



# **1st Half Financial Results for FYE/Mar. 2010**

**Terumo Corporation  
October 29, 2009**

# Financial Results

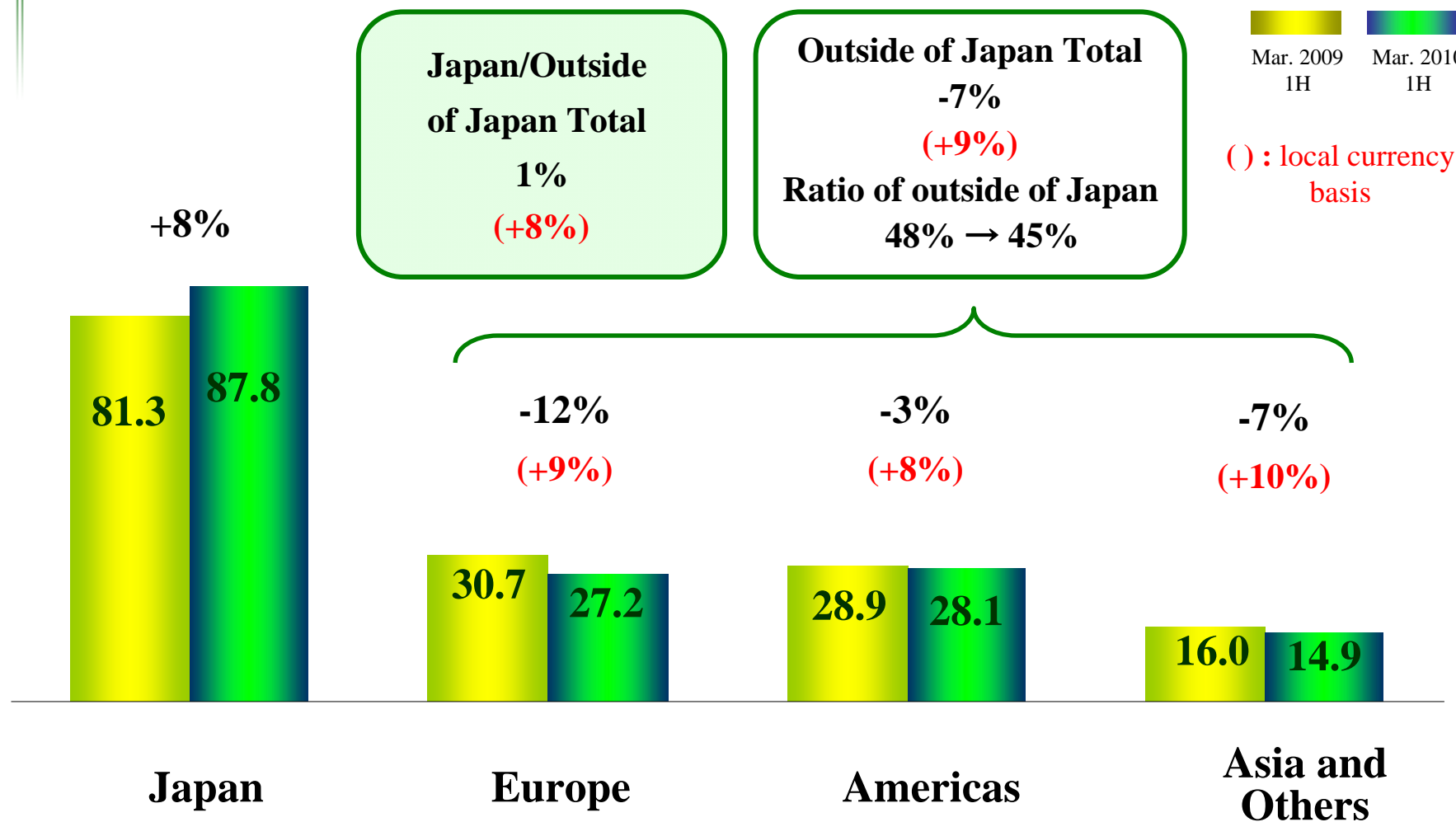
(Unit: Billion yen)

	1H FYE/Mar. 2009	1H FYE/Mar. 2010	Rate of change
<b>Net Sales</b>	157.0	<b>158.1</b>	<b>1%</b>
<b>Gross profit</b>	84.3(53.7%)	<b>83.3(52.7%)</b>	<b>-1%</b>
<b>SG&amp;A Expenses</b>	52.8(33.7%)	<b>50.7(32.1%)</b>	<b>-4%</b>
<b>Operating Income</b>	31.5(20.0%)	<b>32.6(20.6%)</b>	<b>4%</b>
<b>Ordinary Income</b>	32.8(20.9%)	<b>32.2(20.4%)</b>	<b>-2%</b>
<b>Net Income</b>	23.0(14.6%)	<b>20.8(13.1%)</b>	<b>-10%</b>

<b>Average exchange rate</b>	<b>1US\$</b>	<b>106 yen</b>	} Impact on Net Sales
	<b>1EUR</b>	<b>163 yen</b>	

# Sales (by Region )

(Unit: Billion yen)

