Financial Results for the Fiscal Year Ended March 31, 2017 (FY2016) and Guidance for the Fiscal Year Ending March 31, 2018 (FY2017)

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May 10, 2017

I will now explain the financial results for the fiscal year ended March 31, 2017, and guidance for the fiscal year ending March 31, 2018.

Achieved Growth in Sales and Profit w/ FXN, and Recorded Highest-ever Net Income

(billion yen)

	FY2015	FY2016	YoY%	YoY% (Excl. FX)
Net Sales	525.0	514.2	-2%	+6%
Gross Profit	282.9 (53.9%)*	278.0 (54.1%)*	-2%	+8%
SG&A expenses	168.1 (32.0%)	167.7 (32.6%)	-0%	+9%
R&D Expenses	33.1 (6.3%)	33.7 (6.6%)	+2%	+8%
Operating Income	81.7 (15.6%)	76.6 (14.9%)	-6%	+7%
(Excl. Amortization)	101.9 (19.4%)	97.3 (18.9%)	-5%	+8%
Ordinary Income	73.1 (13.9%)	68.6 (13.3%)	-6%	
Net Income	50.7 (9.7%)	54.2 (10.5%)	+7%	
Average Exchange Rate	USD 120 yen EUR 133 yen	108 yen 119 yen		

- Sales: Overseas continuous double digit growth in Cardiac and Vascular Company drove overall growth
- Operating income: Improved gross margin due to expansion of highly profitable products in TIS, production volume increase in general hospital products, and reduced cost for quality system improvement
- Ordinary income: Decrease in posted FX loss on YoY (FY2015: 7.5 BJPY → FY2016: 4.1BJPY)
- Net income: Realized extraordinary loss due to termination of contract for co-development w/ French venture company. Gain from sales of Olympus's stocks

*Transferred some SG&A expenses for the independent manufacturing subsidiaries into COGS (2.0BJPY)

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This slide is an overview of the FY16 results.

Excluding FX impacts, we achieved sales and operating income growth. And, we recorded the highest-ever net income.

At actual rates, sales growth was minus 2% and operating income was minus 6%; however, when excluding FX impact, sales grew 6% and operating income approached double digits.

These numbers combined with our sale of policy shareholding stocks resulted in a 7% year-on-year net income increase from what was our highest-ever last fiscal year.

FY2016 Comparison between Guidance and Results

(billion yen)

(billion yen)	FY2016 Guidance as of Feb 9th	Results	Difference
Net Sales	510.0	514.2	+4.2
Operating Income (%)	71.0 (13.9%)	76.6 (14.9%)	+5.6
Ordinary Income	62.0	68.6	+6.6
Net Income	47.5	54.2	+6.7
	USD 107 yen EUR 118 yen	108 yen 119 yen	

<Operating Income>

- Achieved sales above the forecast in access and neurovascular products + 2.0
- Steady sales for acquired businesses + 1.0
- Delay of realization for SG&A, etc. (Cardiac and Vascular company) + 1.0
- R&D: Slight delay for clinical trial, receipt of R&D fee from partner companies + 1.5

<Ordinary Income>

- Less FX losses than expected, delay in realization of temporary cost for financing + 1.0

<Net Income>

- Gain from sales of Olympus's stocks, etc. + 1.5

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At our FY16 third-quarter earnings announcement, we revised our guidance downward, but at the fiscal year-end results greatly exceeded that guidance. I will explain the factors behind this.

First, in sales, regarding the 4.2 billion yen above guidance; in the fourth quarter overall sales were very strong, with the highest ever amount in sales for a single quarter, 139.8 billion yen. There were two main factors behind this; one was unexpectedly strong sales of access devices and neurovascular products. The other was the closure device we acquired recently; we began counting sales of the device in January, but initially expected it to have a slow start. However, it sold very well and led to higher sales than we expected.

Operating income exceed guidance by 5.6 billion yen. 3 billion yen of this was the result of the extra sales I just mentioned; 2 billion yen was from access devices and neurovascular sales, and 1 billion was from newly acquired product sales.

Regarding SG&A, since the sales was very strong in the fourth quarter, we controlled the operating expenses. R&D expenses were 1.5 billion yen less than guidance, but spending was higher in the fourth quarter than in the other three quarters of the fiscal year. That 1.5 billion combined with the other amounts I mentioned to bring operating income 5.5 billion yen higher than guidance.

Regarding ordinary income, owing to higher operating income as well as less FX losses than expected, it resulted in higher amountd.

In addition, we expected to undertake permanent financing of acquisitions in March, but that instead happened in April. All of those factors together caused a 1 billion yen upward impact on ordinary income guidance.

Net income was 6.7 billion yen higher than guidance, largely due to the price of sold Olympus shares being higher than expected.

Extraordinary Gains & Losses, Income Taxes

(billion yen)

	FY2015	FY2016	
Operating Income	81.7	76.6	YoY%: -6%
Non-operating Income and loss	-8.6	-8.0	FX 1H 2H Q4YTD FY15 -2.4 -5.1 -7.5 FY16 -6.6 +2.5 -4.1
Ordinary Income	73.1	68.6	YoY%: -6%
Extraordinary Gains & Losses	+3.8	+6.4	FY15 Sale of land in Hatagaya +4.4 FY16 Termination of co-development w/ ART -7.0 Gain from sale of equity +15.7
Income before Income Tax	76.9	75.0	YoY%: -3%
Income Taxes Total Tax Rate (%)	-26.2 34%	-20.8 28%	Tax effect due to past loss of valuation for Olympus's stocks Terumo owns
Net Income	50.7	54.2	YoY%: +7%

