

Financial Results for the Fiscal Year Ended March 31, 2016 (FY2015) and Guidance for the Fiscal Year Ending March 31, 2017(FY2016)

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Overview: Achieved Significant Growth in Both Sales and Profit

| | (billion yen) | | | |
|-----------------------|---------------|---------------|------|--------------------|
| | FY2014 | FY2015 | YoY% | YoY% (Excl. FX) |
| Net Sales | 489.5 | 525.0 | +7% | +5 % |
| Gross Profit | 256.1 (52.3%) | 284.9 (54.3%) | +11% | +10 % |
| SG&A Expenses | 159.2 (32.5%) | 170.1 (32.4%) | +7% | +4% |
| R&D Expenses | 29.4 (6.0%) | 33.1 (6.3%) | +13% | +9% |
| Operating Income | 67.5 (13.8%) | 81.7 (15.6%) | +21% | +25% |
| (Excl. Amortization) | 85.1 (17.4%) | 101.9 (19.4%) | +20% | +21% |
| Ordinary Income | 70.7 (14.4%) | 73.1 (13.9%) | +3% | |
| Net Income | 38.5 (7.9%) | 50.7 (9.7%) | +32% | |
| Average Exchange Rate | USD 110 yen | 120 yen | | |
| | EUR 139 yen | 133 yen | | |

- Sales: Interventional system and neurovascular businesses globally grew at double digit, driving the corporate growth
- Operating income: G/P growth driven by sales expansion of highly profitable products and cost improvement mainly in Cardiac and Vascular Company
- Ordinary income: Posted FX loss of 7.5 BJPY in FY15, while posted gain of 6.6 BJPY in FY14
- Net income: Gain through the sales of land of Shibuya, Tokyo

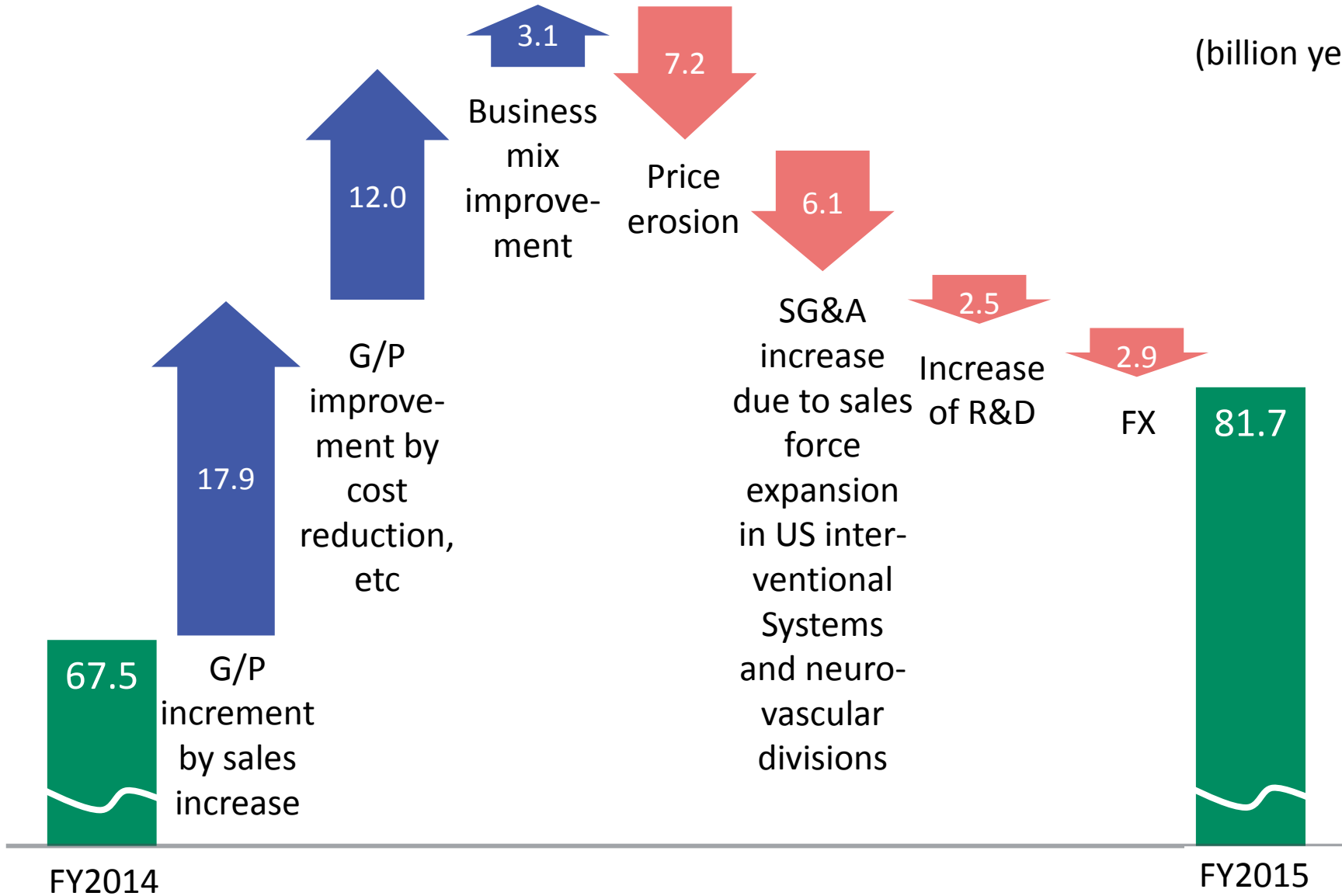
Extraordinary Gains & Losses, Income Taxes

(billion yen)

