

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

Terumo Corporation
May 8, 2014

Highlights in FY2013

Corporate

- Achieved increase both in sales and profit thanks to weaker yen
- Fell short of profit guidance
- Began to secure a foothold to improve profitability

Cardiac & Vascular

- Continued to improve quality management system at TCVS
- Double digit growth in overseas Intervention Systems business
- Achieved high growth in neurovascular intervention by continuous new products launch
- Accelerated product pipeline expansion by leveraging strategic alliance

General Hospital

- Decline in profit due to a delay of new products expansion and lowered productivity at overseas factory

Blood Management

- Sustained solid performance even under challenging market environment

Increase in Sales and Profit Thanks to Weaker Yen

(billion yen)

	FY2012	FY2013	YoY%	Excluding FX
Net Sales	402.3	467.4	+16%	+4%
Gross Profit	205.7 (51.1%)	242.0 (51.8%)	+18%	+2%
SG&A Expenses	125.4 (31.2%)	146.6 (31.4%)	+17%	
R&D Expenses	27.1 (6.7%)	30.1 (6.4%)	+11%	
Operating Income	53.2 (13.2%)	65.3 (14.0%)	+23%	-1%
(Excl. Amortization)	66.8 (16.6%)	81.6 (17.5%)	+22%	-1%
Ordinary Income	51.4 (12.8%)	63.8 (13.7%)	+24%	
(Extraordinary Income/Loss)	0.9	-10.9		
Net Income	47.0 (11.7%)	34.1 (7.3%)	-27%	

Average Exchange Rate

USD 83 yen
EUR 107 yen

100 yen
134 yen

Extraordinary Income or Loss

(billion yen)

