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

Terumo Corporation

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I will now give an overview explanation of the financial results for the period ending March 2015.

Highlights

Corporate

- Hit a record high in operating income while absorbing reimbursement price cut in Japan
- Major contributing factors are 1. sales growth in Cardiac & Vascular, 2. Yen depreciation, and 3. thorough SG&A control under a new business-let management

Cardiac & Vascular

- Achieved continuous double-digit sales growth in overseas IS and Neurovascular businesses
- Expanded sales of Ultimaster (new DES) steadily
- Received notification that TCVS's quality system is in compliance with FDA regulations, and all restrictions are lifted for its intraoperative monitoring system

General Hospital

- Retain profitability by improving portfolio mix and downsizing low margin business accounts

Blood Management

- Strengthened cost control, foreseeing challenges in market environment
- For products, therapeutic apheresis and cell expansion, and for region, Latin America and Asian countries achieved continuous sales growth

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First, the results highlights: There are two for the Group as a whole. The first is that despite it being a year for reimbursement price cuts in Japan, we were able to absorb this negative impact and increase both our revenue and income, and achieve our highest-ever operating income. The next highlight explains the main contributing factors: Sales growth in Cardiac & Vascular, Yen depreciation, and thorough SG&A control under the business-led management. These were the three main factors.

Next, highlights for the individual companies. In the Cardiac & Vascular Company, the overseas IS and neurovascular businesses continued to achieve double-digit growth. This was the main driver of sales growth. Within that area, sales of Ultimaster, a new drug-eluting stent that we launched last year, started in Europe and have since expanded to Asia and Latin America, contributing greatly to sales growth. We also plan to launch Ultimaster this year in Japan. The other highlight regards the TCVS quality system: FDA restrictions have been lifted from the quality management system as a whole, and from the intraoperative monitoring system. I will have more details on this later.

In General Hospital Company, the first half of FY14 was particularly difficult in terms of market conditions, but the company was able to maintain profitability at the level of the previous year by improving its portfolio mix and downsizing low-margin businesses.

In Blood Management, we have previously remarked on the difficult market environment for that company. We have strengthened cost controls, which have allowed the company to retain close level of profit to previous year. In the area of sales, the therapeutic apheresis and cell expansion products have grown greatly.

Hit a Record High in Operating and Ordinary Income

(billion yen)

	FY2013	FY2014	YoY%	YoY% (Excl. FX)
Net Sales	467.4	489.5	+5%	+1%
Gross Profit	242.0 (51.8%)	256.1 (52.3%)	+6%	+1%
SG&A Expenses	146.6 (31.4%)	159.2 (32.5%)	+9%	
R&D Expenses	30.1 (6.4%)	29.4 (6.0%)	-3%	
Operating Income	65.3 (14.0%)	67.5 (13.8%)	+3%	-1%
(Excl. Amortization)	81.6 (17.5%)	85.1 (17.4%)	+4%	-1%
Ordinary Income	63.8 (13.7%)	70.7 (14.4%)	+11%	
Net Income	34.1 (7.3%)	38.5 (7.9%)	+13%	

Average exchange rates		FY2013	FY2014
	US$	100 yen	110 yen
	EUR	134 yen	139 yen

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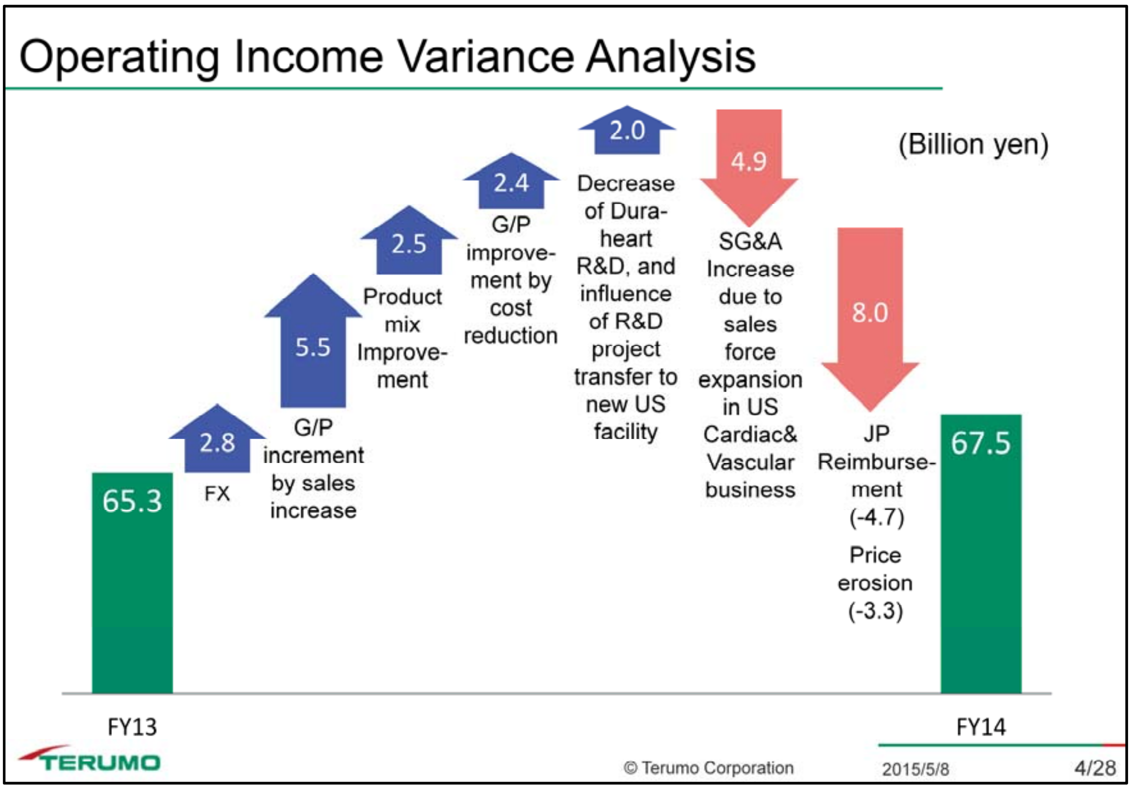
First, sales were 489.5 billion yen, for a 5% year-over-year increase. Gross profit was 256.1 billion yen, for a 6% year-over-year increase. Gross profit percentage also moved from 51.8% to 52.3%, an improvement of half a percentage point.

