

Financial Results for the First Half of
the Fiscal Year Ending March 31, 2014 (FY2013)

Terumo Corporation
November 6, 2013

Highlights in 1H

Corporate

- Both sales and profit in line with forecast
- Improved profitability from Q1

Cardiac & Vascular

- Interventional Systems marked continuous double digit growth in EU and U.S.
- Sustained great domestic sales of Misago stent, growth driver in peripheral intervention field
- Launched new neuro intervention products on time
- Investment for the improvement of quality management system progressed toward completion at the end of FY

Blood Management

- Steady sales growth even under sudden changes in market environment

General Hospital

- Further improvement of plant productivity for newly launched products

Consolidated 1H Result: Marks Increase in Sales and Profit

(billion of yen)

	1H FY2012	1H FY2013	YoY%
Net Sales	191.8	226.0	+18%
Gross Profit	100.5 (52.4%)	117.2 (51.8%)	+17%
SG&A Expenses	59.9 (31.2%)	71.4 (31.5%)	+19%
R&D Expenses	12.4 (6.5%)	15.3 (6.8%)	+23%
Operating Income	28.2 (14.7%)	30.5 (13.5%)	+8%
(Excl. Amortization)	34.8 (18.1%)	38.5 (17.0%)	+11%
Ordinary Income	24.2 (12.6%)	29.6 (13.1%)	+22%
Net Income	14.5 (7.6%)	19.5 (8.6%)	+34%
EBITDA (Operating Income + Depreciation)	43.7	49.3	+13%

Average Exchange Rate US\$ 79 yen 99 yen
 EUR 101 yen 130 yen

1H FY2013 Net Sales and Growth by Region

Interventional Systems marks continuous double digit growth in EU and U.S.

(billion of yen)

Business Segment	Japan	Outside of Japan Total	Europe	Americas	China	Asia & Others	G. Total
General Hospital	62.7 (3%)	18.4 (2%)	5.6 (-10%)	4.4 (1%)	0.6 (-16%)	7.9 (15%)	81.2 (2%)
Cardiac & Vascular	24.2 (6%)	76.6 (6%)	28.0 (6%)	31.5 (7%)	8.8 (13%)	8.3 (-3%)	100.8 (6%)
Out of C&V Interventional Systems	18.8 (8%)	56.6 (9%)	21.8 (10%)	20.0 (10%)	8.3 (13%)	6.5 (2%)	75.4 (9%)
Blood Management	6.3 (5%)	37.8 (6%)	11.9 (4%)	18.3 (4%)	1.8 (14%)	5.8 (19%)	44.1 (6%)
G. Total	93.2 (3%)	132.9 (6%)	45.6 (3%)	54.1 (5%)	11.2 (11%)	21.9 (8%)	226.0 (5%)

(YoY%): Excluding foreign exchange and home therapy business from previous FY

SG&A Expenses

Efficient management of SG&A within the range of increase in sales

Devote R&D to focus business area

(billion of yen)

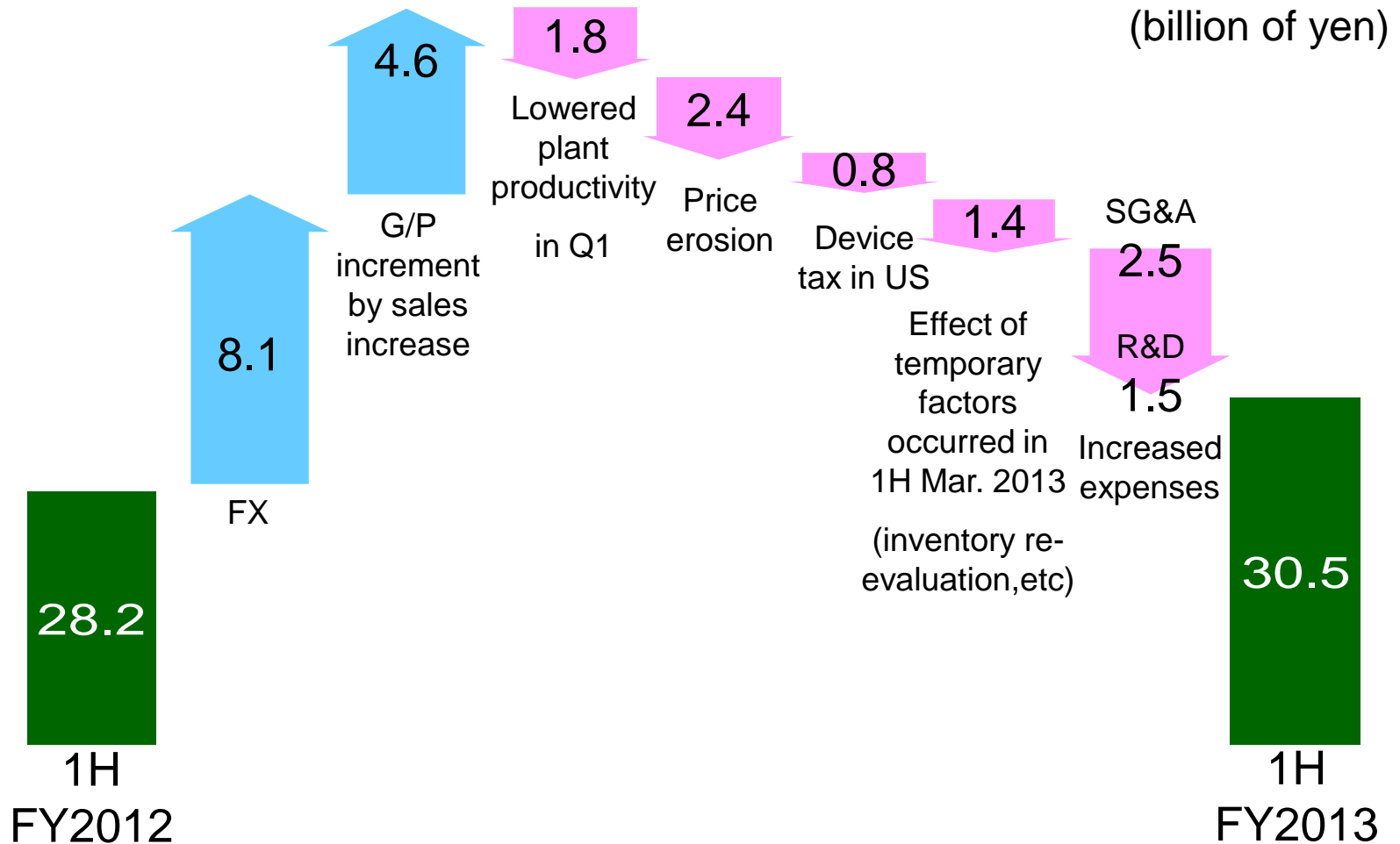
	1H FY2012*	1H FY2013	YoY	YoY%
General Administrative Total	68.9	71.4	+2.5	+4%
R&D Expenses	13.8	15.3	+1.5	+11%
SG&A Expenses Total	82.7	86.7	+4.0	+5%

* Excluding Foreign Exchange

- Salaries and Wages: enhance sales force in US and Latin America (Interventional Systems)
- R&D expenses: Blood Management (therapeutic apheresis, automated blood component processing) and Cardiac & Vascular (new products for neurovascular intervention)

