

# Financial Results for the Fiscal Year Ended March 31, 2018 (FY2017)

---

Terumo Corporation  
Managing Executive Officer  
Kazuaki Kitabatake

May 9, 2018

I, Kitabatake, will now explain our financial results for the period ended March 31, 2018.  
First, financial results are expressed on an IFRS basis beginning with this period.



# Commencement of Disclosure in IFRS

Main differences from JGAAP (FY17)				(billion yen)	
JGAAP		IFRS		Impact of change	
Net sales	587.8	Revenue	587.8		-
Cost of sales	260.5	Cost of sales	268.4	From SG&A to amortization of developed technology	8.6
<b>Gross profit</b>	<b>327.2</b>	<b>Gross profit</b>	<b>319.3</b>		
SG&A expenses (*1)	235.0	SG&A expenses (*1)	212.4	Non-amortization of goodwill	-14.0
		Other income and expenses	1.6 (gain)	Grants related to R&D	+1.4
				Cancellation of amortization of business commencement expenses	+1.1
<b>Operating income</b>	<b>92.2</b>	<b>Operating profit</b>	<b>108.6</b>	Non-operating, extraordinary income and expenses, and others	-0.9 (loss)
Equity in earnings and losses of affiliates	0.4 (loss)	Financial income and costs (*2)	1.7 (loss)		
Non-operating income and expenses	3.3 (loss)	Share of the profit of investments accounted for using the equity method	0.2 (loss)	Reclassification from non-operating income and expenses	1.7
<b>Ordinary income</b>	<b>88.5</b>	Ordinary income			
Extraordinary income and expenses	0.9 (gain)				
<b>Income before income taxes</b>	<b>89.3</b>	<b>Profit before tax</b>	<b>106.6</b>		
Income taxes	13.7	Income tax expenses	15.3	From SG&A to income tax	0.8
<b>Net income</b>	<b>75.6</b>	<b>Profit for the year</b>	<b>91.3</b>		

(\*1) Incl. R&D expenses (\*2) Incl. FX gain and loss

Here we have organized the main impacts on Terumo of the differences between JGAAP and IFRS. There is a lot of detail here, but there are two main impacts.

One is the handling of expenses; you can see this represented by the green arrows. A part of these is the shift toward the cost of sales. The result of the change to IFRS is that gross profitability is worse than it was in JGAAP.

However, when operating profit is calculated, it returns to the previous level. The operating profit does not change, but the gross profitability does appear worse. Another factor shown here is represented by the dotted green lines.

This expresses non-amortization of goodwill. This has a positive impact on profit. It is also the largest impact.

Another part is shown here as grants related to R&D; this changes under IFRS to "other income and expenses."

In JGAAP, this was handled by subtracting from the amount of R&D spending, but changes under IFRS to other income and expenses. As a result, the new R&D spending amount increases. This is because the previous subtraction does not happen to account for grants. However, the operating profit number returns to the same amount. Next is business taxes. Business taxes go into the income tax expenses shown at the bottom.

This results in a positive impact on operating profit, but it is only a miniscule amount, so you can think of the impact as inconsequential. In this period, the profit for the year number therefore appears the same as previously. That is the expense-related group of changes.

The other group, shown in blue here, is non-operating income and expenses, and extraordinary income and expenses; this comes above the operating profit in IFRS. Under JGAAP previously,

we handled one-time or non-operating income/expenses and extraordinary income or expenses after calculating operating income, but under IFRS most of these will come up to be included in the operating profit number. This means that operating profit will be impacted by one-time occurrences, and simply looking at operating profit may be insufficient to truly see the strength of the business. Some non-operating income and expenses such as financial income and costs will be calculated after IFRS operating profit. One of these is FX gains and losses. Therefore, FX impacts will be handled after operating profit as was done previously. These are the major ways in which the handling of non-operating and extraordinary income and expenses will be handled.

These two areas I have explained have a lot of impact. Of course there are many smaller items with impact.

However, these major two are the ones I would like you to remain aware of.

