

Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2015 (FY2014)

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Highlights

Corporate

- Secured increase both in sales and profit while absorbing reimbursement price cut in Japan
- In Q3, sales in Japan increased

Cardiac & Vascular

- Achieved continuous double-digit sales growth in overseas IS and Neurovascular businesses
- In Japan, mainly IS business sales recovered in Q3 compared to 1H
- Expanded sales of Ultimaster (new DES) steadily

General Hospital

- Increased sales of DM & Consumer Healthcare and D&D (Drug & Device) businesses in Q3
- Increased business profit ratio by improving product mix

Blood Management

- Strengthened cost control, foreseeing more challenges in market environment
- Achieved continuous sales growth in overseas automated blood component processing system and therapeutic apheresis

Increase in Sales and Profit

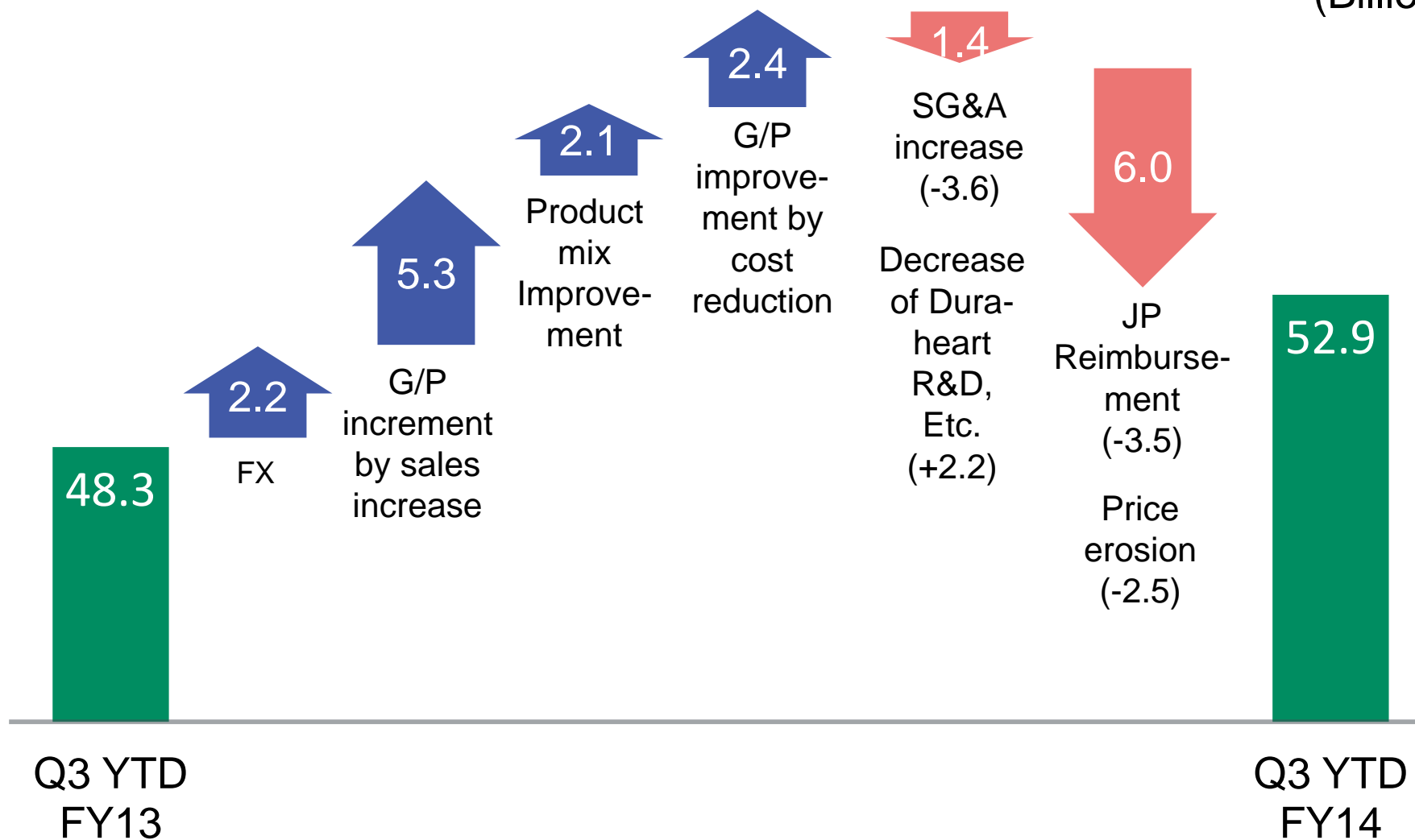
(Billion yen)