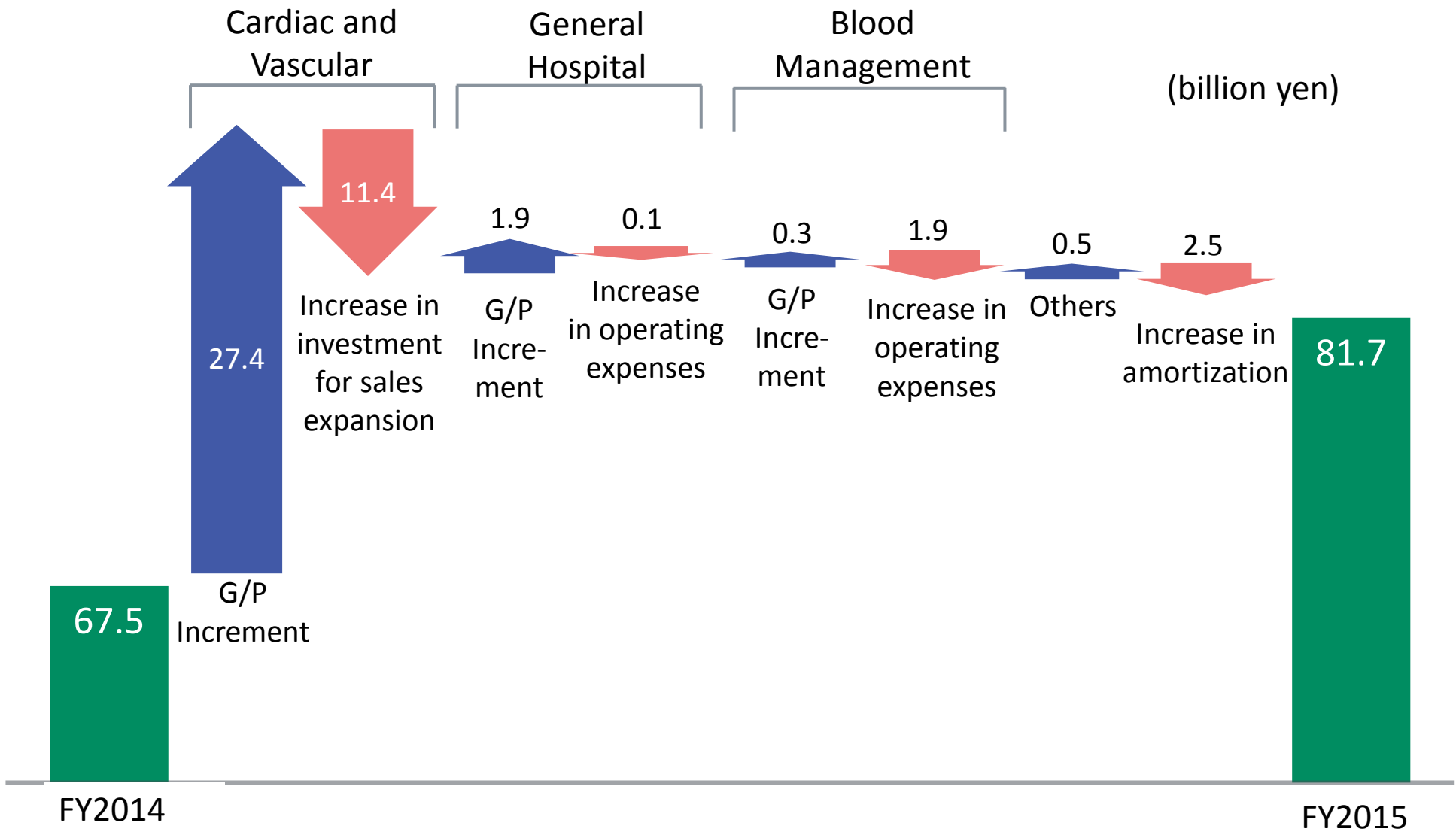
| | FY2014 | FY2015 | |
|-------------------------------|--------|--------|--|
| Non-operating Income and loss | 3.3 | -8.6 | FX FY14 +6.6 FY15 -7.5 |
| Ordinary Income | 70.7 | 73.1 | YoY%: +3% |
| Extraordinary Gains & Losses | -6.7 | +3.8 | FY14 Cost for EU restructuring -5.6 FY15 Gain through the sales of land (Q2) +4.4 |
| Income before Income Tax | 64.0 | 76.9 | YoY%: +20% |
| Income Taxes Total | -25.6 | -26.2 | Tax system revision |
| Tax Rate (%) | 40% | 34% | |
| Net Income | 38.5 | 50.7 | YoY%: +32% |

Operating Income Variance Analysis

(billion yen)



Operating Income Variance Analysis



Impact of FX onto Operating Income

- USD: Impact remained neutral due to increase in dollar-based production and expenses
- EUR: Sensitivity escalated due to the downscaled production and increase in sales
- Currencies in emerging countries: Greater FX impact due to sales increase and those depreciation

| Currency | Fluctuation of FX (yen) FY14 ~ FY15 | | | | | | | | Impact on Operating Income (billion yen) | | |
|------------------------------------|--|------|------|------|--------|------|------|------|---|-------------|-------------|
| | FY14Q1 | Q2 | Q3 | Q4 | FY15Q1 | Q2 | Q3 | Q4 | Q1-Q3 YTD | Q4 | FY15 YTD |
| USD | 102 | 104 | 115 | 119 | 121 | 122 | 121 | 115 | -0.8 | +1.1 | +0.3 |
| EUR | 140 | 138 | 143 | 134 | 134 | 136 | 133 | 127 | -1.6 | -0.9 | -2.5 |
| CNY | 16.4 | 16.9 | 18.7 | 19.4 | 19.6 | 19.5 | 19.0 | 17.6 | +1.8 | -1.1 | +0.7 |
| Others (Asia, L. America, etc.) | 3.2 | 3.2 | 3.5 | 3.7 | 3.7 | 3.5 | 3.4 | 3.2 | -0.3 | -1.1 | -1.4 |
| Total | | | | | | | | | -0.9 | -2.0 | -2.9 |

