

Financial Results  
for the First Half of the Fiscal Year  
Ending March 31, 2011

October 28, 2010

TERUMO Corporation

# Financial Results

(Unit: Billions of yen)

	1H Mar. 2010	1H Mar. 2011	YoY (%)
Net Sales	158.1	163.9	4%
Gross Profit	83.3 (52.7%)	85.6 (52.2%)	3%
SG&A Expenses	50.7 (32.1%)	52.9 (32.2%)	4%
Operating Income	32.6 (20.6%)	32.7 (20.0%)	0%
Ordinary Income	32.2 (20.4%)	28.2 (17.2%)	-13%
Net Income	20.8 (13.1%)	18.4 (11.2%)	-12%
Average foreign exchange rates	US\$ 96yen EUR 133yen	89yen 114yen	} Impact on Net Sales -4%

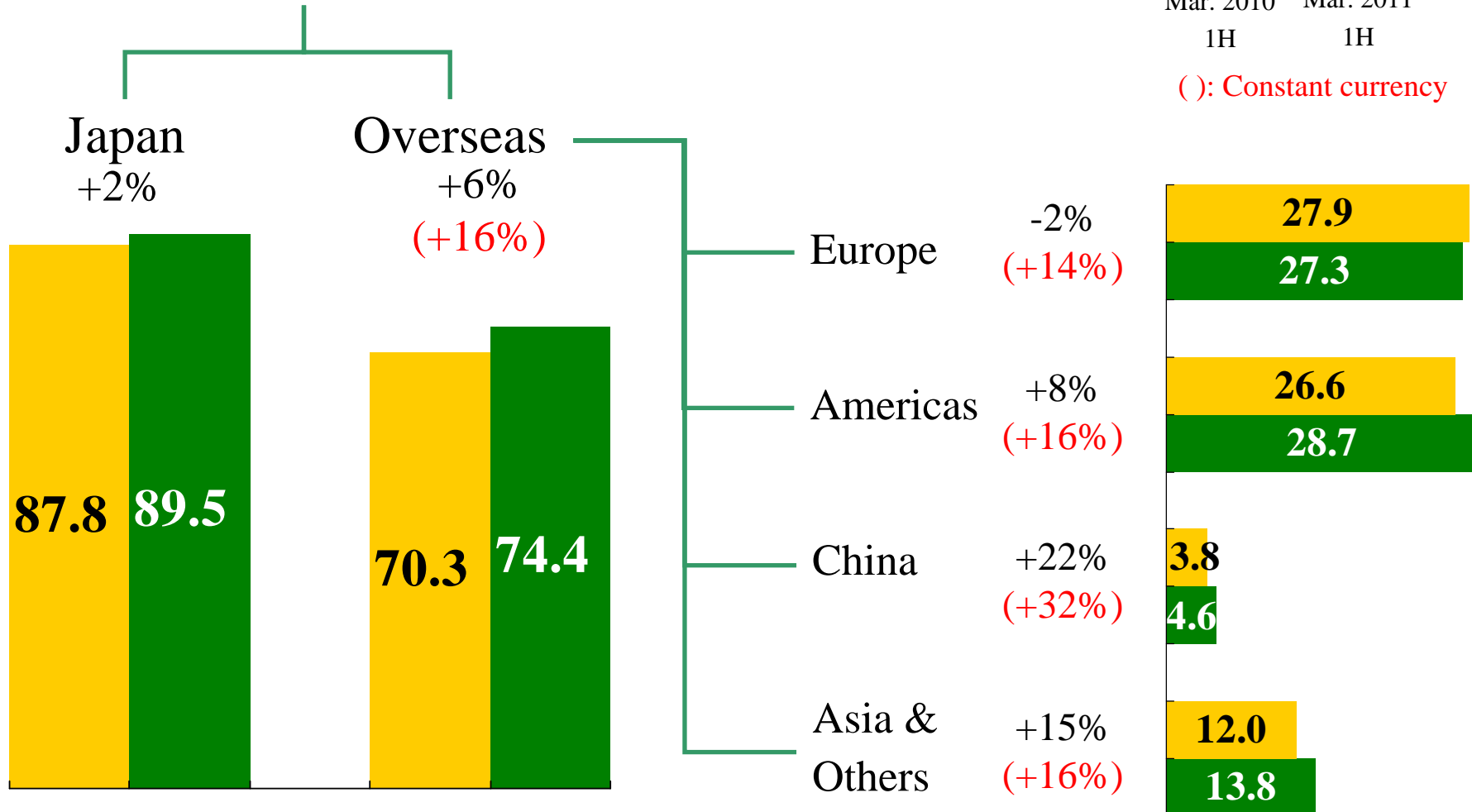
# Net Sales (by Region)