Operating Income Variance Analysis

Expanded sales in Cardiac & Vascular and Blood Management
Improved plant productivity



Quarterly Consolidated Results: Improved Profitability

(billion of yen)

	Q2 FY2012 (Jul - Sep)	Q3 FY2012 (Oct - Dec)	Q4 FY2012 (Jan - Mar)	Q1 FY2013 (Apr - Jun)	Q2 FY2013 (Jul - Sep)
Net Sales	96.0	103.9	106.5	111.1	114.9
Gross Profit	48.8 (50.9%)	52.9 (50.9%)	52.2 (49.0%)	57.0 (51.3%)	60.1 (52.3%)
SG&A Expenses	36.1 (37.6%)	38.5 (37.0%)	41.6 (39.1%)	43.7 (39.3%)	43.0 (37.4%)
Operating Income	12.7 (13.3%)	14.4 (13.9%)	10.6 (9.9%)	13.3 (12.0%)	17.1 (14.9%)

Average Exchange Rate

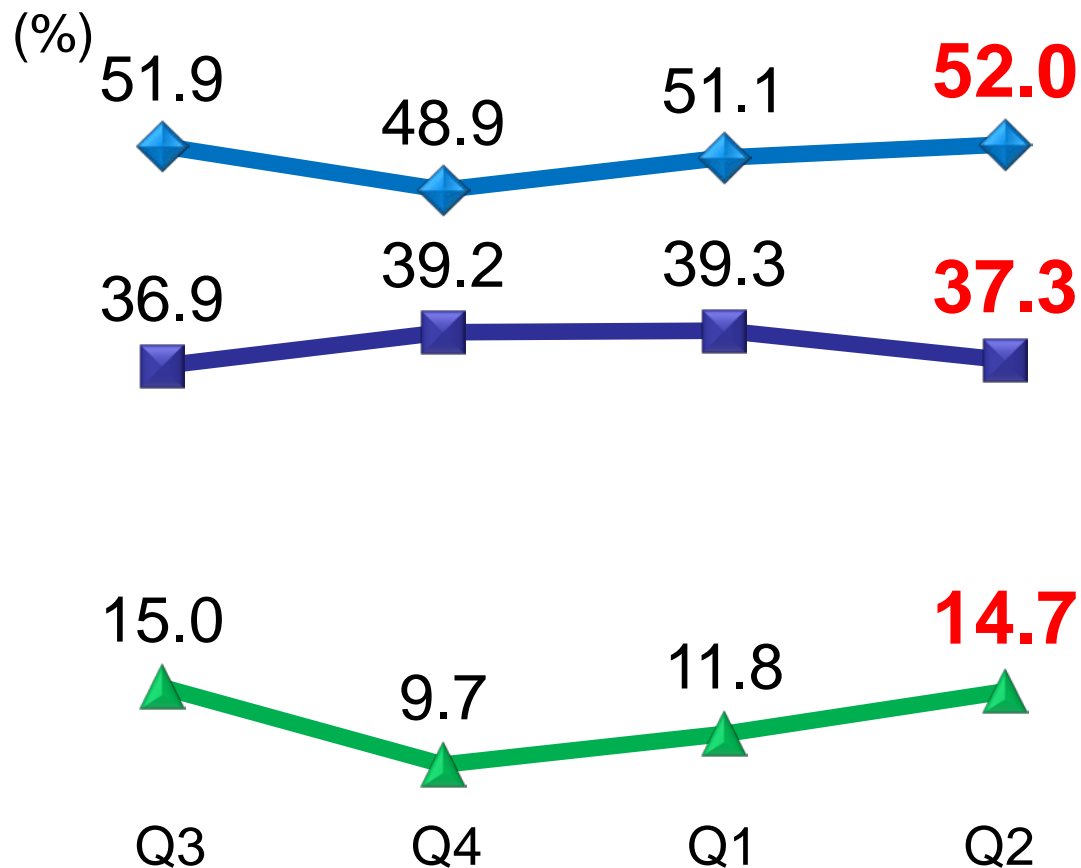
US\$

EUR

	Q2	Q3	Q4	Q1	Q2
US\$	79 yen	81 yen	92 yen	99 yen	99 yen
EUR	98 yen	105 yen	122 yen	129 yen	131 yen

Gross Profit, SG&A Expenses, Operating Income

Steadily improve profitability even without FX



Gross Profit

- Improve plant productivity

SG&A Expenses

- Manage within the range of sales increase

Operating Income

- Increase 2.9% points from Q1

(Excluding Foreign Exchange)

1H Results: In Line with Forecast

(billion of yen)

	1H Forecast	1H Results	Variance	Vs. Fcst
Net Sales	222.0	226.0	+4.0	102%
Operating Income	30.0 (13.5%)	30.5 (13.5%)	+0.5	102%
Ordinary Income	28.5 (12.8%)	29.6 (13.1%)	+1.1	104%
Net Income	19.0 (8.6%)	19.5 (8.6%)	+0.5	103%