Primary extraordinary income

Settlement received 6.0

Primary extraordinary loss

Impairment loss 15.4

Assets of unprofitable
business

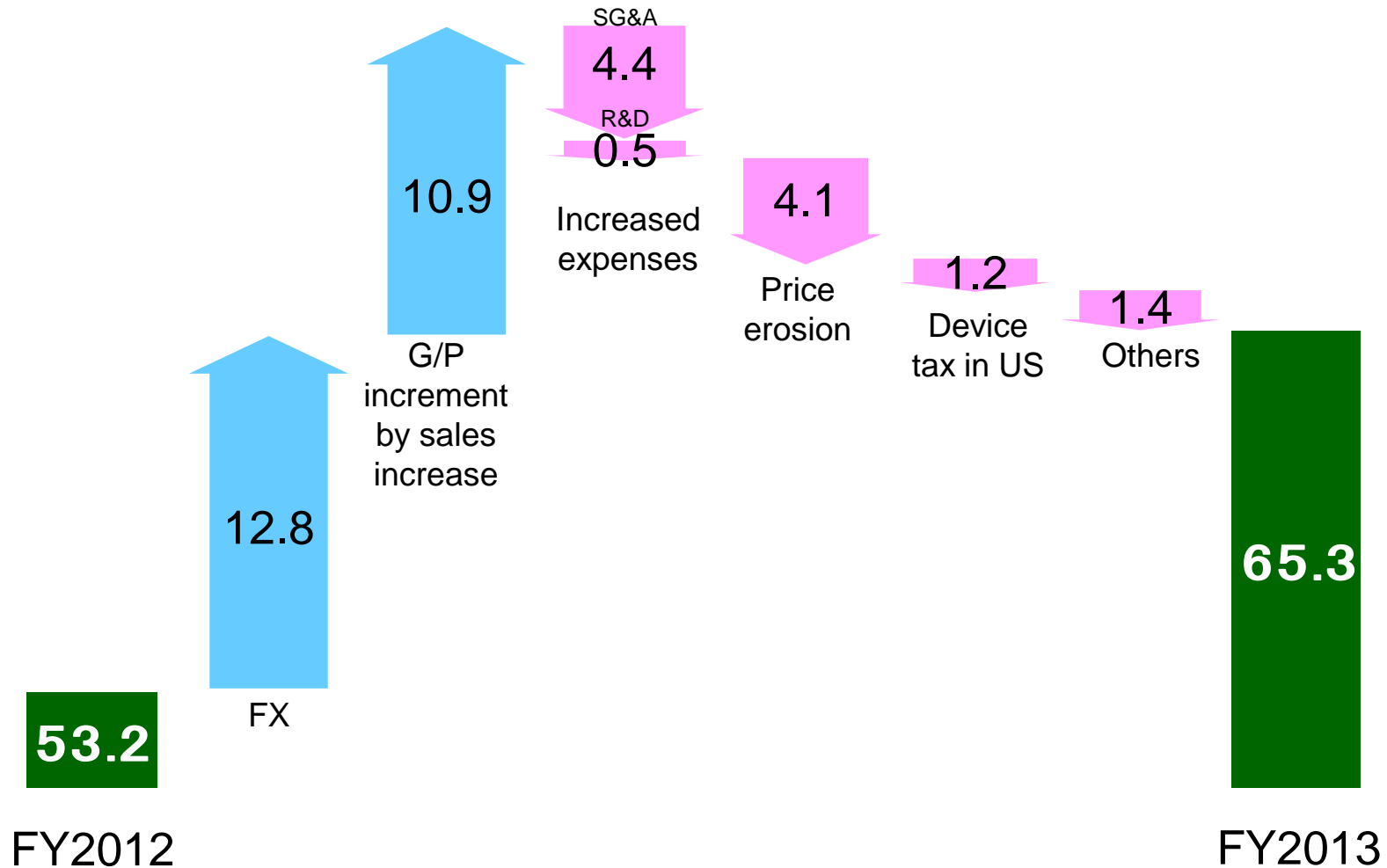
Cardiac & Vascular 7.6

General Hospital 3.5

Etc.

Operating Income Variance Analysis

(billion yen)



Net Sales by Business Segment

(billion yen)

FY2012 FY2013

() Excluding Foreign Exchange

* Excluding Home Therapy

+6%
(+2%) *

+24%
(+7%)

+24%
(+5%)

155.0 * 164.1

169.7 210.5

74.7 92.7

General
Hospital

Cardiac &
Vascular

Blood
Management

Operating Profit by Segment

(billion yen)

		FY2012	FY2013	YoY%	YoY% (Excl. FX)
Segment O/P	General Hospital	23.6 (15%)	20.8 (13%)	-12%	-16%
	Cardiac & Vascular	29.1 (17%)	43.9 (21%)	+51%	+14%
	Blood Management	13.8 (18%)	18.6 (20%)	+35%	+4%
Others *		0.2	-1.7	-	
Operating Income (Excl. Amortization)		66.8	81.6	+22%	-1%

* Others: unrelated to business segment

General Hospital: Decline in Profit Despite Slight Increase in Sales

	FY2012	FY2013	YoY%	(billion yen) YoY% (Excl. FX)
Sales	155.0	164.1	+6%	+2%
Segment O/P (%)	23.6 (15%)	20.8 (13%)	-12%	-16%

Excluding Home Therapy

- General Hospital Products: Decline in profit due to a delay of new products expansion, and lowered productivity at overseas factory (-1.6 BJPY)
- Pharmaceutical and Nutrition: Lowered profitability due to a change in product mix of infusion solutions (-1.0 BJPY)
- Achieved double digit growth in prefilled syringe and growth in glucose monitor and Nanopass needle in domestic market

Cardiac & Vascular: Increase in Sales and Profit

(billion yen)

	FY2012	FY2013	YoY%	YoY% (Excl. FX)
Sales	169.7	210.6	+24%	+7%
Segment O/P (%)	29.1 (17%)	43.9 (21%)	+51%	+14%

- Interventional Systems: Sales, around access devices, in overseas market grew at double digits, and peripheral stent Misago largely contributed to growth in domestic market (+3.2 BJPY)
- Neurovascular Intervention: New products (stents and balloon) showed high growth in global market (+0.5 BJPY)
- Pursue lower cost by further transferring to the Vietnam factory
- Accelerate product pipeline expansion by leveraging strategic alliances (ART, Kaneka, FMD)

Blood Management: Expanded Even Under Challenging Environment

(billion yen)

	FY2012	FY2013	YoY%	YoY% (Excl. FX)
Sales	74.7	92.7	+24%	+5%
Segment O/P (%)	13.8 (18%)	18.6 (20%)	+35%	+4%

- Expanded business of highly value added products, such as automated blood component processing system (in EU) and therapeutic apheresis system (in JP and US) in developed markets
- Achieved double digit growth in Asia and Latin America
- Increased production capacity of the factory in India, and made good progress with establishment of the new Vietnam factory

Fell Short of Profit Guidance

(billion yen)

	FY2013 Guidance	FY2013 Result
Operating Income	70.0	65.3

Average Exchange Rate

USD 100 yen
EUR 134 yen

USD 100 yen
EUR 134 yen

- General Hospital Sales shortfall in JP and a delay of new products expansion - 3.5 BJPY
- Cardiac & Vascular TCVS quality system improvement and its related cost - 3.0 BJPY
 Intervention Systems sales increase and controlled SG&A +0.8 BJPY
- Blood Management Sales increase and controlled SG&A +1.0 BJPY