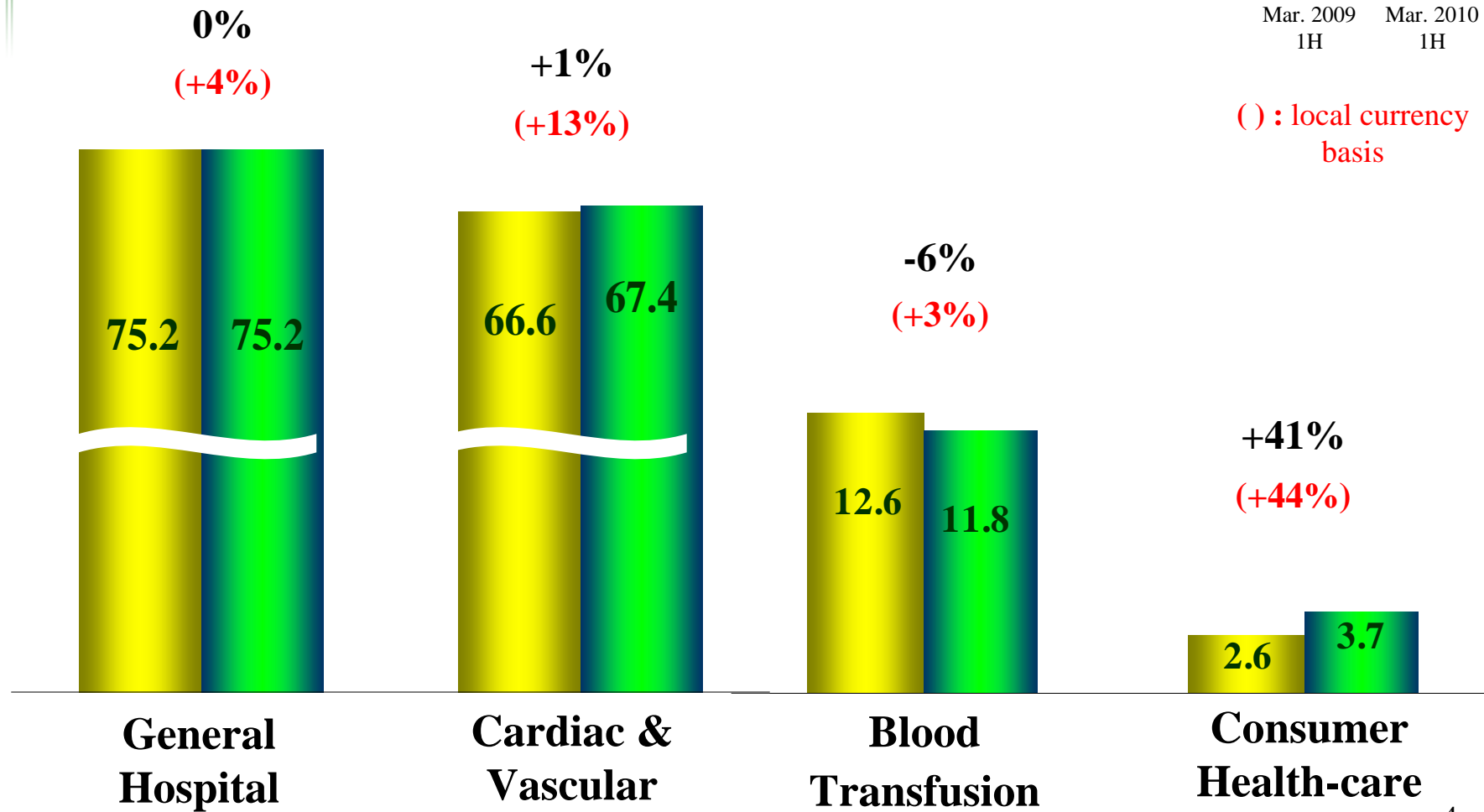


# Sales ( by Product