Operating income was 67.5 billion yen, a 3% year-over-year increase. Ordinary income was 70.7 billion yen, an 11% year-over-year increase. Both the operating income and ordinary income amounts were the largest in company history.

Finally, net income was 38.5 billion yen, for a 13% year-over-year increase. We had initially forecasted net income of 37.5 billion yen, and then revised that forecast after the 2nd quarter down to 33.5 billion yen due to the transformation of portfolio in Europe. However, net income ended up at 38.5 billion yen, a 13% increase from the previous year.



Next is the operating income variance analysis.

We start on the left of the graph with a positive foreign exchange impact of 2.8 billion yen. Next is an increase in gross profit due to increased sales volume. Next was product mix improvement, meaning a larger proportion of high-profitability products. Next was the effect of reducing costs, which raised profitability.

On the other side, we had an increase of 4.9 billion yen in SG&A due to sales force expansion for new products in the U.S. Cardiac & Vascular business.

The Japan reimbursement price cut and other price erosion combined to have 8 billion yen in negative impact.

Those were the factors leading to an increase from 65.3 billion yen in FY13 to 67.5 billion yen in operating income in FY14.

Background of Decrease in R&D Expenses

(Billion yen)

	FY13 Result	FY14 Result	FY15 Guidance
R&D Expenses	30.1	29.4	35.0
% against sales	6.4%	6.0%	6.7%

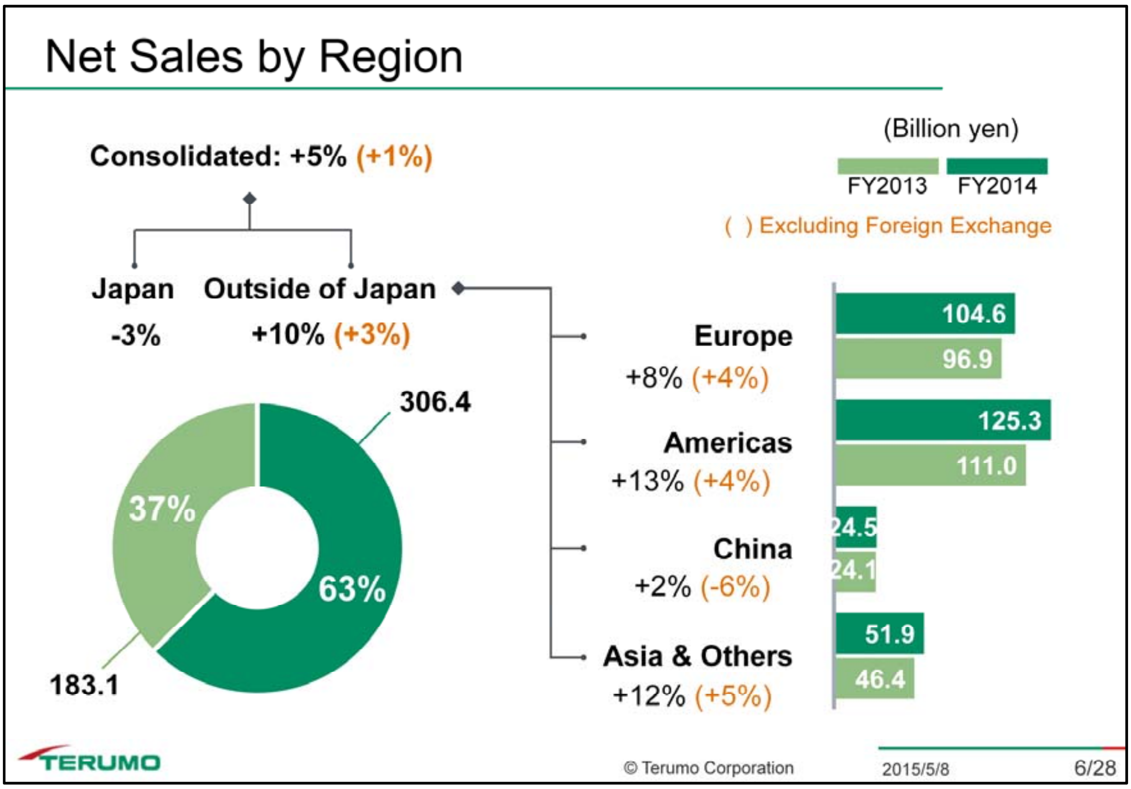
- FY2014: decrease in R&D expenses for DuraHeart due to the sales of its assets
  - FY13: 0.9 BJPY → FY14: 0 BJPY
- FY2015 and beyond: further accelerate new product development centering around interventional systems and neurovascular business, by initiatives including full-scale operation at the newly established R&D center in west coast, US

