



# **1st Quarter Financial Results for FYE/Mar 2010**

**Terumo Corporation  
July 30, 2009**

# Financial Results

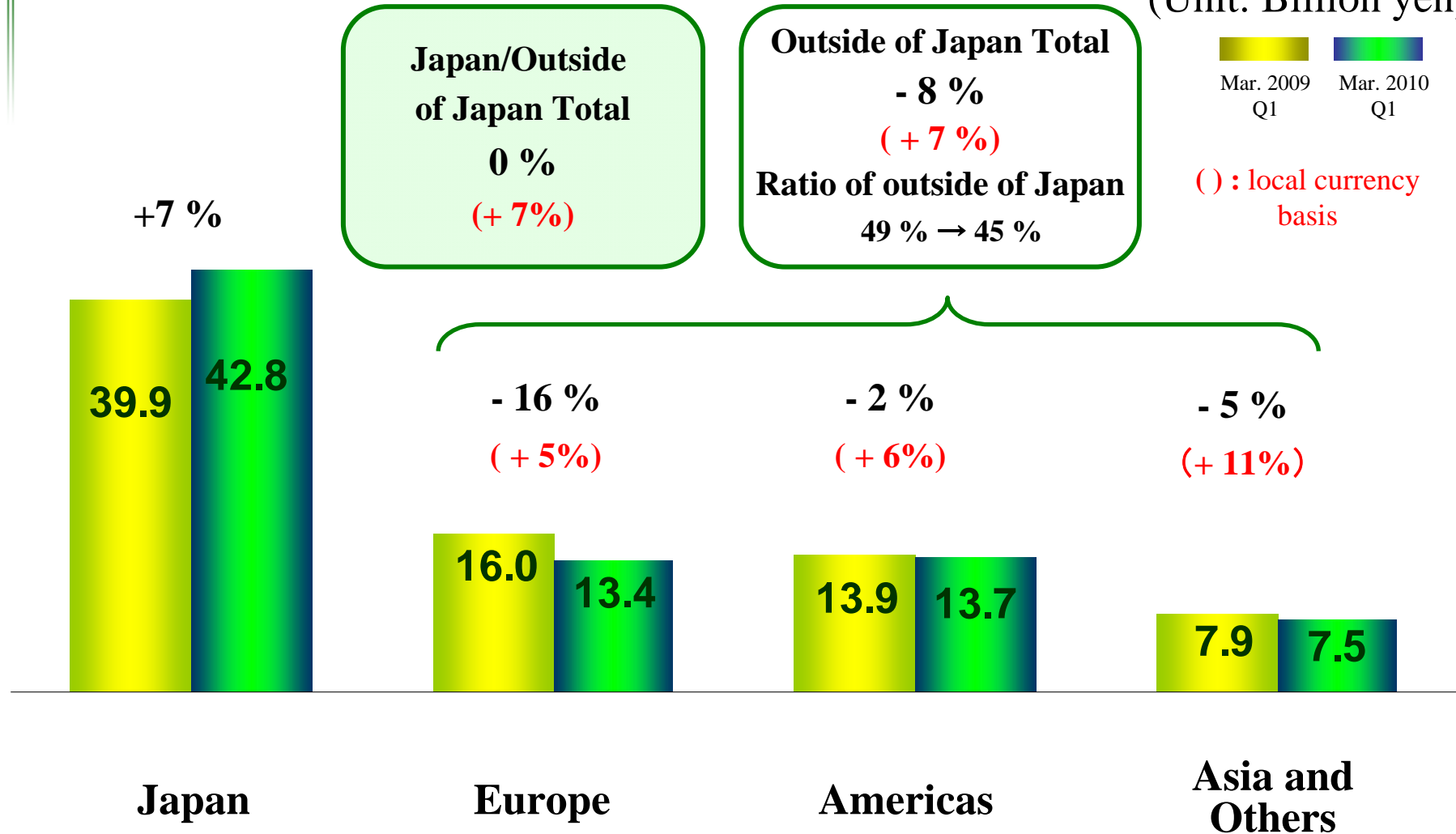
(Unit: Billion yen)

	Q1 FYE/Mar. 2009	Q1 FYE/Mar. 2010	Rate of change
Net Sales	<b>77.8</b>	<b>77.5</b>	<b>0%</b>
Gross profit	42.2(54.3%)	<b>41.6(53.6%)</b>	<b>-2%</b>
SG&A Expenses	26.0(33.4%)	<b>25.1(32.3%)</b>	<b>-4%</b>
Operating Income	16.2(20.9%)	<b>16.5(21.3%)</b>	<b>1%</b>
Ordinary Income	18.9(24.2%)	<b>16.9(21.9%)</b>	<b>-10%</b>
Net Income	14.0(18.0%)	<b>10.8(14.0%)</b>	<b>-23%</b>

Average exchange rate	1US\$	105 yen	} Impact on Net Sales
	1EUR	163 yen	
		97 yen	}
		133 yen	

# Sales (by Region)

(Unit: Billion yen)

