

**Financial Results for the First Half  
of the Fiscal Year Ending March 31, 2013**

**Terumo Corporation  
October 30, 2012**

# Consolidated 1H Results

(billions of yen)

	1H Mar. 2012	1H Mar. 2013	YoY%
Net Sales	190.7	191.8	+ 1%
Gross Profit	103.1 (54.1%)	100.5 (52.4%)	- 3%
SG&A Expenses	57.1 (29.9%)	59.9 (31.2%)	+ 5%
R&D Expenses	11.4 ( 6.0%)	12.4 ( 6.5%)	+10%
Operating Income	34.6 (18.2%)	28.2 (14.7%)	-19%
(Excl. Amortization of goodwill)	38.4 (20.2%)	32.0 (16.7%)	-17%
Ordinary Income	31.3 (16.4%)	24.2 (12.6%)	-23%
Net Income	17.7 ( 9.3%)	14.5 ( 7.6%)	-18%
EBITDA (Operating Income + Depreciation)	48.8	43.7	-10%
Average Exchange Rate	US\$ 80 yen EUR 114 yen	79 yen 101 yen	

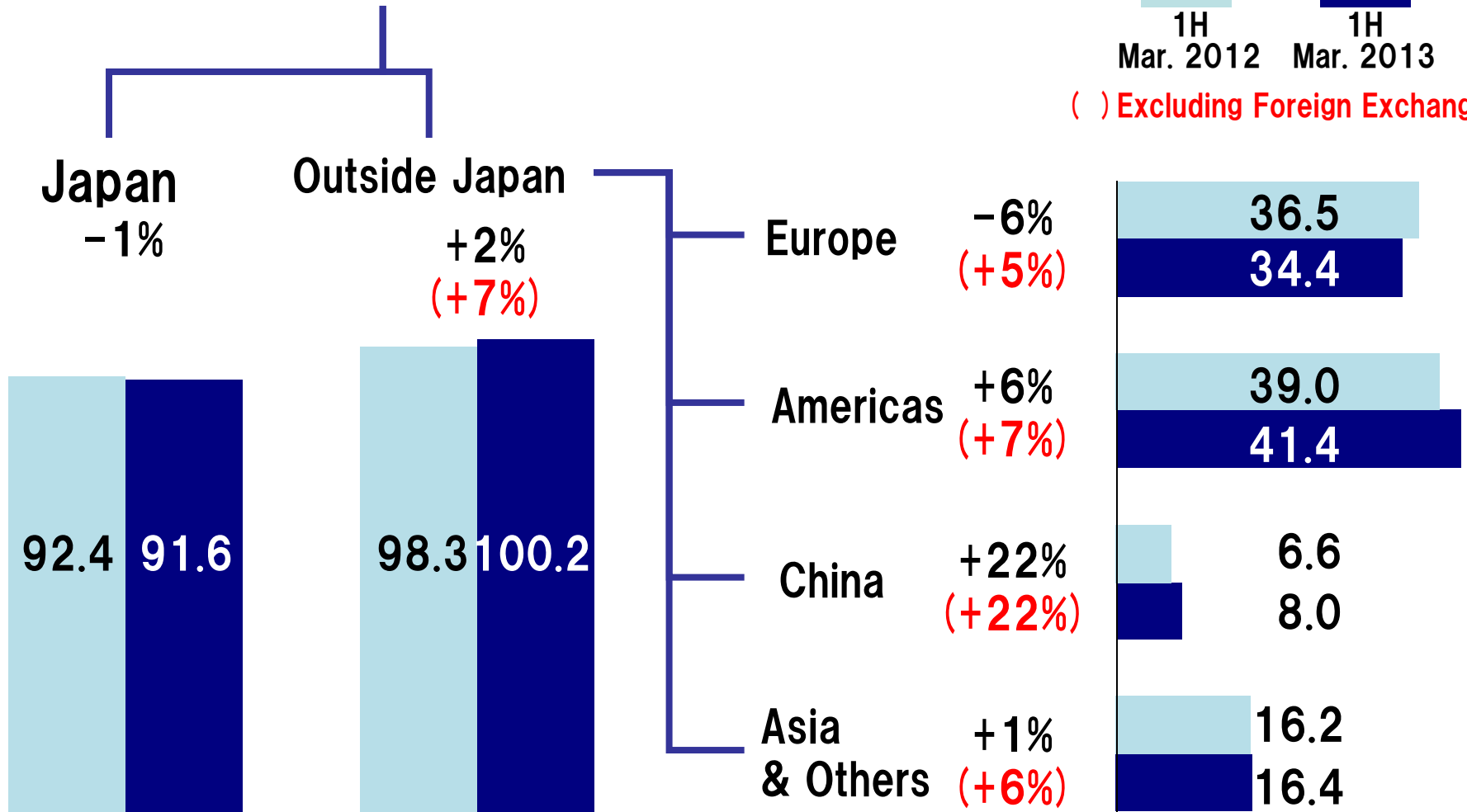
# Net Sales (by Region)

Consolidated: +1% (+3%)

(billions of yen)