I now will give some detail on R&D expenses. R&D expenses went down 0.7 billion yen, from 30.1 billion yen in FY13 to 29.4 billion yen in FY14. The biggest factor behind this was that the 0.9 billion yen used in FY13 for the DuraHeart development was reduced to zero in FY14 due to the sales of its R&D assets. This led to a decrease year over year.

However, for FY15, we forecast 35 billion yen, or a 19% increase of 5.6 billion yen. This will be driven by ramping up to full-scale operations at our development on the West Coast of the United States.

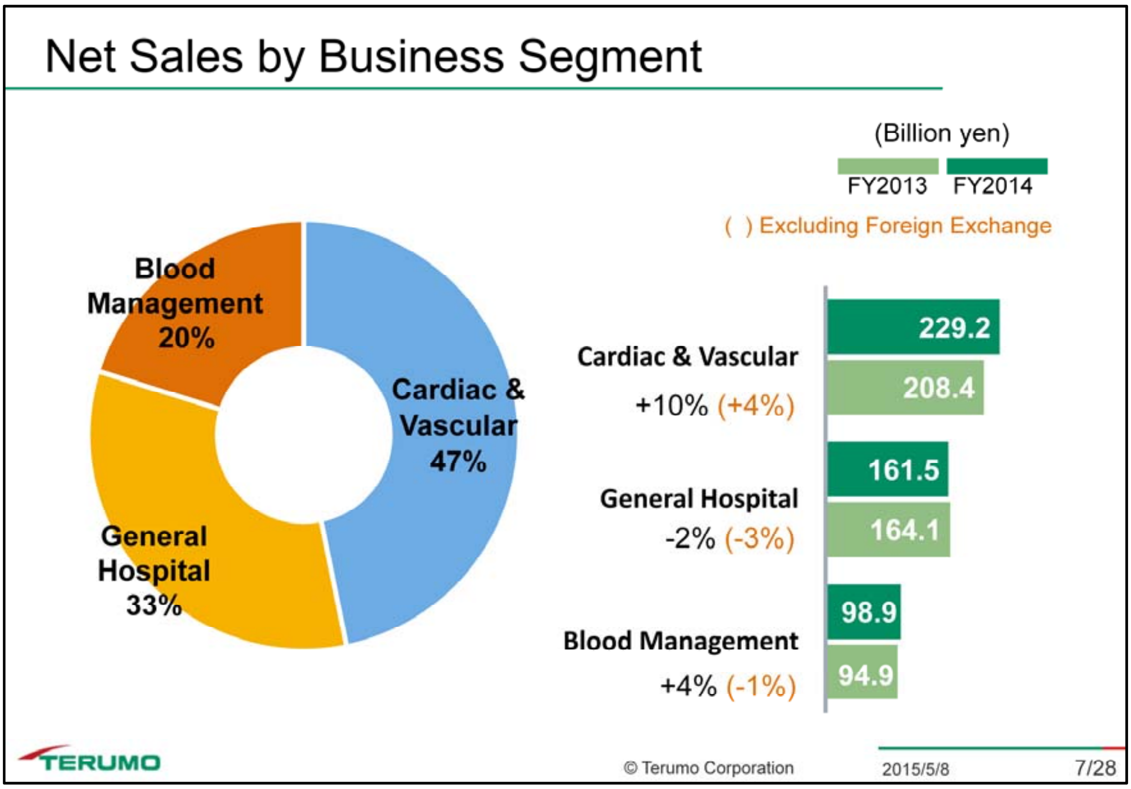
In addition, R&D will not be limited to Cardiac & Vascular; both the General Hospital and Blood Management companies are expected to increase R&D expenses in double-digit percentages as well.

For the previous periods, the R&D percentage of sales has been low at 6.4 and 6.0%, but this is forecast to increase to 6.7% in FY15. In fact, since the 4th quarter, when the West Coast development facility began operations, R&D expenses have equaled 6.7% of sales, and we expect the same level of R&D spending throughout FY15.



Next is sales by region. The trend was largely uniform throughout this past fiscal year: Japan reimbursement price revisions led to negative sales growth, and double-digit growth overseas absorbed the domestic impact to result in 5% sales growth. Therefore, at the end of FY14, 63% of Terumo Group sales were from overseas. We anticipate that Japan will continue to be flat while overseas sales grow, leading to an even higher percentage of sales coming from overseas.