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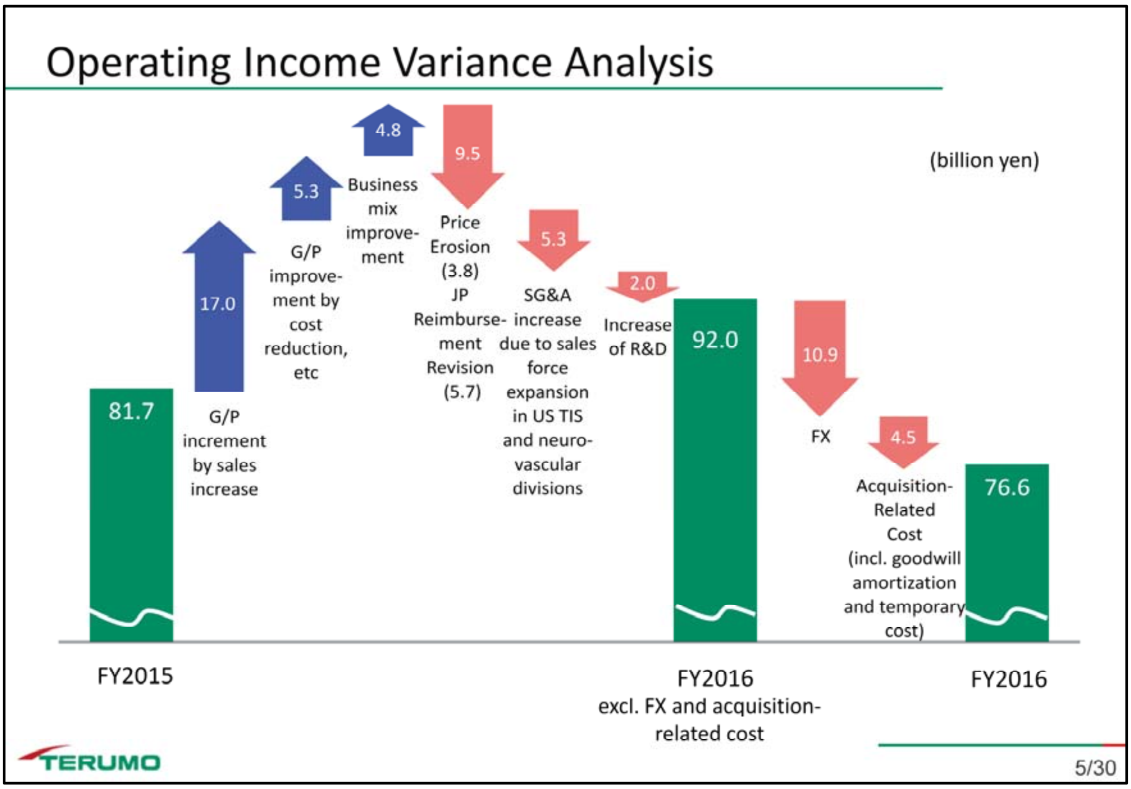
There were no major changes in extraordinary gains and losses. After negative FX impact in the first half, we saw positive FX impact in the second half, which erased some of the initial loss.

In extraordinary gains and losses, we had a gain due to the sale of Olympus shares.



Here is the operating income waterfall graph.

Positive factors were more or less in line with our plans. The increase in sales was the largest upward factor, followed by cost reduction and business mix improvement.

In downward factors, the Japanese reimbursement price revision had approximately the impact we anticipated; however, price erosion did not occur to the degree we expected.

One reason for this was in the General Hospital Company; as has been mentioned before, we have in recent years improved our business portfolios in places like Latin America and Asia with the intent of downsizing unprofitable accounts. However, the strategy for doing so was not to directly remove such products from those markets, but rather to raise prices significantly and facilitate a natural loss of sales. There remained some sales even at the higher prices, though, and these had a positive impact.

In the Cardiac and Vascular Company as a whole, our strategy in Europe and the Middle East of selling more in countries with higher prices and less in ones with lower prices led to similar sales amounts, but less price erosion.

In TIS overall, strong sales eliminated our anticipated need to lower prices, resulting in less price erosion.

The SG&A increase, driven by expansion in the US TIS and neurovascular divisions, was less than expected. Within that amount, as you can see in the breakdown of SG&A included in the reference materials, sales force expansion was approximately what we anticipated, but marketing costs were less than the previous year. There are several reasons for this.

One is that less marketing was needed in light of stronger-than-expected sales.

Another reason is that there was a recall of the Misago product, as you may be aware; that eliminated some of the marketing costs we expected for it.

The third reason is that our numerous acquisitions necessitated time and resources to be used in due diligence and integration instead of marketing.

All of the aforementioned factors led to an organic-base increase of 13%, from 81.7 billion yen in the previous year to 92 billion in FY16. When negative FX impact of 10.9 billion yen and acquisition-related costs of 4.5 billion yen are included, we saw 76.6 billion yen in operating income.

FX Impact on Operating Income in FY2016

Currencies	FY15 Rate (Yen)	Original FY16 Guidance		Results in FY16	
		Rate (yen)	Impact (billion yen)	Rate (yen)	Impact (billion yen)
USD	120	110	1.9	108	2.7
EUR	133	125	-2.3	119	**-5.2**
CNY	19	17	-1.5	16	**-2.3**
Others (Asia, L. America etc.)			-6.6		-6.1
Total			-8.5		-10.9

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I will now explain somewhat regarding FX impact on operating income.

We initially expected 8.5 billion yen worth of negative FX impact for FY16; however, as many of you know, the year was a roller-coaster for FX rates, with lots of up-and-down fluctuation.

The year ultimately ended up with slight yen appreciation overall. Dollar fluctuation impacted operating income positively, while the euro and Chinese yuan had negative impacts, and more than our plan. Against other currencies, there was relatively little difference from plan; negative 6.1 billion yen in impact.