(Unit: Billions of yen)

Consolidated: +4% (+8%)

Mar. 2010 1H    Mar. 2011 1H

( ): Constant currency



Ratio of Overseas Net Sales 45% → 45%

# Factors of the Overseas Favorable Performance

## Interventional systems drive

■ Europe: 22% growth

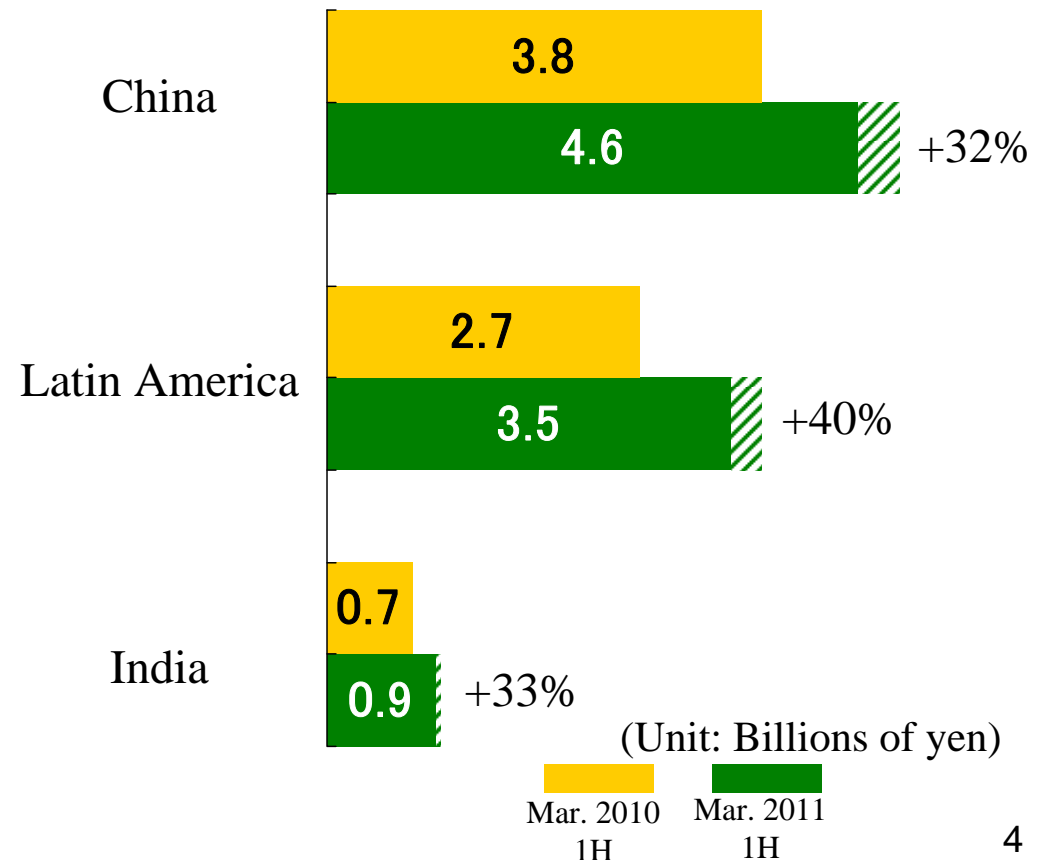
-Sales of Drug Eluting Stent  
“Nobori” doubled

■ U.S.: 17% growth

-The Smooth spread of TRI  
procedure contributes the sales  
increase of other related  
products