Average Exchange Rate
 US\$
 EUR

Forecast
 95 yen
 123 yen

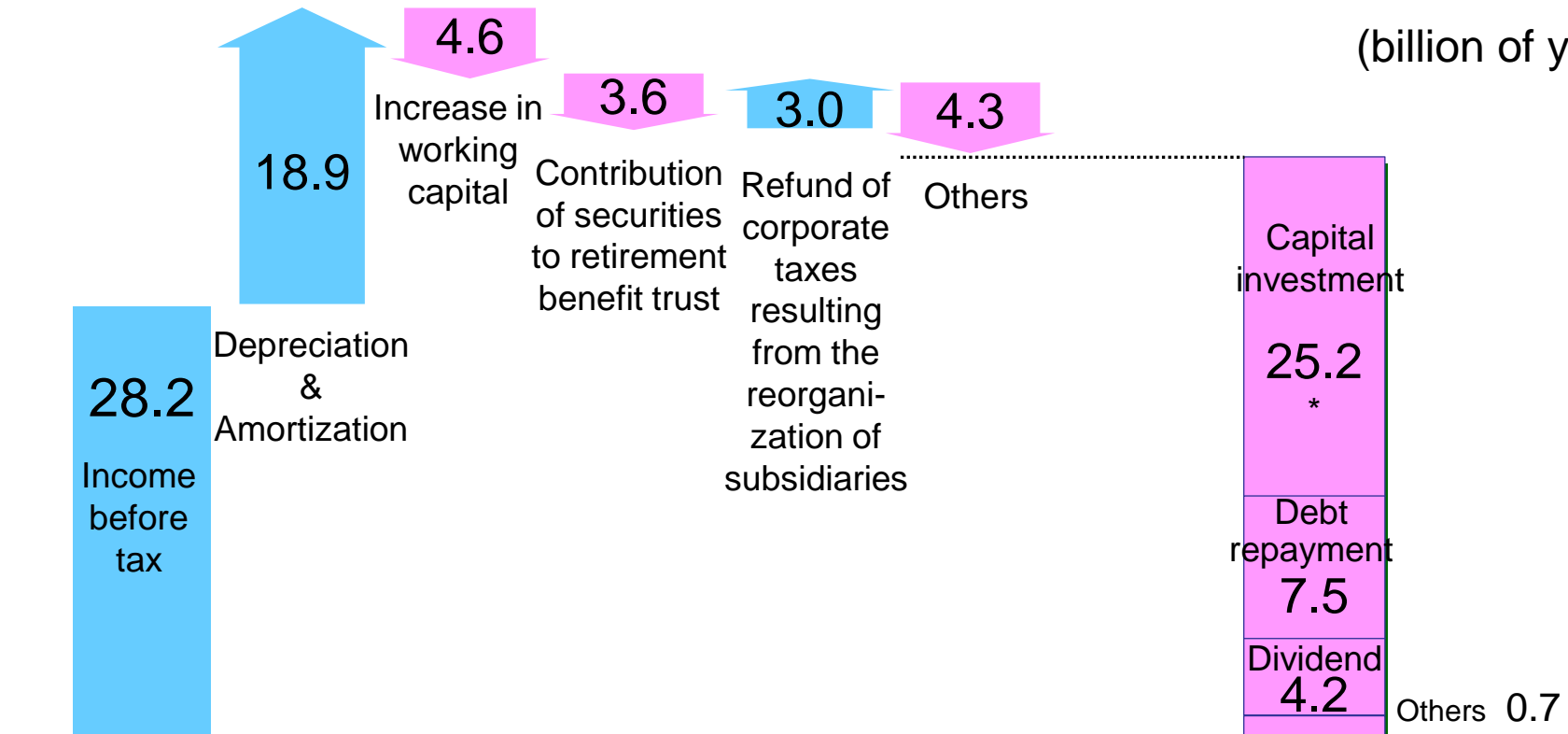
Actual
 99 yen
 130 yen

Operating Cash Flow

Operating Cash Flow Breakdown 37.6

Allocation 37.6

(billion of yen)

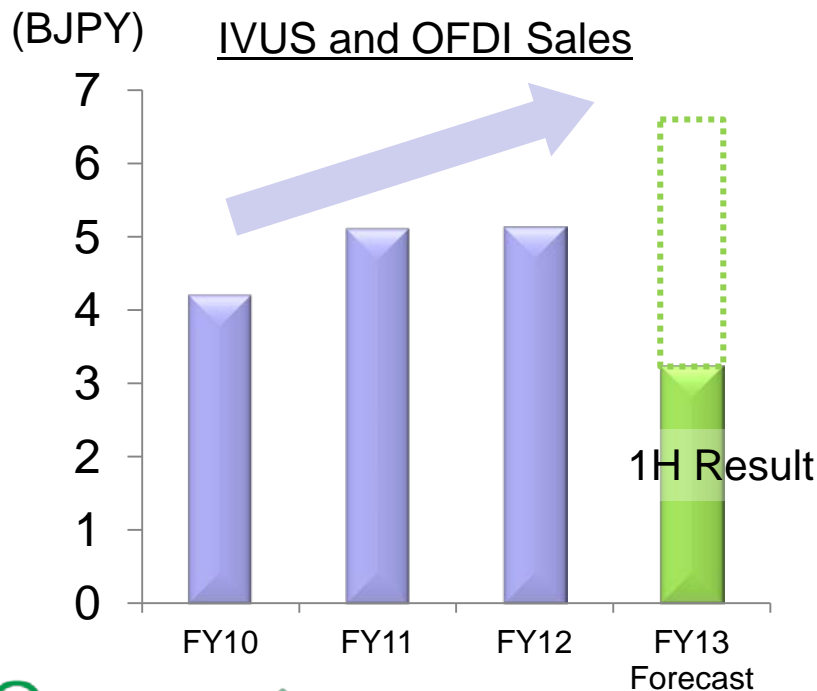


* Acquisition basis in 1H FY2013

Key Initiatives in 1H and 2H

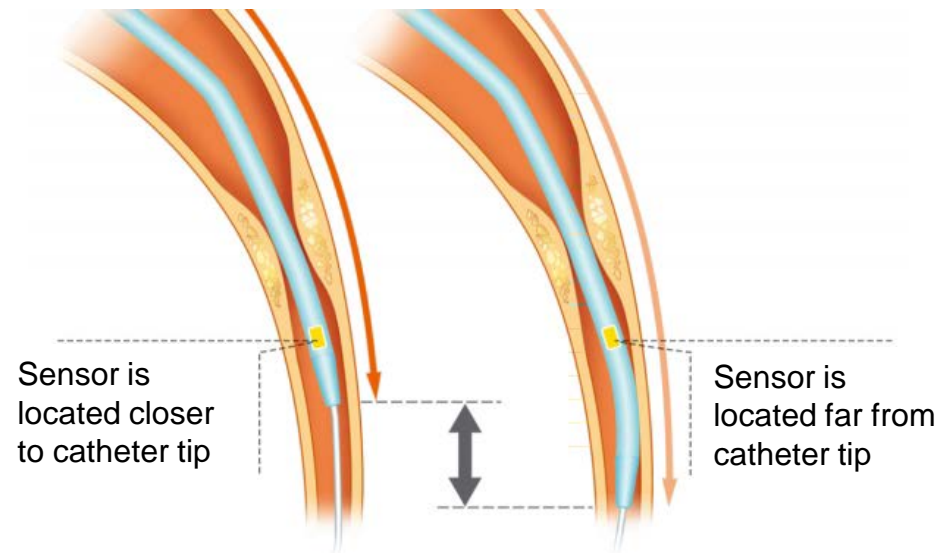
Steady Growth of IVUS in JP (2.8 BJPY in 1H, 30% market share)

- Support PCI treatment strategy by providing accurate image information
 - Launched new IVUS catheter (sensor located closer to catheter tip)
 - Enables to capture the image of lesion which was difficult to detect in the past
 - Expand sales of stent and balloon by bundling with IVUS
 - Leverage the fact that Terumo is the only company in the world, having both IVUS and OFDI, to expand its overall PCI business



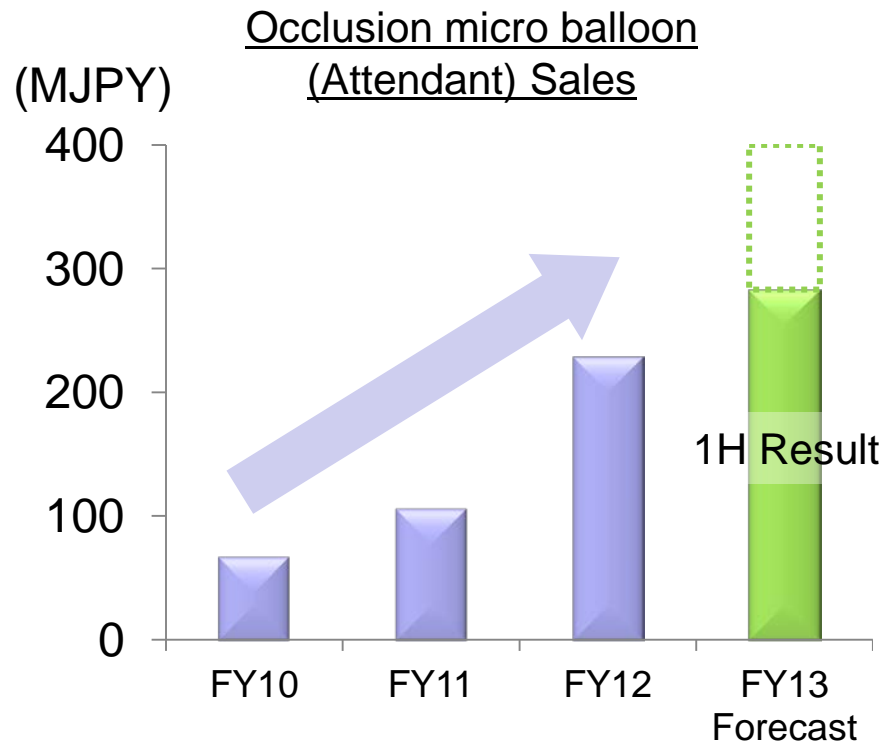
Navifocus^{WR}
New IVUS Catheter

Conventional



Occlusion Balloon for Liver Cancer (300 MJPY in 1H)

