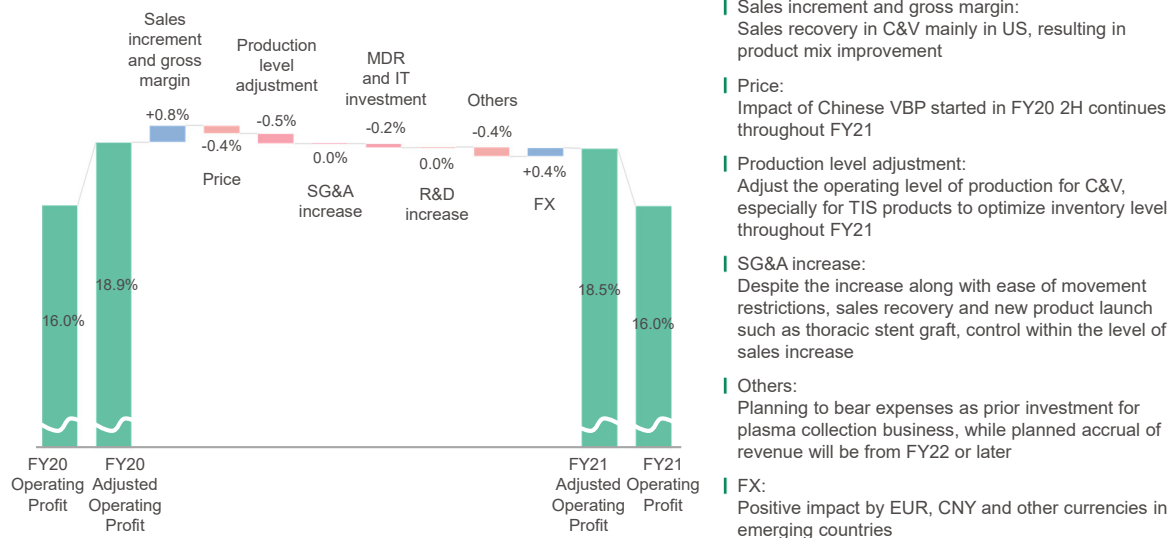
revenue guidance is for 670 to 680 billion yen. This represents 9 to 11% year-on-year growth.

Regarding expenses, we anticipate that activity restrictions will continue to ease regardless of demand level, similarly to the trend we observed in Q4 of FY20, and therefore that expenses will not fluctuate significantly between the upper or lower scenario.

Based on these assumptions, our adjusted operating profit guidance is 124 to 130 billion yen for 7 to 12% growth; operating profit guidance is 107 to 113 billion yen for 9 to 15% growth.

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FY21 Guidance: Profit Variance Analysis (for 670 B JPY Revenue Scenario)



- Sales increment and gross margin:** Sales recovery in C&V mainly in US, resulting in product mix improvement
- Price:** Impact of Chinese VBP started in FY20 2H continues throughout FY21
- Production level adjustment:** Adjust the operating level of production for C&V, especially for TIS products to optimize inventory level throughout FY21
- SG&A increase:** Despite the increase along with ease of movement restrictions, sales recovery and new product launch such as thoracic stent graft, control within the level of sales increase
- Others:** Planning to bear expenses as prior investment for plasma collection business, while planned accrual of revenue will be from FY22 or later
- FX:** Positive impact by EUR, CNY and other currencies in emerging countries

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This is the profit margin variance analysis. I will explain the variance factors in the lower scenario of the range.

First, recovery in places including the United States in Cardiac and Vascular is anticipated to raise product mix by just under one percentage point.

However, pricing of volume based procurement in China is expected to be a 0.4-percentage-point downward impact.

As we continue in FY21 to adjust TIS production toward normalizing inventory levels, we anticipate a 0.5-percentage-point downward impact.

In expenses, we anticipate some increases in expenses as activity restrictions ease and new products are launched, but we do not anticipate a downward impact, as we will control expenses to expand less than sales revenue growth.

In other expenses, the collaboration we announced last month in plasma collection will yield sales starting next fiscal year, but will incur expenses this fiscal year for a downward impact of 0.4 percentage points.

In FX, we anticipate an upward impact of 0.4 percentage points due to an expected yen depreciation against the euro, RMB, and emerging market currencies.