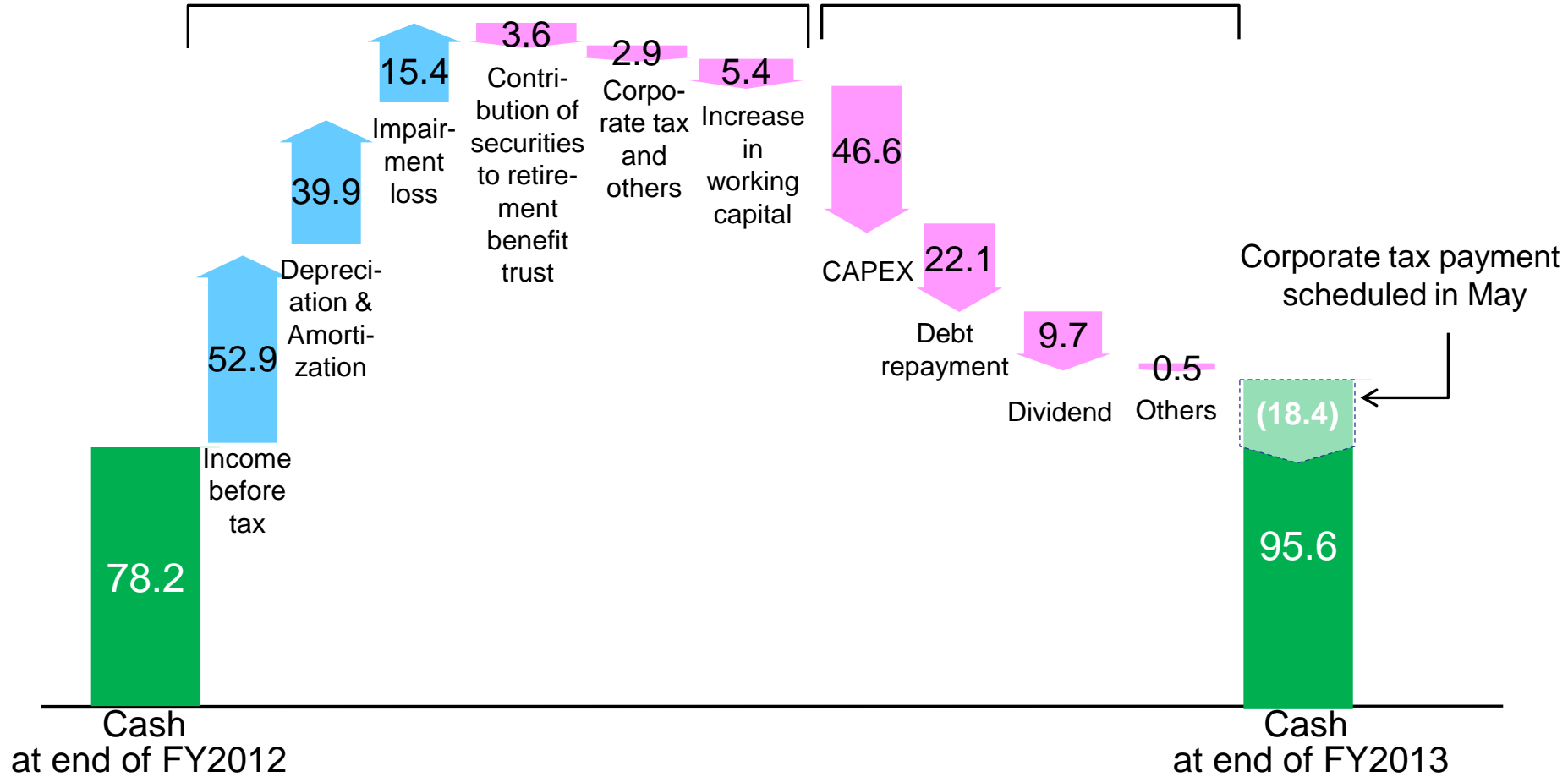
Operating Cash Flow

Balance out growth investments, debt repayment, and return to shareholders

(billion yen)