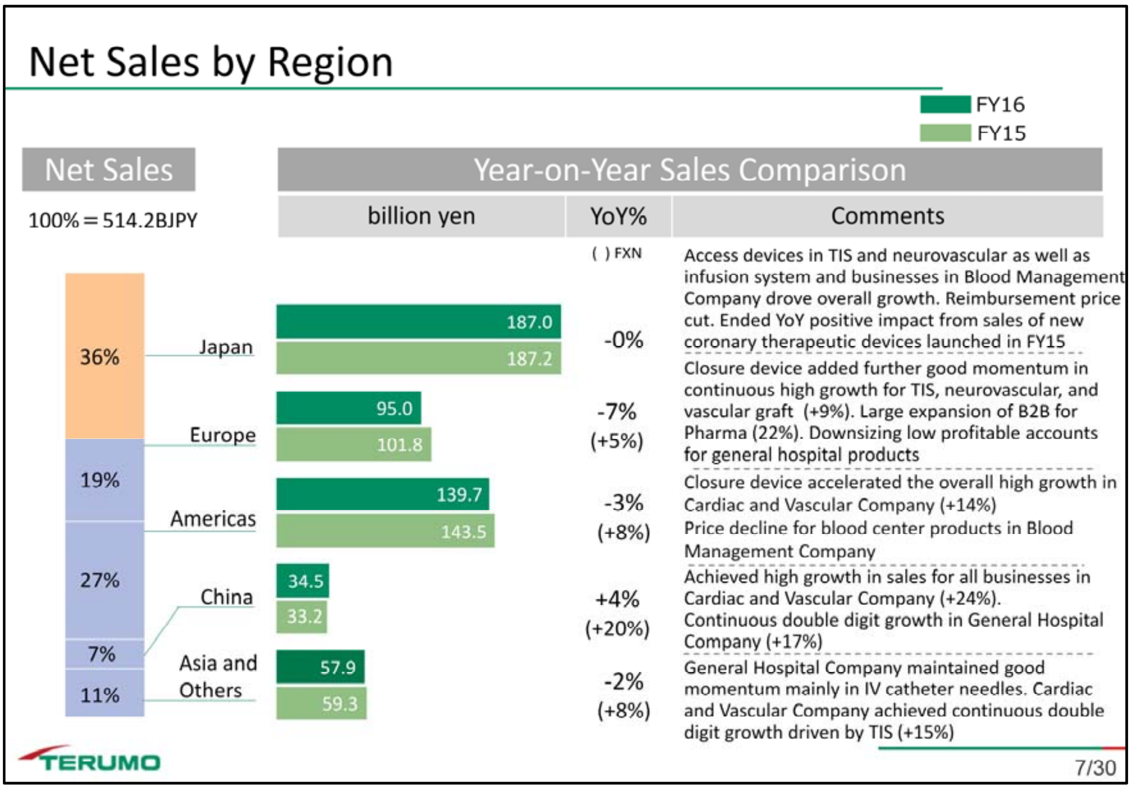
The total was therefore 10.9 billion yen in negative FX impact on operating income.

In the reference section of the materials, there is a page regarding foreign exchange sensitivity. Three FX sensitivity items have changed for FY17:

First, with the euro, as we make acquisitions and sales increase, costs are decreasing along with the transfer away of General Hospital production from euro-denominated sites; this increases our euro sensitivity. This previously had a 300-million-yen operating income impact, but that number is now 500 million yen.

With the Chinese yuan, our sales in China have increased significantly, meaning that our sensitivity does as well, and that is why we have begun to include it in FY17.

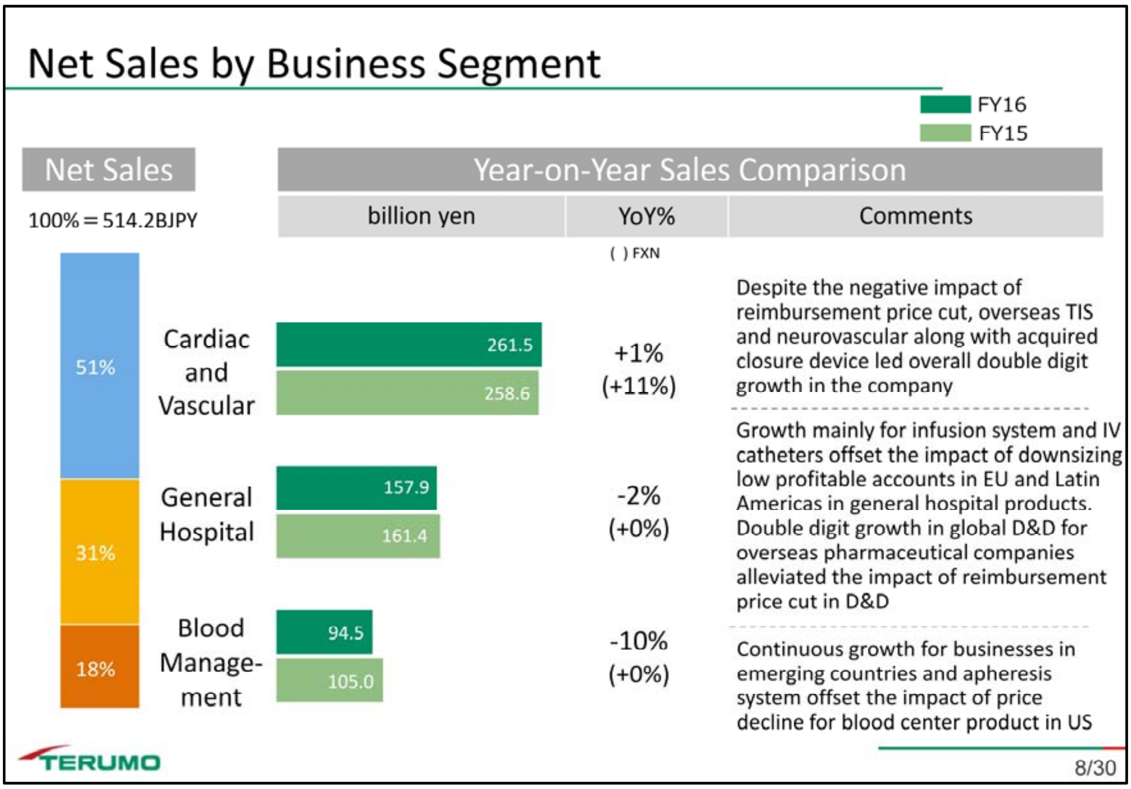
It is difficult to show other currencies sensitivities by simple one yen move. We are showing sensitivity by the amount of impact that would occur if the other currencies of the respective regions were to fluctuate 10% up or down.