Now, sales by region. A large portion of last year was spent reorganizing our distribution channel in China, which led to negative sales growth through the 3rd quarter. Things returned mostly to normal in the 4th quarter, leading to a positive 2% growth for the year. For this fiscal year, we are forecasting double-digit growth in China.



I will now explain sales by business segment. Here, the trend has not changed from previously; Cardiac & Vascular continues to drive growth for the group.

Cardiac & Vascular increased sales 10% and Blood Management increased sales 4%. General Hospital, which has its business centered in Japan, saw a 2% decrease.

Profit by Business Segment

(Billion yen)

		FY2013	FY2014	YoY%	YoY% (Excl. FX)
Business Profit	Cardiac & Vascular	44.0 (21%)	47.5 (21%)	+8%	-1%
	General Hospital	20.8 (13%)	20.8 (13%)	+0%	-1%
	Blood Management	18.6 (20%)	18.5 (19%)	-0%	-3%
Others*		-1.7	-1.7	-	-
Operating Income (Excl. amortization)		81.6 (17%)	85.1 (17%)	+4%	-1%

•Others: profit unrelated to any business segments

FY2013 figures was reclassified for equal comparison with FY2014 figures.

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Next is profit by business segment. To put it simply, Cardiac & Vascular drove profit growth, while General Hospital and Blood Management were at the same level as the previous year. I'll now speak about each company individually.

Cardiac & Vascular: Increase in Sales and Profit

(Billion yen)

	FY2013	FY2014	YoY%	YoY% (Excl. FX)
Sales	208.4	229.2	+10%	+4%
Business Profit (%)	44.0 (21%)	47.5 (21%)	+ 8%	-1%

<Sales>

- Increase in overseas IS business and neurovascular intervention products (stent, etc.) + 17.5 BJPY
- Sales of CV products steadily grew + 3.0 BJPY
- Reimbursement price cut in Japan - 3.7 BJPY
- Sales of Ultimaster (new DES) continued to expand strongly

<Business Profit>

- Reduced manufacturing cost mainly in IS business + 1.3 BJPY
- FDA notified TCVS's quality system is in compliance with the regulations, and that all injunctive restrictions are lifted for its intraoperative monitoring system

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First, in Cardiac & Vascular, we saw a 10% year-over-year increase in sales and a 8% increase in business profit. Overseas IS business and neurovascular intervention products were large drivers of sales growth. These have shown solid growth in the past few years, and we expect them to continue growing rapidly in this fiscal year as well. Sales of CV products also grew well globally the past fiscal year, increasing 3 billion yen. The Japan price reimbursement was the biggest negative impact, but the company was able to absorb it and still achieve a large increase in sales.

In business profit, manufacturing cost reductions, especially at the Ashitaka Plant, had a 1.3 billion yen positive impact.

Regarding the TCVS FDA consent decree, we made a press release on April 17 announcing that the FDA inspection conducted in January determined that the quality management system—which as a whole had been the reason for the original consent decree—had been rebuilt and was found to be adequate. This led to it being removed from the restrictions of the consent decree.

Two product lines were also subject to the consent decree: First, the blood monitor called CDI, which was also determined to have no problems by the FDA in January. Second was the heart-lung-machine; this product contains a large number of components, meaning that its validation activities require much more time. Therefore, our plan is to have the heart lung machine validation activities continue throughout this year, and then the product line will be re-inspected and approved by the FDA. This means that this portion of the consent decree will remain in place for one more year.

We have previously announced that the expenses associated with the consent decree for last year were 5 billion yen; 2 billion yen of this was ongoing expenses, with another 3 billion yen in consulting fees. For this fiscal year, we will have the same ongoing expenses, but due to yen depreciation this is expected to amount to 2.5 billion yen. For consulting fees, we expect to incur 1.5 billion yen from heart lung machine validation activities. These will therefore amount to 4 billion yen.

The FDA consent decree was lifted for the CDI product line, but we will undertake further improvement activities there and restart production; these items will cost another 1 billion yen, leading to about the same amount of total consent decree-related costs as the previous year.

General Hospital: Retained Profitability in Challenging Environment

(Billion yen)

	FY2013	FY2014	YoY%	YoY% (Excl. FX)
Sales	164.1	161.5	-2%	-3%
Business Profit (%)	20.8 (13%)	20.8 (13%)	+0%	-1%

<Sales>

- Japan: effects of changes in the healthcare market environment - 1.6 BJPY
- Reimbursement price cut in Japan - 1.0 BJPY
- Downsize low margin business accounts in EU and Americas - 0.8 BJPY
- Overseas B2B business for pharmaceutical companies strongly grew +1.0 BJPY

<Business Profit>

- Retain profitability by improving portfolio mix and downsizing low margin business accounts

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Next, the General Hospital Company. The first two factors listed here as affecting sales were explained in our meeting regarding the first half last year by Hiroshi Matsumura, the head of the General Hospital Company. As is written here, these factors were market conditions, and they primarily affected the company in the first half. While they improved some in the second half, they continue to have negative impacts on the company currently.

While downsizing our low-margin business accounts in the United States and Europe negatively impacted sales, it will also lead to better profitability. On the other hand, our pharmaceutical firm-oriented B2B segment grew well, leading the shift in the U.S. and Europe toward higher profitability.