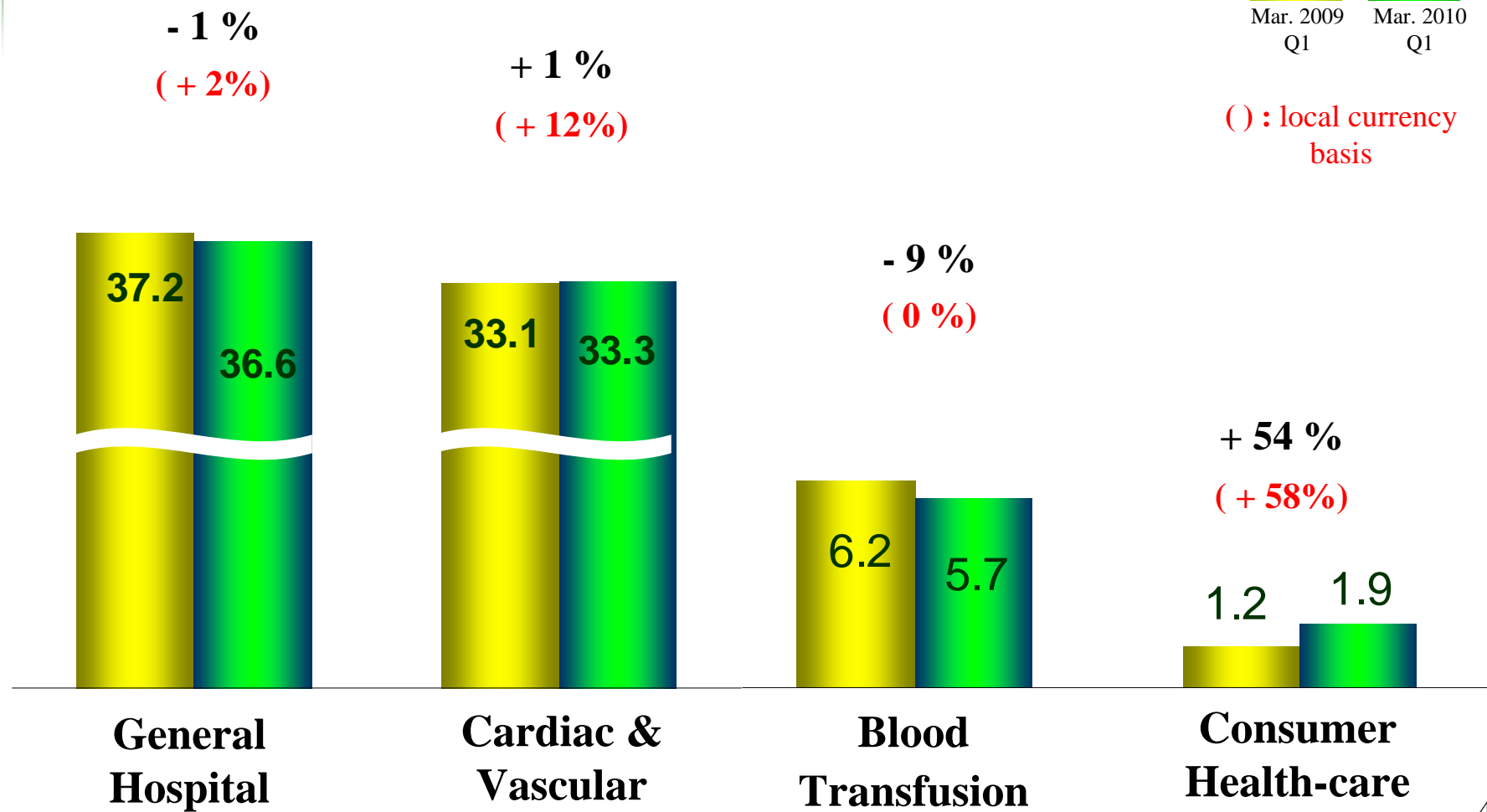


# Sales ( by Product Group)

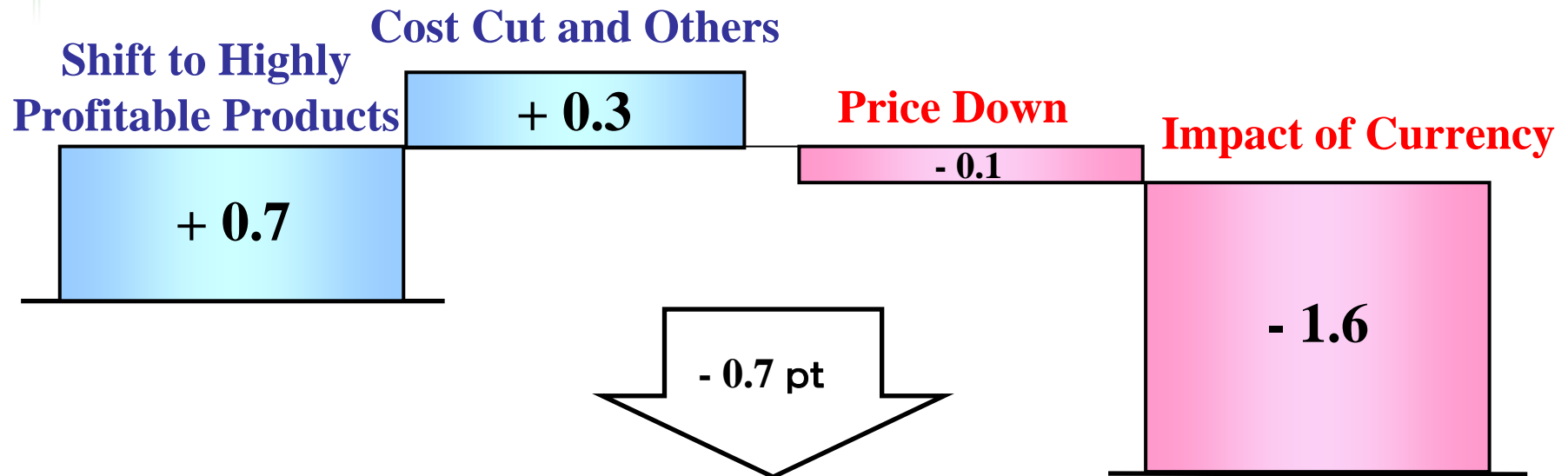
(Unit: Billion yen)

Mar. 2009 Q1    Mar. 2010 Q1

( ) : local currency basis



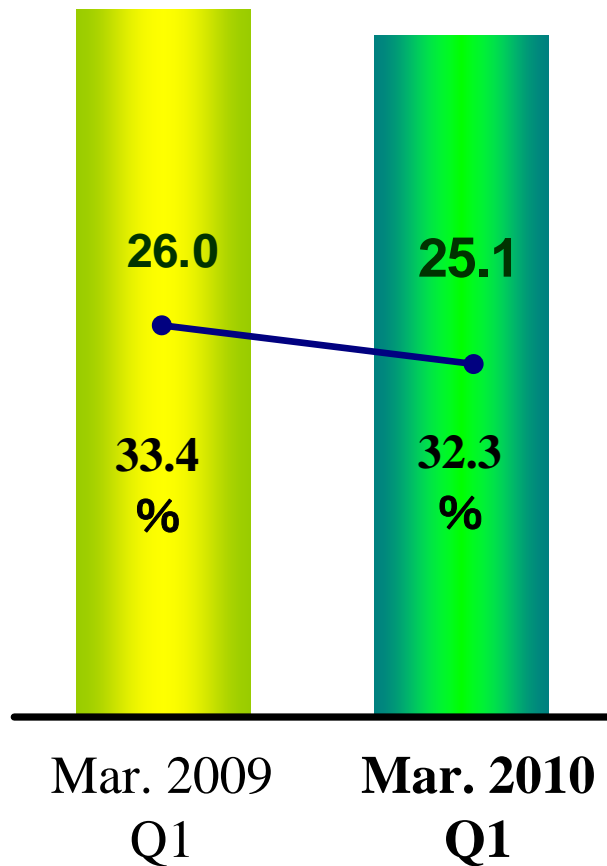
# Gross Profit (%)



**FYE/Mar. 2009 Q1: 54.3% → FYE/Mar. 2010 Q1 : 53.6%**

# SG&A Expenses

(Unit: Billion yen)



## SG&A. expense ratio to sales improved by 1.1pt

### Japan:

- R&D was reinforced
- A growth of retirement benefit expense was offset by a reduction of expense

### Outside of Japan :

- Reduced across the Group, and improved due to a favorable impact of foreign exchange

# Forecast :

## Forecast for the 1st Half Revised Upward

	FYE/Mar. 2010 Q1 Results	FYE/Mar.2010 1st Half Year Forecast	(Billion yen) FYE/Mar.2010 Forecast
Net Sales	<b>77.5</b>	<b>154.0</b>	<b>315.0</b>
Operating Income	<b>16.5</b> (21.3%)	<b>28.0</b> (18.2%)	<b>56.0</b> (17.8%)
Ordinary Income	<b>16.9</b> (21.9%)	<b>28.0</b> (18.2%)	<b>56.0</b> (17.8%)
Net Income	<b>10.8</b> (14.0%)	<b>18.0</b> (11.7%)	<b>37.5</b> (11.9%)
Average exchange rate	1US\$ 97 yen 1EUR 133 yen	Q2 90 yen Q2 120 yen	95 yen 125 yen