Net Sales by Region

FY15
FY14

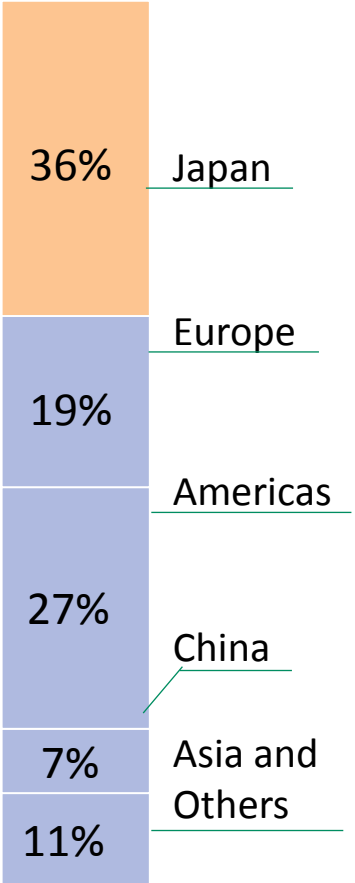
Net Sales

Year-on-Year Sales Comparison

100% = 525.0 billion yen

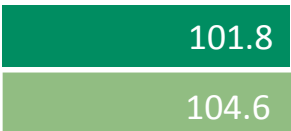
| billion yen | YoY% | Comments |
|-------------|------|----------|
|-------------|------|----------|

() Excl. FX



2%

In addition to Cardiac and Vascular, General Hospital (Infusion Systems, PD and DM) drove increase in overall sales



-3%
(2%)

Downsizing of low profit business in General Hospital and negative effect of weaker EUR



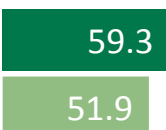
14%
(6%)

Despite negative impact of price declines in Blood Management System, Interventional Systems and Neurovascular made a continuous double digit growth



35%
(26%)

Newly realigned local distribution network enabled us to cover inland customers and second tier hospitals wider



14%
(10%)

Double digit growth in Cardiac and Vascular and Blood Management drove increase in overall sales

Net Sales by Business Segment

FY15
FY14

Net Sales

Year-on-Year Sales Comparison

100%=525.0 billion yen

| billion yen | YoY% | Comments |
|-------------|------|----------|
|-------------|------|----------|

() Excl. FX



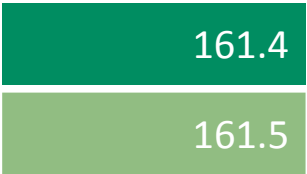
Cardiac and Vascular



14%
(10%)

Besides double digit growth in overseas interventional systems and neurovascular business, global “Ultimaster” sales also drove overall company growth

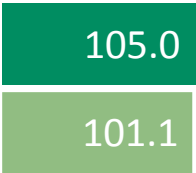
General Hospital



-0%
(-1%)

Negative impact from downsizing low profit business in Europe and Latin America. In Japan, infusion systems etc. greatly grew

Blood Management



4%
(2%)

Despite negative impact of price declines especially in US, therapeutic apheresis and cell processing systems made a double digit growth

Cardiac and Vascular :Overseas TIS and Neurovascular Businesses Drove the Overall Company, Achieving Double Digit Growth Both in Sales and Profit

(billion yen)

| | FY2014 | FY2015 | YoY% | Major Topics | Impact |
|-----------------|--------|--------|--------------|--|--------|
| Sales | 226.9 | 258.6 | () Excl. FX | Continuous double digit growth in overseas TIS and neurovascular businesses | +28.5 |
| | | | 14% (10%) | Detail: The expansion of coronary therapeutic devices driven by global "Ultimaster" sales growth | +8.7 |
| | | | | Detail: completion of local distributors network realignment followed by the expansion of customer coverage in China | +7.5 |
| Business Profit | 47.4 | 63.4 | 34% (24%) | An increase in business profit and improvement for portfolio mix coupled with the sales expansion of overseas TIS and neurovascular businesses | |
| | (21%) | (25%) | | An increase in gross profit driven by the global sales expansion of "Ultimaster" | |

(billion yen)

| | FY2014 | FY2015 | YoY% | Major Topics | Impact |
|-----------------|---------------|---------------|--------------|--|--------|
| Sales | 161.5 | 161.4 | -0% (-1%) | Japan: Increase of sales in infusion system products (incl. Pumps), PD, and DM | +1.9 |
| | | | | China and Other Asia: Infusion system products achieved a double digit growth. | +1.5 |
| | | | | Downsizing of low profit business accounts in EU and Americas | -3.5 |
| Business Profit | 20.8 (13%) | 22.6 (14%) | 9% (10%) | A continuous effort for cost reduction at domestic production sites, a reformation of supply-chain management, and lowering procurement cost, improved profitability A decline in raw material cost due to low oil prices | |

() Excl. FX

Blood Management

: Continuous Double Digit Growth for Business in Emerging Countries and Therapeutic Apheresis

(billion yen)

| | FY2014 | FY2015 | YoY% | Major Topics | Impact |
|-----------------|---------------|---------------|--------------|--|--------|
| Sales | 101.1 | 105.0 | 4% (2%) | () Excl. FX | |
| | | | | A double digit growth in overseas therapeutic apheresis and cell processing businesses | +3.6 |
| | | | | A double digit growth in blood center business in china and other Asian countries | +2.9 |
| | | | | A negative impact of a price decline implemented in US and other advanced countries. | -1.8 |
| Business Profit | 18.5 (18%) | 16.9 (16%) | -9% (-3%) | Due to weaker EUR against USD, a negative impact on the products manufactured in US and sold in EU | |

FY2015 Major Topics








Corporate


- Established an Audit/Supervisory Committee (Jun)
- Share buyback valued at 61 BJPY in total (Aug, Feb)
- Selected as *“The Health & Productivity Stock Selection”* (Jan) and *“Nadeshiko Brand”* (Mar)
- Hollow fiber typed oxygenator won *“Okochi Memorial Prize”* (Mar)

Business

- Peripheral Stent *“Misago”* acquired PMA in US for the first time among Japanese Companies (Jun)
- Gained a regulatory approval for intradermal injection device (Sep)
- Gained a regulatory approval for *“HeartSheet”* (Sep)
- Launched *“Ultimaster”* in Japan (Oct)