## High growth in emerging country

\*% based on constant currency

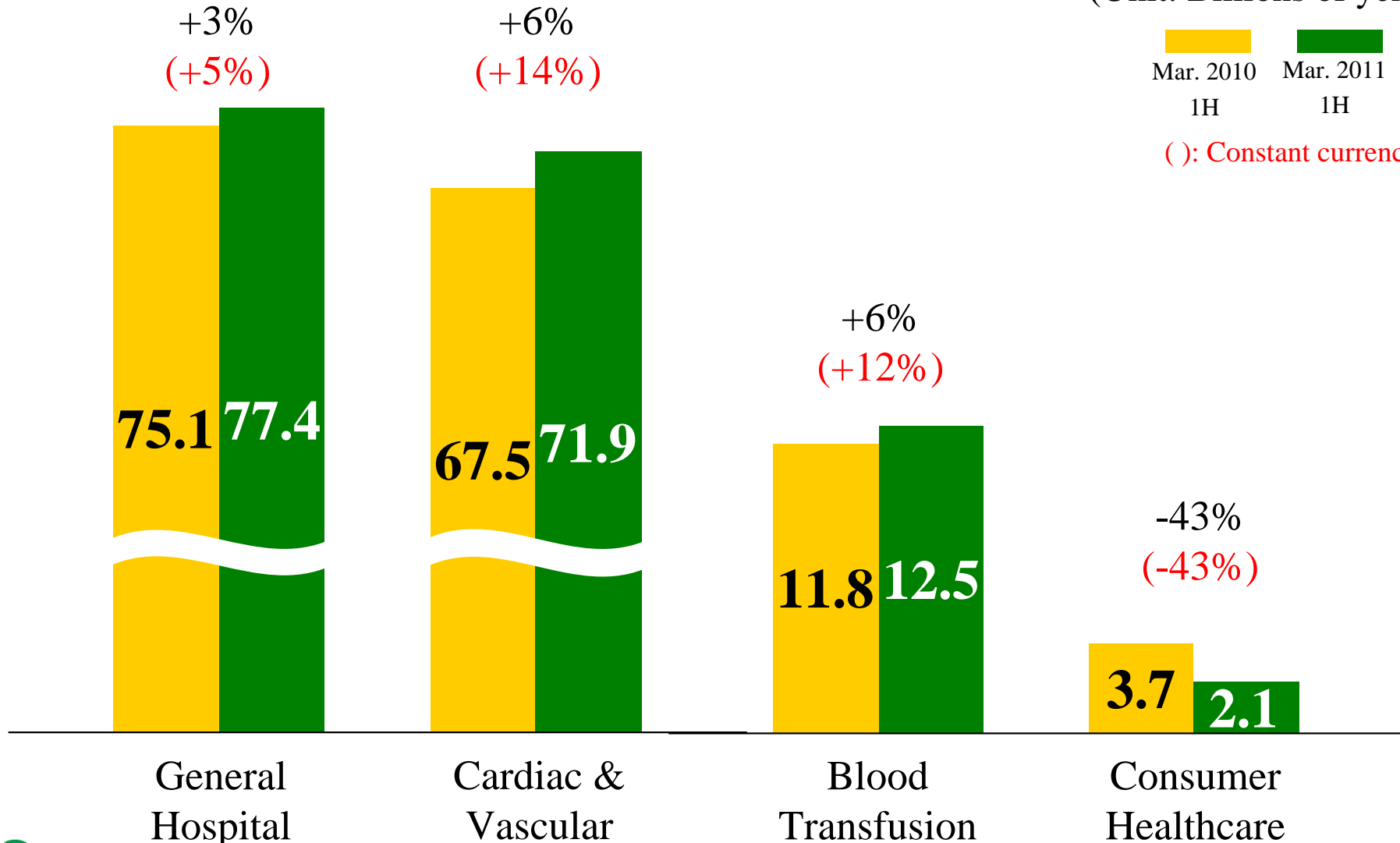


# Net Sales (by Business Segment)

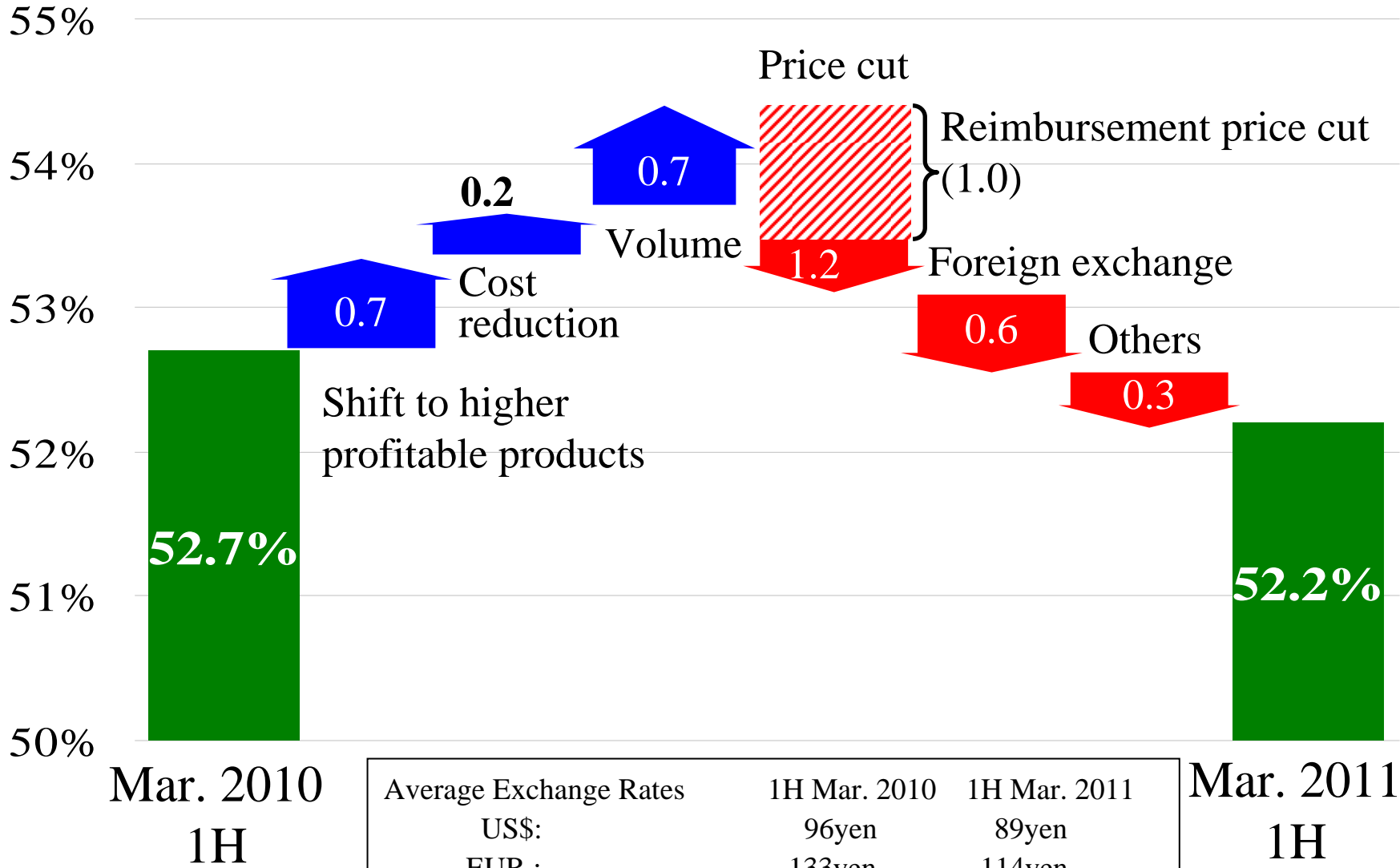
(Unit: Billions of yen)

■ Mar. 2010  
■ Mar. 2011  
 1H 1H

( ): Constant currency



# Gross Profit Rate Variance Analysis



Average Exchange Rates	1H Mar. 2010	1H Mar. 2011
US\$:	96yen	89yen
EUR :	133yen	114yen

# SG&A Expenses

(Unit: Billions of yen)

	1H Mar. 2010	1H Mar. 2011	YoY	YoY%
Salaries & wages	19.1	19.5	+0.4	+2%
Sales Promotion	5.2	5.1	-0.1	-2%
Logistical costs	4.4	4.7	+0.3	+7%
Depreciation & Amortization	2.6	2.3	-0.3	-13%
Others	11.2	11.5	+0.3	+3%
General Administrative Total	<b>42.5</b> (26.9%)	<b>43.1</b> (26.2%)	<b>+0.6</b>	<b>+1%</b>
R&D Expenses	<b>8.2</b> (5.2%)	<b>9.8</b> (6.0%)	<b>+1.6</b>	<b>+20%</b>
<b>SG&amp;A TOTAL</b>	<b>50.7</b> (32.1%)	<b>52.9</b> (32.2%)	<b>+2.2</b>	<b>+4%</b>

# Full Year Forecast for the FYE Mar. 2011

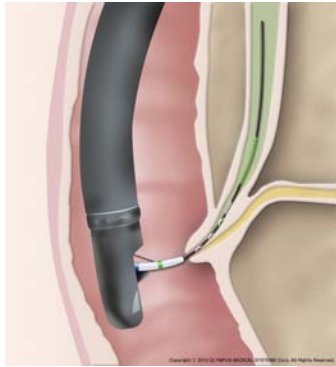