# Topics

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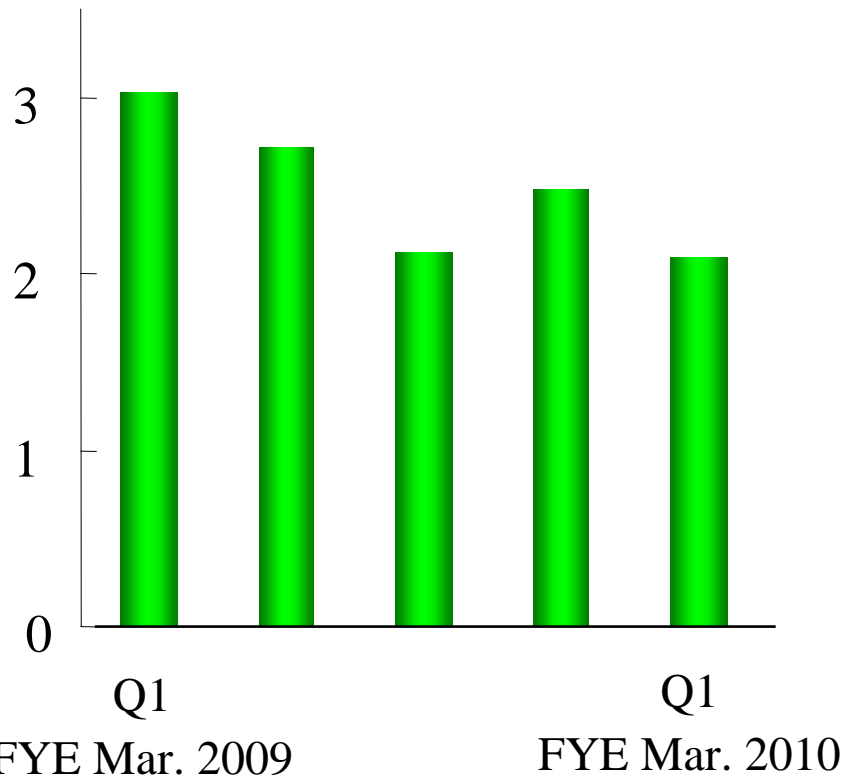
- Performance trend update
- Growth potential of interventional systems business
- Others



# Impact Limited Despite Slow Sales of Large Equipment

Overseas sales of large-sized equipment for cardiac surgery

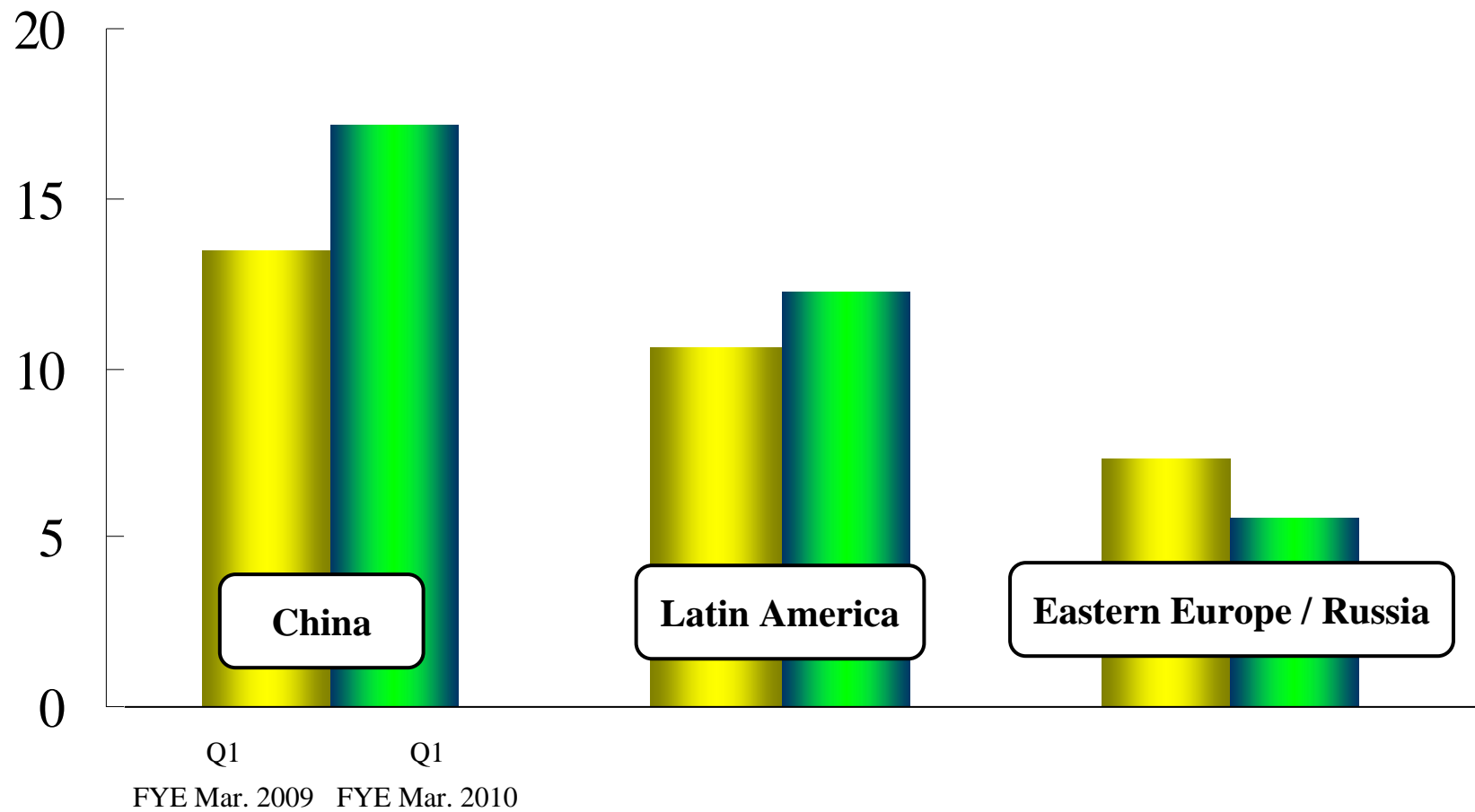
(billion yen)