	Q3 YTD FY2013	Q3 YTD FY2014	YoY%	YoY% (Excl. FX)
Net Sales	345.3	363.2	+5%	+1%
Gross Profit	178.7 (51.7%)	190.7 (52.5%)	+7%	+2%
SG&A Expenses	108.0 (31.2%)	116.9 (32.1%)	+8%	
R&D Expenses	22.4 (6.5%)	20.9 (5.8%)	-7%	
Operating Income	48.3 (14.0%)	52.9 (14.6%)	+10%	+5%
(Excl. Amortization)	60.4 (17.5%)	65.8 (18.1%)	+9%	+4%
Ordinary Income	49.9 (14.5%)	58.7 (16.2%)	+18%	
Net Income	36.9 (10.7%)	33.4 (9.2%)	-9%	

Average exchange rates	US\$	99 yen	107 yen
	EUR	132 yen	140 yen

Operating Income Variance Analysis

(Billion yen)



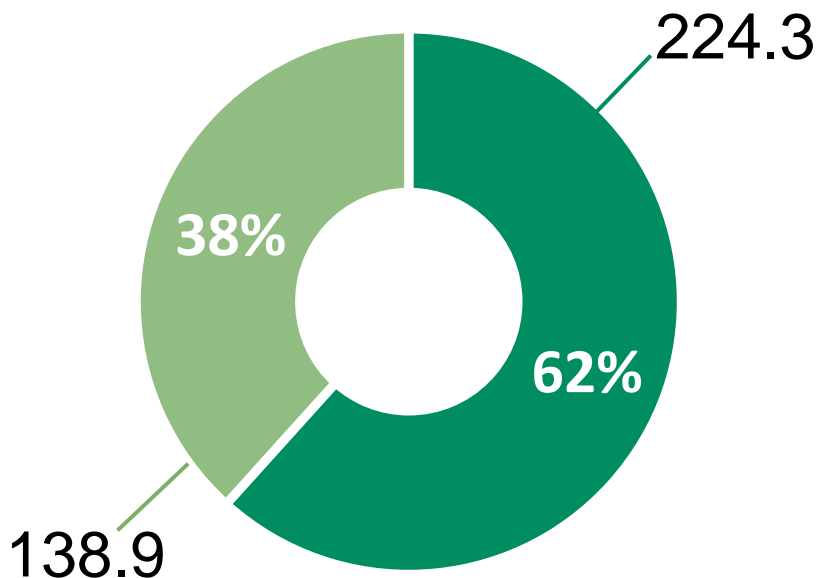
Net Sales by Region

Consolidated: +5% (+1%)

Japan Outside of Japan

-2%

+10% (+4%)

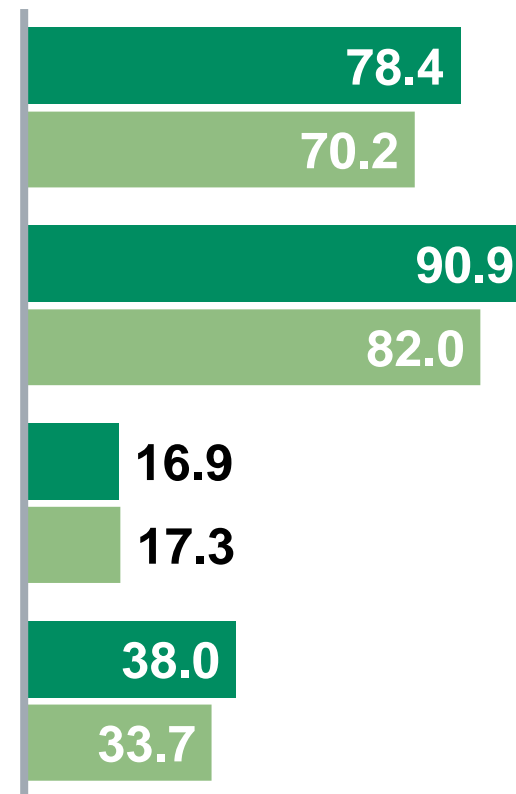


(Billion yen)