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FY21 Guidance by Company (for 670 B JPY Revenue Scenario)

		Revenue		Comments
		Amount (100 M JPY)	YoY%	
Cardiac & Vascular	FY19	3,506		Despite the impact from Chinese VBP of TIS products, expect double digit growth in TIS and Vascular Graft, and close to 20% growth in Neurovascular, driven by sales recovery mainly in US
	FY20	3,285	14%	
	FY21	3,735	(12%)	
General Hospital		1,710		Alliance, DM and pain management products are the major drivers in FY21. Though special demand for Healthcare products runs its course, expect recovery in daily use products in General hospital products and Pharmaceutical
		1,755	3%	
		1,815	(3%)	
Blood & Cell Technologies		1,072		Mitigate the decline of COVID-19 convalescent plasma therapy demand by recovery of blood transfusion demand, sales increase in Therapeutic solutions and Cell therapy technologies
		1,095	5%	
		1,150	(3%)	

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I will explain guidance by company at the lower end of the range.

In Cardiac and Vascular, despite impact from the PCI product volume-based- procurement pricing reduction in China, we anticipate demand recovery in markets including the United States leading to double-digit growth in TIS, Neurovascular, and Vascular, with expectations for Neurovascular to approach 20% growth, and the company sales revenue as a whole to grow 14%.

In General Hospital, we expect DM to be a driver along with Alliance and Pain Management products. We expect the healthcare products that saw increased demand in FY20 to return toward normal, while general hospital products and pharmaceutical sales recover as hospital visit restrictions gradually ease, for an overall company result of 3% sales growth year on year.

In Blood and Cell Technologies, although convalescent plasma demand is expected to decrease as vaccinations proceed, we anticipate that overall blood-related transfusion demand recovery,

therapeutic apheresis and cell processing demand, and sales expansion will absorb that impact, resulting in 5% sales revenue growth.

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Dividend Proposal

- Stably increasing, and aim for the target dividend payout ratio of 30% over the mid to long term
- FY20 annual dividend: 29.0 JPY (increased by 1.0 JPY from the original guidance)
- Continue to increase FY21 annual dividend up to 30.0 JPY

	FY20 Results	FY21 Guidance
Profit for the Year (100 M JPY)	773	820-865
EPS (JPY)	102	108-114
Dividend proposal/share	29.0 JPY Interim 14.0 Year-end 15.0	30.0 JPY Interim 15.0 Year-end 15.0
Dividend payout ratio	28.3%	26.2-27.7%

Finally, regarding the FY20 dividend: In Q3, we kept the dividend outlook at the same 28-yen level as FY19, due to difficulty in foreseeing how the COVID-19 situation would evolve.

However, in light of the recovery pattern we saw in Q4, we will increase the FY20 dividend by one yen to 29 yen. We will continue to maintain our policy of steadily increasing the dividend amount.

Thank you.

Reference

FY20 New Product Pipeline

Category	Products	Region	Launch
Coronary	Steerable sheath	JP	Launched
	PTCA balloon (manufactured by Essen Technology)	China	Launched
Imaging	IVUS catheter	JP	Launched
Oncology	Biodegradable drug-eluting microsphere	EU	FY21
	Peripheral embolization plug	US	FY21
Neuro-vascular	Flow diverter	JP, US	Launched
	Balloon guide catheter	EU	FY21
	Carotid stent	JP	Launched
	Intrasaccular aneurysm treatment device (WEB)	JP	Launched
Cardio-vascular	Oxygenator	JP	Launched
	Heart lung machine (re-launch)	JP	Launched
	Surgical stabilizer	Global	Launched

Category	Products	Region	Launch
Vascular graft	Stent graft for abdominal aortic aneurysm	US	Launched
General hospital products	Syringe pump	JP	Launched
	Safety IV catheter	JP	FY22
	Syringe pump for open TCI	EU, Asia	Launched
Pharmaceutical	Strong opioid analgesic (Fentanyl citrate tape for 1 day use)	JP	Launched
DM and consumer healthcare	Continuous glucose monitoring system	JP	FY21
	Blood glucose monitoring system	JP	Launched
	Thermometer	JP	Launched

FY21 New Product Pipeline

Category	Products	Region
Coronary	Drug-eluting stent	JP
Oncology	Biodegradable drug-eluting microsphere	EU
	Peripheral embolization coil	JP
	Peripheral embolization plug	US
Neuro-vascular	Flow diverter	EU, US
	Balloon guide catheter	EU, US
	Coil assist stent	EU, US
Vascular graft	Stent graft for thoracic aortic aneurysm	US
	Surgical hybrid stent graft	US
	Stent graft for abdominal aortic aneurysm	JP