We were able to retain profitability by improving the product portfolio mix and as mentioned, downsizing low-margin business accounts. We expect to see further improvement by continuing these efforts.

Blood Management: Businesses in Emerging Countries and Therapeutic Apheresis Drove the Sales Growth

(Billion yen)

	FY2013	FY2014	YoY%	YoY% (Excl. FX)
Sales	94.9	98.9	+4%	-1%
Business Profit (%)	18.6 (20%)	18.5 (19%)	-0%	-3%

<Sales>

- Increased sales both in whole blood collection and blood component collection in Latin America and Asia + 2.4 BJPY
- Continued growth in overseas therapeutic apheresis and cell expansion systems + 2.5 BJPY
- Japan: decrease in sales for blood center - 1.2 BJPY

<Business Profit>

- Controlled SG&A within the range of sales growth

Next is the Blood Management Company. Here, the regions of Latin America and Asia, and the product lines of therapeutic apheresis and cell expansion systems have driven growth.

Market conditions have remained very harsh, however, as price pressure is expected to continue this fiscal year. I will explain this more when I discuss this year’s plans.

New Products Launched in FY2014

Business	Product		Region
Coronary	**New DES (Ultimaster)**	◎◎★	EU, Latin A, Asia
	New PTCA balloon	◎	EU, Latin A, Asia
Peripheral	Central implantable venous access system		JP
	Occlusion microballoon for B-TACE	★	JP
	PTA balloon (below the knee)		EU
Neuro	**Carotid stent**	★	EU
	Coil assist stent	◎	US
	Stroke device (clot retriever)	◎★	EU

Business	Product		Region
Ablation	Renal sympathetic denervation system (RSD)		Asia & Latin A
	RSD for TRI technique		Asia & Latin A
Infusion System	**Needleless system**	◎	JP
DM	**Blood glucose meter**	◎	JP
Nutrition	Liquid formula (anti-reflux)	★	JP

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


New DES(Ultimaster)


Stroke device (ERIC)

Blood glucose meter (MEDISAFE Fit Smile)

Here is the new product pipeline for FY14, with the most prominent being Ultimaster, which had a successful launch.

Achieved FY14 Guidance: Record-high Operating and Ordinary Income

(Billion yen)

	FY2014 Guidance	FY2014 Result
Net Sales	488.0	489.5
Operating Income	64.0	67.5
Ordinary Income	62.0	70.7
Net Income	33.5	38.5
Average Exchange Rate	US$ 100 yen EUR 140 yen	110 yen 139 yen

Contributing factors to increase in net income

- Increase in operating income by sales growth and controlled SG&A
- Exchange gain by depreciation of yen

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Next is a comparison of our FY14 guidance and actual results. For each of the items shown here—Net sales, Operating Income, Ordinary Income, and Net Income—we exceeded guidance.

As I mentioned earlier, our initial net income guidance was 37.5 billion, and then we revised that down to 33.5 billion, but achieved 38.5 billion. In addition to operating income, ordinary income had a boost from foreign exchange to increase 6.6 billion yen, and these both contributed to this 38.5 billion-yen net income that greatly exceeded guidance.

FY2015 Guidance

Assumed average exchange rate US$ = 120 yen
EUR = 130 yen

(billion yen)

	FY2015 Guidance	YoY %
Net Sales	520.0	+6%
Operating Income	70.0	+4%
Ordinary Income	67.0	-5%
Net Income	39.5	+3%

Operating income: the impact of price erosion in Blood Management business is minimized by recovery measures (- 2.7 BJPY)

Ordinary income: exchange gain of 6.6 BJPY posted in FY2014

Now for the FY15 guidance. First, our assumed average foreign exchange rates: We are assuming 120 yen to the dollar, up from last year’s assumed rate of 100 yen. For the euro, 130 yen to the euro, down from 140 yen last year.

With these assumed foreign exchange rates, our sales guidance is 520 billion yen, or a 6% year-over-year increase. Operating income is forecasted at 70 billion yen, for a 4% increase. Ordinary income guidance is 67 billion yen, for a 5% year-over-year decrease. Net income is forecast at 39.5 billion yen, for a 3% increase.

Regarding operating income, Blood Management is expected to see continued price declines, particularly in the United States. The effects of this are already appearing in the fourth quarter of FY2014; income is already being impacted and this is expected to continue throughout the year.

In order to counteract this price decline in blood management business, which is centered in the United States and Europe, the company will continue to cut costs and recover through emerging market growth and introduction of new products. This is one major factor that will lead to an estimated 2.7 billion yen negative impact onto operating income.

Ordinary income is expected to decrease from the previous year, but we did see 6.6 billion yen in positive foreign exchange impact last year.