1H Mar. 2012      1H Mar. 2013

( ) Excluding Foreign Exchange

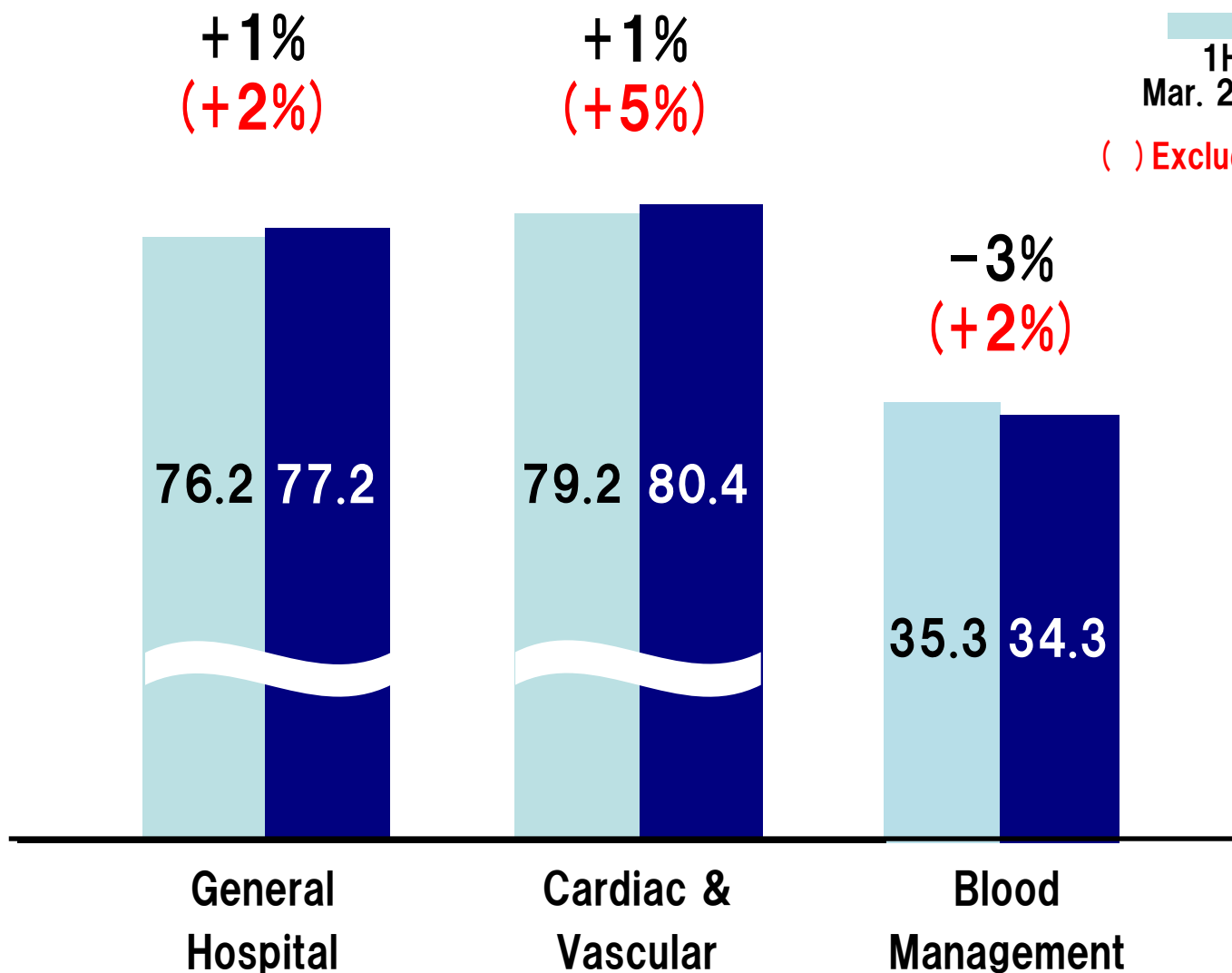


# Net Sales (by Business Segment)

(billions of yen)