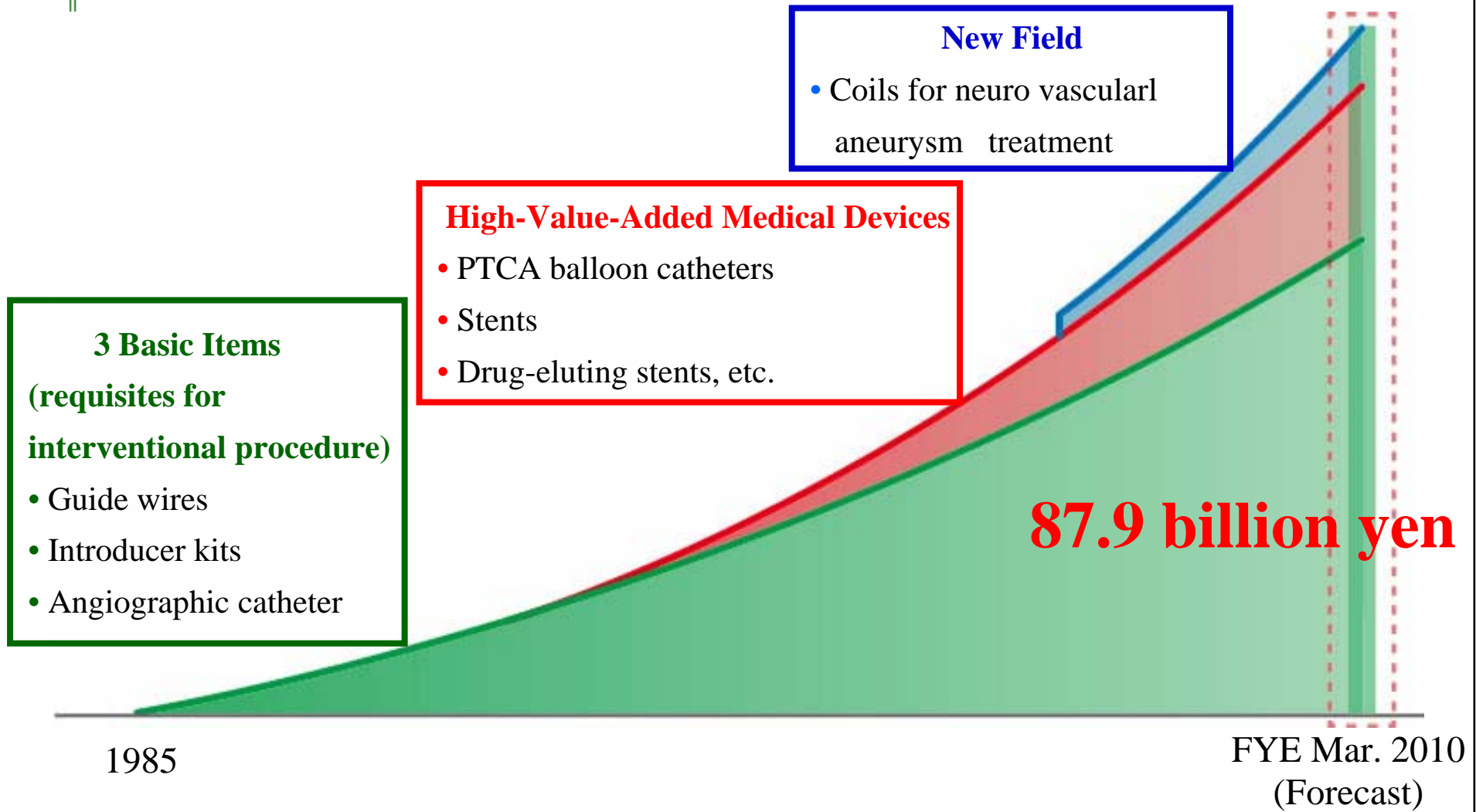
Large-sized equipment for cardiac surgery:  
Heart-lung machine  
“Sarns Advanced Perfusion System 1”

# Big Buyer China Robust Among Emerging Markets

(US\$ Mil.)



# Unique Growth Potential Driving Entire Business Expansion

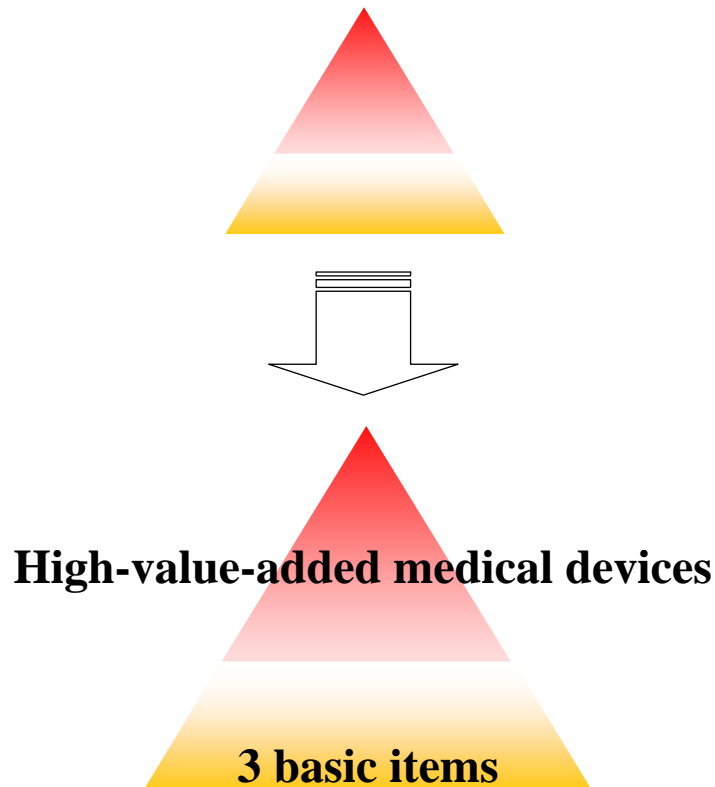


(conceptual image)