Group)

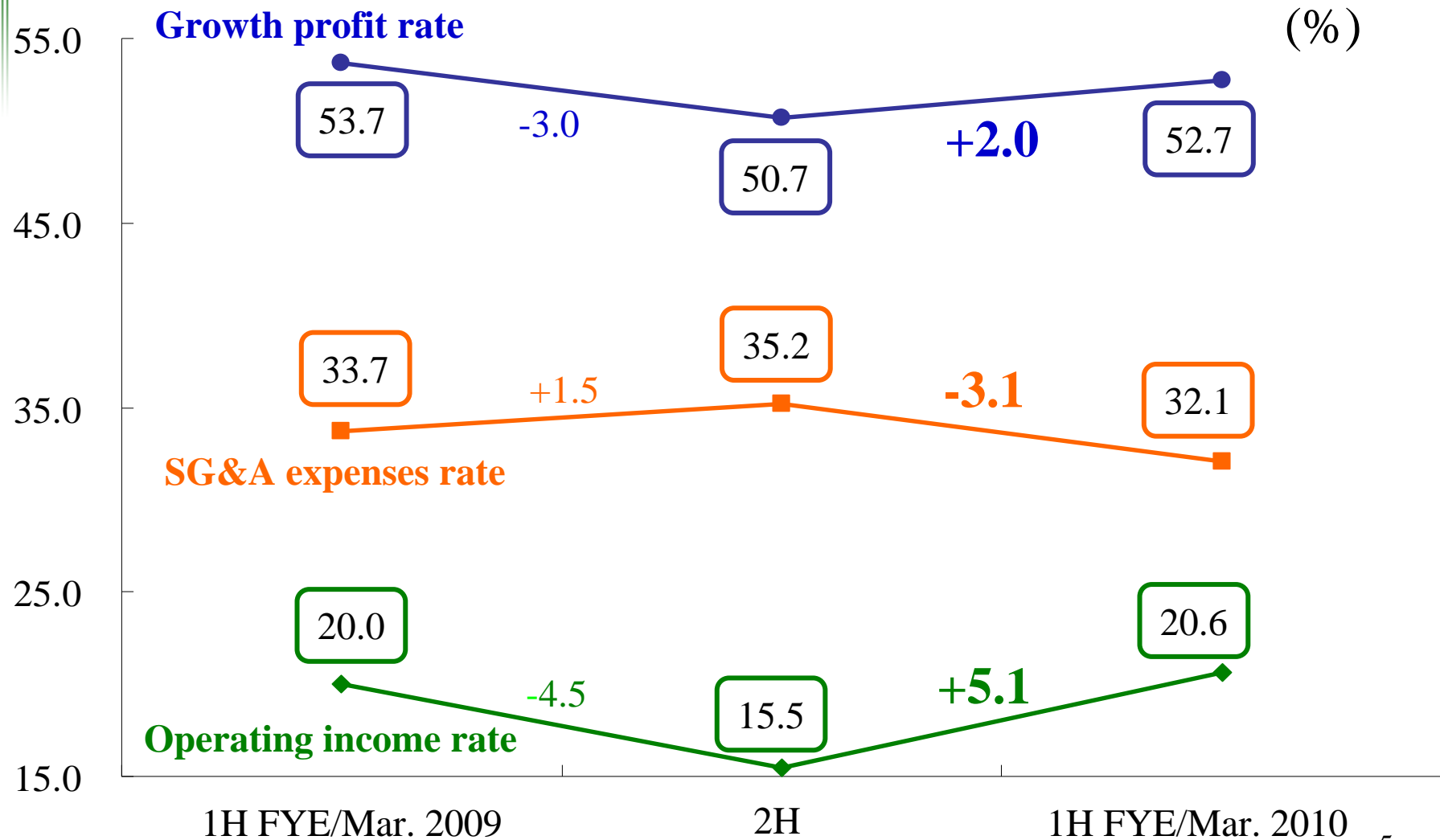
(Unit: Billion yen)