- Balloon occluded transarterial chemotherapy (B-TACE) technique is becoming widespread
- Smaller tip profile of the system provides better accessibility to smaller peripheral arteries, being highly evaluated by physicians



New Products Drives Blood Management Business (6% growth in 1H)

■ Develop market with the automated blood component processing system

- Saves time/labor/space and increases output/consistency/quality
- Provides viable solution to the existing processing methods worldwide

Improve output and efficiency

Whole
Blood
Collection



■ Expand therapeutic apheresis system

- Promote upgrades from “COBE Spectra” to the industry’s next generation, “Optia”
- Expand treatment options by delivering multiple protocols for Optia



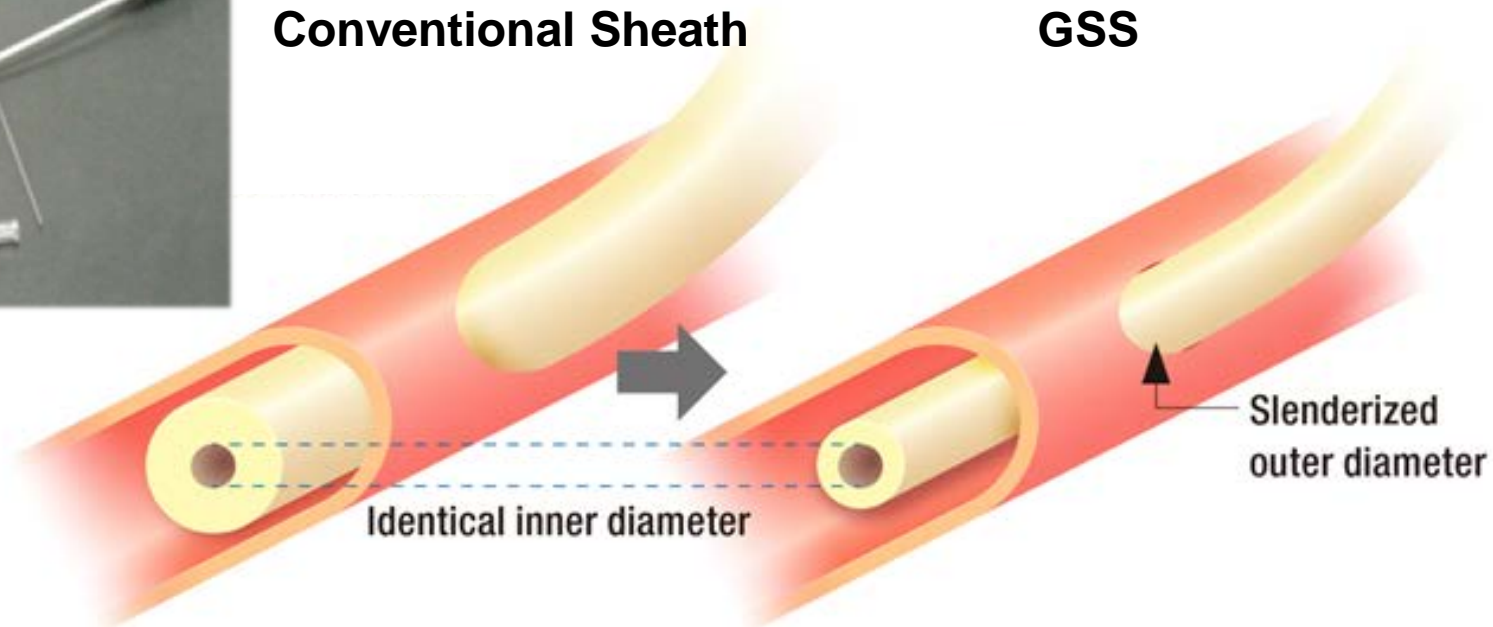
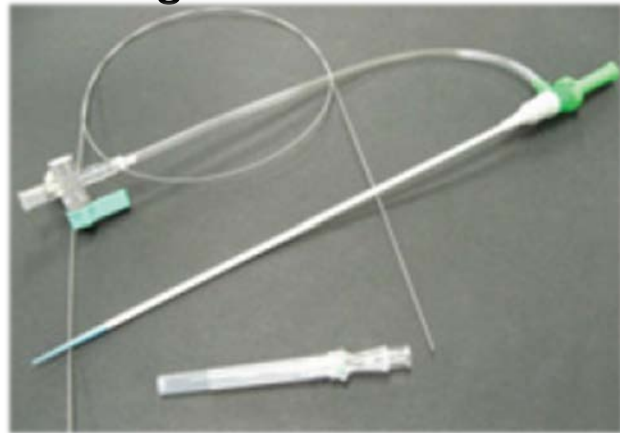
Optia

Steady Progress within Mid-term New Product Pipeline

Segment	Product	FY13	Q1	Q2
Peripheral	Stent (above the knee/SFA)	JP	●	
Neuro	Flow-diverting stent	EU	●	
	Occlusion balloon	JP	●	
Coronary	OFDI (Intravascular imaging system)	JP	●	
	Slenderized introducer sheath for TRI	US		●
Ablation	Renal sympathetic denervation system (RSD)	EU	●	
	RSD for TRI technique	EU		●
Blood Management	Automated blood component processing system (PRP method)	EU	●	
	Automated blood component processing system (BC method)	EU	●	
	Therapeutic apheresis system (Bone marrow stem cell application)	JP		●
Infusion System	Safety IV catheter	US, Asia	●	
	Smart pump (infusion & syringe pump)	EU	●	

Slenderized Sheath for TRI: Glidesheath Slender (GSS)

- Allow women with small artery as well as elderly patients to undergo TRI
 - Slenderized outer diameter while maintaining identical inner diameter
 - Lowers risk in damaging on intravascular wall and shortens hemostasis time
- Target the sales of 1 BJPY in FY2014