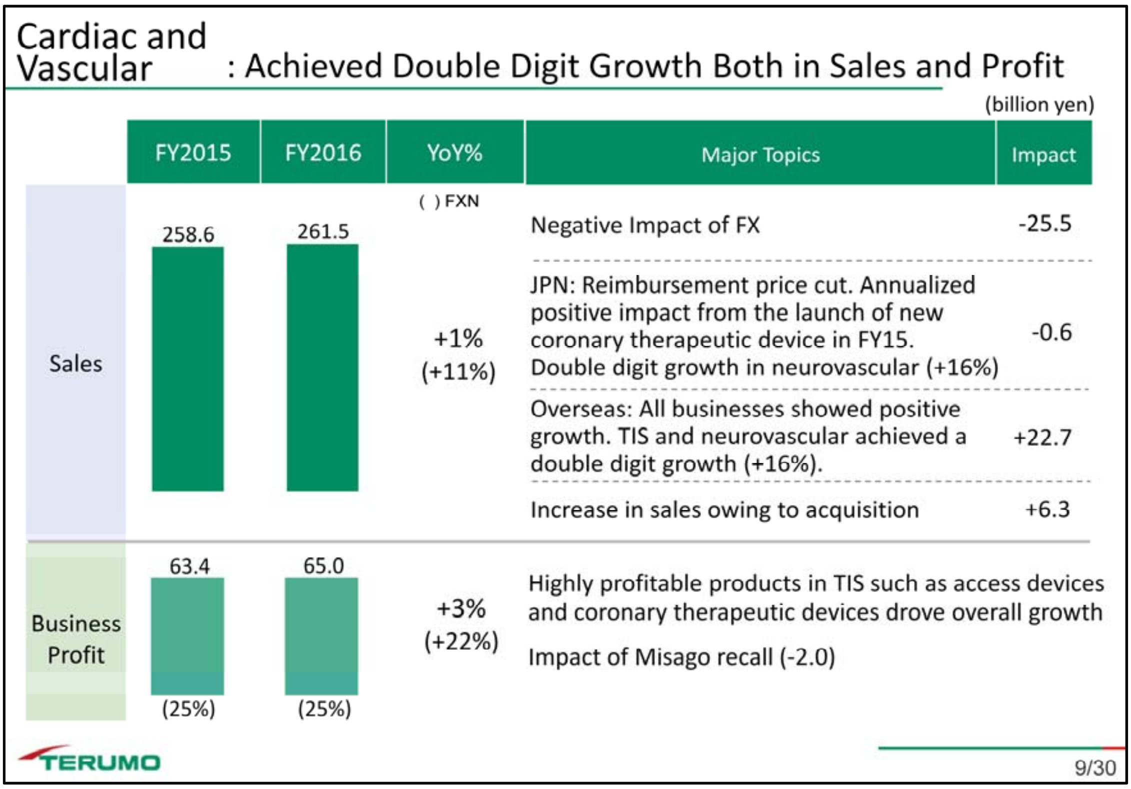
Next in the materials are information by region, business segment, and then the individual companies.

Regionally, there were few major changes. However, in Japan, where sales had been previously in a downward trend, a strong fourth quarter brought growth to an even 0%.

Outside Japan, sales shrunk year-on-year when including FX impacts, except in China, where growth was positive even with FX.



By business segment, sales grew in double-digits for Cardiac and Vascular, but were flat for the others.



By company, in Cardiac and Vascular, little changed other than the increase in sales owing to acquisitions, in the amount of 6.3 billion yen.

General Hospital : Steady Progress in Profitability Improvement

(billion yen)

	FY2015	FY2016	YoY% ( ) FXN	Major Topics	Impact
Sales	161.4	157.9	-2% (+0%)	Negative Impact of FX	-4.0
				JPN: Infusion system maily drove overall growth in general hospital products	+1.2
				Ended distribution of contrast agents	- 1.3
				Overseas: Downsizing low profitable accounts in EU and Latin Americas	- 1.5
				Achieved high growth in B2B for pharmaceutical companies in EU	+ 0.8
				IV catheter needles mainly drove an overall growth in China and other regions of Asia	+ 1.1
Business Profit	22.6 (14%)	23.8 (15%)	+5% (+7%)	Increase in pension cost due to the lowering interest rate. Continuous cost reduction mainly in general hospital products FY15: 13.9% → FY16: 15.0%	

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In General Hospital, steady profitability improvement continued. Business profitability and profit amount both increased.

Blood Management : Annualized Impact of Price Decline in US

(billion yen)

	FY2015	FY2016	YoY% ( ) FXN	Major Topics	Impact
Sales	105.0	94.5	-10% (+0%)	Negative Impact of FX	-10.6
				Price declines for blood center products mainly in US	- 2.0
				Negative impact from stagnant macro economy in Russia and the Middle East countries	- 0.6
				Sales expansion in apheresis system	+ 1.8
				Blood center business in emerging countries continuously grew	+ 1.2
Business Profit	16.9 (16%)	13.6 (14%)	-20% (-6%)	Decrease in G/P due to price declines for blood center products along with increase in R&D investment and start-up cost for new factory in Vietnam. Decrease in profit due to FX, yet achieved more profit than the guidance level w/ FXN.	

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The Blood Management Company experienced lower sales and profit due to negative FX impact and price declines for major blood center products in U.S., but the company more or less achieved its plan. We expect to see improvement in FY17.

Major Topics in FY2016

Corporate

- Announced adoption of IFRS (Nov)
- Announced 5-Year Mid- to Long-term Growth Strategy (Dec)
- Share buyback of 44.2 BJPY (Feb)
- Selected as “the Health and Productivity Stock Selection” for three consecutive years (Feb)

Business

- “AdSpray” obtained regulatory approval for the first time in spray type adhesion barrier in Japan (Jun)
- FDA lifted all shipping restrictions at TCVS (Jun)
- Strengthened product portfolio in Cardiac and Vascular Company through M&As
  - Acquisition of US-based Sequent Medical for new neurovascular aneurysm embolization device (Jun)
  - Acquisition of vascular closure devices, etc. from St. Jude Medical and Abbott Laboratory (Dec)
  - Acquisition of US-based Bolton Medical for TAA and AAA stent grafts (Jan)

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I will skip over the FY16 topics slide.

New Products Pipeline in FY2016

Category	Products		Region	Launch
Coronary	DES (Ultimaster)	◎★	France	Launched
Coronary	DES (Ultimaster) 4.0mm	◎★	JP	Launched
Imaging	IVUS	◎★	JP	Launched
Peripheral	PTA Balloon (Below the knee, RX/OTW)		JP･US･EU	Launched in JP & US
Peripheral	PTA Balloon (Below & above the knee, RX/OTW)		JP･US･EU	Launched in JP & US
Peripheral	PTA Balloon (Above the knee, RX/OTW)		JP･US･EU	Launched
Neuro	Distal protection device		EU	To be launched in FY17
Oncology	Radioembolization beads (Quirem)	★	EU	To be launched in FY17

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

Category	Products		Region	Launch
CV	Disposable Centrifugal Pump (for PCPS)		Asia	Launched
Regenerative Medicine	HeartSheet	★	JP	Launched
D&D	Intradermal Injection Device	★	JP	To be launched in FY17
D&D	Adhesion barrier	★	JP	Launched
DM	Blood glucose meter (MEDISAFE Fit Smile)		China	To be launched in FY17
Blood Management	Automated blood component processing system	★	JP	Launched


DES "Ultimaster"
JP, France


Adhesion barrier "AdSpray"
JP


IVUS "AltaView"
JP

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Regarding new products pipeline, most scheduled products were released in FY16, with a few exceptions that were pushed back a few months or less into FY17, but no major delays.