1H Mar. 2012      1H Mar. 2013

( ) Excluding Foreign Exchange



# 1H Net Sales (by Business Segment, JP/Outside JP)

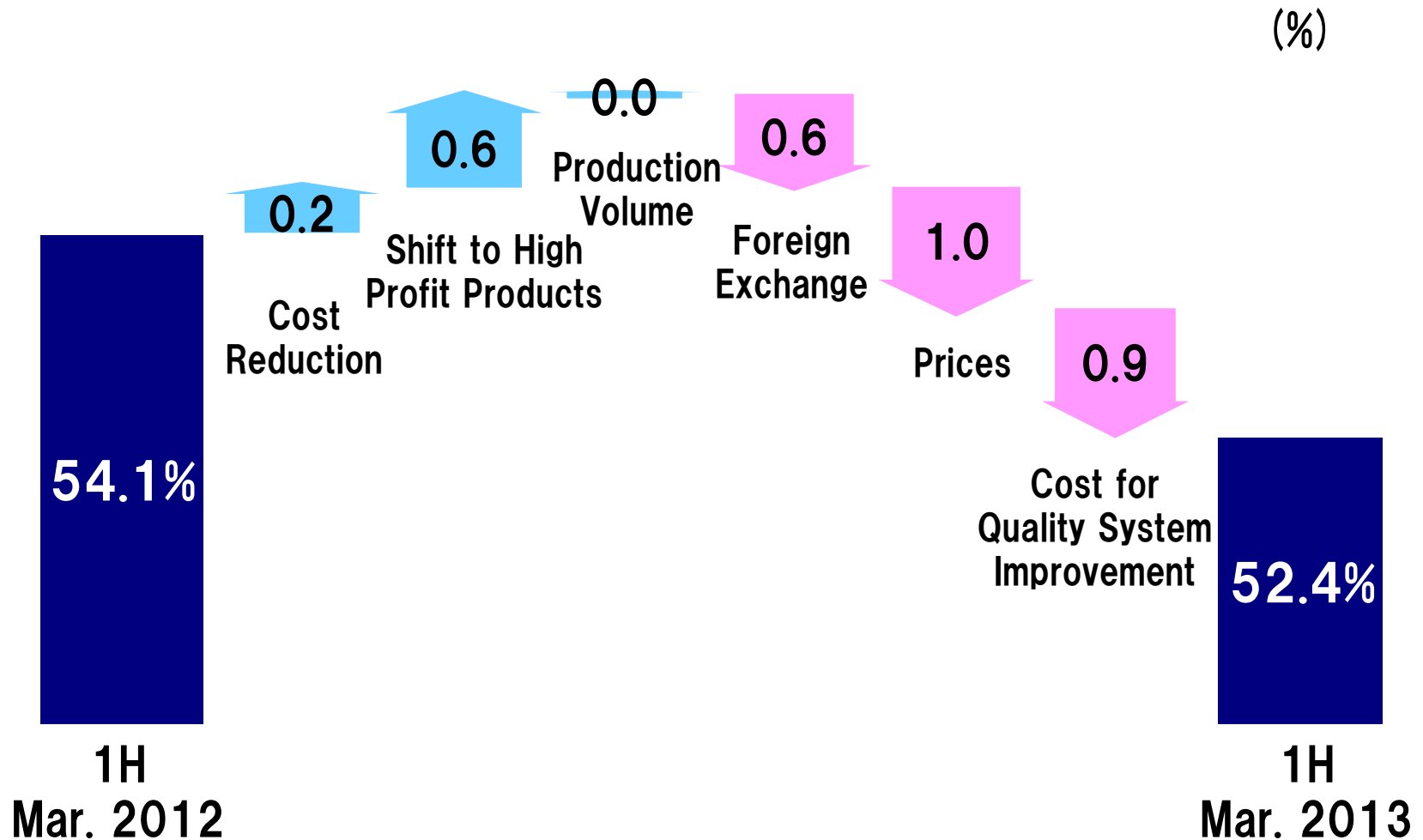
1H (Apr – Sep)

(billions of yen)

Business Segment	Japan	Outside of Japan Total	Europe	Americas	China	Asia & Others	G·Total
General Hospital	62.7 ( 3%)	14.4 ( 1%)	4.8 (-0%)	3.5 ( 2%)	0.6 (32%)	5.5 (-1%)	77.2 ( 2%)
Cardiac & Vascular	22.8 (-11%)	57.5 (12%)	20.7 (11%)	23.7 (12%)	6.3 (24%)	6.9 (10%)	80.4 ( 5%)
Blood Management	6.0 ( 6%)	28.3 ( 1%)	8.9 (-2%)	14.2 ( 1%)	1.2 (11%)	3.9 (10%)	34.3 ( 2%)
G·Total	91.6 (-1%)	100.2 ( 7%)	34.4 ( 5%)	41.4 ( 7%)	8.0 (22%)	16.4 ( 6%)	191.8 ( 3%)

(YoY %) : Excluding Foreign Exchange

# Gross Profit Variance Analysis



# SG&A Expenses

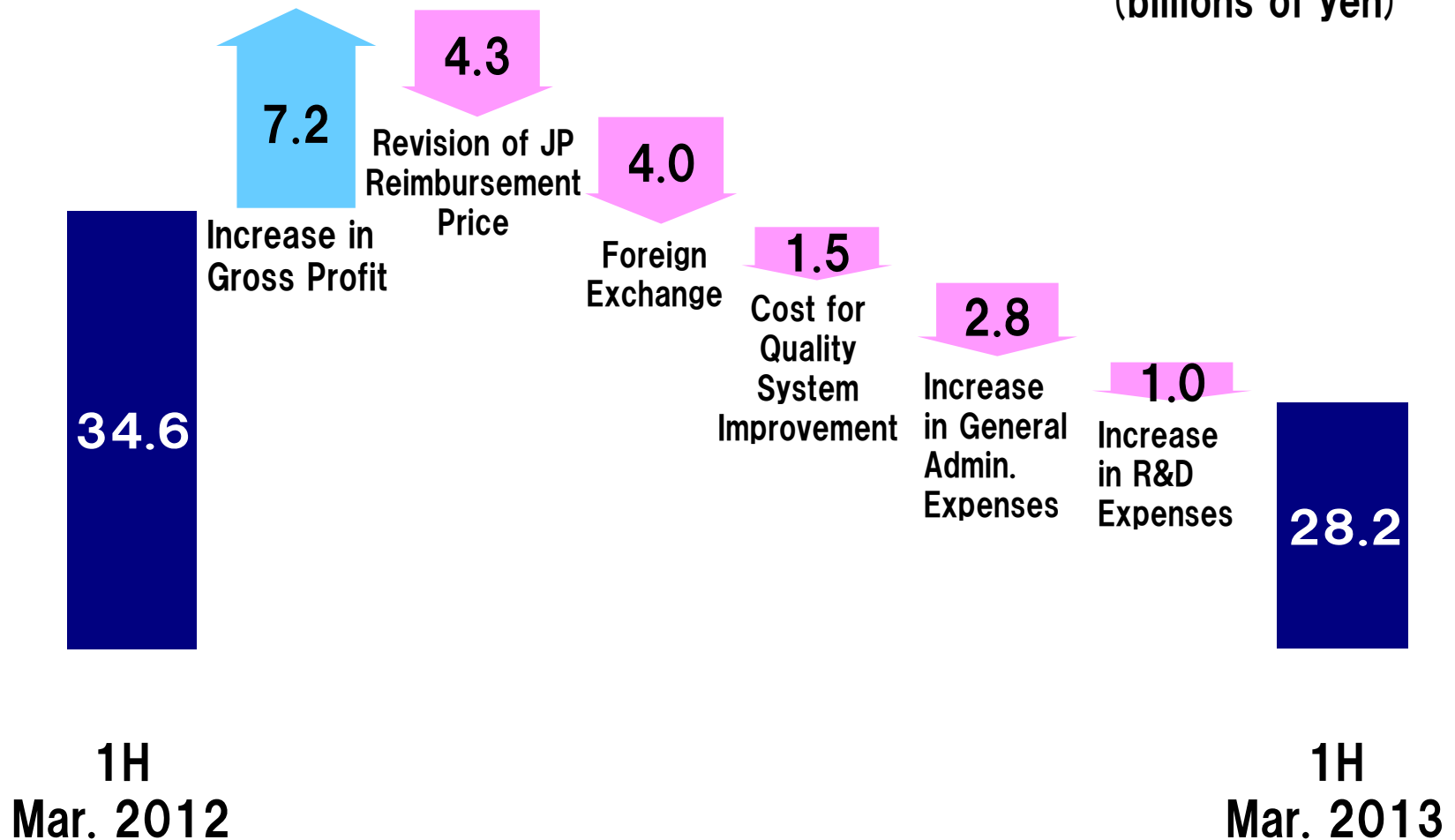
(billions of yen)