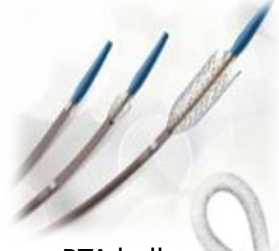
New Products Launched in FY2015

| Business | Product | Region | Launch |
|------------|---|--------|-------------------|
| Coronary | DES (Ultimaster)   | JP | Launched in Oct 1 |
| Peripheral | Stent (Misago)  | US | Q1 |
| | PTA balloon (above the knee) | EU, US | Q2 |
| | PTA balloon (below the knee) | JP | FY16 |
| | Embolic particles (beads)  | EU | Q1 |
| Neuro | Coil assist stent  | JP | Q1 |
| | Liquid embolic glue  | EU | Q1 |
| | Distal protection device  | EU | FY16 |

| Business | Product | Region | Launch |
|------------------|--|--------|-----------|
| CV | Disposable centrifugal pump (for PCPS) | JP | Q4 |
| Blood Management | Automated blood component processing system  | JP | FY16 |



DES "Ultimaster"
Japan (Q3)



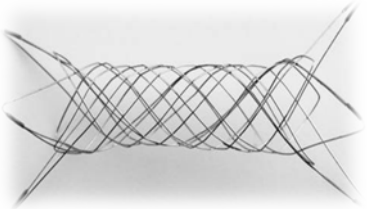
PTA balloon (above the knee)
"Misago"
US (Q1)



PTA balloon (below the knee)
"Metacross RX"
US (Q2)



Embolic particles "LifePearl"
EU(Q1)



Coil assist stent "LVIS Jr"
JP(Q1)



Liquid embolic glue "PHIL"
EU(Q1)

 Item with large contribution to sales and profit
 Item with highly innovative technology

FY2016 Guidance

(billion yen)

| | FY2015 Result | FY2016 Guidance | YoY% | Impact of FX | FY2016 FX Neutral Guidance | YoY% |
|-----------------------|-----------------|-----------------|------|--------------|----------------------------|------|
| Net Sales | 525.0 | 517.0 | -2% | -31.0 | 548.0 | +4% |
| Operating Income (%) | 81.7 (15.6%) | 75 (14.5%) | -8% | -8.5 | 83.5 (15.2%) | +2% |
| Ordinary Income | 73.1 | 71.0 | -3% | -10.3 | 81.3 | +11% |
| Net Income | 50.7 | 52.5 | +4% | | | |
| Average exchange Rate | USD 120 yen | 110 yen | | | | |
| | EUR 133 yen | 125 yen | | | | |

Net income will increase due to decrease in tax burden by tax effect (deferred tax assets) at end FY16

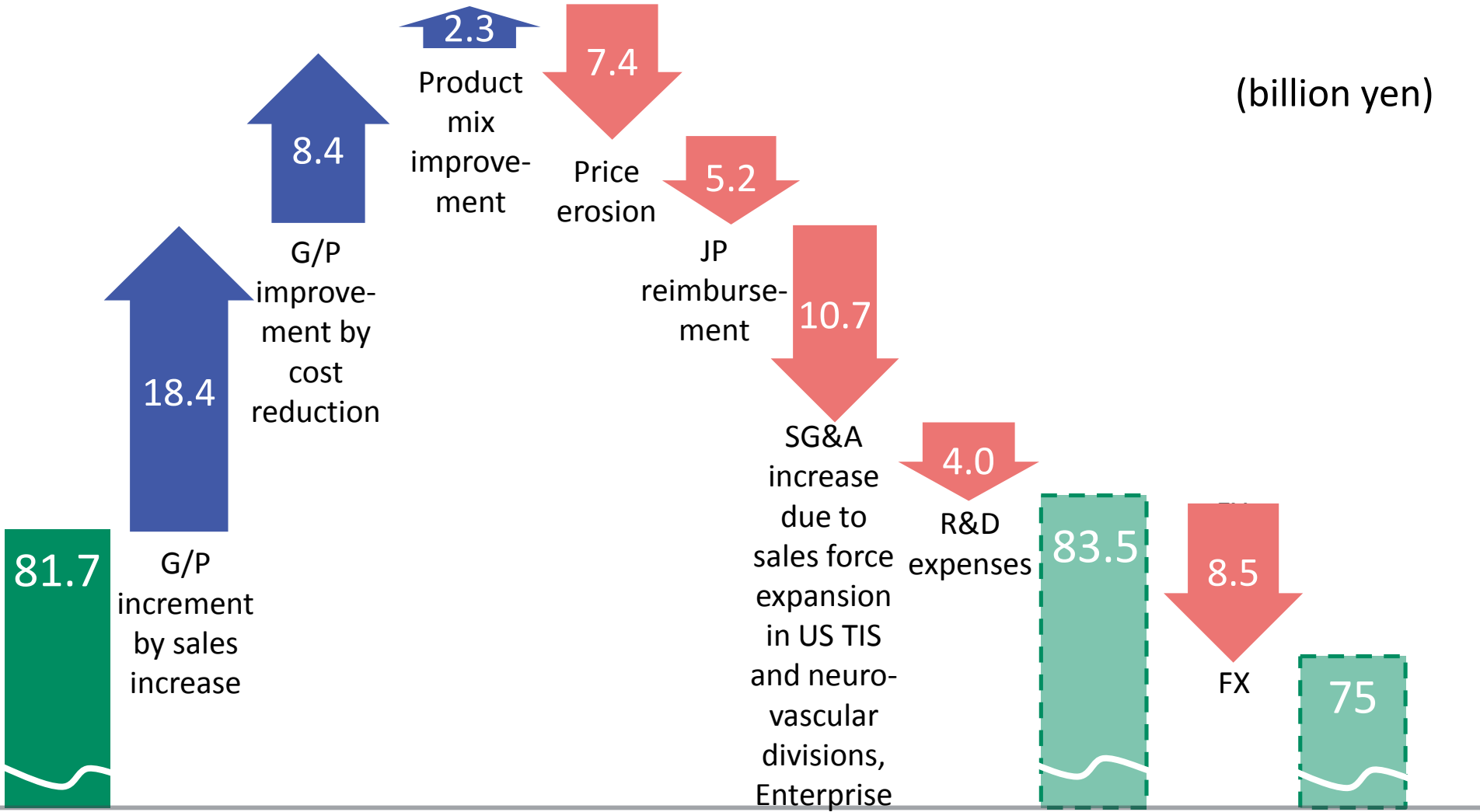
FY2016 Guidance (excl. FX)