FY17 Guidance

(billion yen)

	FY16 Results	FY17 Guidance	YoY%	Reference: IFRS Basis FY17 Guidance
Net Sales	514.2	575.0	+12%	575.0
Operating Income (%)	76.6 (14.9%)	82.0 (14.3%)	+7%	95.0 (16.5%)
Ordinary Income	68.6	79.5	+16%	
Net Income	54.2	53.0	-2%	68.0

Average Exchange Rate	FY16	FY17
USD	108 yen	110 yen
EUR	119 yen	120 yen

In FY17 guidance, figures related to acquisition is tentative since PPA is still in process.

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Next is our FY17 guidance.

We previously announced that we would adopt IFRS accounting in FY17, but this will only be starting from the end-FY17 results.

From the first through third quarters, our accounting will be according to Japanese GAAP. Therefore, the guidance shown in the main box here is also Japanese GAAP-basis.

Sales guidance is 575 billion yen, or a 12% year-on-year increase. Operating income is a 7% increase, from 76.6 to 82 billion yen, which will be the highest-ever amount if achieved.

Guidance is also expressed on the right on an IFRS basis, for reference. Sales remain the same, but operating income and net income will increase because acquisition-related goodwill is not amortized in IFRS; operating income is forecast at 95 billion yen, and net income at 68 billion yen.

However, as Mr. Sato just mentioned, PPA for acquisitions is not yet complete, so these figures remain tentative.

These numbers are inclusive of acquisition and FX impacts.

FY17 Guidance (excl. Impacts of FX and M&As)

(billion yen)

	FY16 Result Excl. M&As	FY17 Guidance w/ FXN Excl. M&As	YoY%	FX Impact	M&As Impact	FY17 Guidance
Net Sales	507.8	536.5	+6%	+6.0	+32.5	575.0
Operating Income (%)	81.1 (16.0%)	87.5 (16.3%)	+8%	+1.5	-7.0	82.0 (14.3%)
Ordinary Income	73.2	85.5	+17%	+1.5	-7.5	79.5
Net Income	58.7	56.5	-4%	+1.0	-4.5	53.0
Average Exchange Rate	USD 108 yen / EUR 119 yen	108 yen / 119 yen				110 yen / 120 yen

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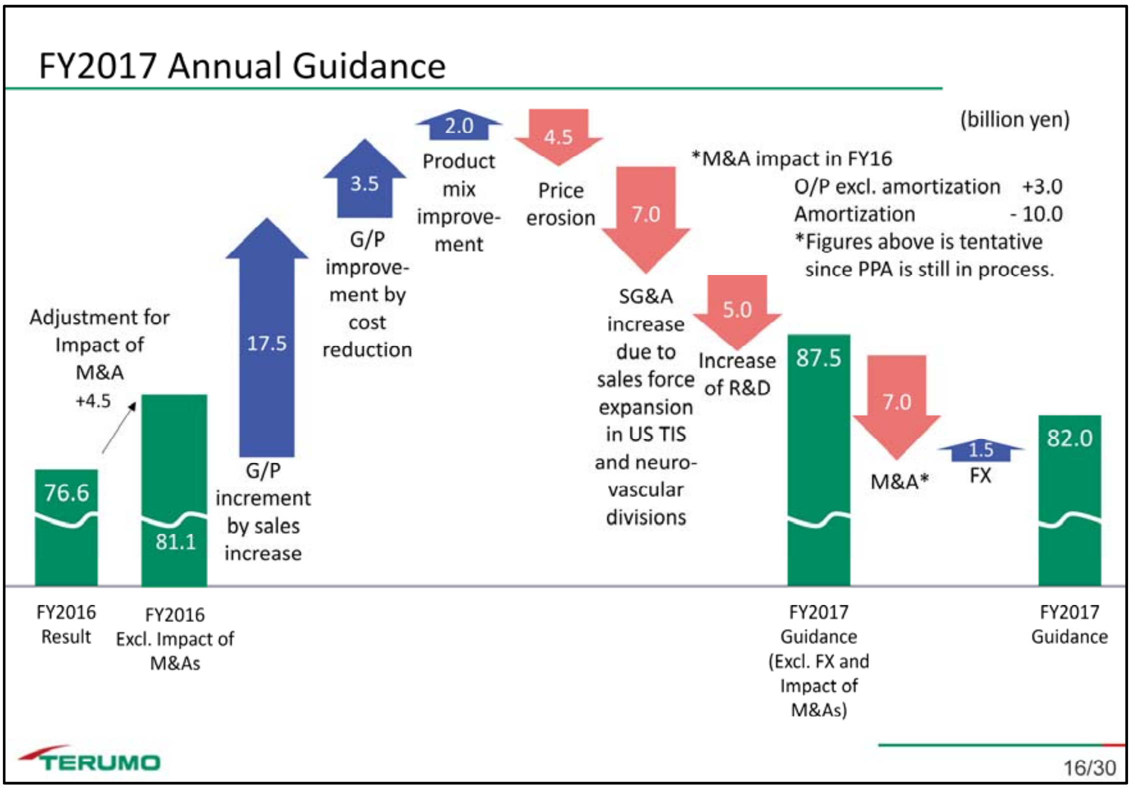
This slide also shows FY17 guidance, excluding acquisition and FX impacts in order to show organic growth.

The guidance from the previous slide is on the right, and in the blue box are the organic numbers; the FY17 guidance excluding FX and acquisition impacts is next to the FY16 numbers with the same exclusions, in order to provide an apples-to-apples comparison.

On this basis, the sales increase is 6%, and the operating income increase is 8%.

Last December we announced our Mid- to Long-term Growth Strategy, and while it did not include specific numerical targets, it set management indicators of growing sales faster than the market, which was projected to grow 5-6% annually, and of growing operating income faster than sales.

In this first year of the strategy, our guidance is for 6% sales growth and 8% operating income growth, so we feel that FY17 is on track from the perspective of the mid- to long-term growth strategy.