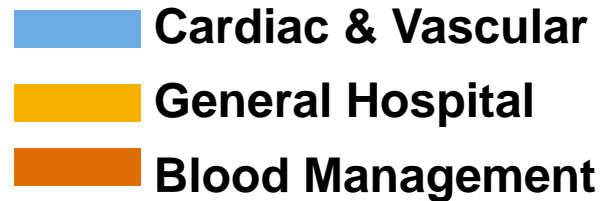
Q3 YTD FY2013 (light green bar)
Q3 YTD FY2014 (dark green bar)

() Excluding Foreign Exchange

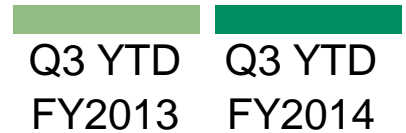
- Europe**
+12% (+5%)
- Americas**
+11% (+4%)
- China**
-2% (-8%)
- Asia & Others**
+13% (+7%)



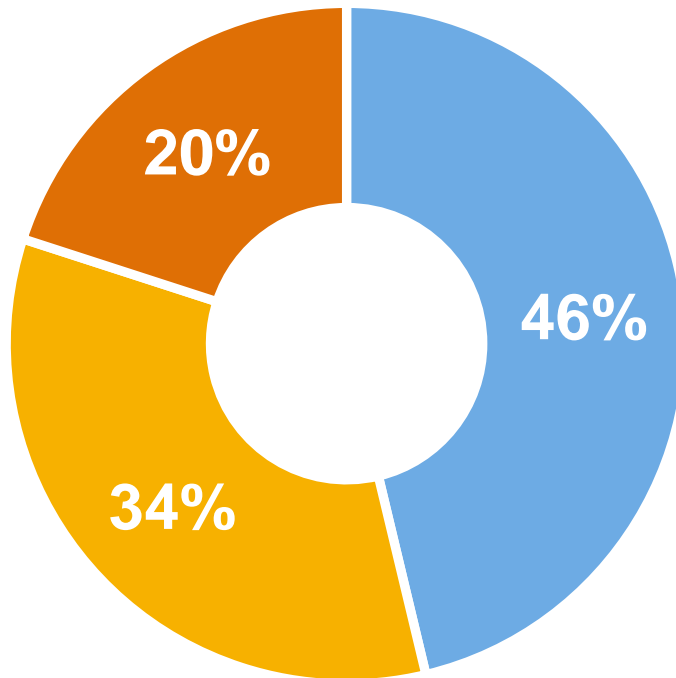
Net Sales by Business Segment



(Billion yen)



() Excluding Foreign Exchange



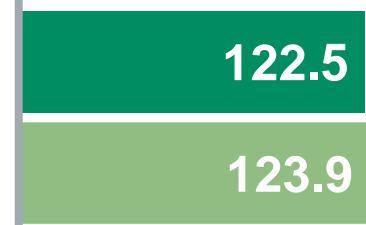
Cardiac & Vascular

+10% (+4%)



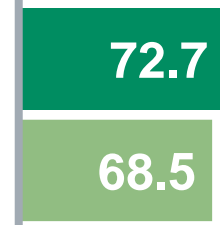
General Hospital

-1% (-2%)



Blood Management

+6% (+1%)



Profit by Business Segment

(Billion yen)

		Q3 YTD FY2013	Q3 YTD FY2014	YoY%	YoY% (Excl. FX)
Business Profit	Cardiac & Vascular	32.0 (21%)	34.1 (20%)	+6%	-3%
	General Hospital	16.2 (13%)	16.5 (13%)	+2%	+1%
	Blood Management	13.8 (20%)	14.2 (20%)	+3%	+1%
Others*		-1.6	1.0	-	-
Operating Income (Excl. amortization)		60.4 (17%)	65.8 (18%)	+9%	+4%