Category	Products	Region
General hospital products	Infusion pump	JP
	Small size syringe pump	JP
	FN syringe(16mm needle)	JP
Pharmaceutical	Flumazenil I.V. infusion	JP
	Sterile connecting device	JP
	Gelclair	JP
DM and consumer healthcare	Continuous glucose monitoring system	JP
	Insulin patch pump	EU
	100th anniversary thermometer	JP
	Non-contact data link thermometer	JP
Blood and cell technologies	Automated blood processing system	Global
	Value-added services	Global

Revenue by Segment and Region

2020年度 セグメント別売上収益

Revenue by Segment for FY2020

(百万円 / millions of yen)

		FY2019							FY2020							増減比 % to total							
		日本 JPY	海外 Overseas	欧州 Europe	米州 American	中国 China	アジア他 Asia and others	合計 WW	日本 JPY	海外 Overseas	欧州 Europe	米州 American	中国 China	アジア他 Asia and others	合計 WW								
心臓血管 カンパニー	TTS	34,008	203,331	56,330	82,692	28,012	21,319	326,340	31,337	-1.0%	180,790	-6.4%	52,996	-6.0%	84,648	-6.6%	22,464	-11.4%	220,638	-6.6%	33.3%		
	ニューロバスキュラー	3,981	43,644	13,744	16,902	9,626	3,961	47,618	4,880	22.0%	40,136	-6.0%	13,817	0.5%	17,472	3.4%	4,988	-44.0%	3,837	-2.6%	45,016	-5.3%	7.3%
	カーディオバスキュラー	10,285	35,973	5,974	23,493	2,889	5,113	46,289	11,402	10.0%	30,180	-16.1%	5,239	-12.3%	18,920	-19.3%	1,310	8.7%	4,509	-11.8%	41,682	-10.1%	6.8%
	血管	2,447	17,676	10,163	5,365	1,018	1,123	20,334	2,587	-2.3%	18,735	6.0%	10,469	1.0%	5,928	10.7%	1,340	31.5%	987	-12.1%	21,322	4.9%	3.3%
Cardiac and Vascular Company		50,924	299,626	86,228	128,266	29,463	25,558	350,550	50,208	-1.4%	278,341	-7.1%	82,523	-4.3%	126,978	-8.7%	37,819	-6.2%	31,818	-10.5%	328,549	-6.3%	33.2%
ホスピタル カンパニー	医療器具	51,181	26,281	2,506	7,156	1,411	13,306	77,602	52,978	8.3%	23,208	-12.0%	2,339	1.3%	6,593	-17.9%	1,202	-10.5%	12,813	-16.3%	76,186	-8.8%	12.4%
	医薬品	45,191	-	-	-	-	-	45,191	44,525	-1.3%	-	-	-	-	-	-	-	-	-	-	44,525	-1.3%	7.3%
	DM+ヘルスケア	21,552	3,006	819	23	947	1,214	24,569	23,319	8.2%	2,883	-4.1%	798	-2.5%	11	-53.5%	976	3.0%	1,096	-9.7%	26,202	6.7%	4.3%
	ホスピタルシステム小計	117,925	28,388	3,326	7,182	2,359	16,520	147,333	120,822	2.5%	26,092	-11.2%	3,338	6.4%	6,605	-6.0%	2,239	-51.7%	13,910	-15.0%	146,915	-10.2%	24.0%
アライアンス	14,954	8,895	3,992	1,882	216	702	23,660	18,216	22.2%	10,313	18.0%	6,903	13.2%	2,448	30.1%	183	57.6%	778	10.3%	28,630	21.1%	4.7%	
General Hospital Company		132,880	38,083	9,317	9,064	2,473	17,226	170,963	139,139	4.7%	36,406	-4.4%	10,241	9.9%	9,053	-16.1%	2,422	-12.1%	14,688	-14.7%	175,545	-2.7%	28.7%
血液・細胞 テクノロジー カンパニー	血液センター	11,787	66,436	19,717	21,424	4,710	16,382	78,232	11,540	-1.0%	69,682	4.0%	21,376	8.4%	27,271	7.3%	5,242	11.2%	15,791	-4.8%	81,231	3.8%	13.2%
	アブレス治療法	463	20,726	3,124	12,023	314	3,033	21,189	453	-2.2%	20,655	-3.2%	5,501	3.0%	11,239	-6.5%	690	34.5%	2,823	-6.9%	20,608	-3.2%	3.3%
	細胞治療	58	7,685	700	6,509	89	382	7,743	151	161.4%	7,599	-1.7%	945	23.0%	6,233	-3.9%	149	68.5%	248	-33.4%	7,750	0.1%	1.3%
Blood and Cell Technologies Company		12,309	94,847	25,572	43,958	5,315	20,001	107,166	12,164	-1.3%	97,336	2.6%	27,624	8.0%	44,765	1.8%	6,082	14.4%	18,864	-5.7%	109,491	2.2%	17.0%
その他	Others	226	-	-	-	-	-	226	256	13.3%	-	-	-	-	-	-	-	-	-	256	13.3%	0.0%	
合計 Total		196,239	422,657	122,128	192,280	47,254	72,785	628,897	201,758	2.0%	412,084	-4.7%	126,289	-10.6%	186,798	-13.5%	45,525	-13.7%	65,271	-10.2%	613,842	-2.4%	100.0%
売上比率 % to Total		31.2%	68.8%	29.3%	30.4%	7.5%	11.6%	100.0%	32.9%	67.1%	19.6%	29.5%	7.4%	10.6%	100.0%								