| | Sales | | Business Profit | | Comments |
|--|-------------|------|-----------------|------|----------|
| | billion yen | YoY% | billion yen | YoY% | |

| | | | | | |
|----------------------|----------------------------------|-----|------------------------------|-----|--|
| Cardiac and Vascular | <p>FY16 278.0 FY15 258.6</p> | +8% | <p>25% 68.5 25% 63.4</p> | +8% | Continuous growth in overseas TIS and neurovascular businesses |
| General Hospital | <p>162.0 161.4</p> | +0% | <p>14% 22.6 14% 22.6</p> | +0% | Continuous improvement on business profit |
| Blood Management | <p>108.0 105.0</p> | +3% | <p>15% 16.0 16% 16.9</p> | -5% | Impact of price declines in US peaked in FY15 A growth expected in therapeutic apheresis and business in emerging countries |

FY2016 Annual Guidance

(billion yen)



FY2015 Result

Incl. increase pension cost of 1.5 billion yen due to a lower Interest rate

FY2016 FX Neutral (Guidance)

FY2016 (Guidance)

The Impact of FX on FY2016

(billion yen)

| Currency | Fluctuation of FX (yen) | | | | Impact on Net Sales | Impact on Operating Income |
|-----------------------------------|-------------------------|---------------------------|------|------|---------------------|----------------------------|
| | FY2015Q1 | FY15Q1~FY16 (Guidance) Q2 | Q3 | Q4 | | |
| USD | 121 | 122 | 121 | 115 | -13.6 | +1.9 |
| EUR | 134 | 136 | 133 | 127 | -3.9 | -2.3 |
| CNY | 19.6 | 19.5 | 19.0 | 17.6 | -3.3 | -1.5 |
| Others (Asia, L. America etc.) | 3.7 | 3.5 | 3.4 | 3.2 | -10.2 | -6.6 |
| Total | | | | | -31.0 | -8.5 |

e.g. Thai Baht

■ Shift to highly profitable business

e.g.) Business Portfolio in EU (Sales by business segments)

(billion yen)

| | FY2014 |
|----------------------|--------|
| Cardiac and Vascular | 62% |
| General Hospital | 12% |
| Blood Management | 26% |



| FY2016 | Change in Sales |
|--------|-----------------|
| 66% | +2.9 |
| 8% | -4.0 |
| 26% | +0.2 |

■ Downsize low profit business

e.g.) General Hospital Product Business in Latin America

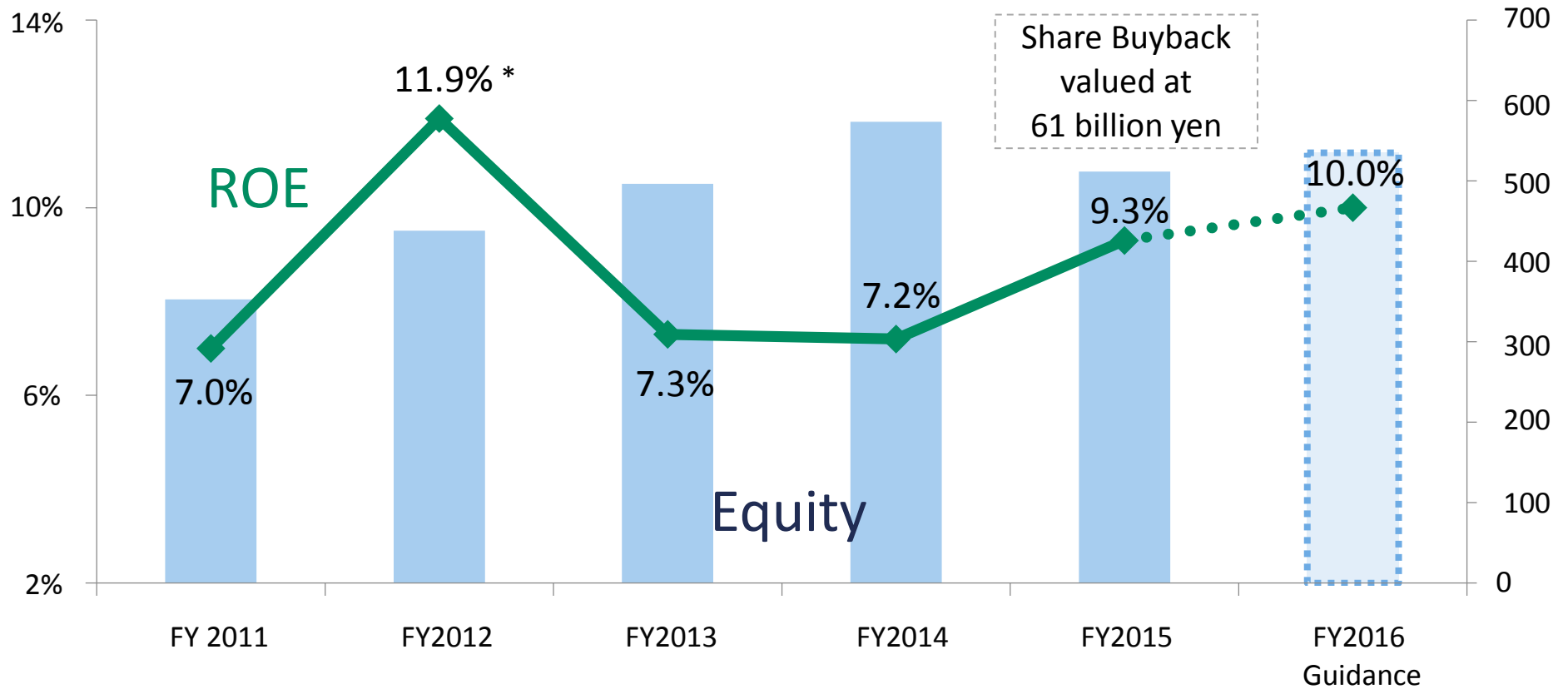
FY2016 (compared to FY2014)

- Sales Decrease by 35%
- Profit Increase by 35% (13% pt improvement in margin)