* Others: profit unrelated to any business segments

Q3 YTD FY13: R&D for Duraheart and others

Q3 YTD FY14: profit increase by reduction of corporate related expense and others

Cardiac & Vascular: Increase in Sales and Profit

(Billion yen)

	Q3 YTD FY2013	Q3 YTD FY2014	YoY%	YoY% (Excl. FX)
Sales	152.8	168.0	+10%	+4%
Business Profit (%)	32.0 (21%)	34.1 (20%)	+6%	-3%

<Sales>

- Increase in overseas IS business and neurovascular intervention products (stent, etc.) + 12.5 BJPY
- Sales of CV products grew mainly in U.S. and Asia + 2.5 BJPY
- Reimbursement price cut in Japan - 2.8 BJPY
- Sales of Ultimaster (new DES) continued to expand steadily

<Business Profit>

- Reduced manufacturing cost mainly for IS business + 0.9 BJPY

General Hospital: Increase in Profit due to Growth of High Margin Products

(Billion yen)

	Q3 YTD FY2013	Q3 YTD FY2014	YoY%	YoY% (Excl. FX)
Sales	123.9	122.5	-1%	-2%
Business Profit (%)	16.2 (13%)	16.5 (13%)	+2%	+1%

<Sales>

- Japan: effects of changes in the healthcare market environment in 1H - 1.2 BJPY
- Reimbursement price cut in Japan - 0.7 BJPY
- Increased sales of DM & Consumer Healthcare and D&D (Drug & Device) businesses in Q3 + 1.5 BJPY

<Business Profit>

- Improved product mix

Blood Management: Increase in Sales and Profit

(Billion yen)

	Q3 YTD FY2013	Q3 YTD FY2014	YoY%	YoY% (Excl. FX)
Sales	68.5	72.7	+6%	+1%
Business Profit (%)	13.8 (20%)	14.2 (20%)	+3%	+1%

<Sales>

- Increased sales both in whole blood collection and blood component collection in Latin America and Asia + 2.0 BJPY
- Achieved double digit growth in overseas therapeutic apheresis + 1.7 BJPY
- Automated blood component processing system globally grew at double digit + 1.1 BJPY
- EU and U.S.: on the back of constraints of healthcare expenditure, price pressure is increased - 0.6 BJPY