	1H Mar. 2012	1H Mar. 2013	YoY	YoY%
Salaries & Wages	24.2	25.4	+1.2	+5%
Sales Promotion	5.4	5.7	+0.3	+5%
Logistical Costs	5.1	5.0	-0.1	-1%
Depreciation & Amortization	8.6	8.6	- 0	-0%
Others	13.8	15.2	+1.4	+9%
General Administrative Total	57.1 (29.9%)	59.9 (31.2%)	+2.8	+5%
R&D Expenses	11.4 (6.0%)	12.4 (6.5%)	+1.0	+10%
SG&A Expenses Total	68.5 (35.9%)	72.3 (37.7%)	+3.8	+6%

( ) %: Against net sales

# Operating Income Variance Analysis

(billions of yen)





# 1H Forecast vs. 1H Results

(billions of yen)

	1H Forecast	1H Results	Variance	1H Progress
Net Sales	195.0	191.8	-3.2	98%
Operating Income	28.5 (14.6%)	28.2 (14.7%)	-0.3	99%
Ordinary Income	27.5 (14.1%)	24.2 (12.6%)	-3.3	88%
Net Income	16.0 ( 8.2%)	14.5 ( 7.6%)	-1.5	91%

## Key Facts

1. Nobori® sales in JP (-)
2. Impact of foreign exchange (-)
3. Strong sales in interventional systems outside JP (+)

Average Exchange Rate	Forecast	Results
US\$	80 yen	79 yen
EUR	105 yen	101 yen

# Consolidated Results: Q1 to Q2

(billions of yen)

	Q1 Results	Q2 Results	Variance	Variance %
Net Sales	95.9	96.0	+0.1	+0%
Gross Profit	51.7 (53.9%)	48.8 (50.9%)	-2.9	-6%
Operating Income	15.5 (16.1%)	12.7 (13.3%)	-2.8	-18%

Average Exchange Rate	Q1	Q2
US\$	80 yen	79 yen
EUR	103 yen	98 yen

## Factors for lowered gross profit

1. Foreign exchange -1.0 billion yen
2. Lower factory utilization ratio -1.1
3. Product mix -0.6
4. Others -0.2

■ Gross Profit in 2H will be maintained at same level as 1H

# Q2: Strong in Overseas C&V, Recovery in Blood Management

Q2 (Jul – Sep)

(billions of yen)

## ■ The challenges are General Hosp and C&V in Japan

Business Segment	Japan	Outside of Japan Total	Europe	Americas	China	Asia & Others	G·Total
General Hospital	31.5 ( 1%)	7.5 ( 4%)	2.4 ( 8%)	1.9 ( 2%)	0.3 (22%)	2.9 ( 0%)	39.0 ( 2%)
Cardiac & Vascular	11.1 (-19%)	28.2 (14%)	9.7 (12%)	11.9 (15%)	2.9 (12%)	3.6 (18%)	39.3 ( 2%)
Blood Management	3.4 (18%)	14.2 ( 4%)	4.5 (0%)	7.1 ( 2%)	0.7 (11%)	2.0 (20%)	17.7 ( 6%)
G·Total	46.1 (-3%)	49.9 ( 9%)	16.7 ( 8%)	20.9 ( 9%)	3.9 (12%)	8.5 (12%)	96.0 ( 3%)