Operating CF
96.3

Investing & Financing CF
▲78.9



FY2014 Guidance

Assumed average
exchange rate

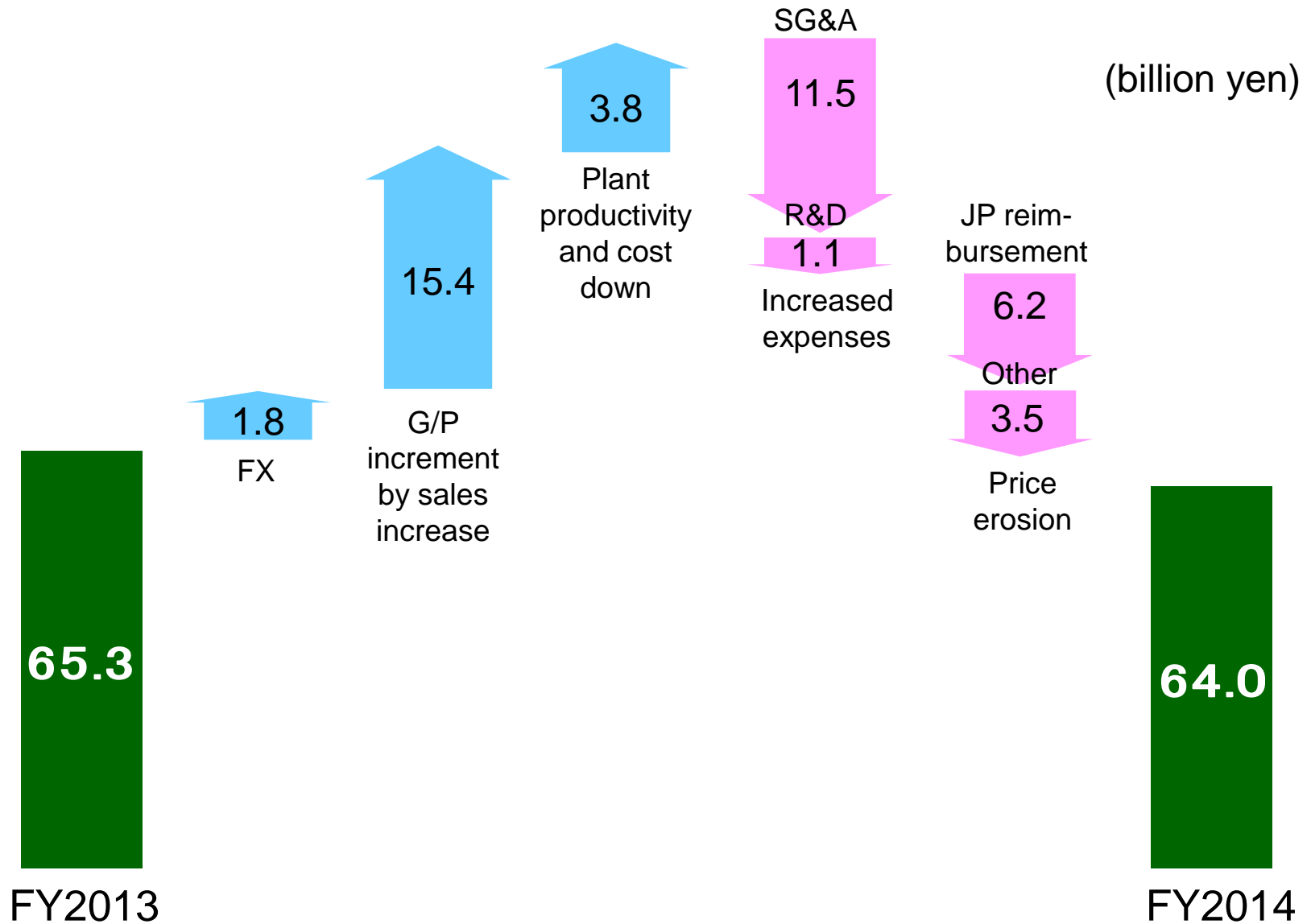
USD = 100 yen

EUR = 140 yen

(billion yen)

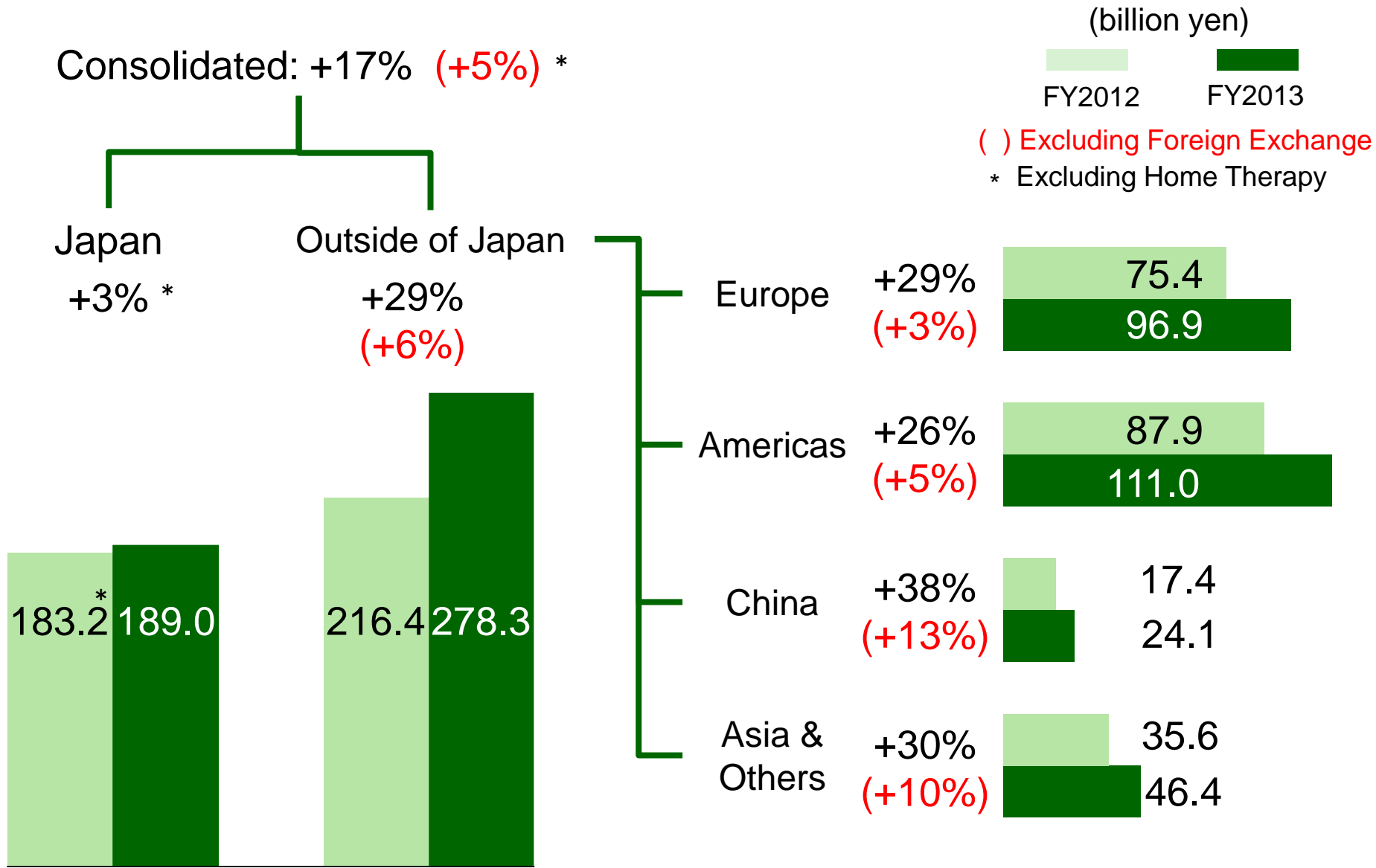
	FY2014 Guidance	YoY %
Net Sales	488.0	+4%
Operating Income	64.0 (13%)	-2%
Ordinary Income	62.0	-1%
Net Income	37.5	+10%