<Business Profit>

- Controlled SG&A within the range of sales growth

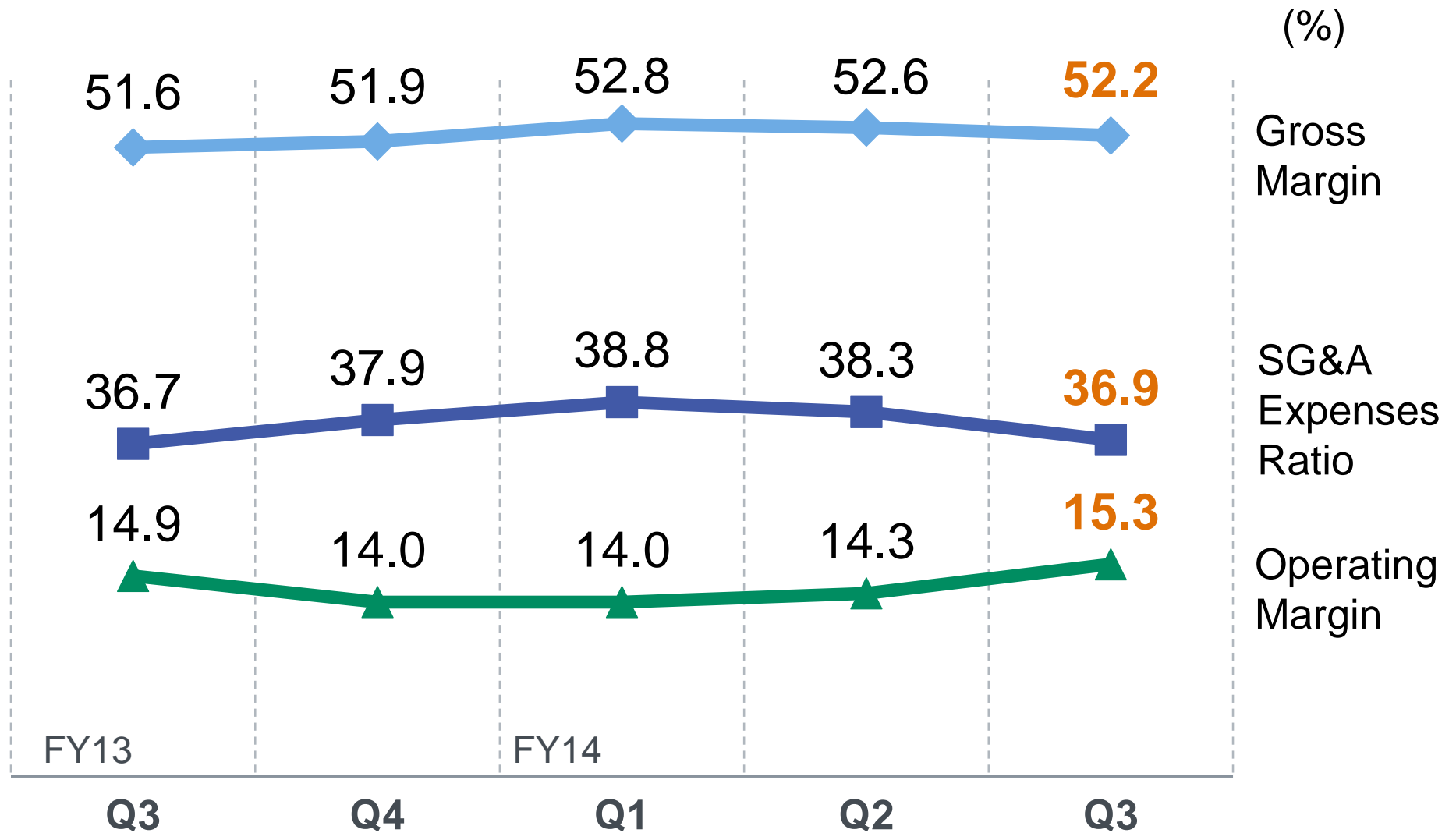
Quarterly Results

(Billion yen)

	Q3 (Oct-Dec)	Q4 (Jan-Mar)	Q1 FY14 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)
Net Sales	119.2	122.1	114.9	118.4	129.9
Gross Profit	61.5 (51.6%)	63.3 (51.9%)	60.7 (52.8%)	62.3 (52.6%)	67.8 (52.2%)
SG&A Expenses	43.7 (36.7%)	46.3 (37.9%)	44.6 (38.8%)	45.4 (38.3%)	47.9 (36.9%)
Operating Income	17.8 (14.9%)	17.0 (14.0%)	16.1 (14.0%)	16.9 (14.3%)	19.9 (15.3%)

Average Quarterly Exchange Rates	US\$	100 yen	103 yen	102 yen	104 yen	115 yen
	EUR	137 yen	141 yen	140 yen	138 yen	143 yen

Profit Ratio, SG&A Expenses Ratio



New Product Pipeline for 2H

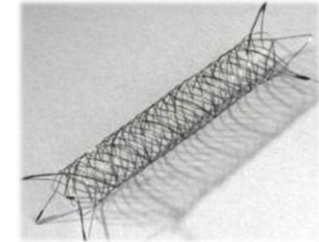
Business	Product		Region	Launch
Coronary	New PTCA balloon	◎	EU, L. America, Asia	
Peripheral	PTA balloon (above the knee)		JP, US	
	PTA balloon (below the knee)		EU	Done
	Stent for small vessel (Misago)		EU	
Neuro	Coil assist stent	◎	US	Done
	Stroke device (clot retriever)	◎★	EU	Done
	Liquid embolic glue	★	EU	
Infusion System	Needleless system		Asia	
DM	Blood glucose monitor (color LCD)	◎	JP	Done
Blood Management	Automated blood component collection system (plasma)		JP	
	Automated blood component processing system	★	JP	
	Therapeutic apheresis system (Bone marrow stem cell and polymorphonuclear leukocyte application)		US	