(期中平均為替レート)

(Average Exchange Rates)

(USD)=¥108.70

(EUR)=¥120.81

(USD)=¥106.10

(EUR)=¥123.76

* 本報及び「中国」の売上を報告しているため、「アジア他」が「中国」の売上を除いておきます。

* Sales in China is not included in "Asia and others" from this responsible segment.

Operating Expenses

(100 M JPY)

	FY19 Q4 YTD	FY20 Q4 YTD	YoY	YoY%	YoY% (FXN)	FY19 Q4	FY20 Q4	YoY	YoY%
Salaries & Wages	898	928	29	3%	4%	232	240	8	3%
Sales Promotion	197	128	-68	-35%	-34%	51	43	-8	-16%
Logistical Costs	139	144	5	4%	4%	35	37	2	6%
Depreciation & Amortization	189	191	2	1%	2%	50	49	-1	-2%
Others	423	404	-19	-4%	-3%	109	119	10	10%
SG&A Expenses Total	1,845	1,795	-51	-3%	-2%	477	488	11	2%
(SG&A Expenses%)	(29.3%)	(29.2%)				(30.1%)	(29.5%)		
R&D Expenses	506	491	-15	-3%	-2%	136	132	-4	-3%
(R&D Expenses%)	(8.0%)	(8.0%)				(8.6%)	(8.0%)		
Operating Expenses Total	2,351	2,286	-66	-3%	-2%	613	620	7	1%
(Operating Expenses Total%)	(37.4%)	(37.2%)				(38.6%)	(37.5%)		

Quarterly Results

(100 M JPY)

	FY19 Q4 (Jan-Mar)	FY20 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	
Revenue	1,588	1,313	1,520	1,653	1,652	
Gross Profit	853 (53.7%)	689 (52.5%)	816 (53.7%)	908 (54.9%)	854 (51.7%)	
SG&A Expenses	477 (30.1%)	401 (30.5%)	458 (30.2%)	447 (27.1%)	488 (29.5%)	
R&D Expenses	136 (8.6%)	112 (8.5%)	119 (7.8%)	128 (7.7%)	132 (8.0%)	
Other Income and Expenses	4	5	-1	2	-2	
Operating Profit	244 (15.3%)	181 (13.8%)	238 (15.6%)	334 (20.2%)	231 (14.0%)	
Adjusted Operating Profit	266 (16.7%)	217 (16.5%)	296 (19.5%)	372 (22.5%)	274 (16.6%)	
Average Rate	USD EUR	109 JPY 120 JPY	108 JPY 119 JPY	106 JPY 124 JPY	105 JPY 125 JPY	106 JPY 128 JPY

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Adjusted Operating Profit: Adjustments

(100 M JPY)

	FY19 Q4 YTD	FY20 Q4 YTD	FY19 Q4	FY20 Q4
Operating Profit	1,106	984	244	231
Adjustment 1. Amortization of acquired intangible assets	157	146	38	38
Adjustment 2. Non-recurring profit or loss	-13	29	-16	5
Adjusted Operating Profit	1,250	1,159	266	274

<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

Main items in Adjustment 2. Non-recurring profit or loss	FY20 Q4 YTD	FY20 Q4
Business reorganizing cost	7	3
Others	22	2