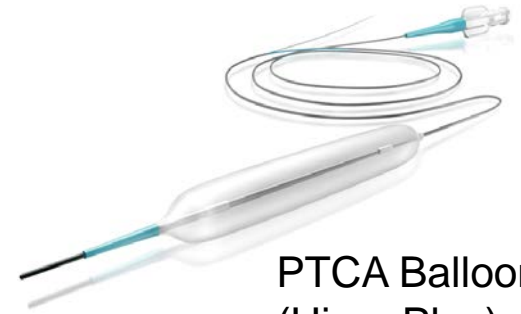


Key Initiatives in 2H FY2013

- Expand sales of both new and existing products
 - Launch mid-term new product pipeline on time
 - Boost sales of existing products
 - Cardiac & Vascular: sustain sales expansion of access devices by introducing TRI-related technologies
 - General Hospital: promote Smart Pump in global market
 - Blood Management: expand sales of automated blood processing systems, Reveos and TACSI in EU market
- Complete the improvement of quality management system in TCVS
 - Investment: 2.7 BJPY in 1H, halved in 2H (plan)
 - Recertification by FDA expected in March, 2014
- Improve plant productivity of General Hospital products
 - Stabilize mass-production for new products and drive cost down via production transfer to overseas plants

New Products to Be Launched in 2H

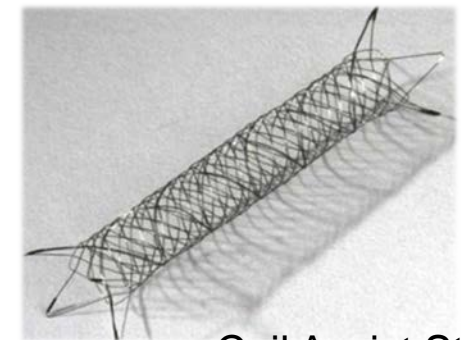
Segment	Product	Region
Peripheral	Balloon (below the knee)	EU
	Stent (below the knee)	EU
Neuro	Coil assist stent	China
Coronary	New PTCA balloon catheter	JP
	Slenderized introducer sheath for TRI	JP
Blood Management	Automated blood component collection system (plasma application)	JP
	Data management system (TACSI application)	EU
Infusion System	Needleless system	JP
	Smart Pump (infusion & syringe pump)	Asia



PTCA Balloon
(Hiryu Plus)



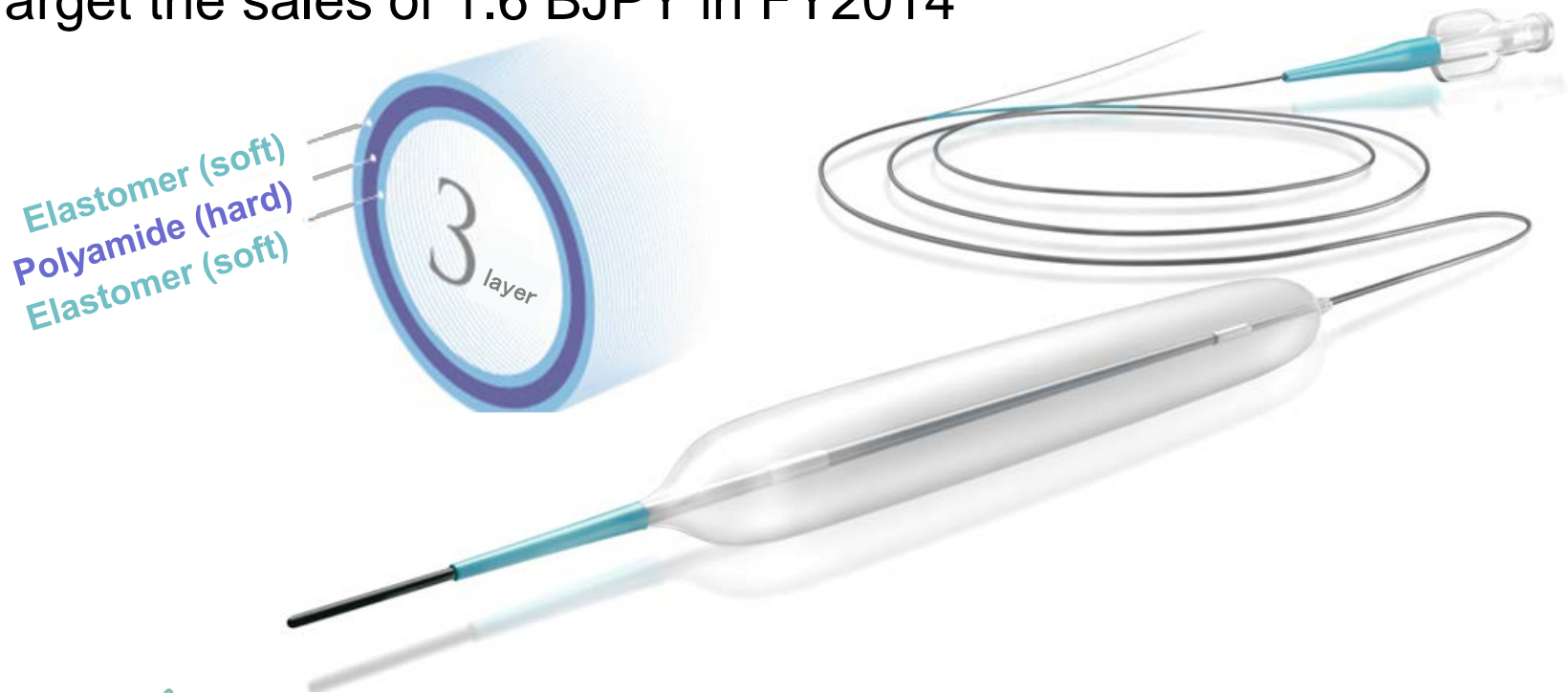
Needleless System
(SURPLUG AD)



Coil Assist Stent
(LVIS)

PTCA Balloon Catheter (Hiryu Plus)

- Differentiate by introducing the most advanced technologies to matured market
 - Three-layer construction enables higher balloon pressure resistance while achieving excellent flexibility
 - Improved catheter shaft delivers better maneuverability
- Target the sales of 1.6 BJPY in FY2014



Maintain FY2013 Forecast

(billion of yen)

	FY2013 Forecast		YoY%
Net Sales	460.0		+14%
Operating Income	70.0	(15.2%)	+32%
(Excl. Amortization)	85.0	(18.5%)	+27%
Ordinary Income	67.5		+31%
Net Income	42.0		-11%