(YoY %) : Excluding Foreign Exchange

# Key Initiatives in 2nd Half

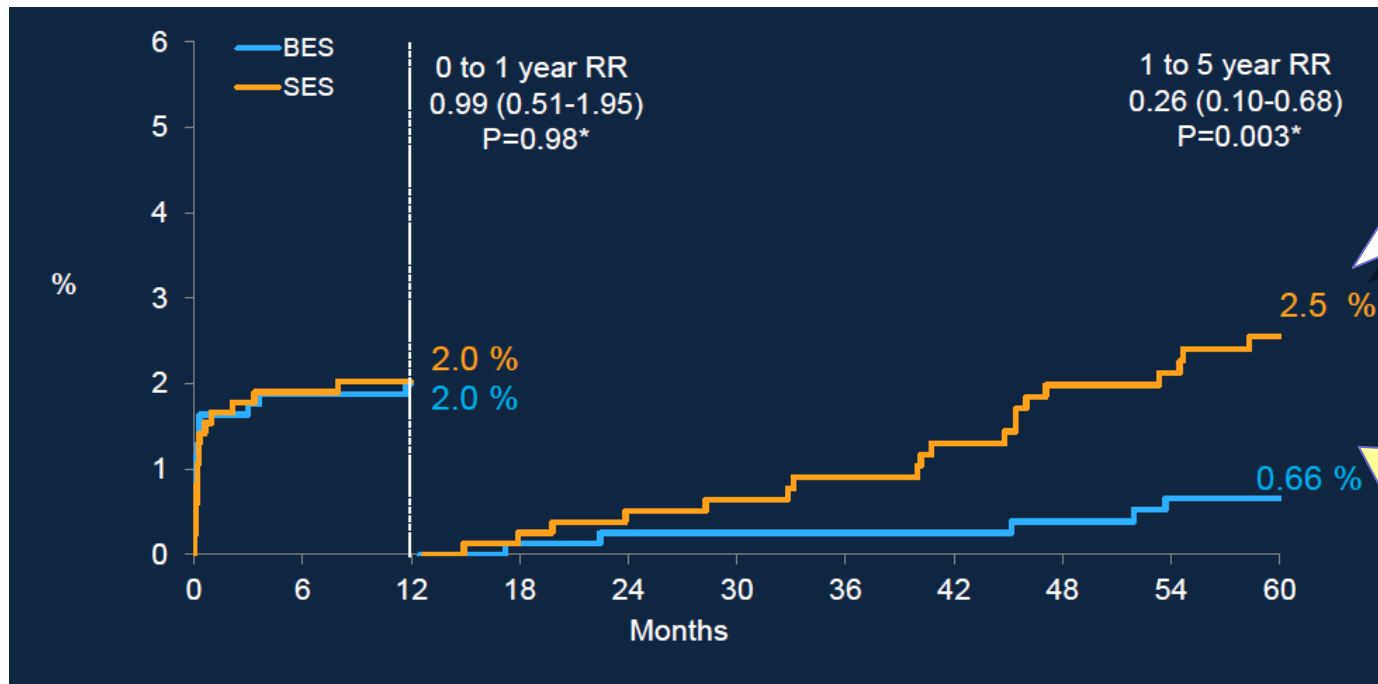
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- **Regain Nobori market share in JP by re-emphasizing its strengths**
  - **Advantages in particular lesions, Long-term safety & efficacy**
  
- **Strengthen General Hospital business in JP**
  - **Broaden the product lineup in infusion system**
    - **FULCALIQ® (Total parenteral nutrition in safety enhanced bag) – Oct**
    - **TERUFUSION® (Infusion & syringe pump) – Nov**
    - **SURFLO® V3 (I.V. catheter) – Nov**
  
- **US-TCVS: Solidly correspond to FDA requirements**

# Nobori Long-term Safety Presented at TCT

- Biodegradable polymer DES (same drug & polymer as Nobori) was compared w/ durable polymer DES
- “Nobori is significantly lower in stent thrombosis in long-term”

## LEADERS 5 years: Stent Thrombosis Rate



**Sirolimus  
Eluting Stent  
(Durable polymer)  
<Cypher>**

**Biolimus  
Eluting Stent  
(Biodegradable  
polymer)  
<Nobori, BioMatrix>**

Comparison between Biolimus eluting stent (BioMatrix)\* & Sirolimus eluting stent (Cypher)

(\* Same drug and polymer as Nobori)