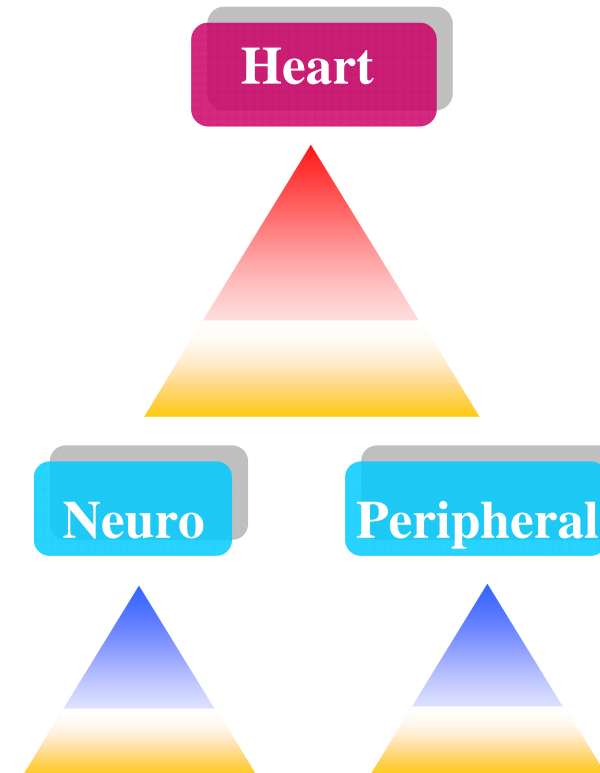
# “3 Basic Items” That Always Grow

Competitive quality that induces demand shifts to Terumo products

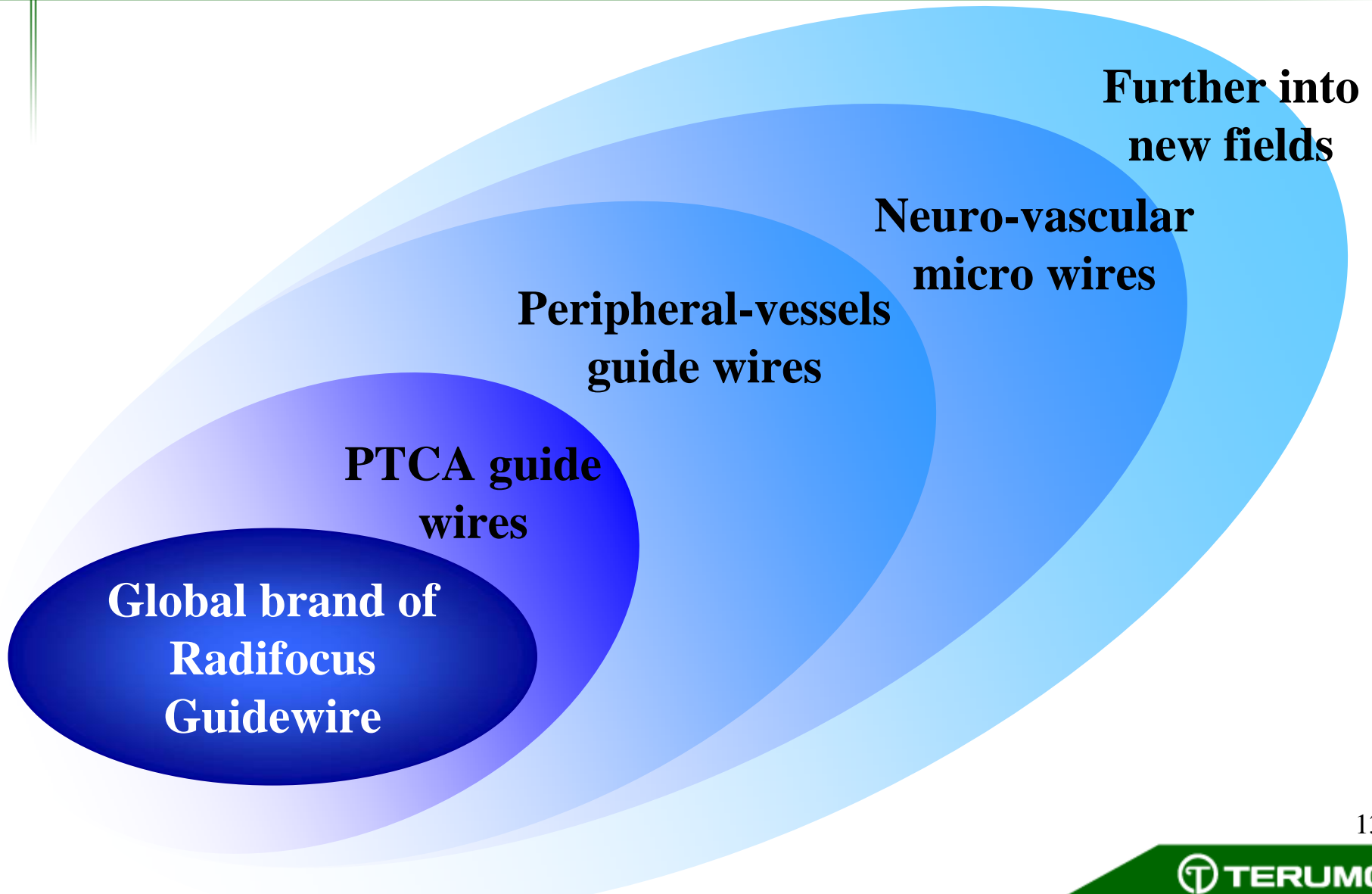
- Growth on market expansion



- Growth on field diversification



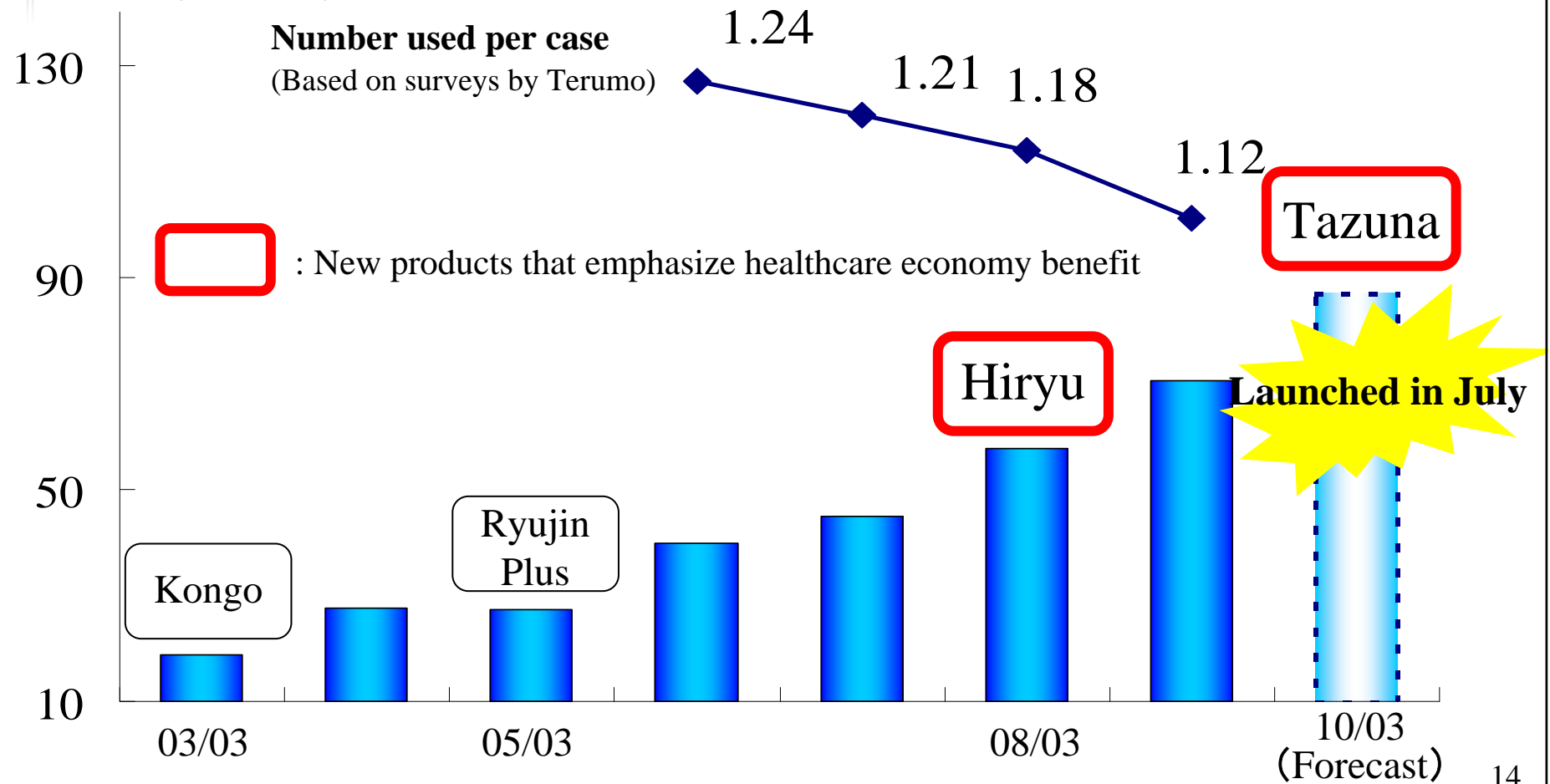
# Extending Portfolio of Guide Wire Products