Revised the foreign exchange rate forecasts of 2nd half and the full year

(Unit: Billions of yen)

	Mar. 2011 Original Forecast	Mar. 2011 Revised Forecast	Change
Net Sales	333.0	326.0	-7.0
Operating Income	65.2 (19.6%)	63.3 (19.4%)	-1.9
Ordinary Income	65.0 (19.5%)	57.2 (17.5%)	-7.8
Net Income	41.5 (12.5%)	36.3 (11.1%)	-5.2
Assumed foreign exchange rates	2H    Full Year US\$ 90yen    90 yen EUR 120yen    120 yen	2H    Full Year US\$ 80yen    85yen EUR 113yen    113 yen	



# For the Future Growth



1) Endoscopic  
Guidewire

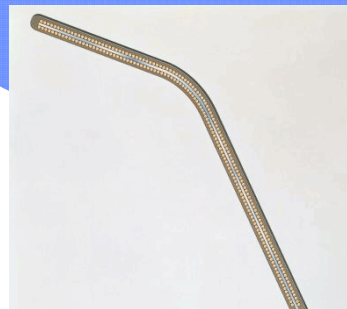
Hydrophobic  
Coating

Swellable  
Coating



2) Cerebrovascular  
Embolization Coil

Hydrophilic  
Coating



- Guidewires for  
Angiography/Treatment
- Sheaths for TRI Procedures

# Strategically Develop Innovative Products

- \*Thoroughly benchmark the product with highest shares
- \*Survey the market needs beyond the framework of alliance



Satisfies the 2 contradictory requirements of “thinness” and “rigidity”.  
Enables almost all treatments with one guidewire.