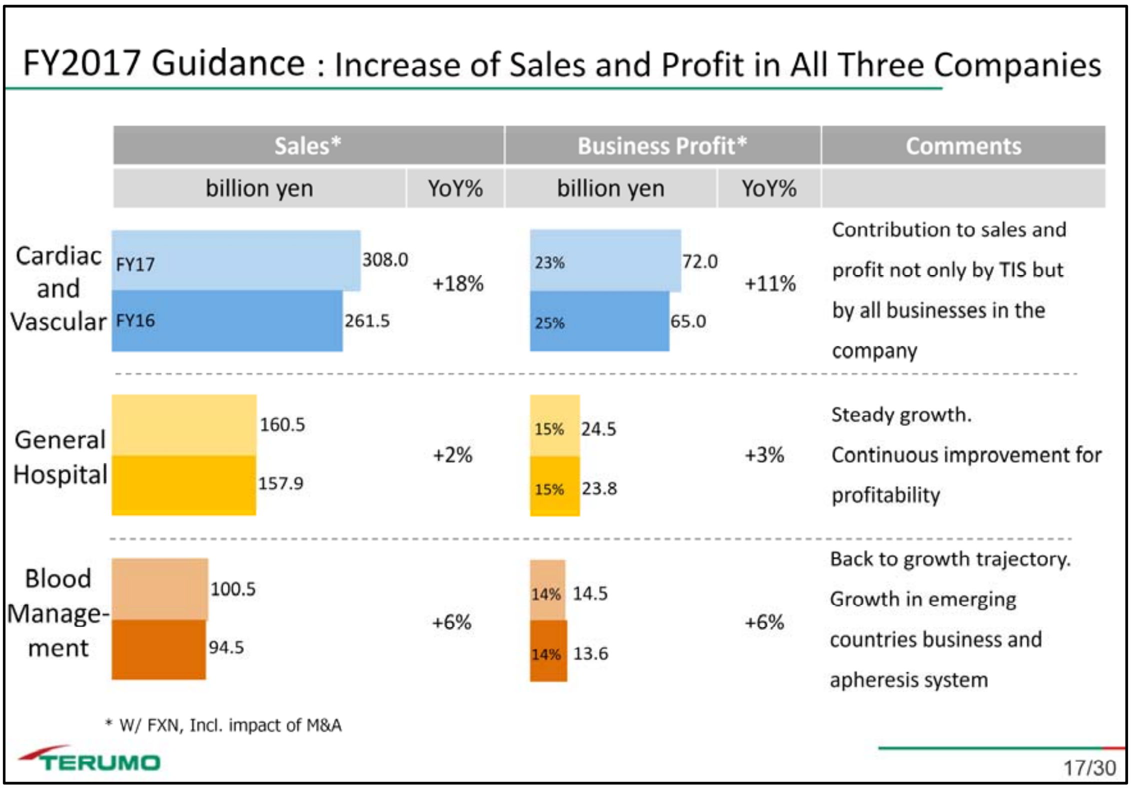
Next is the waterfall for operating income guidance.

The far right and left bars denote the FY17 guidance and FY16 result, respectively. The 76.6-billion-yen FY16 result is adjusted to exclude the 4.5 billion yen in acquisition impact, bringing the “starting line” to 81.1 billion yen. Sales increase, cost reduction, product mix, SG&A increase, and other items are factored in to result in 87.5 billion yen in operating income guidance, as an apples-to-apples comparison of actual performance.

Then M&A and FX impacts are included to show the guidance of 82 billion yen.

Explaining a little more about the acquisition impact, you can see on the upper right that acquisition-related operating income excluding amortization is 3 billion yen, and the goodwill amortization amount is 10 billion yen. However, the aforementioned PPA is not yet complete.

Also, for operating income, the closure device has a large positive impact; however, the Vado product also acquired from Abbott, Sequent Medical, and Bolton, which was acquired at the end of last fiscal year, are all businesses in the development stage, and impact operating income negatively, for a total positive acquisition impact of 3 billion. The negative impacts of the three development-stage acquisitions will be largest in FY17, and then get smaller from FY18 onward.



The next slide shows FY17 guidance by company, but these numbers include acquisition impacts, which are all in the Cardiac and Vascular Company, with the other two companies not having had major acquisitions.

These numbers do not include FX impact.

With these acquisition-inclusive numbers, all companies are projected to achieve increased sales and profit.

Also, when excluding acquisitions from the Cardiac and Vascular numbers, both sales and business profit are projected to increase roughly 8%.

New Products Pipeline in FY2017

Category	Products		Region
Coronary	PTCA balloon		US
Peripheral	Stent (TRI)	★	JP, US & EU
	PTA balloon (TRI)	★	JP, US & EU
	PTA guiding sheath (TRI)	★	JP, US & EU
	Drug coated balloon	◎ ★	EU
	Embolization coil	◎	EU
Neuro	Distal protection device		EU
	Hydrogel coil 3D		JP, US & EU
Oncology	Radioembolization beads (Quirem)	★	EU

Category	Products		Region
CV	Heart lung machine (Re-launch)	◎	Global
	Next generation of oxygenator	◎	Global
General Hospital Products	Vertical infusion pump		JP
	Needleless infusion system for Anti-cancer drugs		JP
DM	Insulin patch pump	★	JP
Blood Management	New software for automated blood collection system		Global

Drug Coated Balloon
"Kanshas"
EU

Heart Lung Machine
Re-launch
Global

Insulin Patch Pump
JP

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

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This slide shows the FY17 new product pipeline.

This concludes my presentation. Thank you.

Reference

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FY16 Net Sales and Growth by Region

(billion yen)

Business Segment	Japan	Outside of Japan					G. Total
		Subtotal	Europe	Americas	China	Asia	
Cardiac and Vascular	51.0 (-1%)	210.6 (+14%)	64.7 (+9%)	92.0 (+14%)	28.2 (+24%)	25.6 (+15%)	261.5 (+11%)
Out of C&V Interventional Systems*	38.8 (-2%)	170.1 (+16%)	53.1 (+11%)	69.1 (+17%)	26.8 (+23%)	21.2 (+19%)	208.9 (+13%)
General Hospital	123.8 (-0%)	34.1 (+2%)	7.8 (-7%)	7.8 (+5%)	1.9 (+17%)	16.6 (+5%)	157.9 (+0%)
Blood Manage-ment	12.0 (+5%)	82.5 (-1%)	22.4 (-1%)	39.9 (-2%)	4.4 (+4%)	15.8 (+2%)	94.5 (+0%)
G. Total	187.0 (-0%)	327.2 (+9%)	95.0 (+5%)	139.7 (+8%)	34.5 (+20%)	57.9 (+8%)	514.2 (+6%)