# Sales Growing on Products Offering Healthcare Economy Benefit

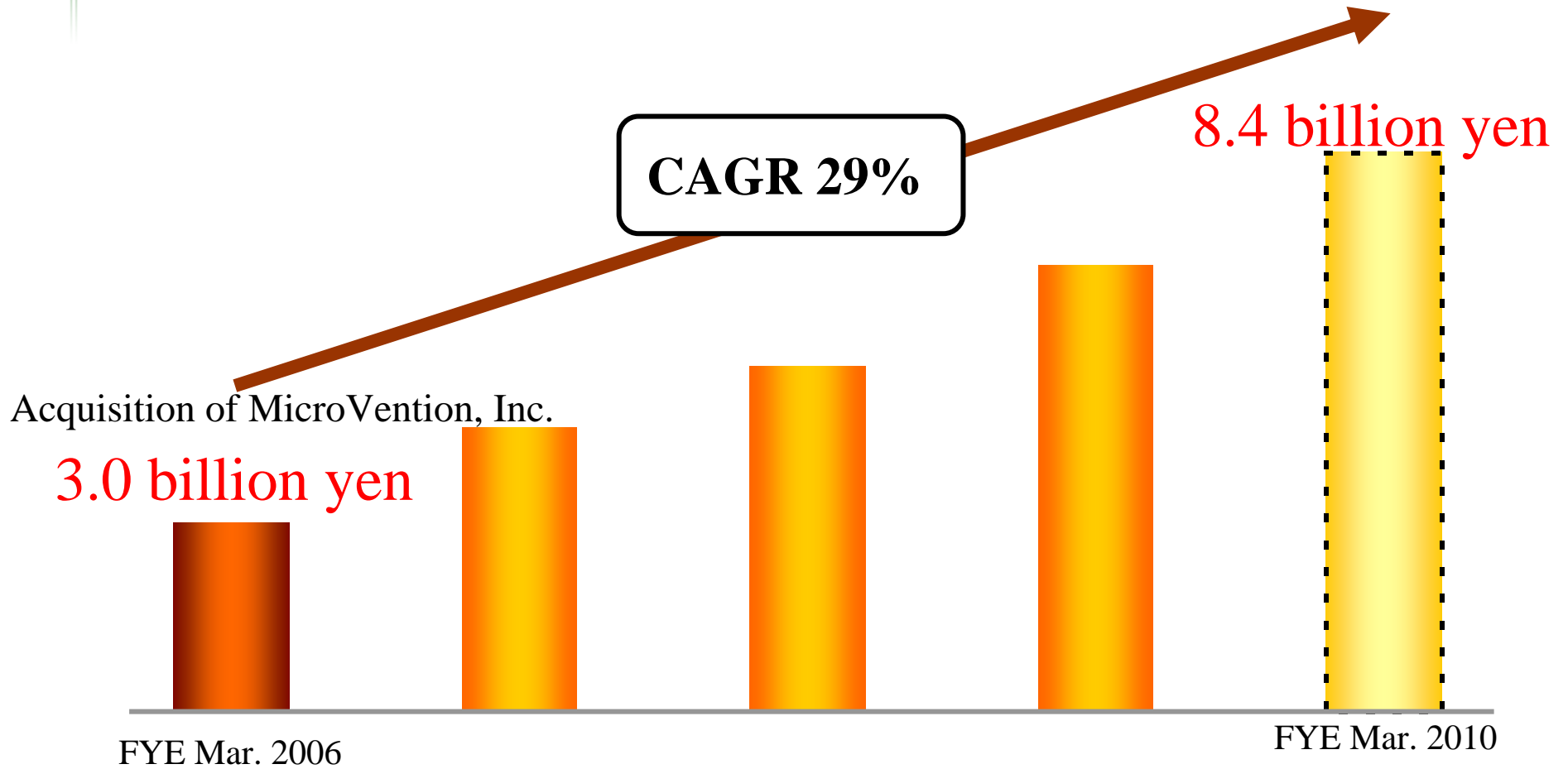
PTCA balloon catheter product lineup and sales volume (Japan)

No. of units (Thousand)



# New Field Becoming New Growth Pillar

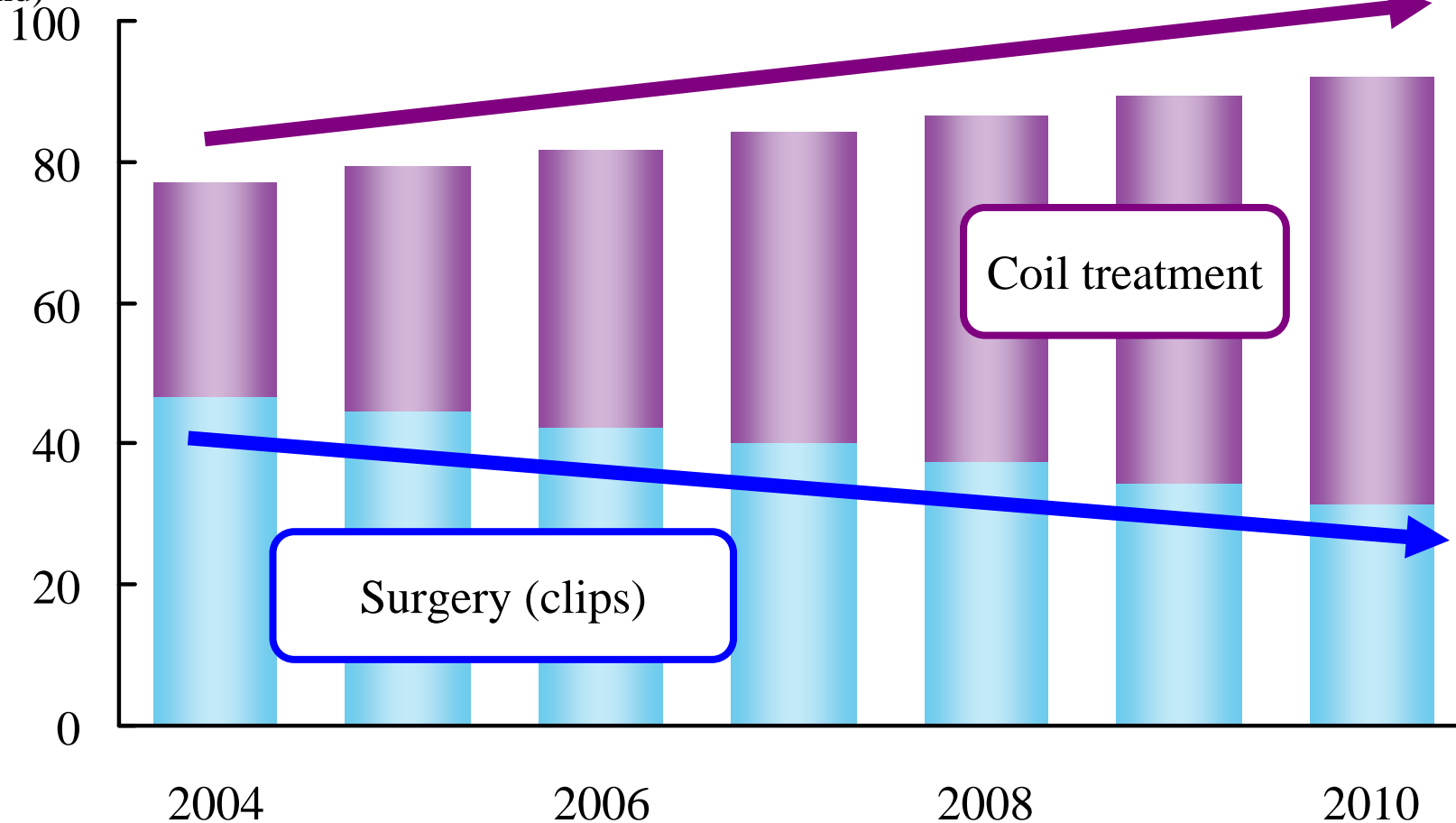
Sales of coils for use in treating neuro aneurysms



# Coil Market Set to Continue Expanding

## Trends in the neuro aneurysm treatment market

No. of cases worldwide  
(Thousand)



(Based on surveys by Terumo)