- Advantages
- Shorter procedure time
  - No trouble in selecting a device per individual case
  - Contributing to the healthcare economy

## Change the Market by Forming a Partnership

- Conditions before development

- The most important device in endoscopic treatment
- Overseas manufacturers dominated the guidewire market

- Purpose of development

**Best in-the-world technology  
in guidewires**

**Overwhelming sales power  
in an endoscopic field**



Change the market by producing ideal guidewires  
desired by doctors

## Our Innovative Technology Evaluated by the Market

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- October 2009: Began selling the products designed for the market outside Japan
- April 2010: Began selling the products designed for the market within Japan

Evoked a great response after the release

10% market share in the U.S., 20% market share in Japan



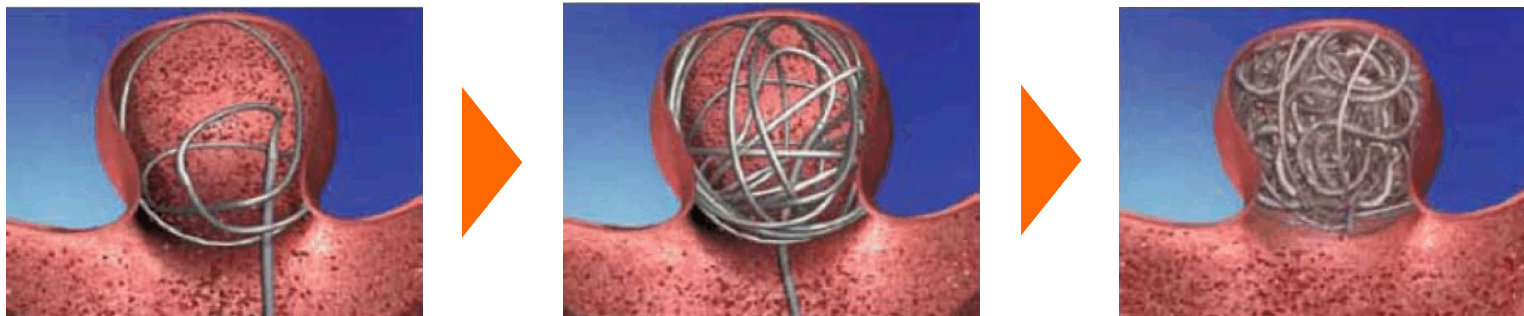
Target to “Gain 30% global share within the next 3 years”  
is within our reach

Become No.1 in the global market by continuing to  
improve the products through further collaboration

## 2) Cerebrovascular Embolization Coil

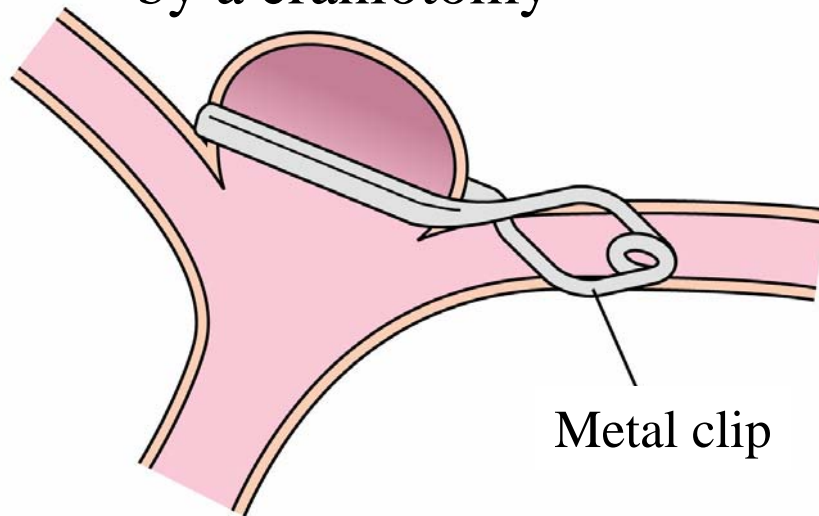
To Expand the Neuro Market with Our Unique Technology