Operating Income Variance Analysis



Reference

Net Sales by Region



SG&A Expenses

(billion yen)

	FY2012 *	FY2013	YoY	YoY%
General Administrative Total	142.2	146.6	+4.4	+3%
R&D Expenses	29.6	30.1	+0.5	+2%
SG&A Expenses Total	171.8	176.7	+4.9	+3%

* Value adjusted by excluding FX impact

- Enhance sales force in Americas (Interventional Systems and Neurovascular Intervention)
- R&D expenses: New products for Neurovascular Intervention and Blood Management (therapeutic apheresis, automated blood component processing)

SG&A Expenses

(billion yen)

	FY2012	FY2013	YoY	YoY%
Salaries & Wages	53.2	63.8	+10.6	+20%
Sales Promotion	12.5	14.2	+1.7	+14%
Logistical Costs	10.2	10.5	+0.3	+4%
Depreciation & Amortization	18.3	22.7	+4.4	+25%
Others	31.2	35.4	+4.2	+13%
General Administrative Total	125.4 (31.2%)	146.6 (31.4%)	+21.2	+17%
R&D Expenses	27.1 (6.7%)	30.1 (6.4%)	+3.0	+11%
SG&A Expenses Total	152.5 (37.9%)	176.7 (37.8%)	+24.2	+16%

(%) Against net sales

FY2013: Net Sales and Growth by Region

(billion yen)

Business Segment	Japan	Outside of Japan Total					G. Total
			Europe	Americas	China	Asia & Others	
General Hospital	125.8 (1%)	38.3 (3%)	12.3 (-3%)	8.8 (-5%)	1.3 (-1%)	15.9 (12%)	164.1 (2%)
Cardiac & Vascular	49.5 (7%)	161.1 (7%)	59.0 (4%)	65.4 (8%)	19.0 (15%)	17.7 (5%)	210.6 (7%)
Out of C&V Interventional Systems	38.2 (9%)	120.6 (10%)	46.5 (8%)	42.3 (12%)	18.0 (15%)	13.7 (8%)	158.7 (10%)
Blood Management	13.8 (7%)	79.0 (5%)	25.6 (3%)	36.8 (3%)	3.7 (9%)	12.8 (16%)	92.7 (5%)
G. Total	189.0 (2%)	278.3 (6%)	96.9 (3%)	111.0 (5%)	24.1 (13%)	46.4 (10%)	467.4 (4%)