# Pursuing Synergies Since The Acquisition

Trend in neuro aneurysm treatment

**[Access devices]**  
**Terumo technology**

- 3 basic items
- Micro wire
- Guiding catheter

+

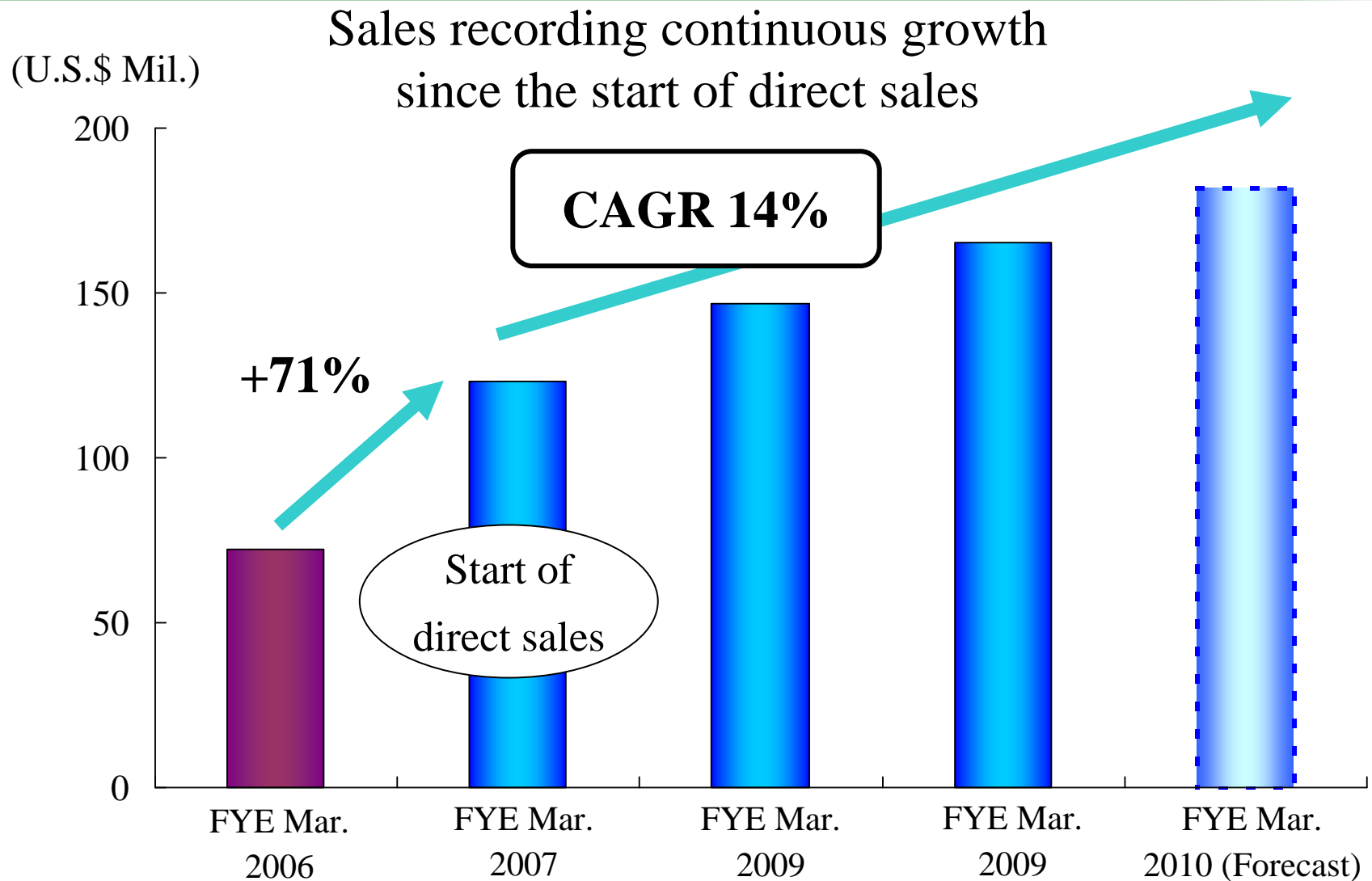
**[Treatment coils]**  
**MicroVention technology**

- Barecoil
- Hydrocoil
- HydroSoft



Coils for abdominal peripheral arteries

# Other Topics 1) U.S.



(Sales of catheter products in the U.S. market)

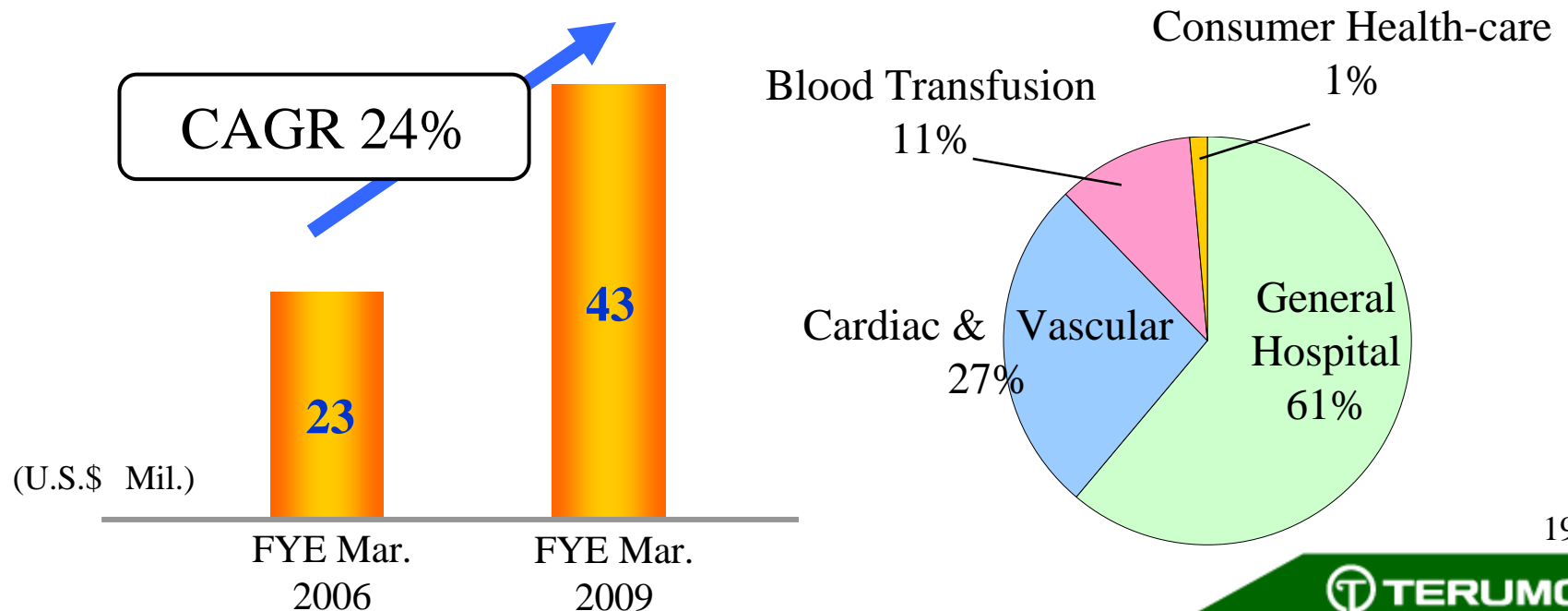
# Other Topics 2) Thailand

Leveraging the Terumo brand to offer a full lineup of products

# Hospitals: pursuing a safety strategy

# Entry into the diabetes treatment business

# The no.1 presence in interventional systems (Terumo share:40% Exclude DES)





# Summary

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# The strong yen has been a big problem, but we are gradually overcoming it.