ROE

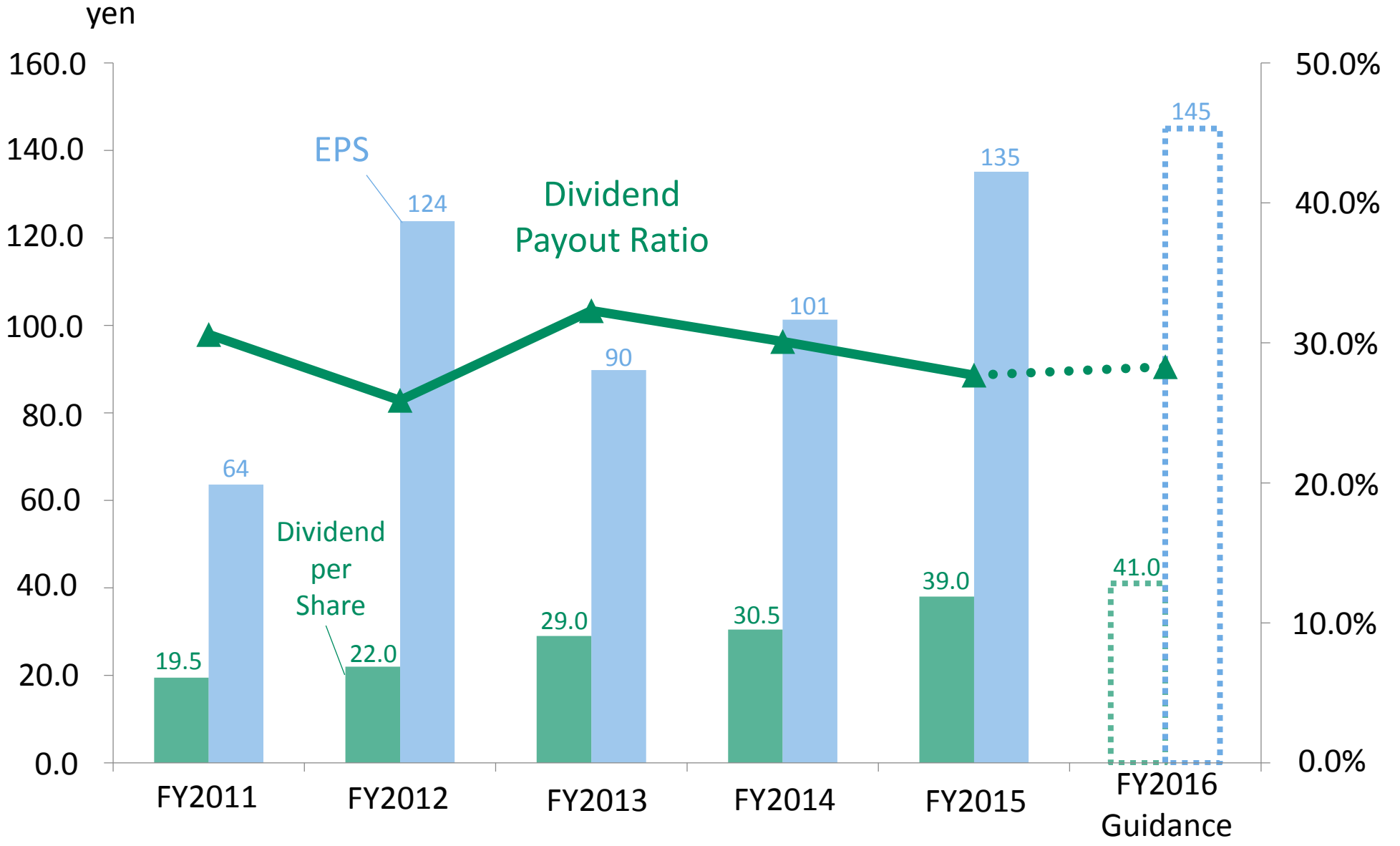
■ Reach up to 10.0%

Net Income 24.2 47.0 34.1 38.5 50.7 52.5 (billion yen)



* A decrease in corporate tax due to a reform of TBCT

Dividends and EPS

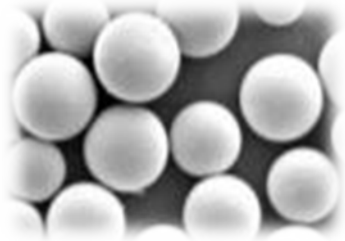


New Products Pipeline in FY2016

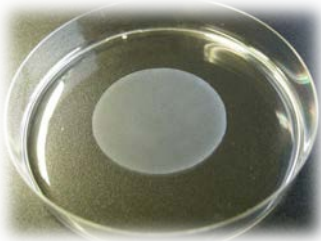
| Category | Products | Region |
|------------|---|--------------|
| Coronary | DES(Ultimaster) ◎★ | France |
| | DES (Ultimaster) 4.0mm (Diameter) ◎★ | JP |
| Imaging | IVUS ◎★ | JP |
| Peripheral | PTA Balloon (Below the knee, RX/OTW) | JP • US • EU |
| | PTA Balloon (Below & above the knee, RX/OTW) | JP • US • EU |
| | PTA balloon (Above the knee, RX/OTW) | JP • US • EU |
| Neuro | Distal protection device | EU |
| Oncology | Radioembolization beads (Quirem) ★ | EU |

| Category | Products | Region |
|-----------------------|---|--------|
| CV | Disposable Centrifugal Pump (for PCPS) | Asia |
| D&D | Intradermal Injection Device ★ | JP |
| | Adhesion barrier ★ | JP |
| DM | Blood glucose meter (MEDISAFE Fit Smile) | China |
| Blood Management | Automated blood component processing system ★ | JP |
| Regenerative Medicine | HeartSheet ★ | JP |

◎ Item with large contribution to sales and profit
 ★ Item with highly innovative technology



Radioembolization beads (EU)



HeartSheet (JP)



Intradermal injection device (JP)