CAPEX, Depreciation and R&D Expenses

	FY17	FY18	FY19	FY20	(100 M JPY) FY21 Guidance
CAPEX	436	608	895	772	850
Depreciation	420	440	477	484	530
Amortization of acquired intangible assets	145	146	157	150	155
Others	276	294	320	334	375

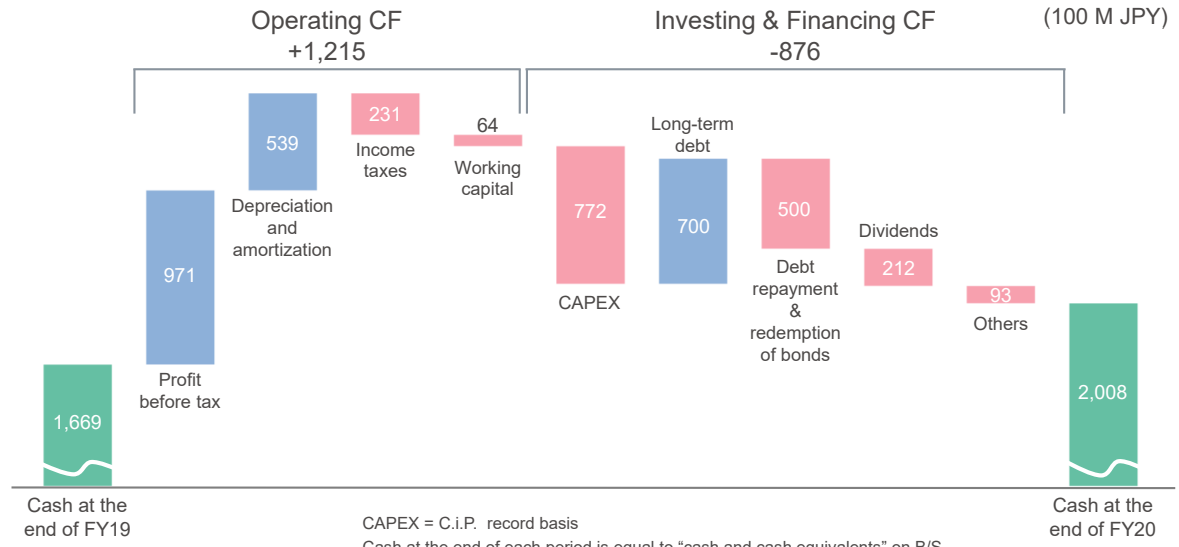
CAPEX = C.i.P. record basis

■ FY20 results (77.2 B JPY): Continued investment mainly for TIS, Neurovascular, Alliance and Blood & Cell Technologies in production capacity and space, R&D as well as IT infrastructure (SAP)

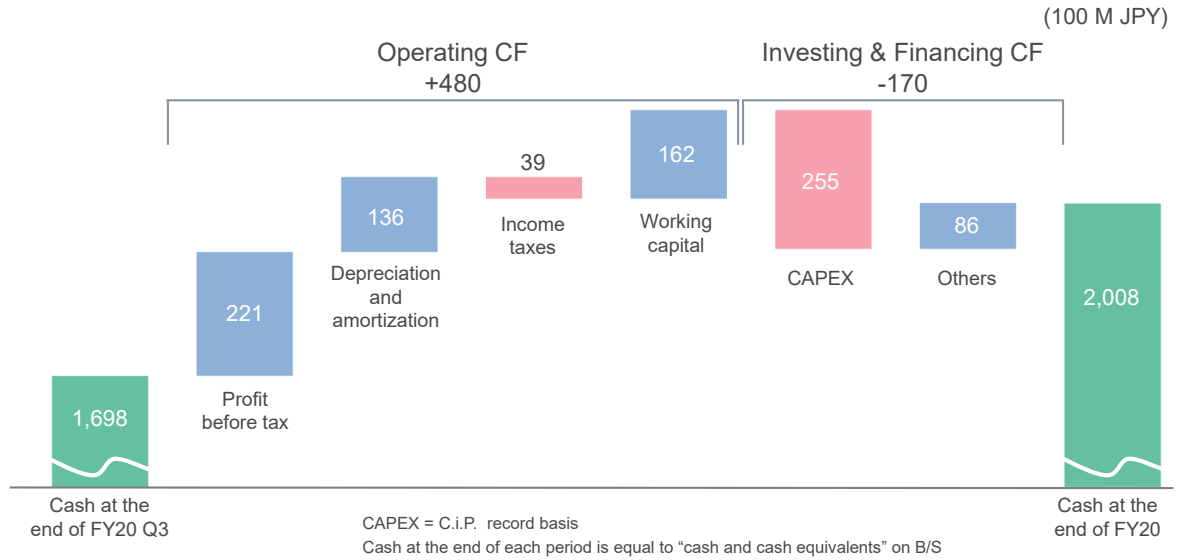
■ FY21 guidance (85.0 B JPY): Other than above, investment for plasma collection and production facilities for vaccine syringes, etc. Control investment considering FY21 performance