Mar. 2009 1H    Mar. 2010 1H

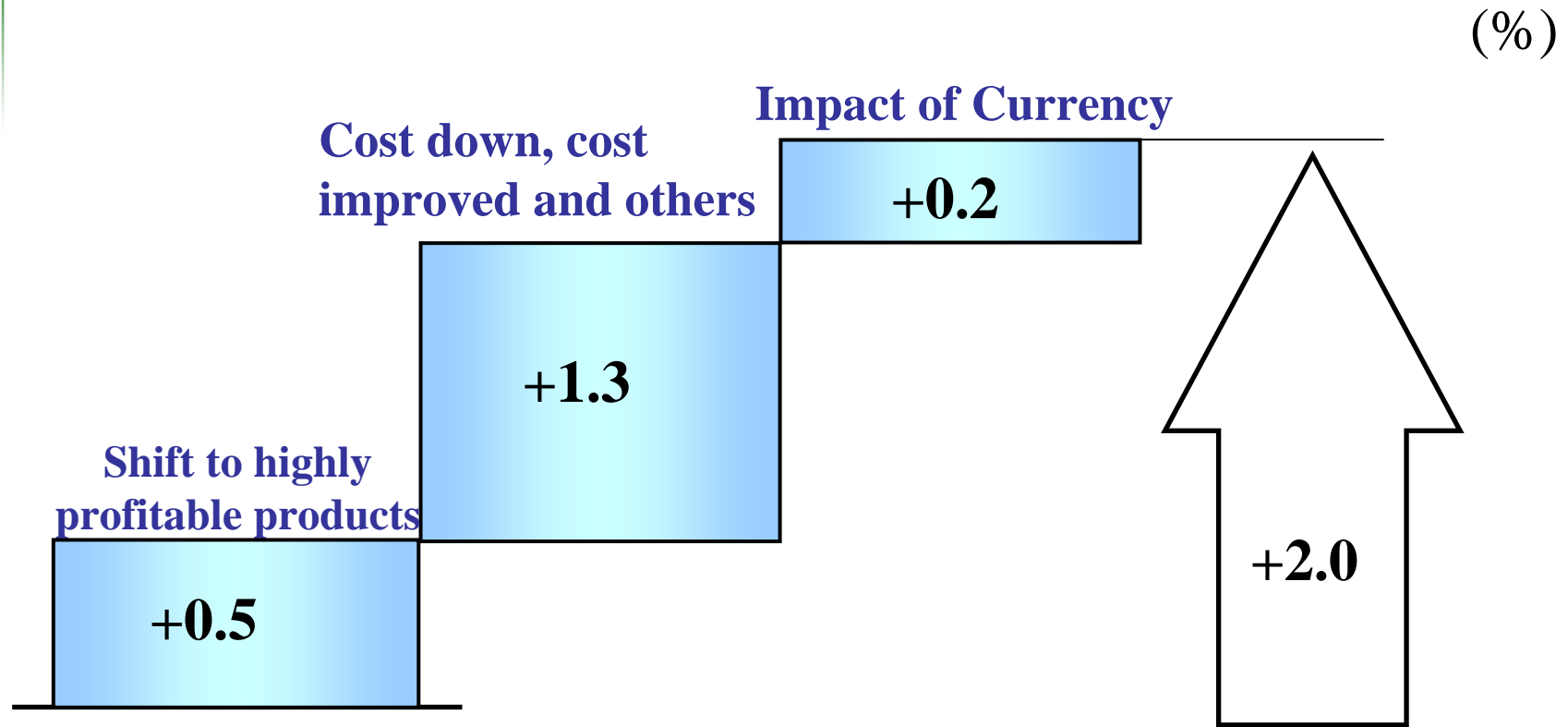
( ) : local currency basis



# Both the Gross Profit and SG&A Expenses Rate Contributed to a Recovery of the Operating Income Rate



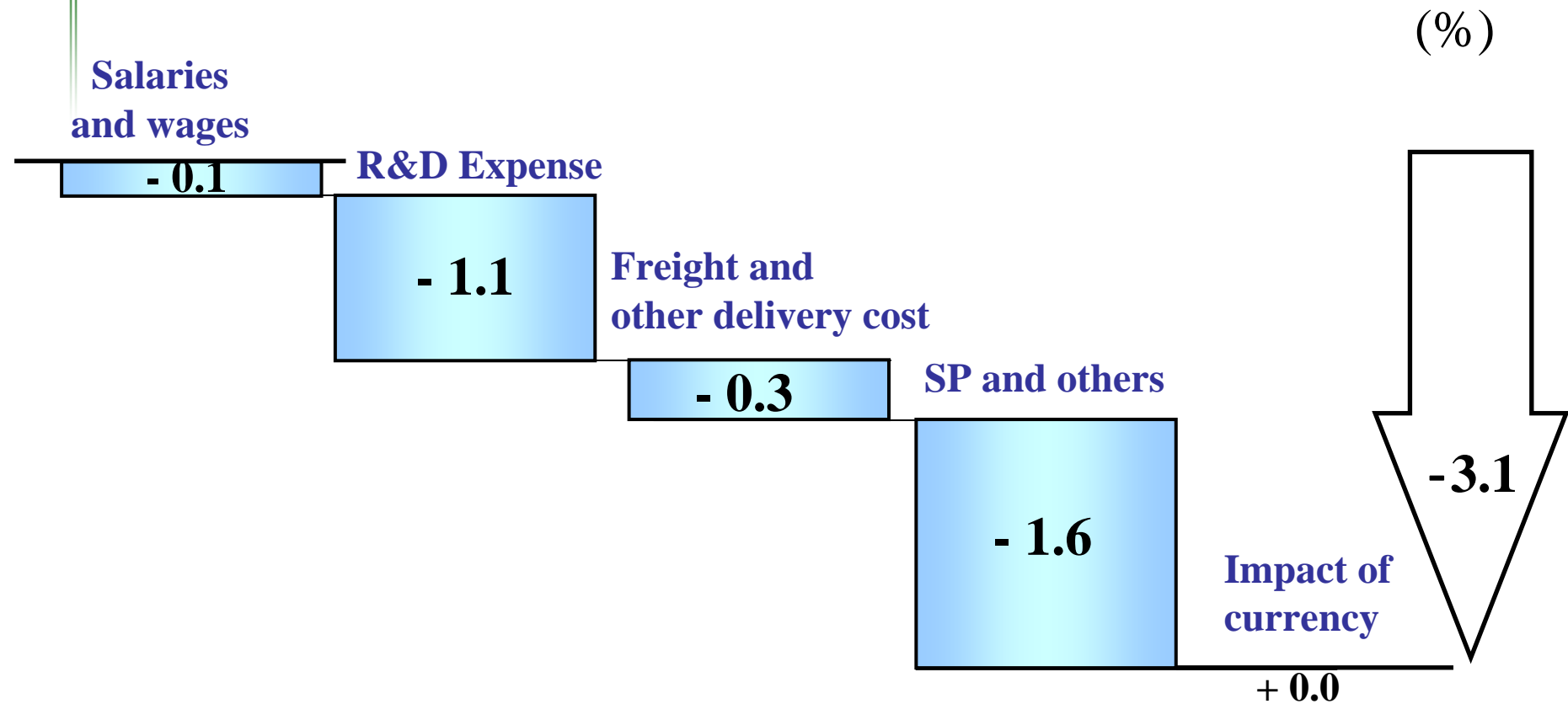
# Gross Profit Rate Improved



**2H FYE/Mar.2009 50.7% → 1H FYE/Mar.2010 52.7%**

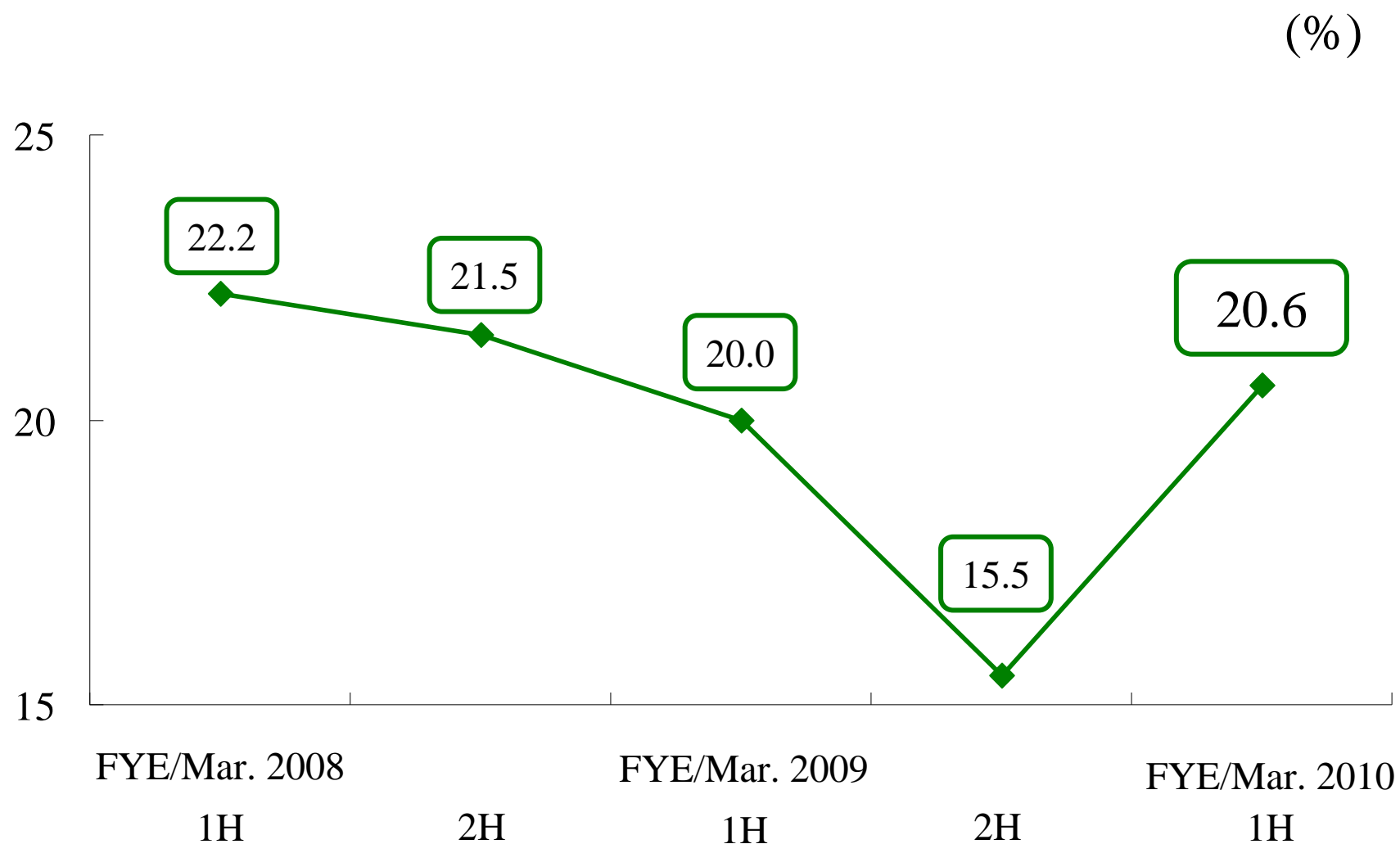
<b>Average exchange rate</b>	US \$	95yen	96yen
	EUR	124yen	133yen

# SG&A Expense Rate Improved



**2H FYE/Mar. 2009 35.2% → 1H FYE/Mar. 2010 32.1%**

# Operating Income Rate Recovered to the Order of 20%





- 
- Global Healthcare Reforms  
and Growth Strategies
  - Other Topics

# Global Healthcare Reforms

## China

- Economic development and rising income levels
- Government investment of a total of 120 billion dollars
- Reforms toward a universal health insurance plan started

## US

- Getting serious about solving the issue of more than 45 million uninsured people
- Healthcare reform bill under deliberation to pass within the year

## U.K.

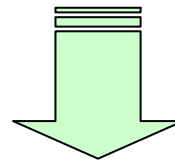
- Improving the quality of medical service with three elements of “people, capital and new technologies”

## Japan

- Management improvement of hospitals and increase of doctors under review

# Growing Opportunities

- China and other emerging markets expanding
- US market changing, with focus shifting to the healthcare economy
- Japan examining aggressive measures in fields such as emergency medical service and etc.