- Cerebrovascular embolization coil



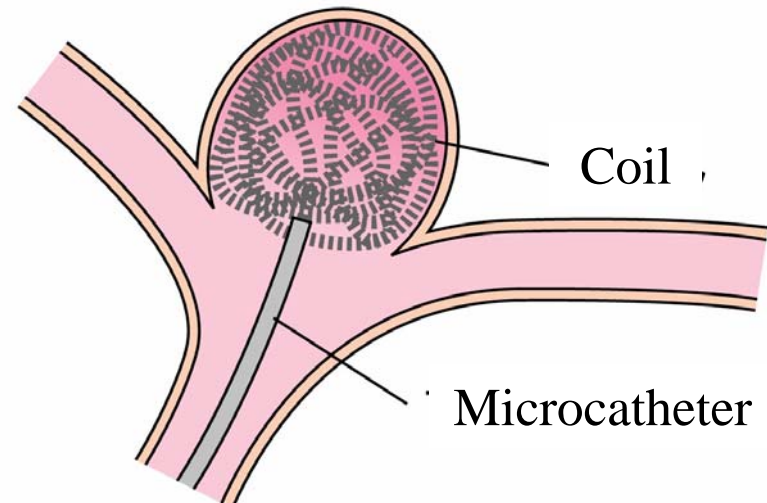
## Trends in Cerebrovascular Treatments

Surgical clipping  
by a craniotomy



Still prevalent within Japan

Coiling treatment



Widespread  
within Europe & U.S.

In the future, there will be a shift towards  
less invasive coiling treatment in Japan

# Superiority of HydroCoils

- Characteristics of HydroCoil

- Expands by reacting to the blood, and fills up inside of an aneurysm
- One and only technology in the world



- The result of HELPS\*

\*2010: 7 countries from Europe and U.S., Randomized clinical trial of HydroCoil against Bare Coil

Rating Category	HydroCoil	Bare coils	
Aneurysm filling rate	68.3%	24.9%	HydroCoils have a high filling rate
Aneurysm recurrence rate	HydroCoils are 8.6% lower in comparison with bare coils		There is a statistically significant difference
Retreatment rate	2.9%	3.6%	HydroCoils are superior

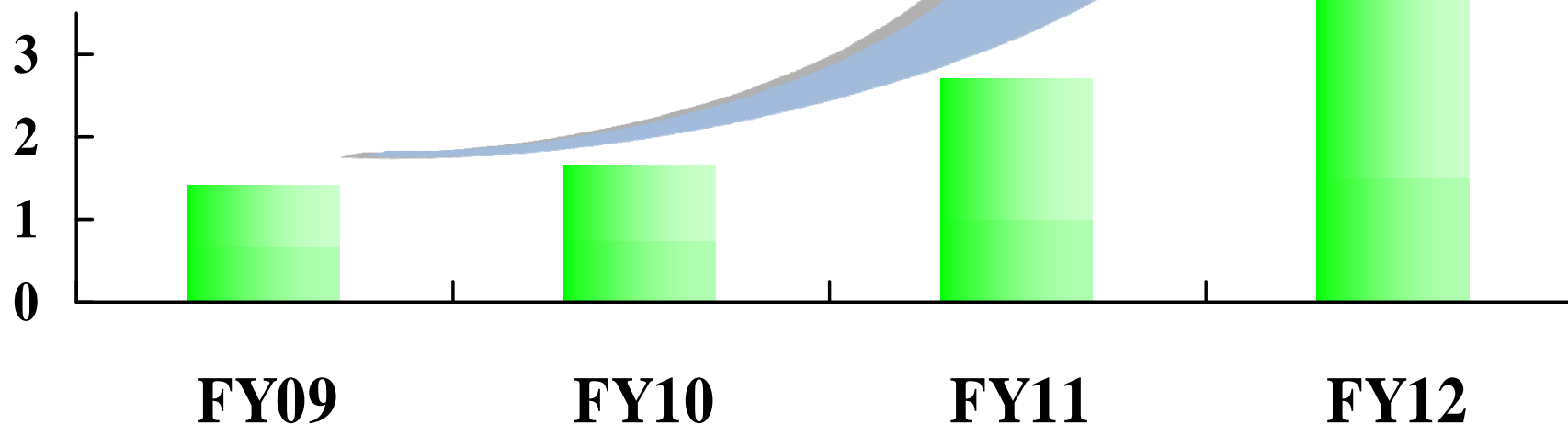


## Domestic Growth Strategies for Neuro Business

1. Continuous launch of new products
2. Strengthen evidence
3. Improve sales organization

Triple both sales and share

(Unit: Billions of yen)



FY12 To become No.1 in the neuro business within Japan



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# Reference

# Income for the 1st Half of the FYE Mar. 2011: To the Forecast for the 1st Half

(Unit: Billions of yen)