*Including Neurovascular business

(YoY%): Excluding foreign exchange

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Operating Expenses

(billion yen)

	FY2015	FY2016	YoY	YoY%	YoY% (Excl. FX)
Salaries & Wages	75.1	74.6	- 0.5	-1%	+8%
Sales Promotion	17.2	15.6	-1.6	-9%	-2%
Logistical Costs	11.0	11.2	+0.2	+2%	+6%
Depreciation & Amortization	27.4	27.5	+0.1	+0%	+10%
Others	37.4	38.8	+1.4	+4%	+11%
SG&A Expenses Total	168.1 (32.0%)	167.7 (32.6%)	-0.4	-0%	+9%
R&D Expenses	33.1 (6.3%)	33.7 (6.6%)	+0.6	+2%	+8%
Operating Expenses Total	201.2 (38.3%)	201.4 (39.2%)	+0.2	+0%	+8%

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Quarterly Results

(billion yen)

	FY15 Q4 (Jan-Mar)	FY16 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
Net Sales	129.0	124.5	120.6	129.3	139.8
Gross Profit	69.7 (54.0%)	69.2 (55.6%)	65.8 (54.6%)	68.7 (53.2%)	74.3 (53.2%)
SG&A Expenses	42.2 (32.7%)	39.7 (31.9%)	39.6 (32.9%)	41.0 (31.7%)	47.4 (34.0%)
R&D Expenses	9.9 (7.7%)	8.1 (6.5%)	8.2 (6.8%)	8.2 (6.4%)	9.2 (6.6%)
Operating Income	17.6 (13.6%)	21.4 (17.2%)	18.0 (14.9%)	19.5 (15.1%)	17.7 (12.6%)
(Excl. Amortization)	22.5 (17.4%)	25.9 (20.8%)	22.6 (18.8%)	24.5 (19.0%)	24.2 (17.4%)

Average Exchange Rate						
	USD	115 yen	108 yen	102 yen	109 yen	114 yen
	EUR	127 yen	122 yen	114 yen	118 yen	121 yen

*Transferred SG&A expenses for the independent manufacturing Subsidiaries into COGS

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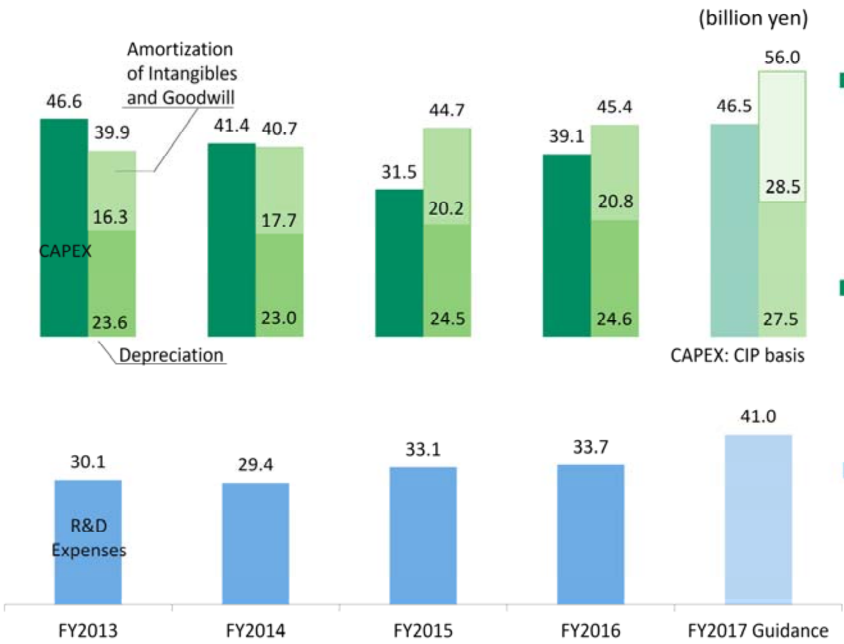
CAPEX and R&D Expenses



- Expand investment in production capacity and space as well as IT infrastructure in FY17
- Amortization of intangibles and goodwill in FY17 are projected to increase due to M&As in FY16
- Further promote US-based R&D activities for TIS and neurovascular

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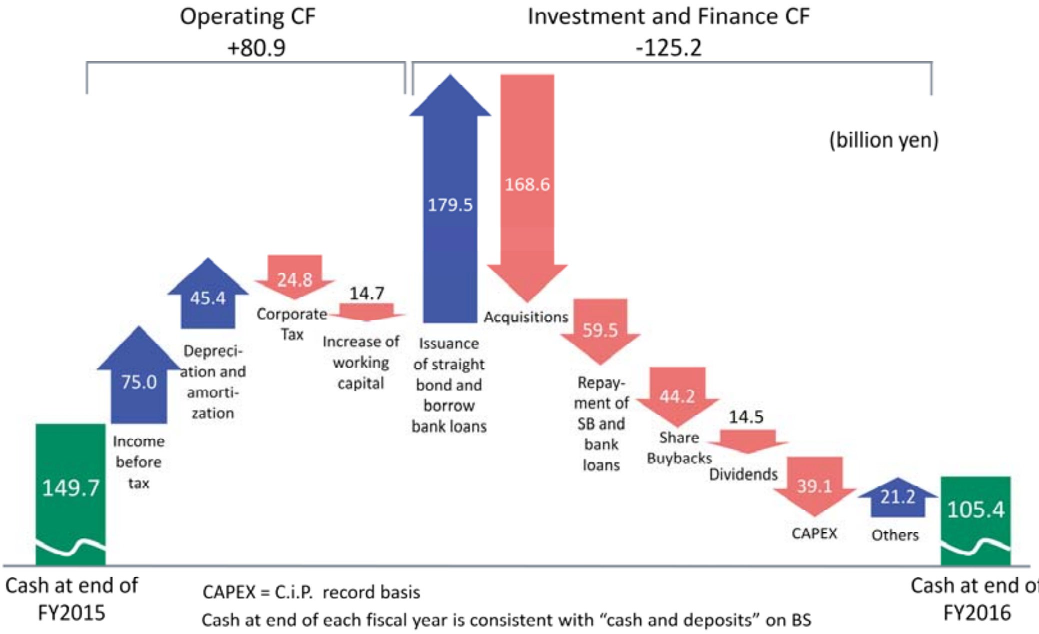
Cash Flow