A wide variety of growth drivers from all regions and fields  
**Promoting strategies focusing on the healthcare economy**

# Strengthening Business Structures in China and Emerging Countries

**China: A dedicated corporate executive posted in Beijing**  
- Strengthen strategy function



◆ 2007  
Reorganized local representative in Chile into an affiliate company

◆ October 2009  
Strengthened import and sales functions of Brazilian subsidiary



**South America:**  
Continuing to strengthen business bases

# Supporting the Improvement of the medical infrastructure



Russia



Live Demonstration



Nurse training

Philippines



Terumo Medical Pranex  
TRI seminar



South Africa



Simulator training

Brazil



TRI symposium



# Establishing a Holding Company

The number of subsidiaries increased due to mainly M&As.

Building a foundation for further development through integrated management.



1999  
Operations purchased from 3M



2003  
Terumo Heart established



2006  
Direct sales of Interventional systems started



2006  
Micro Vention acquired



**Holding Company**

New organization starts next January

# Changes - Business Opportunities

Interventional treatment through radial artery (wrist) attracted attention

## Improving Product Lineup

Ultimate interventional system technology enabling one-day treatment  
 Releasing new product suitable for "TRI"



Guiding Catheter

### Devices suitable for "TRI" (Launched in US)



Arrest of bleeding



M coated sheath



Angiographic catheter

TCT2009 | TRANSCATHETER CARDIOVASCULAR THERAPEUTICS

TRI seminar hosted by Terumo

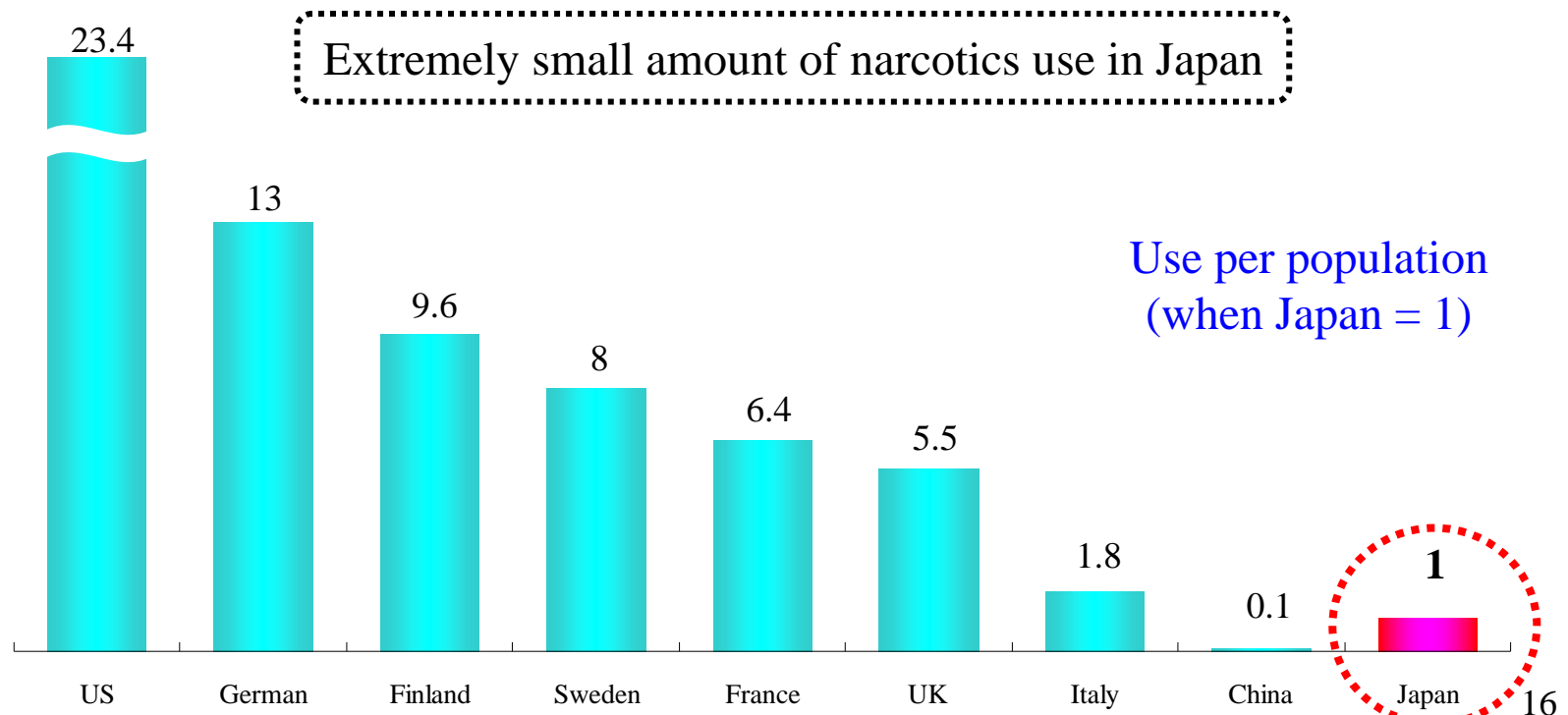
Crowded with people even standing in the corridor