# We have had some success in boosting our profitability.

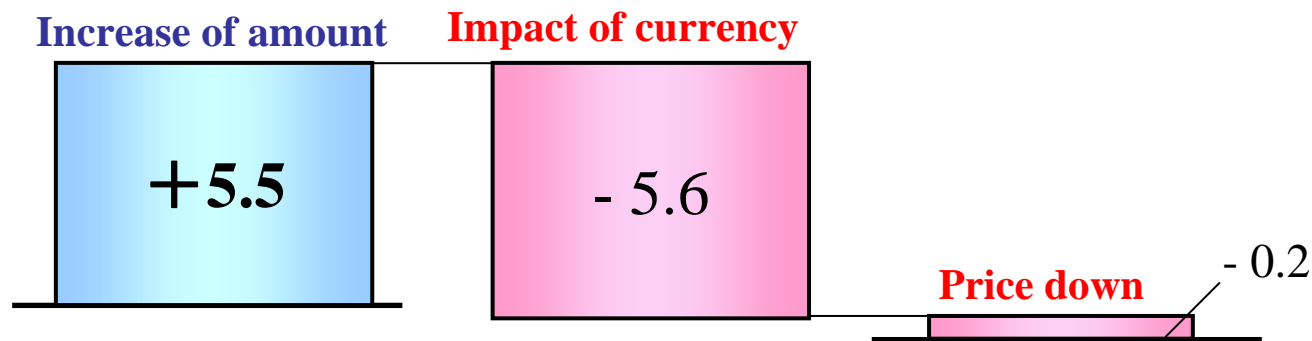
# We have made a smooth start in achieving our goal of increasing revenues and profits.

# Reference

# Factor of Change of Sales and Operating Profit

## [Sales]

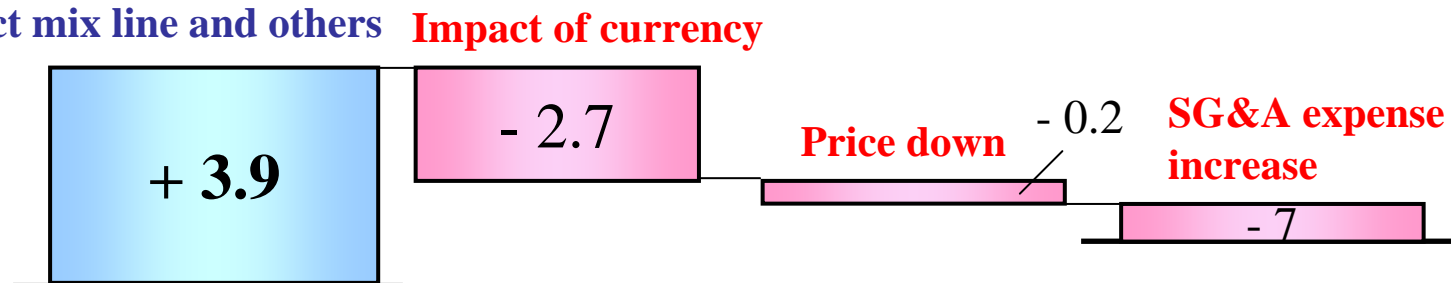
Q1 Mar.2009: 77.8 bln yen → Q1 Mar. 2010: 77.5 bln yen - 0.3 bln yen



## [Operating Income]

Q1 Mar.2010: 16.2 bln yen → Q1 Mar. 2010: 16.5 bln yen +3 bln yen

**Increase of amount / Improving  
product mix line and others**

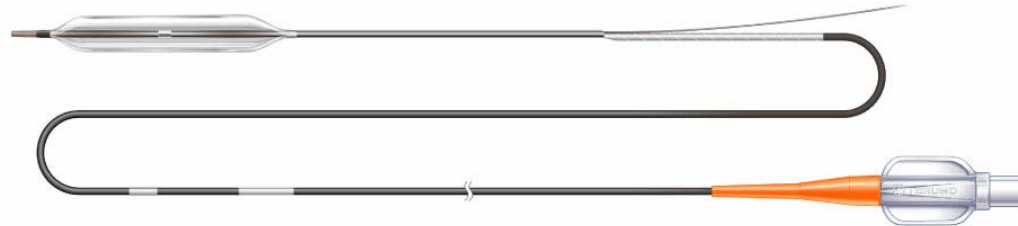


# Reference

(Unit: millions of yen)

	Mar. 2009 1st Quarter	Mar. 2010 1st Quarter	Mar. 2010 Forecast
R&D Expense	3,772	3,922	19,000
Depreciation Expense	4,641	4,481	21,000
Investment in Plant and Equipment	3,235	5,157	23,000
Free Cash Flow	-10,237	493	
Shareholder's Equity Per Share (Yen)	72.27	56.94	197.47

# “Tazuna,” New PTCA Balloon Catheter Suitable for TRI Launched

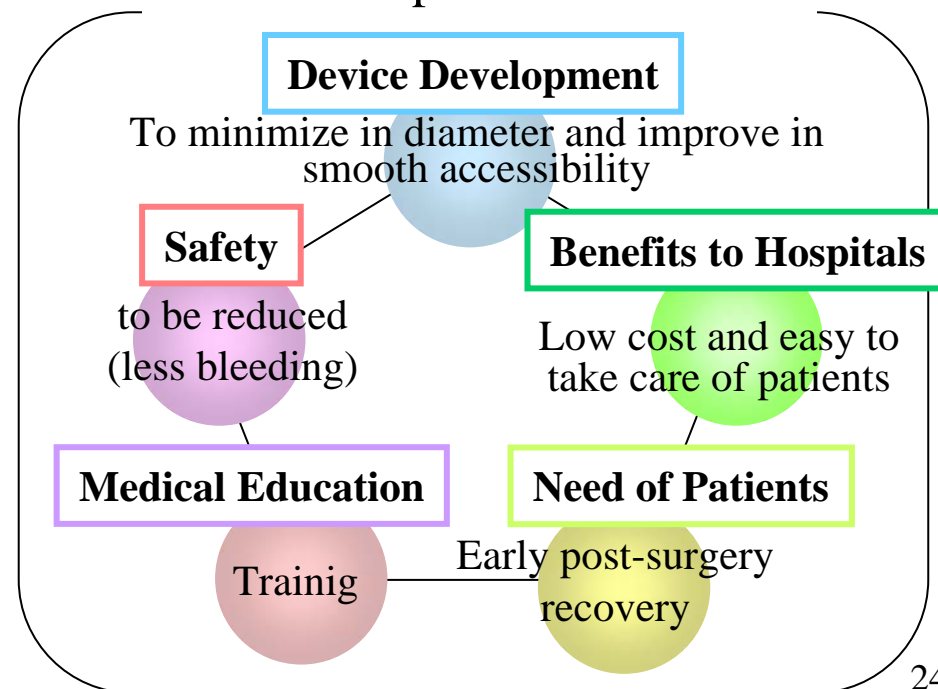


## \* What's TRI...

In TRI (Transradial Coronary Intervention), a balloon catheter is inserted from a micro wrist artery to approach the coronary artery.

It imposes as little physical burden on patients as they can walk soon after the operation, and facilitates outpatient surgery.

## Requisites for penetration of TRI procedures







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The market share information in this booklet is partly derived from our own independent research.