CAPEX = C.i.P. record basis

Cash at end of each fiscal year is consistent with “cash and deposits” on BS

Financing Capital for M&As by Self-financing and Low-Interest Debt

- Make use of low interest rate while considering financial soundness
- Financing since the introduction of minus interest rate policy
  - Jan, 2017 Syndicate loans(*) 30.0 BJPY
  - Apr, 2017 Syndicate loans(*) 120.0 BJPY
  - Apr, 2017 Straight bonds 20.0 BJPY
    - ✓ Loan term 3-10 yrs (Average: 7yrs)

(*)A part of financing comes from JBIC

- Despite increase in interest bearing debt, interest expenses decreases.
  - FY15 1.4BJPY → FY16 1.2BJPY → FY17 1.0 BJPY

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FY17 Foreign Exchange Sensitivity

(billion yen)

	USD		EUR	CNY
	Excl. Amortization	Incl. Amortization		
Net Sales	1.6	1.6	0.8	1.8
Operating Income	0.0	-0.2	0.5	0.9

<Reference> Impact of +/-10% fluctuation

	North America	Latin America	EMEA		Asia	
			EUR	Others	CNY	Others
Operating Income	-1.8	0.8	5.6	1.0	1.4	3.3

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FY17 Guidance: Adoption of International Financial Reporting Standards (IFRS)

- Adopting International Financial Reporting Standards (IFRS) from the year-end financial announcement for FY2017
- Schedule for disclosure

  FY17 Q1-Q3 : Japanese GAAP

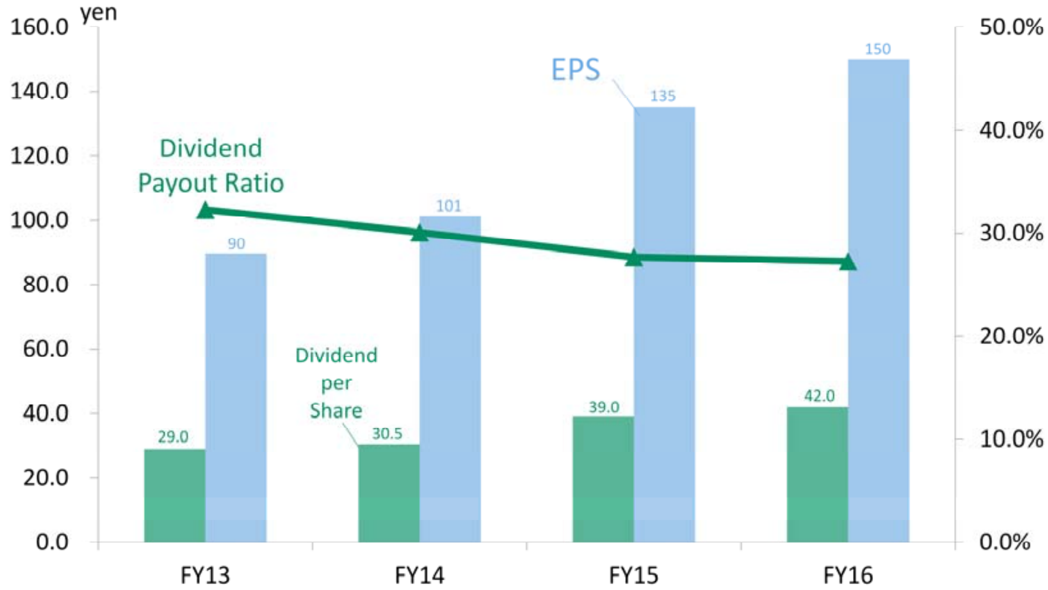
  FY17 year-end financial announcement : IFRS

(billion yen)	Japanese GAAP	IFRS	Impact
Net Sales	575.0	575.0	-
Operating Income (%)	82.0 (14.3%)	95.0 (16.5%)	+13.0
Adjusted Operating Income (%)	110.5 (19.2%)	110.0 (19.1%)	-0.5
Net Income	53.0	68.0	+15.0

- Major Impact
  - Non-amortization of goodwill
  - Transferring items in non-operating gains and losses into operating income in P/L
- Adjusted Operating Income

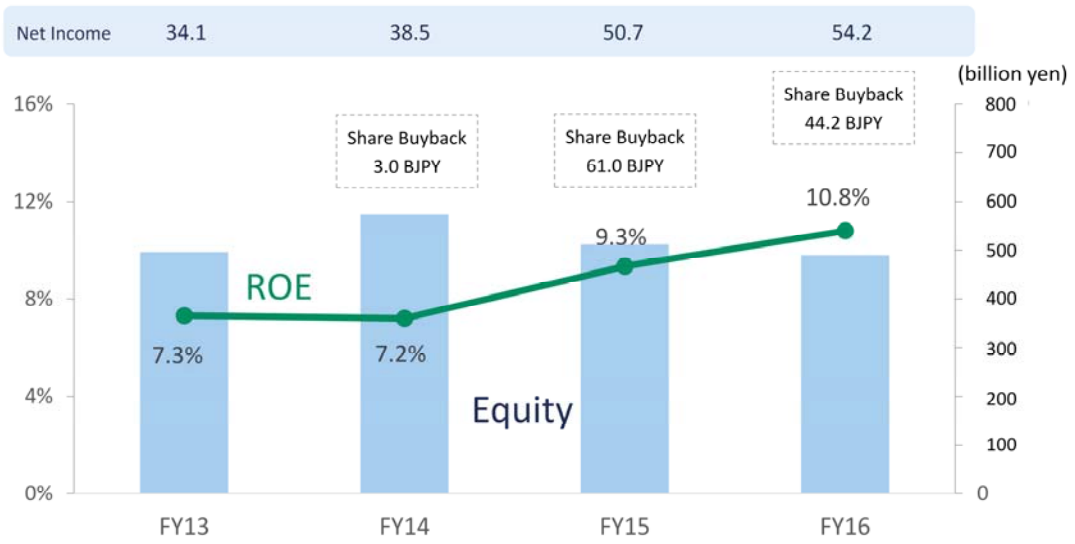
  Business profit, that is, O/P for IFRS basis w/o cost of M&A, amortization of intangibles, and temporary cost (≒ existing "Operating Income excl. Amortization")

Dividends and EPS



ROE

■Achieved 10% range



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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.