\*TRI (Transradial Coronary Intervention)

# Further Expanding Business Domains

An entry into the pain relief market for patients of cancer

Announced partnerships with Teikoku Seiyaku (August)  
and Takeda Pharmaceutical (September)





# Strategies in This Business

## Co-medical education and training

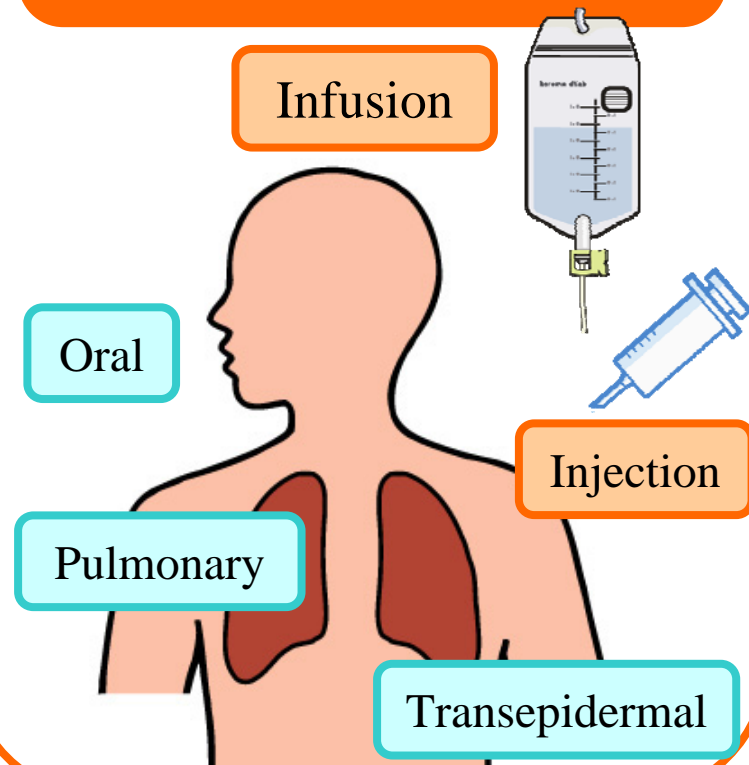


Practical training of WHO treatment method of narcotics formulations



Seminars for certified nurses for cancer pain, certified pharmacists for pharmaceutical palliative care, etc.

-Comprehensive lineup of narcotics formulations  
-Diverse administration routes



# Consumer Health-care Business Enjoying Sales

Japan

Accelerated development cycles



Digital thermometer  
ear type

PREMIAGE  
プレミアージュ



Digital blood pressure monitors



Digital blood pressure monitor

Increasing demand for thermometers  
as anti-swine Flu measures

# New Syringes for Exclusive Use with Vaccines Developed

Japan

Reducing residue

**Effectively use vaccines**

Thin needle

**Less pain**

No need for needle replacement

**Increasing efficiency  
in the medical frontline**



“FN Syringes”

Non-removable needles

**October 19 Launched**

# Toward Increased Production and Improved Production Efficiency



New Ashitaka factory buildings  
Began operation in October

**Vietnam Factory**  
Expanding production



# Forecast for the Year Revised Upward

(Unit: Billion yen)

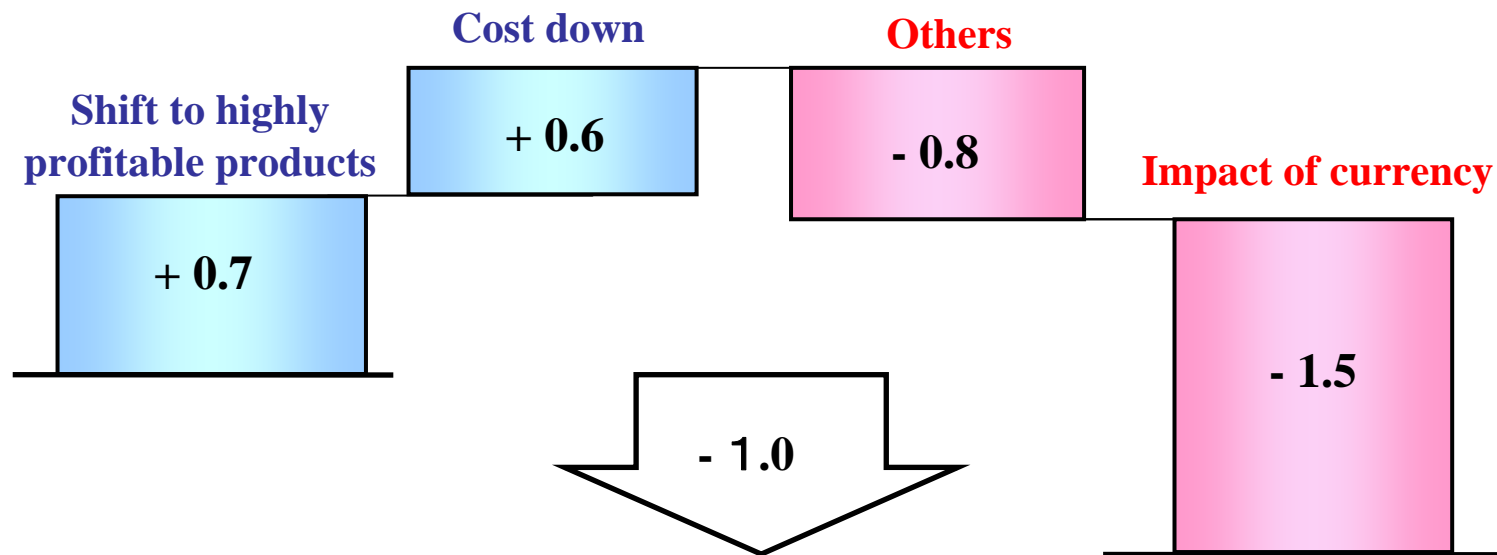
	<b>FYE/Mar.2010 1H Result</b>	<b>FYE/Mar.2010 Forecast</b>	FYE/Mar. 2010 Previous Forecast
<b>Net Sales</b>	<b>158.1</b>	<b>315.0</b>	315.0
<b>Operating Income</b>	<b>32.6(20.6%)</b>	<b>63.0(20.0%)</b>	56.0(17.8%)
<b>Ordinary Income</b>	<b>32.2(20.4%)</b>	<b>61.0(19.4%)</b>	56.0(17.8%)
<b>Net Income</b>	<b>20.8(13.1%)</b>	<b>40.0(12.7%)</b>	37.5(11.9%)
Average exchange rate	US \$ 96 yen EUR 133 yen	90 yen 132 yen	95 yen 125 yen