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



PTA balloon, below the knee (Tercross)

Non-compliant and semi-compliant balloon, catheter shaft with good maneuverability



Coil assist stent (LVIS)

Superior deliverability and easy stent deployment



Stroke device (ERIC)

Interlinked cage system for efficient clot retrieval



Blood glucose monitor (MEDISAFE Fit Smile)

Voice guided navigation and easily viewable color LCD

Reference

Q3 YTD Net Sales and Growth by Region

(Billion yen)

Business Segment	Japan	Outside of Japan					G. Total
		Subtotal	Europe	Americas	China	Asia	
Cardiac & Vascular	36.0 (-2%)	132.0 (6%)	48.8 (6%)	54.8 (9%)	12.9 (-12%)	15.5 (15%)	168.0 (4%)
Out of C&V Interventional Systems*	27.6 (-3%)	99.8 (7%)	38.8 (8%)	36.9 (13%)	12.1 (-12%)	11.9 (14%)	127.4 (5%)
General Hospital	93.7 (-2%)	28.7 (-4%)	9.3 (2%)	6.0 (-16%)	1.1 (19%)	12.3 (-3%)	122.5 (-2%)
Blood Management	9.2 (-5%)	63.5 (2%)	20.2 (3%)	30.2 (-1%)	2.9 (1%)	10.2 (10%)	72.7 (1%)
G. Total	138.9 (-2%)	224.3 (4%)	78.4 (5%)	90.9 (4%)	16.9 (-8%)	38.0 (7%)	363.2 (1%)

*Including Neurovascular business

(YoY%): Excluding foreign exchange

SG&A Expenses

(Billion yen)

	Q3 YTD FY2013	Q3 YTD FY2014	YoY	YoY%
Salaries & Wages	47.2	52.1	+4.9	+10%
Sales Promotion	10.6	11.6	+1.0	+9%
Logistical Costs	8.1	8.2	+0.1	+1%
Depreciation & Amortization	16.7	18.4	+1.7	+10%
Others	25.4	26.6	+1.2	+5%
General Administrative Total	108.0 (31.2%)	116.9 (32.1%)	+8.9	+8%
R&D Expenses	22.4 (6.5%)	20.9 (5.8%)	-1.5	-7%
SG&A Expenses Total	130.4 (37.7%)	137.8 (37.9%)	+7.4	+6%

(%) Against net sales

SG&A Expenses

(Billion yen)

	Q3 YTD FY2013*	Q3 YTD FY2014	YoY	YoY%
General Administrative Total	113.3	116.9	+3.6	+3%
R&D Expenses	23.1	20.9	-2.2	-10%
SG&A Expenses Total	136.4	137.8	+1.4	+1%

* Value adjusted by excluding FX impact

Non-operating Income & Expenses, Extraordinary Gains & Losses, Income Taxes

(Billion yen)

	Q3 YTD FY2013	Q3 YTD FY2014		
Operating Income	48.3	52.9		
Non-operating Income & Expenses	+1.7	+5.8	FX gains +8.1	
	Exchange rates	End of Mar. 2014	End of Dec. 2014	Difference
	US\$	102.9 yen	120.6 yen	(+17.7)
	EUR	141.7 yen	146.5 yen	(+4.8)
Extraordinary Gains & Losses	+4.6	-6.4	Transformation of product portfolio in EU -6.4 Impairment loss -1.5 Others +1.5	
Income Taxes Total	-17.6	-18.9	Elimination of effect resulted from reorganization of TBCT in FY12	
Tax Rate (%)	32%	36%		
Net Income	36.9	33.4		

CAPEX, R&D Expenses

(Billion yen)

	FY2014 Guidance	Q3 YTD FY2014	Progress to guidance
CAPEX	42.0	30.8	73%
Depreciation & Amortization	41.0	30.1	73%
R&D Expenses	31.0	20.9	67%