Reference

FY15 Net Sales and Growth by Region

(billion yen)

| Business Segment | Japan | Outside of Japan | | | | | G. Total |
|------------------------------------|-------------|------------------|-------------|-------------|-------------|-------------|--------------|
| | | Subtotal | Europe | Americas | China | Asia | |
| Cardiac and Vascular | 51.6 (+7%) | 207.0 (+11%) | 66.7 (+5%) | 89.4 (+11%) | 26.4 (+30%) | 24.6 (+13%) | 258.6 (+10%) |
| Out of C&V Interventional Systems* | 39.6 (+7%) | 163.3 (+14%) | 53.3 (+6%) | 65.2 (+16%) | 25.1 (+31%) | 19.7 (+17%) | 202.9 (+13%) |
| General Hospital | 124.2 (+2%) | 37.2 (-7%) | 9.3 (-24%) | 8.3 (-12%) | 1.9 (+11%) | 17.7 (+6%) | 161.4 (-1%) |
| Blood Management | 11.5 (-9%) | 93.6 (+4%) | 25.8 (+6%) | 45.7 (-1%) | 4.9 (+14%) | 17.1 (+11%) | 105.0 (+2%) |
| G. Total | 187.2 (+2%) | 337.8(+7%) | 101.8 (+2%) | 143.5(+6%) | 33.2 (+26%) | 59.3 (+10%) | 525.0 (+5%) |

*Including Neurovascular business

(YoY%): Excluding foreign exchange

Operating Expenses

(billion yen)

| | FY2014 | FY2015 | YoY | YoY% | YoY% (Excl. FX) |
|---------------------------------|----------------------|----------------------|--------------|-------------|--------------------|
| Salaries & Wages | 70.5 | 76.0 | +5.5 | + 8% | +5% |
| Sales Promotion | 16.0 | 17.2 | +1.2 | + 8% | +6% |
| Logistical Costs | 11.0 | 11.0 | -0.0 | - 0% | -1% |
| Depreciation & Amortization | 25.1 | 27.5 | +2.4 | +10% | +3% |
| Others | 36.6 | 38.4 | +1.8 | + 5% | +3% |
| SG&A Expenses Total | 159.2 (32.5%) | 170.1 (32.4%) | +10.9 | + 7% | +4% |
| R&D Expenses | 29.4 (6.0%) | 33.1 (6.3%) | +3.7 | +13% | +9% |
| Operating Expenses Total | 188.6 (38.5%) | 203.2 (38.7%) | +14.6 | + 8% | +5% |

(%) Against net sales

Quarterly Results

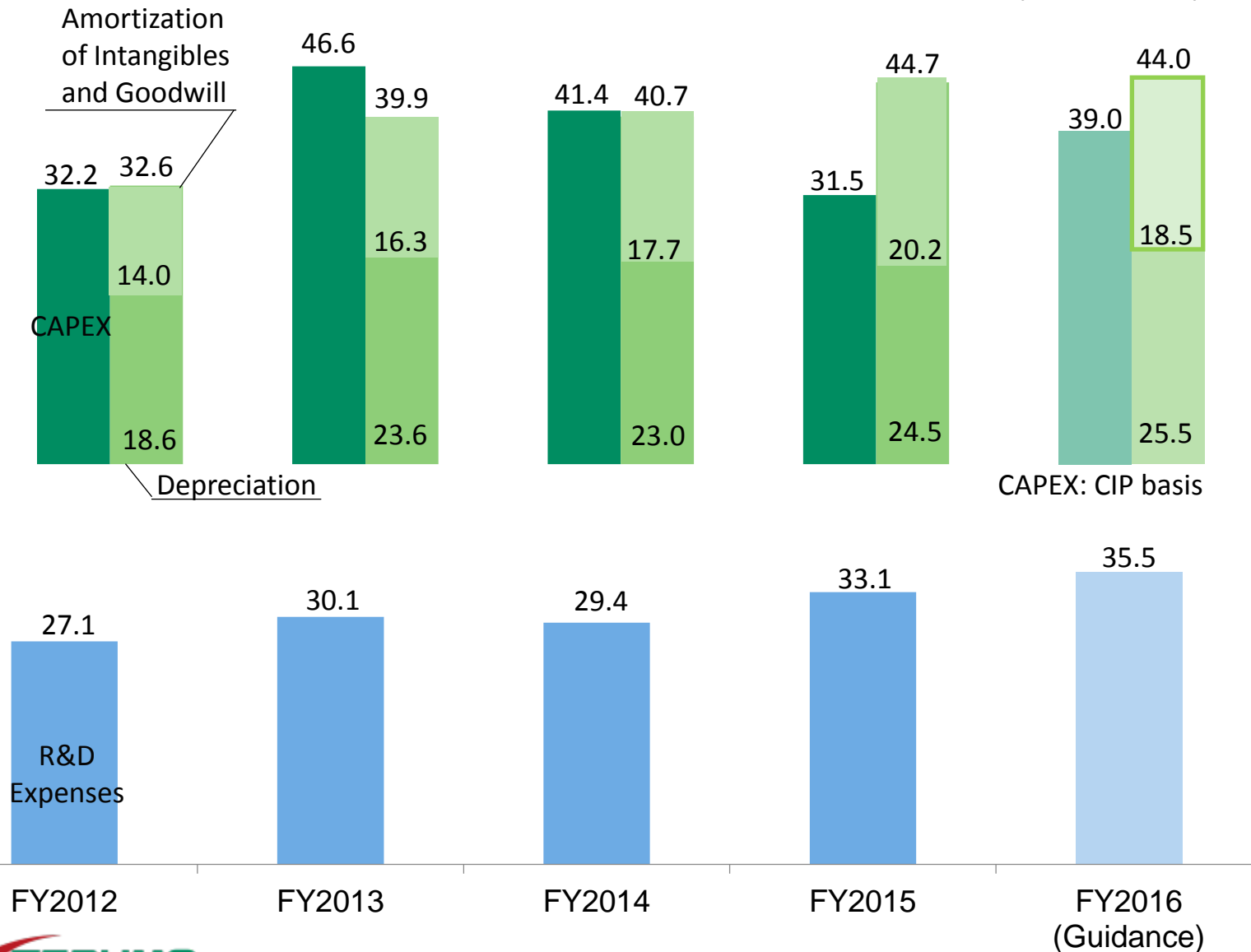
(billion yen)