<Reference>: TCT 2012 LEADERS 5 years, *Patrick Serruys MD, PhD*

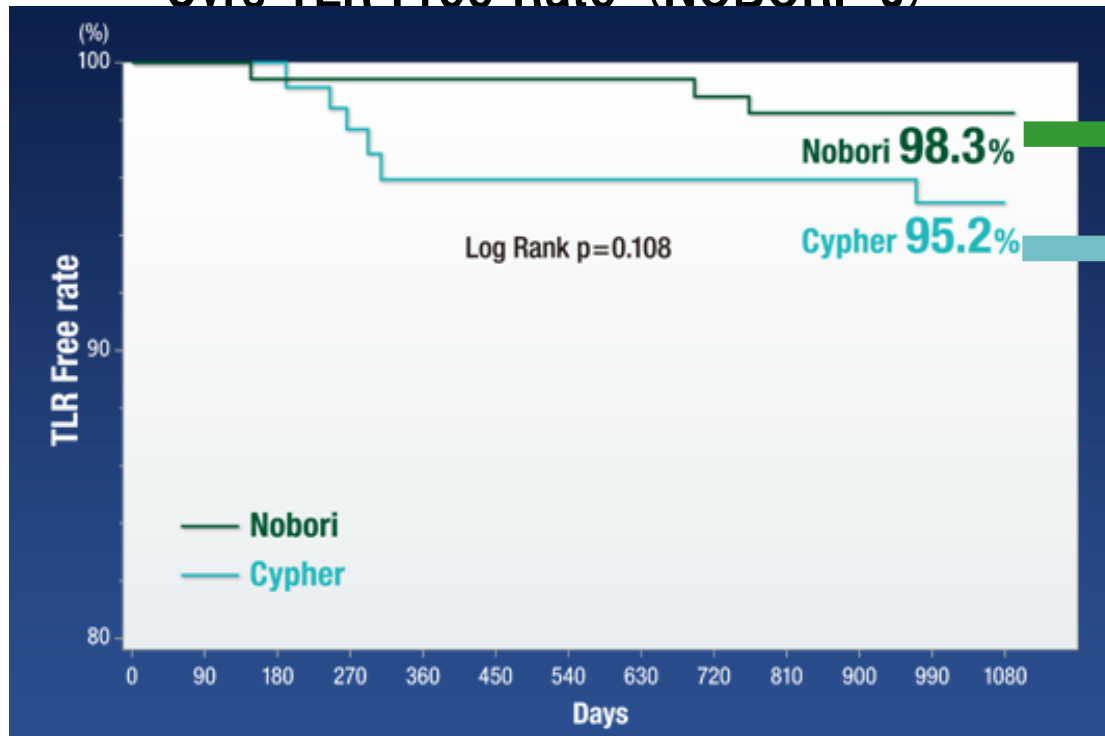
2012/10/30 ©Terumo Corporation

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# Nobori Long-term Efficacy (JP Study) Presented at TCT

- Revascularization rate of Nobori tended to be lower than Cypher in the long-term
- Differences in revascularization between the two at 2yrs and 3yrs increased

3yrs TLR Free Rate (NOBORI-J)



Revascularization: 1.7%

Revascularization: 4.8%

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# Reference

# CAPEX, R&D Expenses

(billions of yen)

	Mar. 2013 Forecast	1H Mar. 2013 Result	YoY
CAPEX*	38.0	15.1 (40%)	+2.8
Depreciation & Amortization*	32.5	15.5 (48%)	+1.3
R&D Expenses	27.0	12.4 (46%)	+1.0

?: Progress to forecast

\* Including intangibles

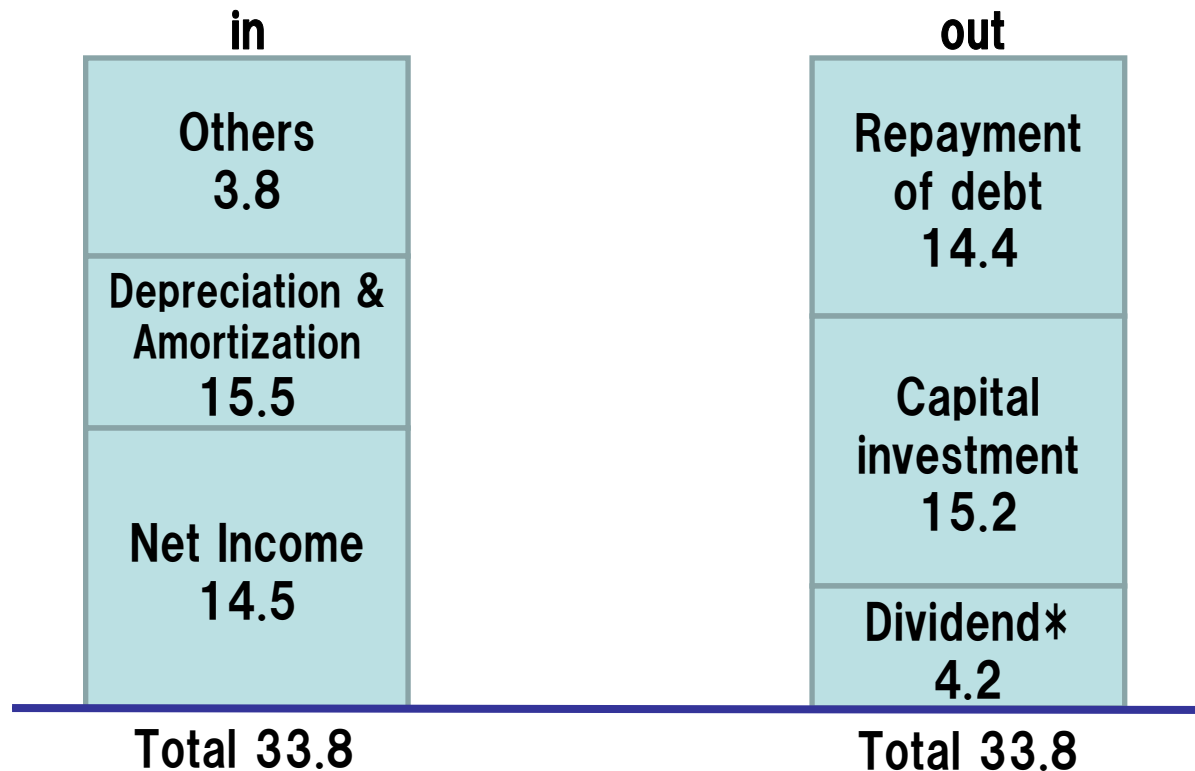
CAPEX: acquisition basis



# 1H Cash Flow

(billions of yen)

- Cash was used in good balance among capital investment for sustainable growth, repayment of debt, and dividend.