Average Exchange Rate

US\$ 95 yen

EUR 123 yen

Reference

Net Sales by Region

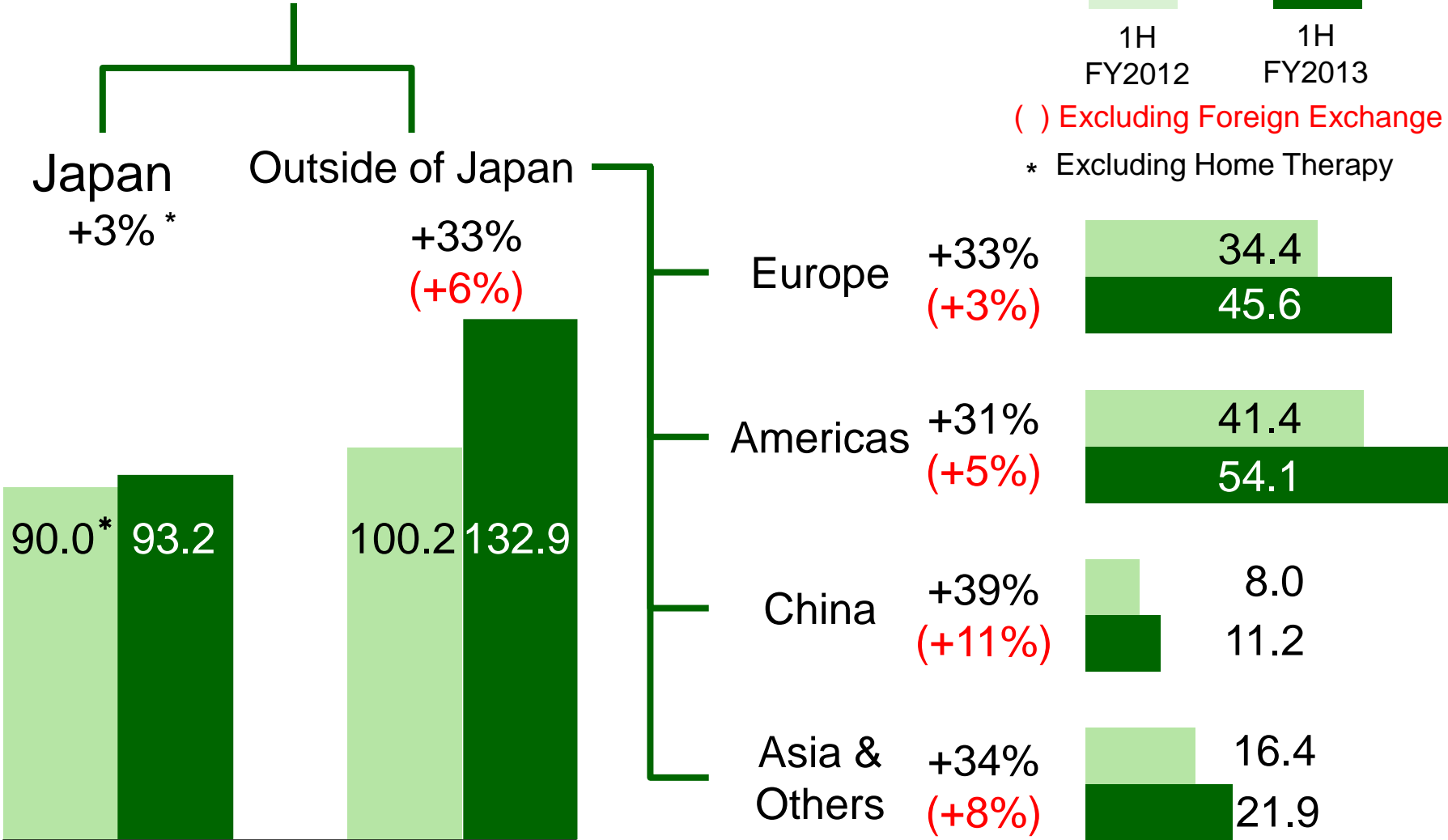
Consolidated: +19% (+5%)*

(billion of yen)

1H FY2012 1H FY2013

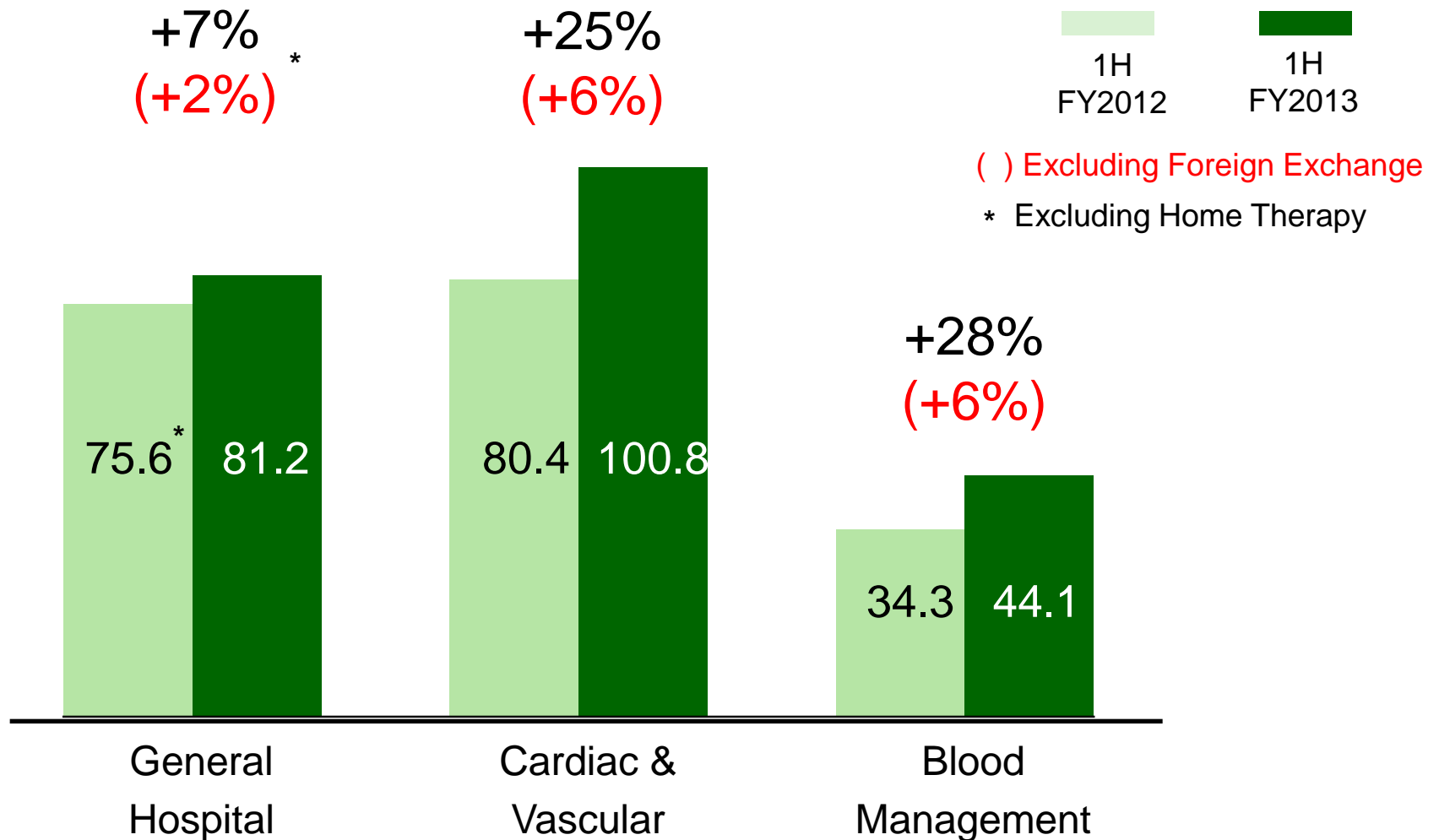
() Excluding Foreign Exchange

* Excluding Home Therapy



Net Sales by Business Segment

(billion of yen)