	<u>1H</u> <u>Original Forecast</u>	<u>1H</u> <u>Results</u>	<u>Changes</u>	<u>Impact of</u> <u>Foreign Exchange</u>
Net Sales	164.0	163.9	-0.1	- 1.3
Operating Income	32.6 (19.9%)	32.7 (20.0%)	+0.1	- 0.5
Ordinary Income	32.5 (19.8%)	28.2 (17.2%)	-4.3	
Net Income	20.8 (12.7%)	18.4 (11.2%)	-2.4	

Foreign exchange  
rates

Assumed

US\$	90yen	89yen
EUR	120yen	114yen

# Income for the 1st Half of the FYE Mar. 2011: To the Forecast for the Full Year

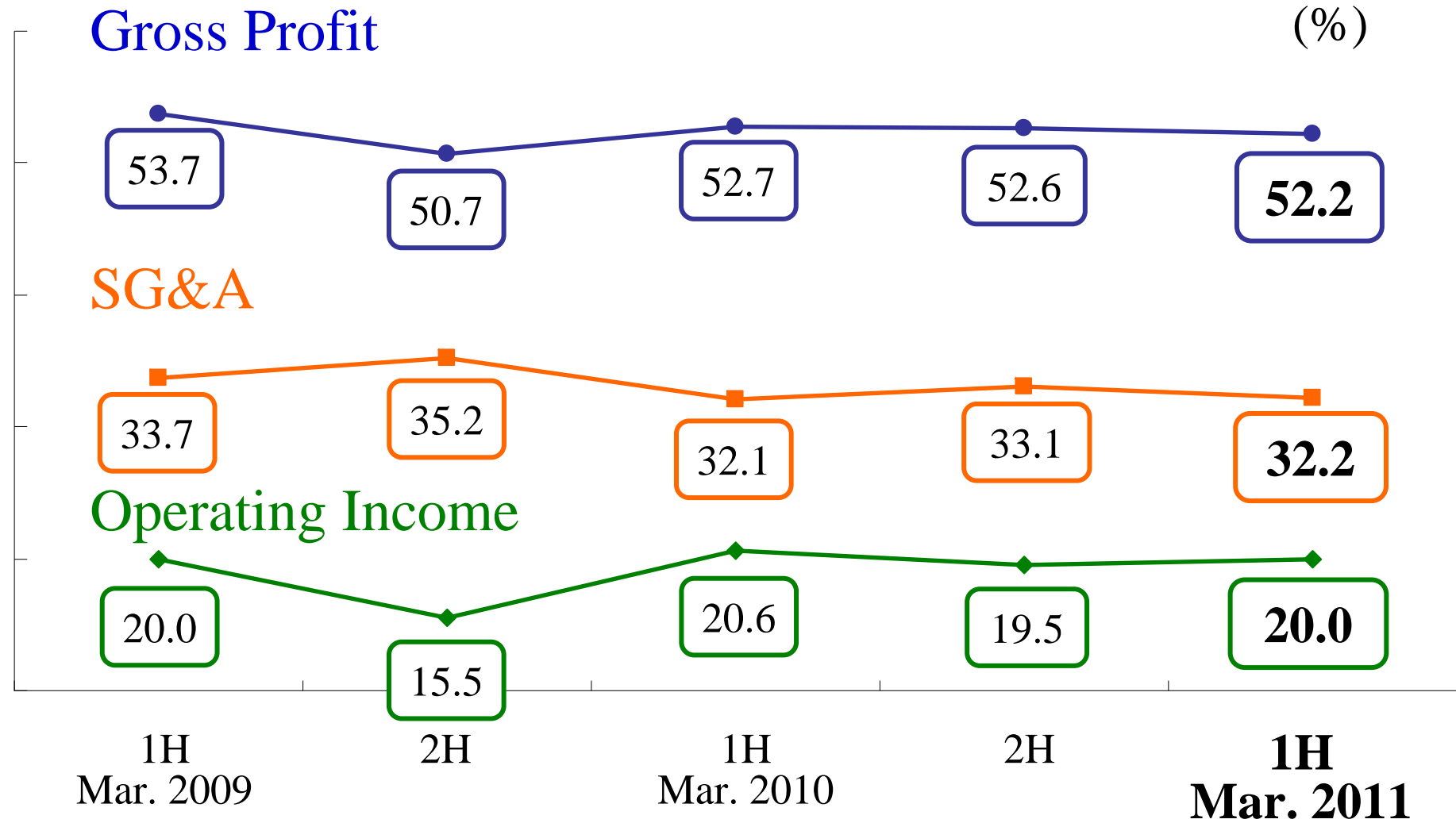
(Unit: Billions of yen)