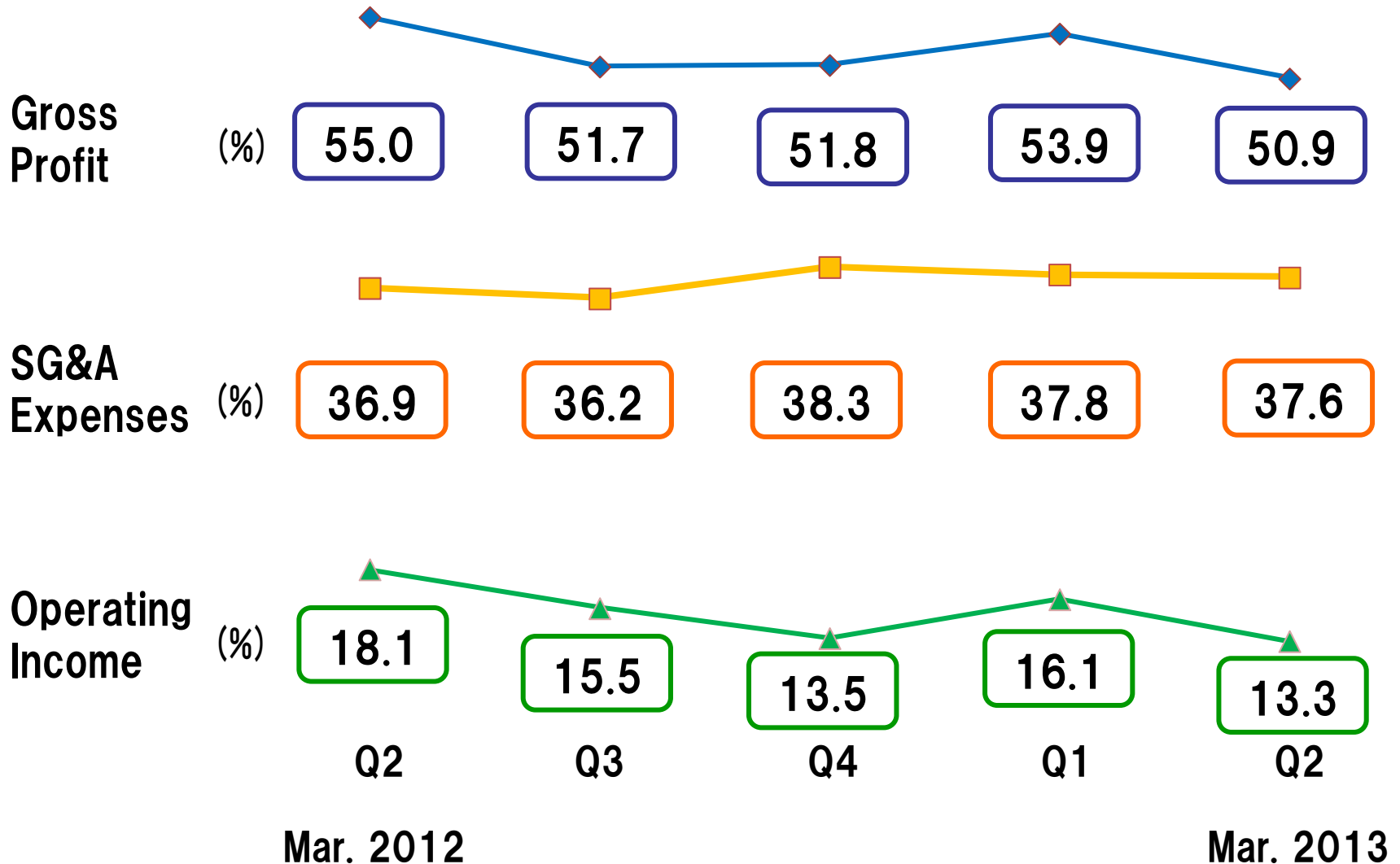
\*Target dividend payout ratio of 30% over mid-long term

# Foreign Exchange Sensitivity

(billions of yen)

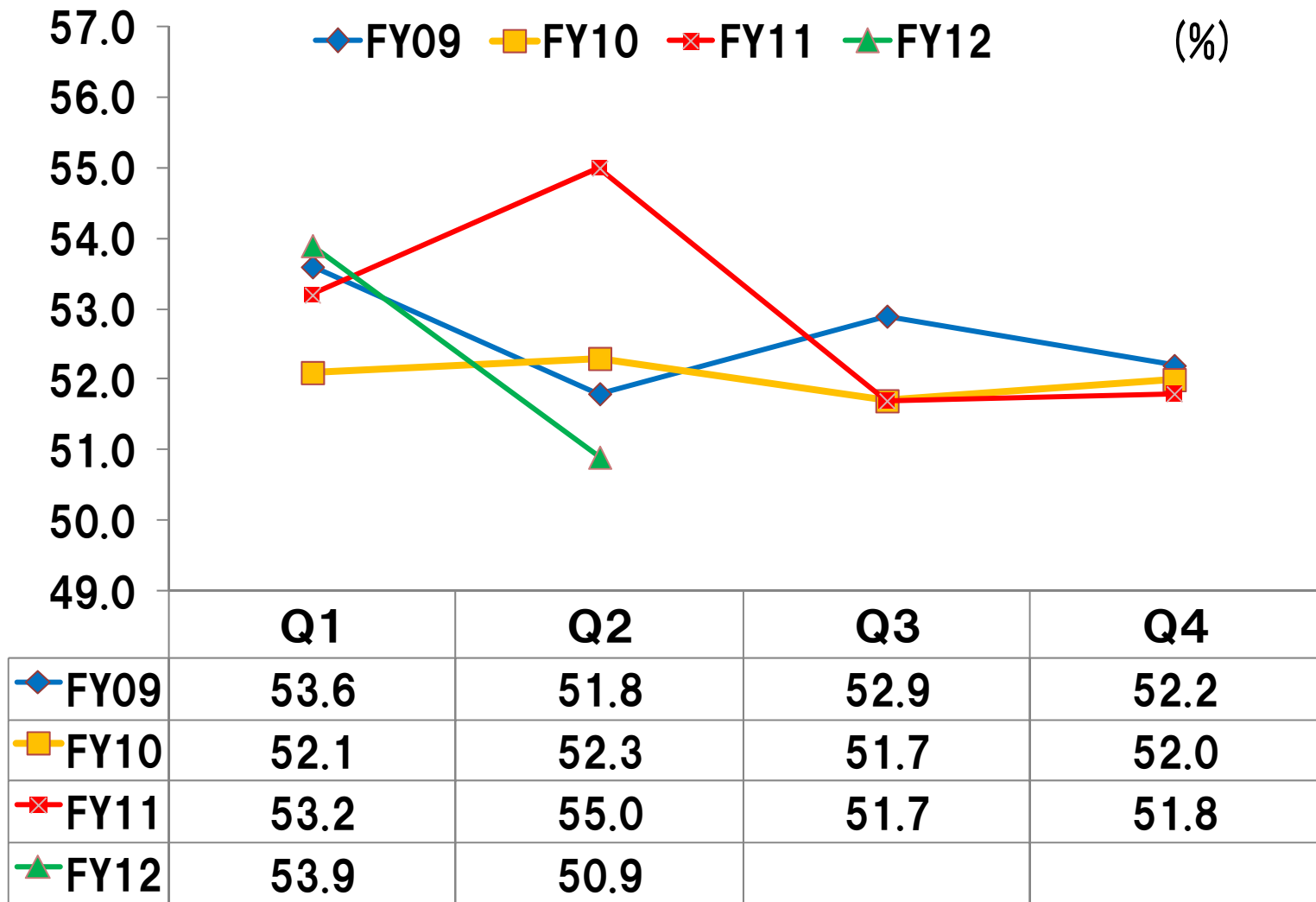
	US\$	EUR
Net Sales	1.7	0.7
Operating Income	0.3	0.4