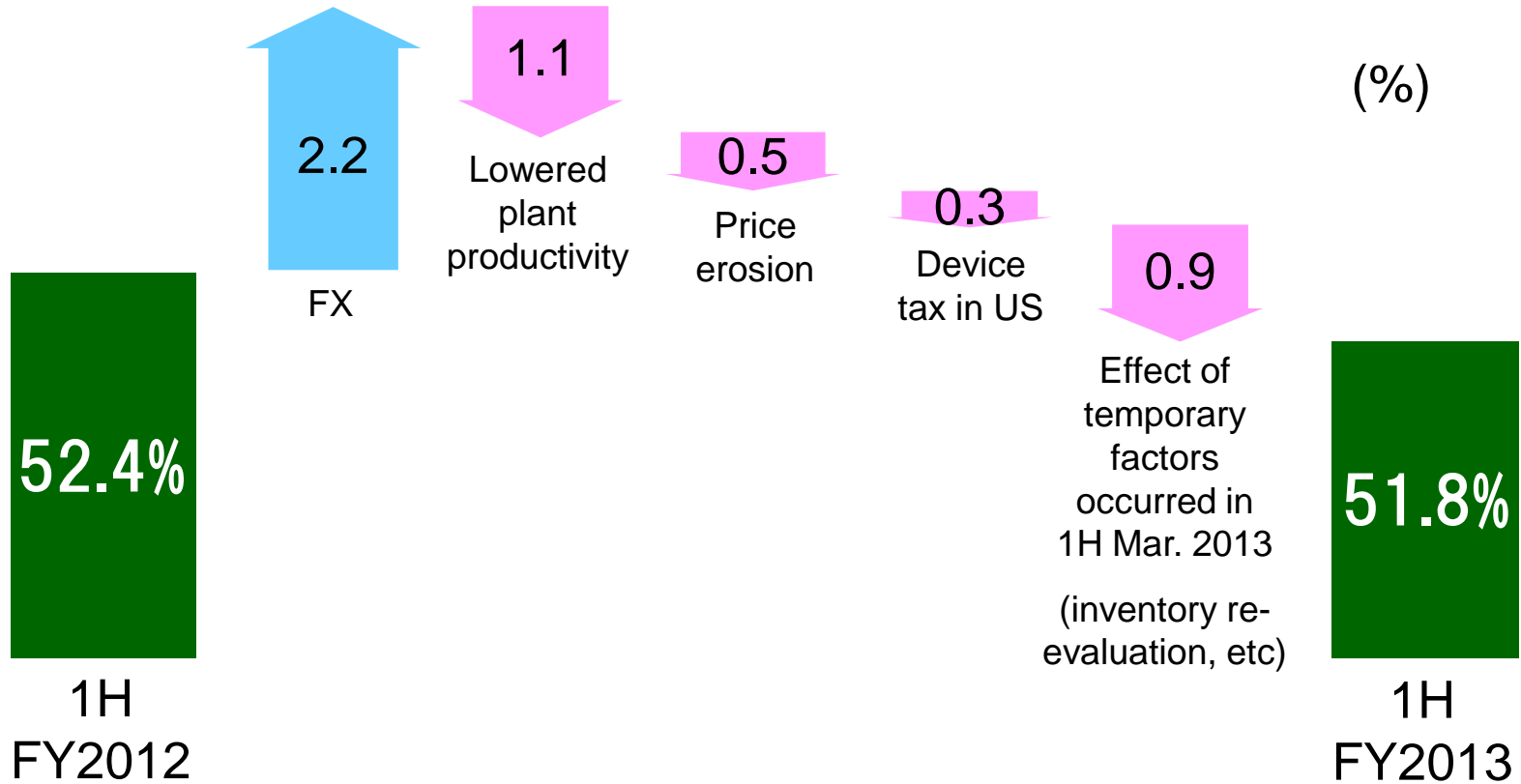
Q2 FY2013 Net Sales and Growth by Region

(billion of yen)

Business Segment	Japan	Outside of Japan Total					G. Total
			Europe	Americas	China	Asia & Others	
General Hospital	32.0 (2%)	9.7 (3%)	2.8 (-12%)	2.3 (-2%)	0.3 (-8%)	4.2 (20%)	41.7 (2%)
Cardiac & Vascular	12.0 (8%)	38.6 (7%)	13.8 (7%)	16.1 (7%)	4.6 (24%)	4.2 (-5%)	50.6 (8%)
Blood Management	3.4 (-0%)	19.1 (6%)	6.0 (2%)	9.3 (6%)	1.0 (10%)	2.8 (14%)	22.6 (5%)
G. Total	47.5 (3%)	67.4 (6%)	22.7 (3%)	27.7 (6%)	5.9 (19%)	11.2 (8%)	114.9 (5%)