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

Q4 Alone: Net Sales and Growth by Region

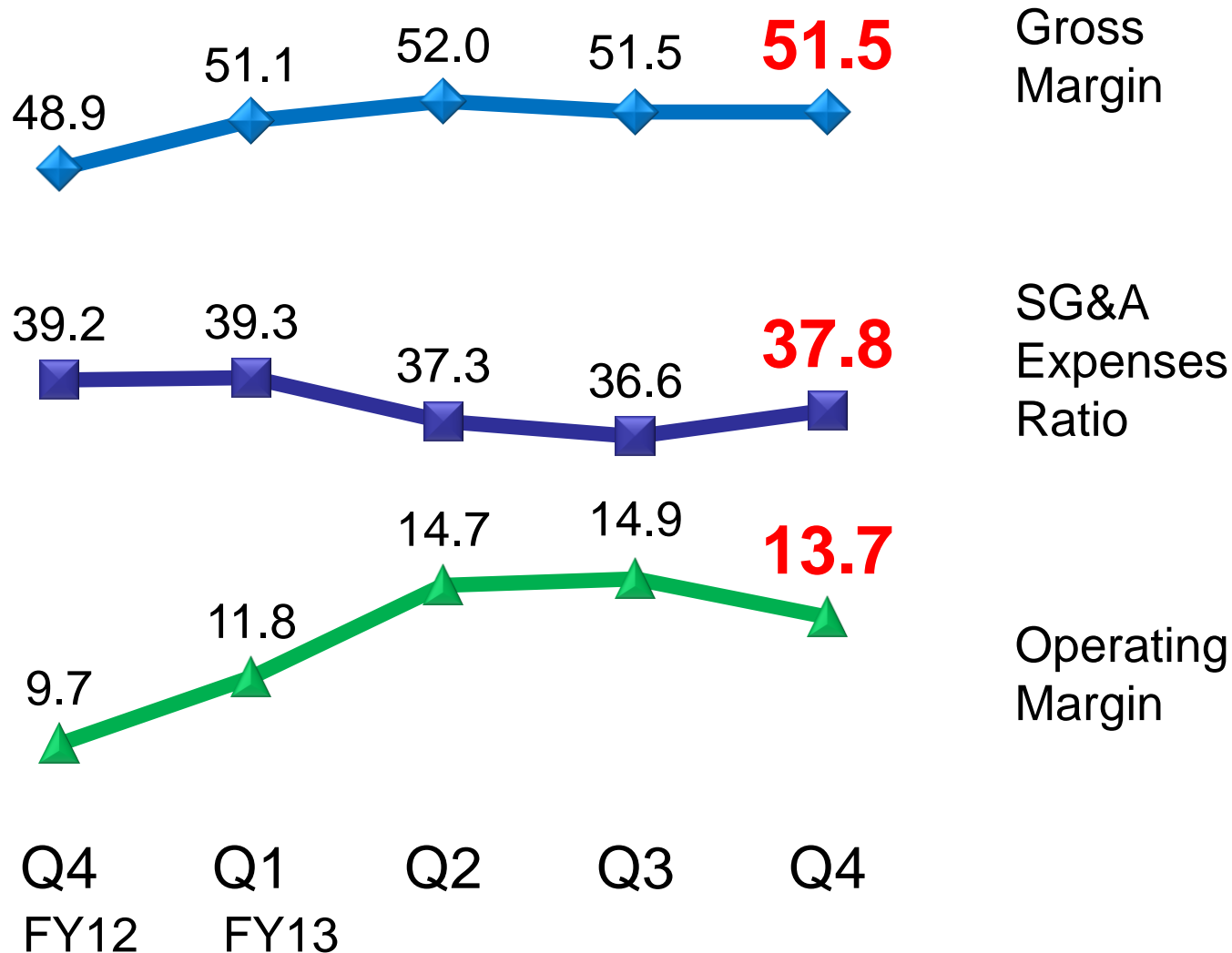
(billion yen)

Business Segment	Japan	Outside of Japan Total					G. Total
			Europe	Americas	China	Asia & Others	
General Hospital	30.1 (6%)	10.0 (-1%)	3.7 (2%)	2.2 (-16%)	0.4 (35%)	3.8 (4%)	40.2 (4%)
Cardiac & Vascular	12.7 (10%)	43.9 (8%)	15.9 (1%)	17.7 (9%)	5.3 (19%)	5.1 (21%)	56.7 (8%)
Out of C&V Interventional Systems	9.7 (10%)	33.4 (12%)	12.6 (3%)	11.9 (15%)	5.1 (20%)	3.8 (22%)	43.1 (11%)
Blood Management	4.1 (21%)	21.2 (6%)	7.1 (4%)	9.1 (-0%)	1.1 (17%)	3.9 (27%)	25.3 (9%)
G. Total	46.9 (7%)	75.2 (6%)	26.7 (2%)	29.0 (4%)	6.8 (19%)	12.7 (17%)	122.1 (7%)

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

Profit Ratio, SG&A Expenses Ratio (Excluding FX)

(%)