	<u>Full Year</u> <u>Revised Forecast</u>	<u>1H</u> <u>Results</u>	<u>Progress</u> <u>Rates</u>	<u>Impact of</u> <u>Foreign Exchange</u>
Net Sales	326.0	163.9	50%	-1.3 (Lower progress rate by 0.4%)
Operating Income	63.3 (19.4%)	32.7 (20.0%)	52%	-0.5 (Lower progress rate by 0.8%)
Ordinary Income	57.2 (17.5%)	28.2 (17.2%)	49%	
Net Income	36.3 (11.1%)	18.4 (11.2%)	51%	

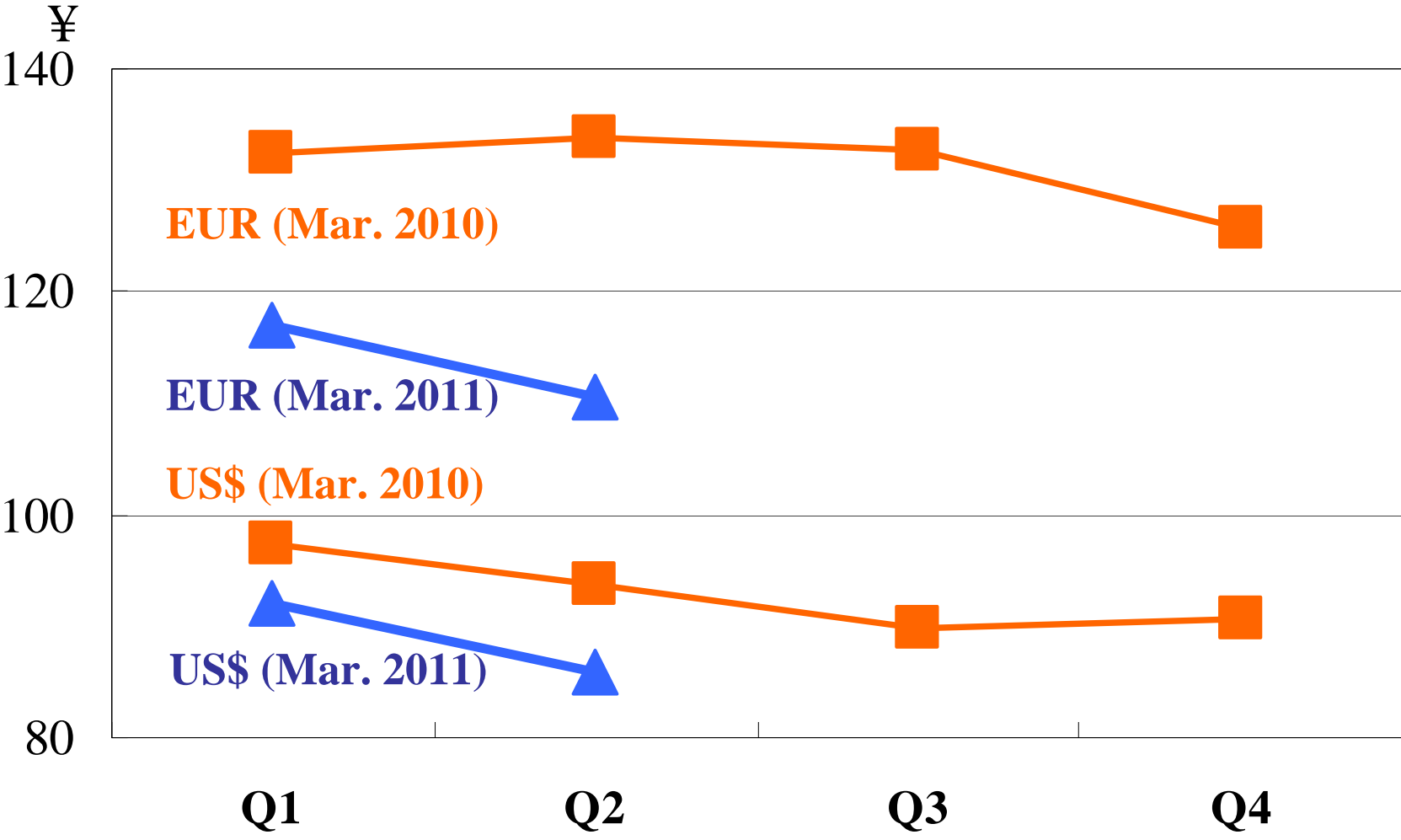
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Foreign exchange rates	<u>Forecast</u>	
US\$	85yen	89yen
EUR	113yen	114yen

# Gross Profit, SG&A, Operating Income Rates



# Changes of Quarterly Average Exchange Rates



# ***IR Contact***

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