(YoY%): Excluding foreign exchange and home therapy business from previous FY

Gross Profit Variance Analysis



<Reference> Q1 Results

53.9%

+1.8

-2.2

-0.4

-0.3

-1.5

51.3%

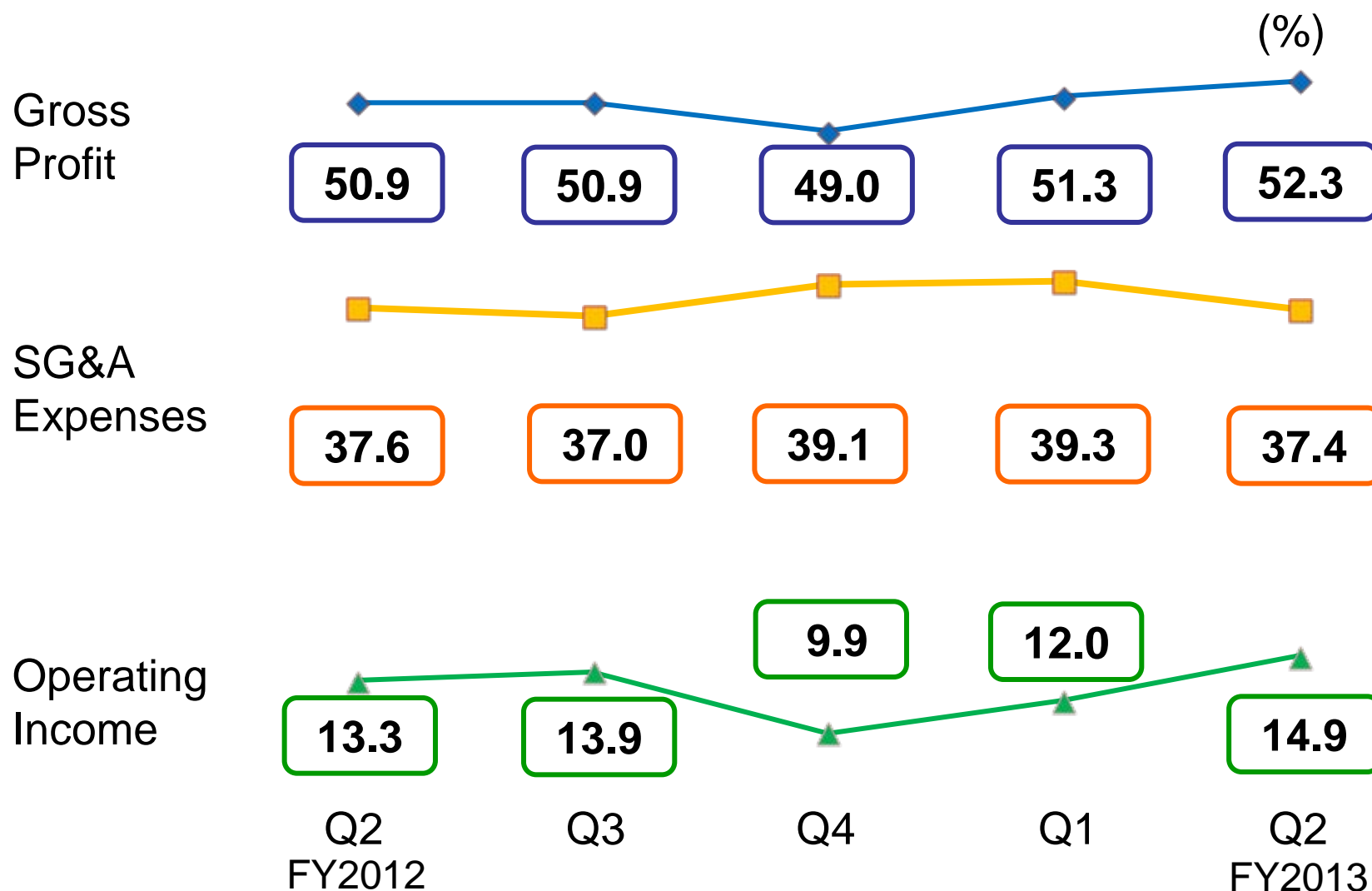
SG&A Expenses

(billion of yen)

	1H FY2012	1H FY2013	YoY	YoY%
Salaries & Wages	25.4	31.3	+5.9	+23%
Sales Promotion	5.7	7.0	+1.3	+24%
Logistical Costs	5.0	5.4	+0.4	+8%
Depreciation & Amortization	8.6	10.9	+2.3	+27%
Others	15.2	16.8	+1.6	+10%
General Administrative Total	59.9 (31.2%)	71.4 (31.5%)	+11.5	+19%
R&D Expenses	12.4 (6.5%)	15.3 (6.8%)	+2.9	+23%
SG&A Expenses Total	72.3 (37.7%)	86.7 (38.3%)	+14.4	+20%

(%) Against net sales

Gross Profit, SG&A Expenses, Operating Income



CAPEX, R&D Expenses

(billion of yen)

	FY2012 Result	FY2013 Forecast	1H FY2013 Result
CAPEX* ¹	32.2	45.0	25.2 (56%)
Depreciation & Amortization* ²	32.6	37.0	18.9 (51%)
R&D Expenses	27.1	30.0	15.3 (51%)

*1 CAPEX: acquisition basis

*2 Including intangibles

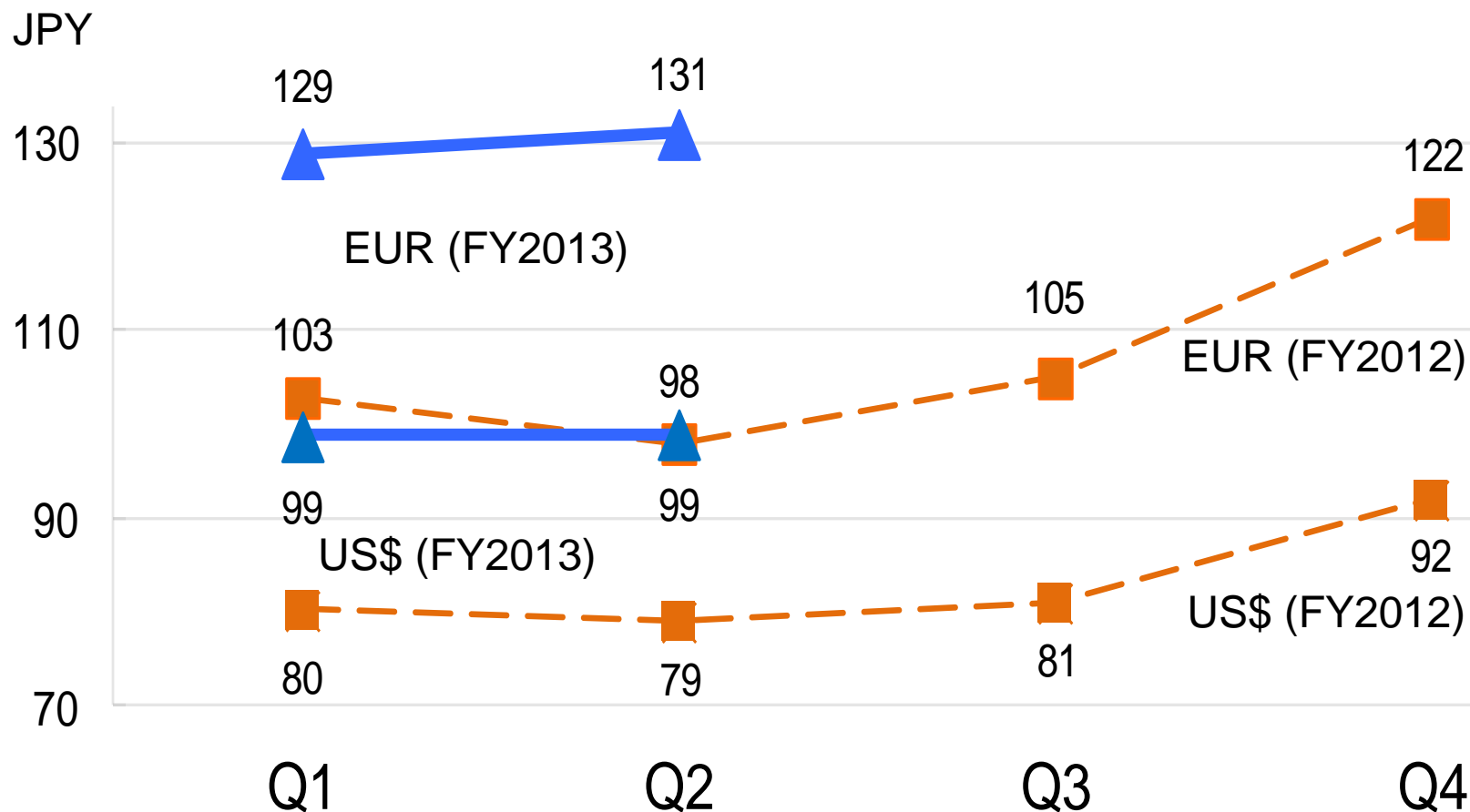
?: Progress to forecast

Foreign Exchange Sensitivity

(billion of yen / year)

	US\$	EUR
Net Sales	1.8	0.7
Operating Income	0.3	0.4

Changes of Quarterly Average Exchange Rates



IR Contact

Terumo Corporation

Corporate Communication (IR) Dept.

E-mail: kouhou_terumo01@terumo.co.jp

Among the information that Terumo discloses, the forward-looking statements including financial projections are based upon our assumptions using information available to us at the time and are not intended to be guarantees of future events or performance. Accordingly, it should be noted that actual results may differ from those forecasts on projections due to various factors. Factors affecting to actual results include, but are not limited to, changes in economic conditions surrounding Terumo, fluctuations of foreign exchange rates, and state of competition.

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