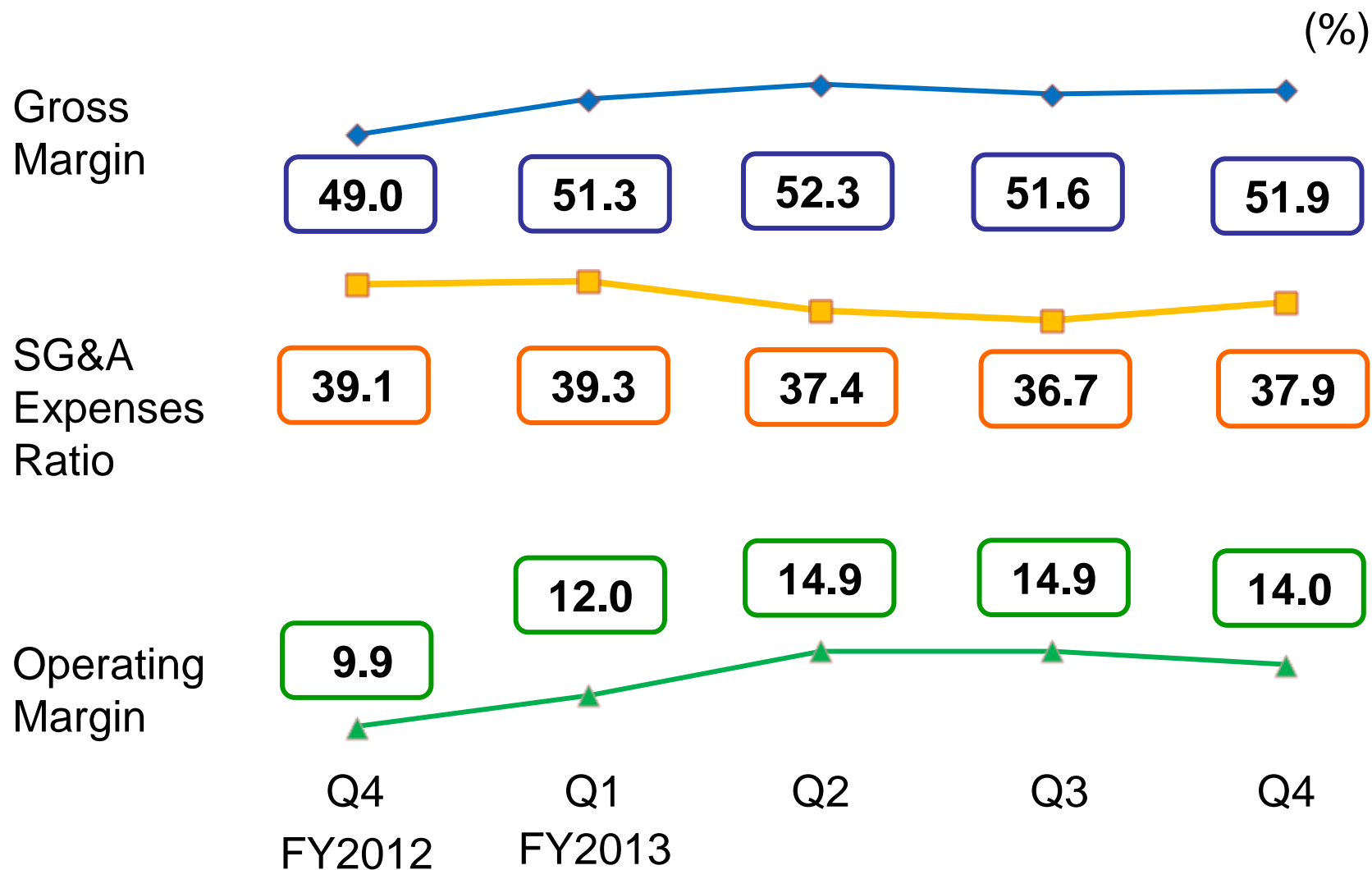


Quarterly Results

(billion yen)

	Q4 FY12 (Jan-Mar)	Q1 FY13 (Apr-Jun)	Q2 FY13 (Jul-Sep)	Q3 FY13 (Oct-Dec)	Q4 FY13 (Jan-Mar)
Net Sales	106.5	111.1	114.9	119.2	122.1
Gross Profit	52.2 (49.0%)	57.0 (51.3%)	60.1 (52.3%)	61.5 (51.6%)	63.3 (51.9%)
SG&A Expenses	41.6 (39.1%)	43.7 (39.3%)	43.0 (37.4%)	43.7 (36.7%)	46.3 (37.9%)
Operating Income	10.6 (9.9%)	13.3 (12.0%)	17.1 (14.9%)	17.8 (14.9%)	17.0 (14.0%)
Average Exchange Rate	USD 92 yen EUR 122 yen	99 yen 129 yen	99 yen 131 yen	100 yen 137 yen	103 yen 141 yen

Profit Ratio, SG&A Expenses Ratio (Q Ave. Exchange Rate)



CAPEX, R&D Expenses

(billion yen)

	FY2013 Guidance	FY2013 Result	FY2014 Guidance	YoY
CAPEX	50.0	46.6 (93%)	42.0	-4.6
Depreciation & Amortization	37.0	39.9 (108%)	41.0	+1.1
R&D Expenses	30.0	30.1 (100%)	31.0	+0.9