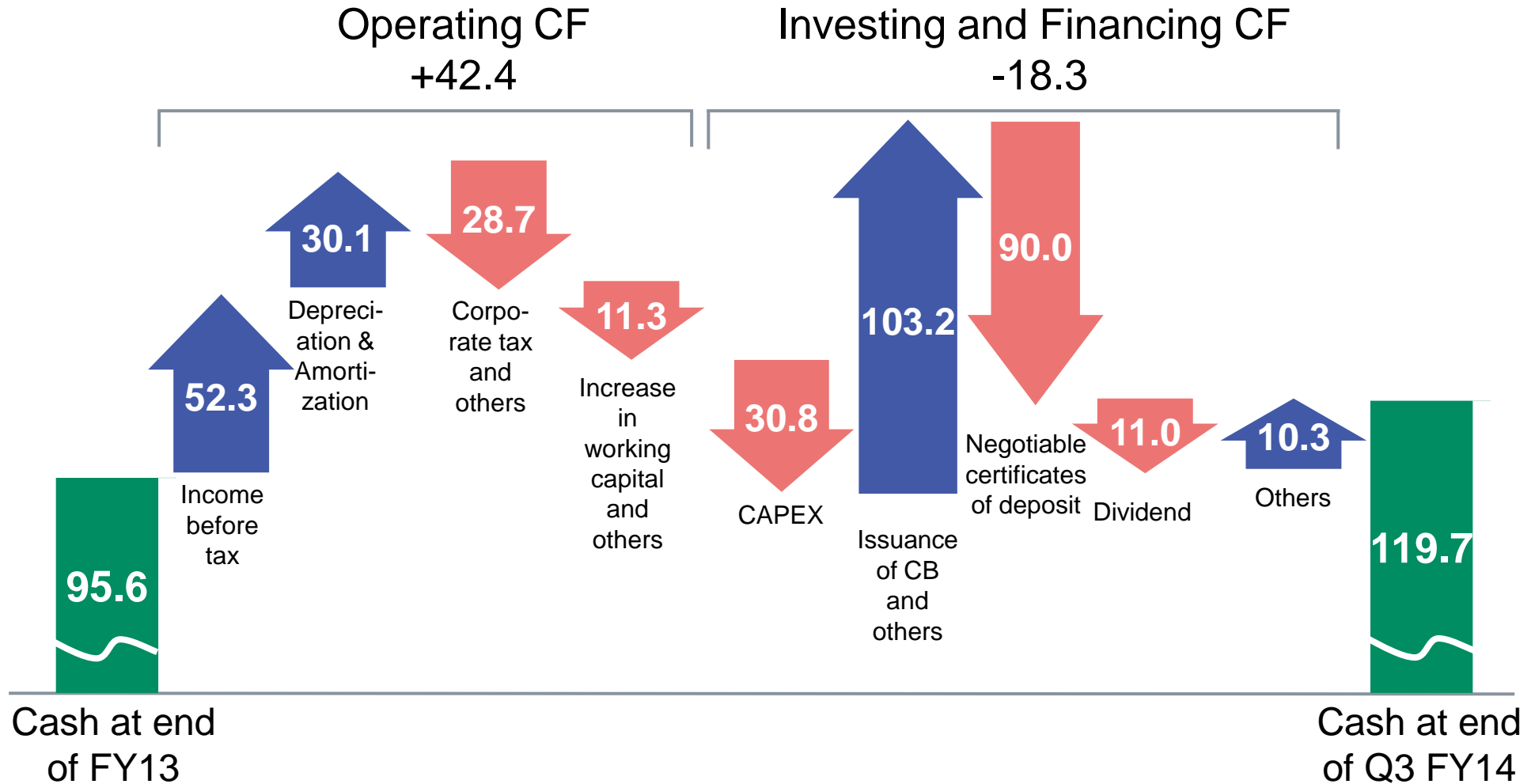
Depreciation & Amortization: Including intangibles

CAPEX: Acquisition basis

Cash Flow

- Financed 100 BJPY by CB, invested 90 BJPY in short-term financial asset
- Despite corporate tax burden in Q1 and Q3, operating CF recovered well.
- SB of 40 BJPY will be redeemed in March, 2015.