# Gross Profit, SG&A Expenses, Operating Income



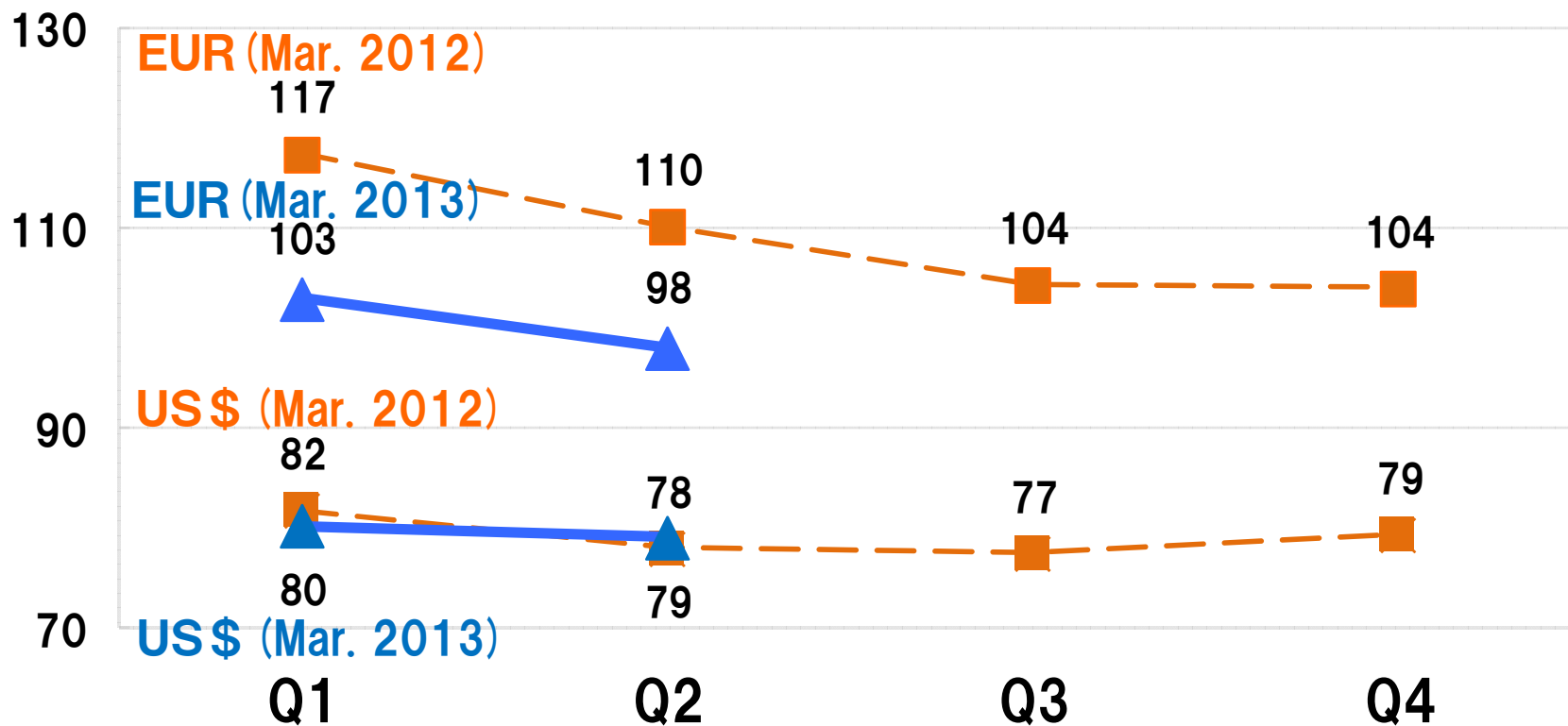
(%) : Against net sales

# Changes in Gross Profit (%)



(Quarterly: 3 months)

# Changes of Quarterly Average Exchange Rates



(Quarterly: 3 months)

# *IR Contact*

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