?: Progress to guidance

Depreciation & Amortization: Including intangibles

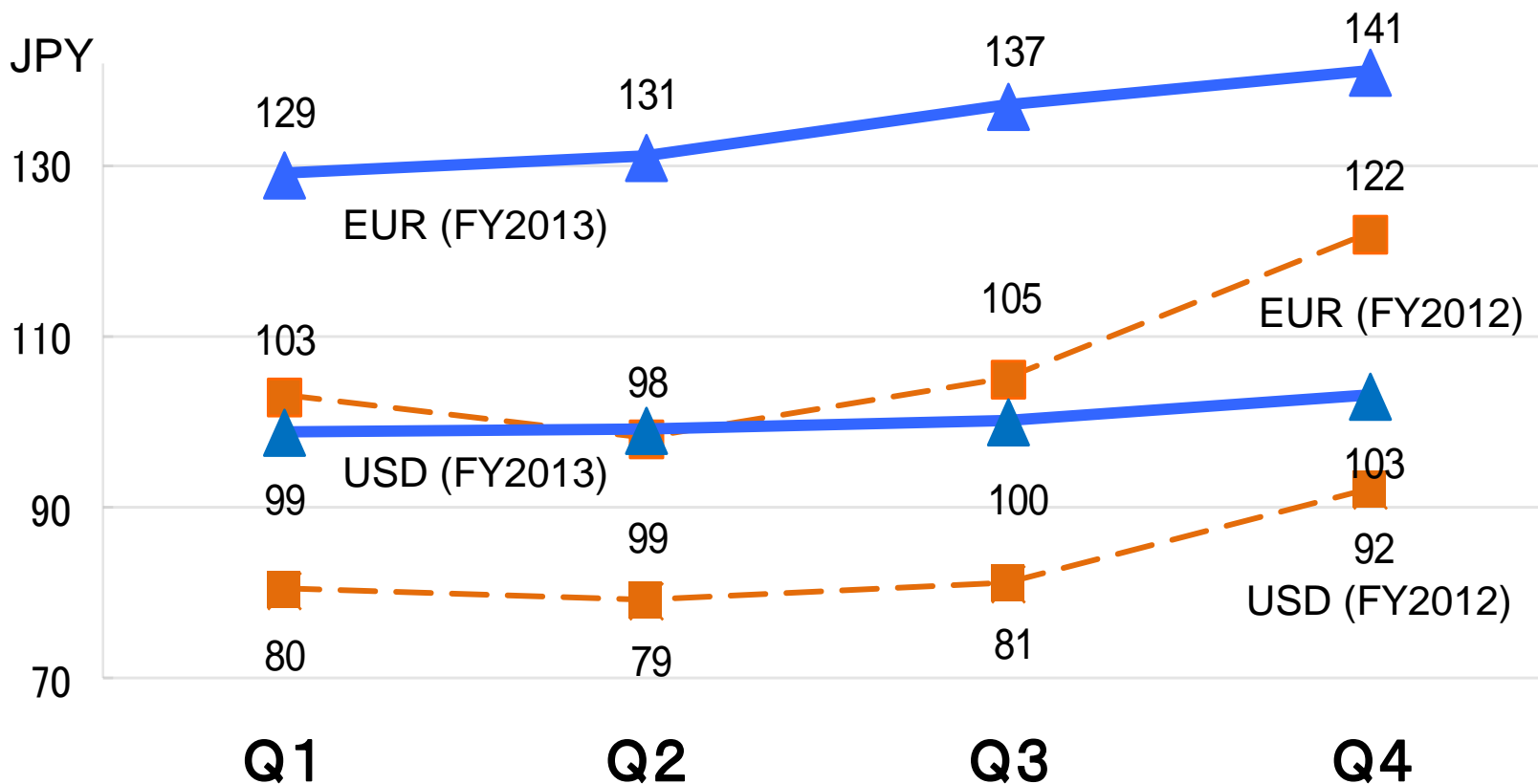
CAPEX: Acquisition basis

Foreign Exchange Sensitivity

(billion yen / year)

	USD	EUR
Net Sales	1.8	0.7
Operating Income	0.3	0.4

Changes of Quarterly Average Exchange Rates



Progress in FY2013 New Product Pipeline

Business	Product	Region	Business	Product	Region	
Peripheral	Stent (above the knee)	JP	Blood Management	Automated blood component processing system (PRP method)	EU	
	Balloon (below the knee)	EU FY14		Automated blood component processing system (BC method)	EU	
	Stent (below the knee)	EU FY14		Automated blood component collection system (plasma)	JP FY14	
Neuro	Coil assist stent	China		Data management system (TACSI application)	EU	
	Flow-diverting stent	EU		Therapeutic apheresis system (Bone marrow stem cell application)	JP	
	Occlusion balloon	JP		Needleless system	JP	
Coronary	New PTCA balloon catheter	JP		Infusion System	Safety IV catheter	US, Asia
	OFDI	JP			Smart pump (infusion & syringe pump)	EU
	Slenderized sheath for TRI	US				
Ablation	Renal sympathetic denervation system (RSD)	EU				
	RSD for TRI technique	EU				

New Product Pipeline in FY2014

Business	Product	Region	Business	Product	Region
Peripheral	Balloon (above the knee)	US	Blood Management	Automated blood component processing system	JP
	Balloon (below the knee)	JP, US			
Neuro	Coil assist stent	US	Infusion System	Therapeutic apheresis system (Bone marrow stem cell and polymorphonuclear leukocyte application)	US
Coronary	New DES (developed in house)	EU			
	New PTCA balloon	EU	Needleless system	Smart pump (infusion & syringe pump)	Asia
Ablation	Renal sympathetic denervation system (RSD)	Asia, Latin A			
	RSD for TRI technique	Asia, Latin A	China		

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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.