(Billion yen)

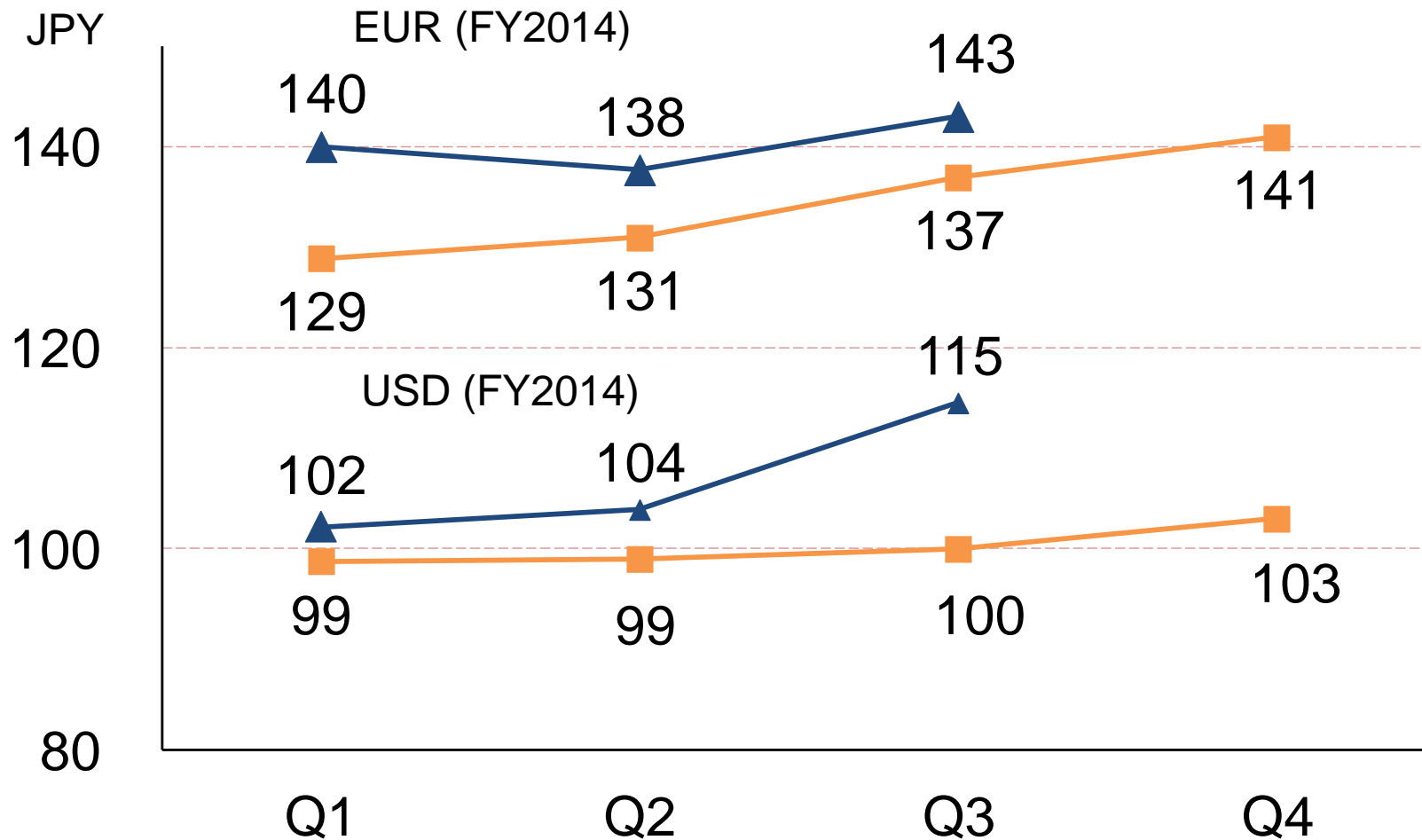


Foreign Exchange Sensitivity

(Billion yen/year)

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

Quarterly Average Exchange Rates Trend



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