	FY17	FY18	FY19	FY20	FY21 Guidance
R&D Expenses	413	477	506	491	529

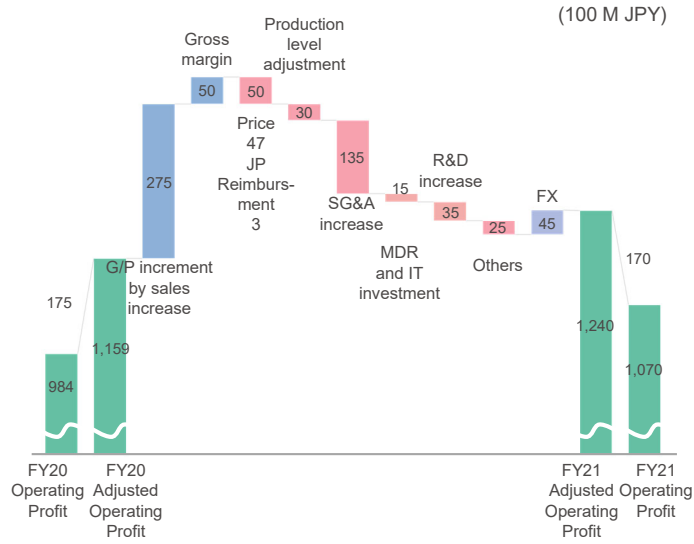
Cash Flows (FY20 Q4 YTD)



Cash Flows (FY20 Q4)



FY21 Guidance: Profit Variance Analysis (for 670 B JPY Revenue Scenario)



- Sales increment and gross margin:**
Sales recovery in C&V mainly in US, resulting in product mix improvement
- Price:**
Impact of Chinese VBP started in FY20 2H continues throughout FY21
- Production level adjustment:**
Adjust the operating level of production for C&V, especially for TIS products to optimize inventory level throughout FY21
- SG&A increase:**
Despite the increase along with ease of movement restrictions, sales recovery and new product launch such as thoracic stent graft, control within the level of sales increase
- Others:**
Planning to bear expenses as prior investment for plasma collection business, while the revenue will be planned from FY22 or later
- FX:**
Positive impact by EUR, CNY and other currencies in emerging countries

Details of FY20 FX Impact (Flow and Stock)

Q4 YTD FX impact -3.5 B JPY: -2.4B JPY(Q3 YTD) plus -1.1 B JPY(Q4)

+0.8 B JPY from flow: Positive impact of JPY depreciated against EUR and CNY, and negative impact of currencies depreciated in emerging countries such as Brazil

	(JPY)		
	FY19 Q4 average	FY20 Q4 average	Variance
EUR	120	128	8
CNY	15.6	16.4	1

-1.9 B JPY from stock: FX impact on elimination of unrealized profit in inventories

- Negative impact due to rapid depreciation of JPY at the end of Mar. FY20
- Negative year-on-year variance increased due to JPY slightly appreciated at the end of Mar. FY19

	(JPY)				(JPY)			
	FY19 Q4 average	At the end of Mar. FY19	Variance	➔	FY20 Q4 average	At the end of Mar. FY20	Variance	
USD	108.9	108.8	-0		USD	106	111	5
EUR	120.1	119.6	-0		EUR	128	130	2

Foreign Exchange Sensitivity

Annual impact of 1 JPY depreciation (100 M JPY)

	USD	EUR	CNY
Revenue	17	8	27
Adjusted Operating Profit	0	5	15

<Reference> Impact when JPY is depreciated by 10%

	North America	Latin America	EMEA		Asia	
			EUR	Others	CNY	Others
Adjusted Operating Profit	-1	10	65	13	23	36



Stride Ahead
100th