New Product Pipeline in FY2015

Business	Product		Region
Coronary	**New DES (Ultimaster)**	◎◎★	JP
	New aspiration catheter		EU, Latin A Asia
Peripheral	Stent (above the knee)	★	US
	Stent for small vessel (Misago)		EU
	PTA balloon (above the knee)		EU, US
	PTA balloon (below the knee)		JP
	Embolic particles (beads)	★	EU
Neuro	**Coil assist stent**	◎	JP
	Liquid embolic glue	★	EU
	Distal protection device	★	EU

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

Business	Product		Region
CV	Disposable centrifugal pump (for PCPS)		JP
DM	Downsized blood glucose meter		JP
Blood Management	**Automated blood component processing system**	★	JP


New DES(Ultimaster)
To be launched in JP


Liquid embolic glue (PHIL)
Ready-to-use prefilled syringe type


Distal protection device
Expect synergy with carotid stent


Automated blood component processing system (TACSI)
Improve preparations quality and process efficiency

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Now I will speak about the FY15 new product pipeline. The most prominent product this year will be the Ultimaster, this time because of its launch in Japan, which is expected to increase sales in Japan.

FY2015 Guidance: Impact of Currency Other than US$ and EUR

FY2014 Average exchange rate		FY2015 Assumed average exchange rate
US$ = 110 yen	→	120 yen (+ 10 yen) 9% depreciation
EUR = 139 yen	→	130 yen (- 9 yen) 6% appreciation

(billion yen)

	Net Sales	Operating Income
US$	+16.8	+2.0 (including goodwill amortization: -1.5)
EUR	- 5.9	-2.1
Other Currency	+ 1.2	-1.3 (appreciation of local currency in Asian production countries: -2.0)
Total	+12.1	-1.4

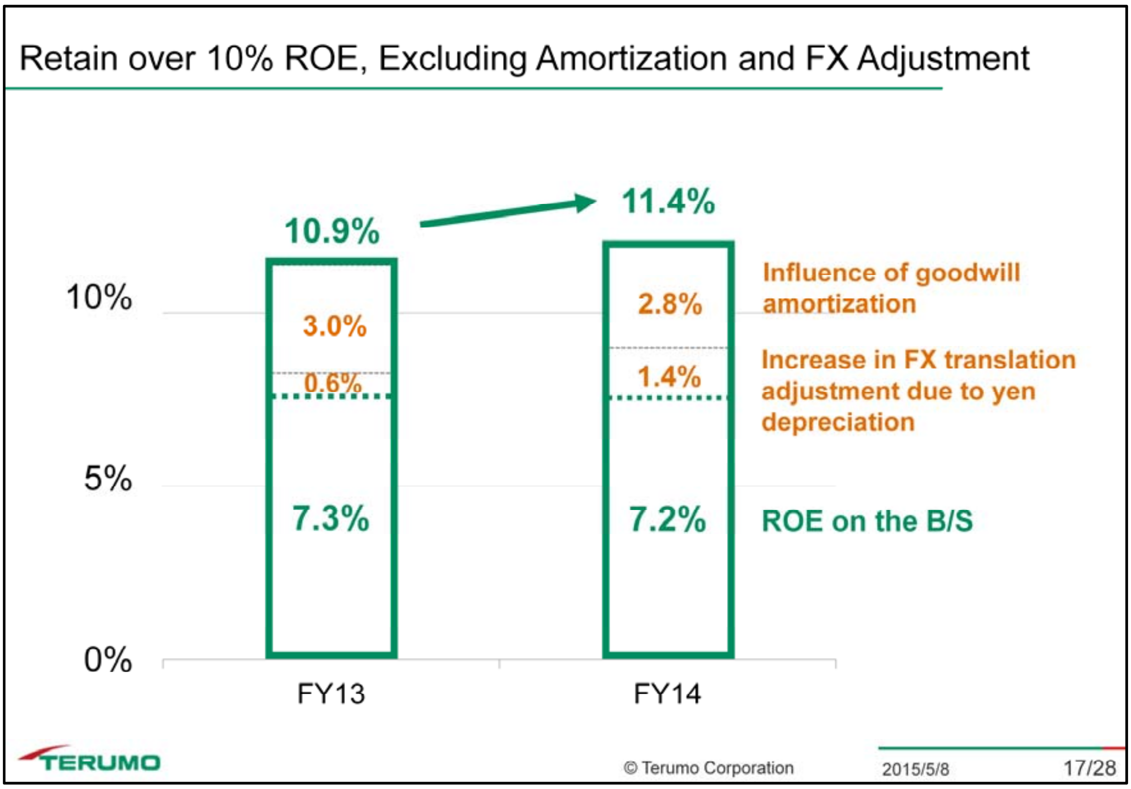
This slide explains the impacts of currencies other than the U.S. dollar or euro. Previously, we discussed the effects of foreign exchange only in terms of the U.S. dollar and euro, but recently, we have seen greater fluctuations in other currencies. This has clouded our ability to predict foreign exchange impacts, as illustrated here.

For US dollar, with yen depreciation we are able to predict a positive sales impact of 16.8 billion yen. And while there is some positive impact on operating income as well—we see that it says “including goodwill amortization: -1.5 billion”—in our acquisition of Terumo BCT, we took on goodwill that is denominated in dollars. When the yen depreciates, this dollar-denominated goodwill has a larger impact, negatively affecting operating income. So we see here that despite a depreciated yen, the operating income is affected 1.5 billion yen and only reaches 2 billion yen in positive currency impact.

It is somewhat simpler for the euro: we anticipate yen appreciation, which will mean negative impacts on sales and operating income.