**2H forecast rate**

**US \$ 85 yen**  
**EUR 130 yen**

# Reference

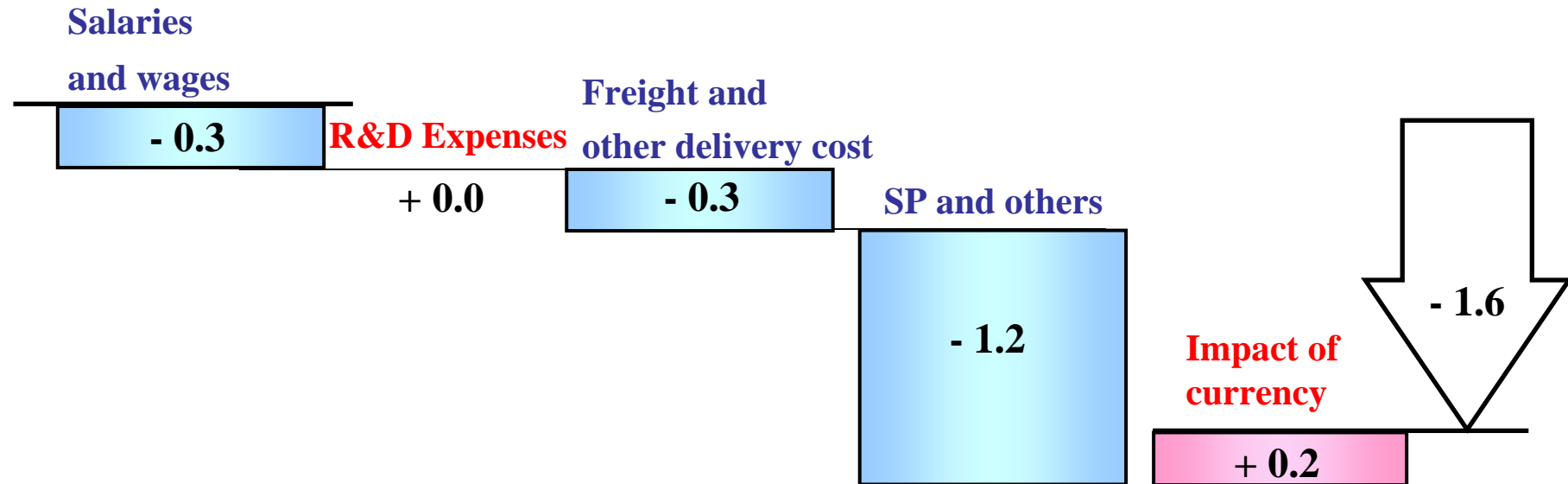
# Gross Margin(%)



**1H FYE/Mar. 2009 :53.7% → 1H FYE/Mar. 2010 :52.7%**

Average exchange rate	US\$	106 yen	96 yen
	EUR	163 yen	133 yen

# SG&A Expenses(%)



1H FYE/Mar. 2009 :33.7% → 1H FYE/Mar. 2010 :32.1%



# Reference

## Reference

(Unit: millions of yen)

	Mar. 2009 1st Half	Mar. 2010 1st Half	Mar. 2010 Forecast
Research and Development	7,983	8,199	17,500
Depreciation and Amortization	9,515	9,459	21,000
Investment in Plant and Equipment	9,767	9,822	23,000
Free Cash Flow	1,307	15,948	
Net Income per Share (yen)	118.56	109.38	210.64



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