| | FY14 Q4 (Jan-Mar) | FY15 Q1 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) | Q4 (Jan-Mar) |
|----------------------|----------------------|----------------------|-----------------|-----------------|-----------------|
| Net Sales | 126.3 | 128.7 | 130.5 | 136.8 | 129.0 |
| Gross Profit | 65.4 (51.7%) | 69.0 (53.7%) | 70.4 (53.9%) | 75.3 (55.0%) | 70.3 (54.4%) |
| SG&A Expenses | 42.4 (33.5%) | 41.7 (32.5%) | 42.7 (32.7%) | 42.9 (31.3%) | 42.8 (33.1%) |
| R&D Expenses | 8.4 (6.7%) | 7.9 (6.1%) | 8.0 (6.1%) | 7.4 (5.4%) | 9.9 (7.7%) |
| Operating Income | 14.6 (11.5%) | 19.4 (15.1%) | 19.7 (15.1%) | 25.0 (18.3%) | 17.6 (13.6%) |
| (Excl. Amortization) | 19.4 (15.3%) | 24.5 (19.1%) | 24.8 (19.0%) | 30.1 (22.0%) | 22.5 (17.4%) |

| | | | | | | |
|---------------|-----|---------|---------|---------|---------|---------|
| Average | USD | 119 yen | 121 yen | 122 yen | 121 yen | 115 yen |
| Exchange Rate | EUR | 134 yen | 134 yen | 136 yen | 133 yen | 127 yen |

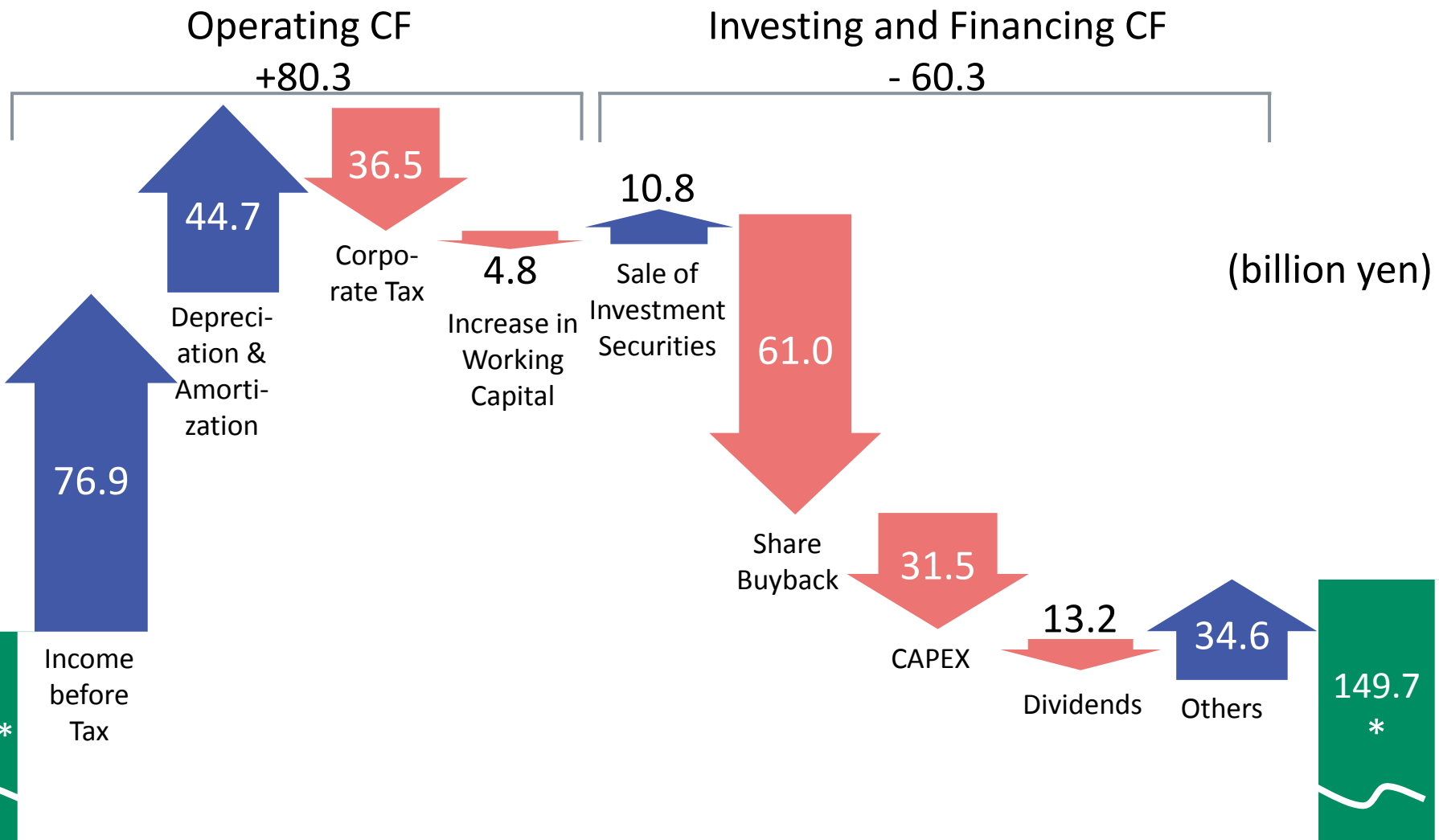
CAPEX and R&D Expenses

(billion Yen)



- CAPEX was peaked out on FY2013.
- CAPEX is projected to be at the same level as amortization
- CAPEX of 4 billion yen planned in FY15 was pushed and will be realized in FY16
- Further promote R&D activities for TIS and neurovascular business in US

Cash Flow



* Cash at end of fiscal year is consistent with "Cash and deposits" on B/S.

Foreign Exchange Sensitivity

(billion yen)

| | USD | | EUR |
|------------------|--------------------|--------------------|-----|
| | Excl. Amortization | Incl. Amortization | |
| Net Sales | 1.4 | 1.4 | 0.5 |
| Operating Income | 0.0 | -0.2 | 0.3 |

IR Contact

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