Against other currencies, we expect an overall depreciation of the yen. This will have a positive impact on sales. However, as shown here, the impact on operating income is a negative 1.3 billion yen. This is because we have production occurring in Asian countries, namely China, the Philippines, and Vietnam, all of whose currencies are comparatively strong. This results in negative impact as product produced in locations with stronger currency is then sold in markets with weaker currency. This is the 2 billion yen of negative impact noted, leading netted negative impact on operating income.

Combined together, these foreign exchange impacts amount to an expected total impact of negative 1.4 billion yen from foreign currency exchange in FY15. Therefore, forecast of 70 billion yen in operating income for FY15 that I mentioned includes minus 2.7 billion from Blood Management and minus 1.4 billion from foreign exchange.



This is the final slide. ROE is a subject of much recent discussion. Terumo's ROE as shown on the balance sheet was 7.3% in FY13, and 7.2% in FY14, but we have included two other important factors here on this graph.

First is the one written on top, the influence of goodwill amortization. As you are aware, goodwill is amortized annually within Japanese accounting practices. However, in IFRS or in GAAP in the United States, goodwill is not amortized annually. Therefore we are showing here the impact of goodwill amortization, which was 3.0% in FY13 and 2.8% in FY14.

In addition to these, another factor is the increase in FX translation adjustment. Especially in 2011, when we acquired BCT, the exchange rate was 80 yen to the dollar. Since the rate is now 120 yen to the dollar, this swing alone makes the amount 1.5 times larger. This is of course good for the company, but it also increases the equity calculation and means that the denominator used to calculate ROE increases.

When calculated for FY14, the FX translation adjustment totals an enormous 89 billion yen meaning a 1.4% impact on ROE. When these factors are calculated in, we see that ROE for Terumo was 10.9% in FY13 and 11.4% in FY14. We recommend that these factors be considered when looking at Terumo's ROE.

That is all from me. Thank you.

Reference

FY2014 Net Sales and Growth by Region

(Billion yen)

Business Segment	Japan	Outside of Japan Subtotal	Europe	Americas	China	Asia	G. Total
Cardiac & Vascular	48.3 (-2%)	180.9 (6%)	65.6 (6%)	75.2 (8%)	18.9 (-8%)	21.2 (11%)	229.2 (4%)
Out of C&V Interventional Systems*	36.9 (-3%)	137.6 (7%)	51.8 (7%)	51.6 (11%)	17.9 (-9%)	16.3 (11%)	174.4 (4%)
General Hospital	122.3 (-3%)	39.2 (-4%)	12.7 (-0%)	8.6 (-11%)	1.6 (12%)	16.3 (-4%)	161.5 (-3%)
Blood Management	12.6 (-9%)	86.3 (0%)	26.3 (-1%)	41.5 (-1%)	4.0 (-0%)	14.4 (8%)	98.9 (-1%)
G. Total	183.1 (-3%)	306.4 (3%)	104.6 (4%)	125.3 (4%)	24.5 (-6%)	51.9 (5%)	489.5 (1%)

*Including Neurovascular business

(YoY%): Excluding foreign exchange

SG&A Expenses

(Billion yen)

	FY2013	FY2014	YoY	YoY%
Salaries & Wages	63.8	70.5	+6.7	+10%
Sales Promotion	14.2	16.0	+1.8	+12%
Logistical Costs	10.5	11.0	+0.5	+5%
Depreciation & Amortization	22.7	25.1	+2.4	+10%
Others	35.4	36.6	+1.2	+4%
General Administrative Total	146.6 (31.4%)	159.2 (32.5%)	+12.6	+9%
R&D Expenses	30.1 (6.4%)	29.4 (6.0%)	-0.7	-3%
SG&A Expenses Total	176.7 (37.8%)	188.6 (38.5%)	+11.9	+7%

(%) Against net sales

SG&A Expenses

(Billion yen)

	FY2013*	FY2014	YoY	YoY%
General Administrative Total	154.3	159.2	+4.9	+3%
R&D Expenses	31.3	29.4	-2.0	-6%
SG&A Expenses Total	185.6	188.6	+3.0	+2%

* Value adjusted by excluding FX impact

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Quarterly Results

(Billion yen)

	Q4 (Jan-Mar)	Q1 FY14 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
Net Sales	122.1	114.9	118.4	129.9	126.3
Gross Profit	63.3(51.9%)	60.7 (52.8%)	62.3(52.6%)	67.8(52.2%)	65.4(51.7%)
SG&A Expenses	38.6(31.6%)	37.9 (33.0%)	38.5(32.5%)	40.5(31.2%)	42.4(33.5%)
R&D Expenses	7.7(6.3%)	6.7 (5.8%)	6.9(5.8%)	7.4(5.7%)	8.4(6.7%)
Operating Income	17.0(14.0%)	16.1 (14.0%)	16.9(14.3%)	19.9(15.3%)	14.6(11.5%)

Average Quarterly Exchange Rate						
	US$	103 yen	102 yen	104 yen	115 yen	119 yen
	EUR	141 yen	140 yen	138 yen	143 yen	134 yen

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

(Billion yen)

	FY2013	FY2014	
Operating Income	65.3	67.5	
Non-operating Income & Expenses	-1.5	+3.2	FX gain in FY2014 +6.6
Exchange rates	End of Mar. 2014	End of Mar. 2015	Difference
US$	102.9	120.2	(+17.3)
EUR	141.7	130.3	(-11.4)
Extraordinary Gains & Losses	-10.9	-6.7	Transformation of product portfolio in EU - 5.6 Impairment loss FY2013 -15.0 FY2014 - 1.6
Income Taxes Total Tax Rate (%)	-18.8 36%	-25.6 40%	Influence of tax system revision
Net Income	34.1	38.5	

CAPEX, R&D Expenses

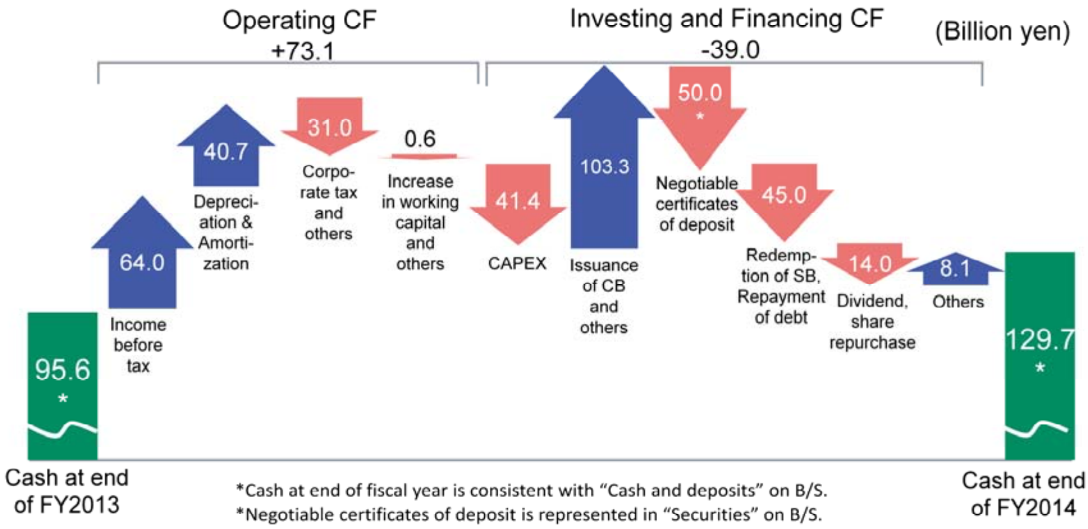
(Billion yen)

	FY2014		FY2015 Guidance	YoY
	Guidance	Result		
CAPEX	42.0	41.4 (99%)	42.0	+0.6
Depreciation & Amortization *	41.0	40.7 (99%)	45.0	+4.3
R&D Expenses	31.0	29.4 (95%)	35.0	+5.6

Depreciation & Amortization: Including intangibles
CAPEX: Acquisition basis
(%): against guidance

Cash Flow

- Financed 100 BJPY by CB, invested 50 BJPY in short-term financial asset
- Despite corporate tax burden, operating CF recovered well.
- SB of 40 BJPY was redeemed in March, 2015. The share repurchase of 3 BJPY was conducted.



*Cash at end of fiscal year is consistent with "Cash and deposits" on B/S.
*Negotiable certificates of deposit is represented in "Securities" on B/S.

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Foreign Exchange Sensitivity

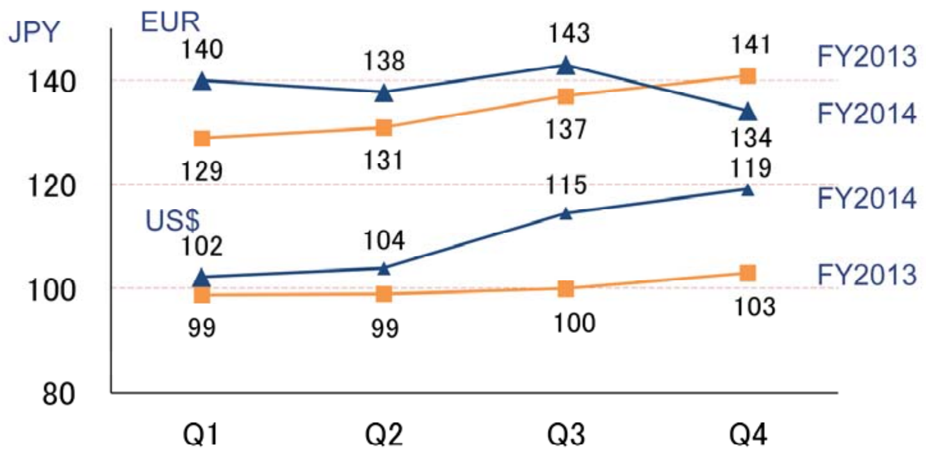
FY2014 (Billion yen)

	US$	EUR
Net Sales	1.8	0.8
Operating Income	0.3	0.4

FY2015 (Billion yen)

	US$	EUR
Net Sales	1.8	0.7
Operating Income	0.1	0.2

Quarterly Average Exchange Rates Trend



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