## Adjusted Operating Profit

Operating profit in IFRS basis w/ following items adjusted

1. Amortization of acquired intangible assets
2. Acquisition-related costs and temporary gain or loss falling into non-operating, and extraordinary income and expenses in JGAAP basis

(billion yen)

	FY16YTD	FY17YTD
1. Amortization of acquired intangible assets	9.4	14.5
2. Temporary gain and loss*	7.4	1.9
Adjustment	16.9	16.4

\*Adjusted items

- Acquisition related cost
- Amortization of acquired intangible assets
- Lawsuit settlement
- Impairment loss
- Restructuring loss
- Nonlife insurance income
- Loss on disaster
- Other temporary gains and losses

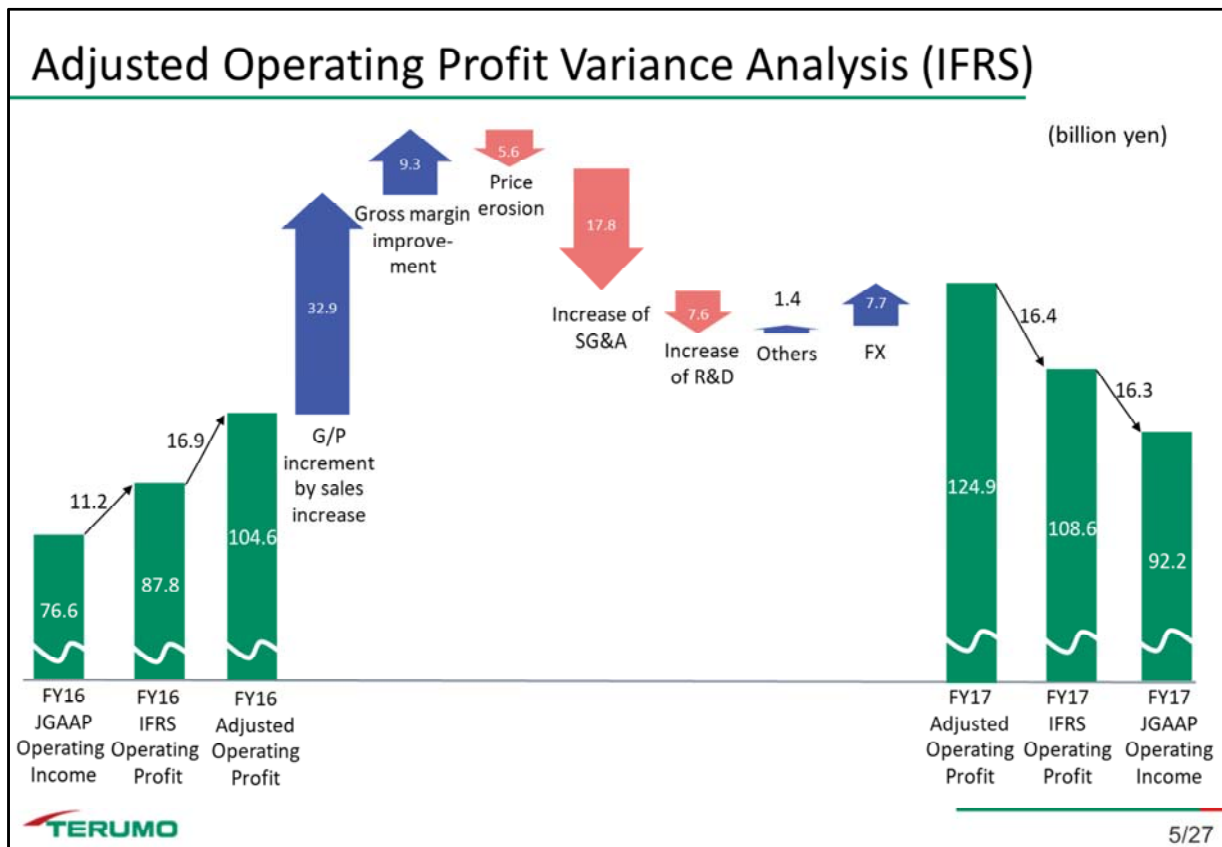


4/27

On this slide you can see Adjusted Operating Profit. As I mentioned, IFRS operating profit includes a great deal of what were non-operating and extraordinary income and expenses under JGAAP. Therefore, when a major one-time event occurs going forward, it may have the effect of distorting the actual strength of the business.

For this reason, we will be following as our main profit indicator this Adjusted Operating Profit. It is quite similar to the "operating income excluding goodwill amortization" that we have used as an indicator previously. They can be thought of as essentially the same.

There is a difference in just one item. Specifically, IFRS operating profit includes the amortization of intangible assets obtained through acquisitions, although it does not include goodwill, which is excluded. We will also be excluding from adjusted operating profit the one-time income and expenses that were included in non-operating and extraordinary income and expenses under JGAAP. The specific FY16 and FY17 numbers are shown here.



As I mentioned, this profit variance analysis is a breakdown of adjusted operating profit I just described.

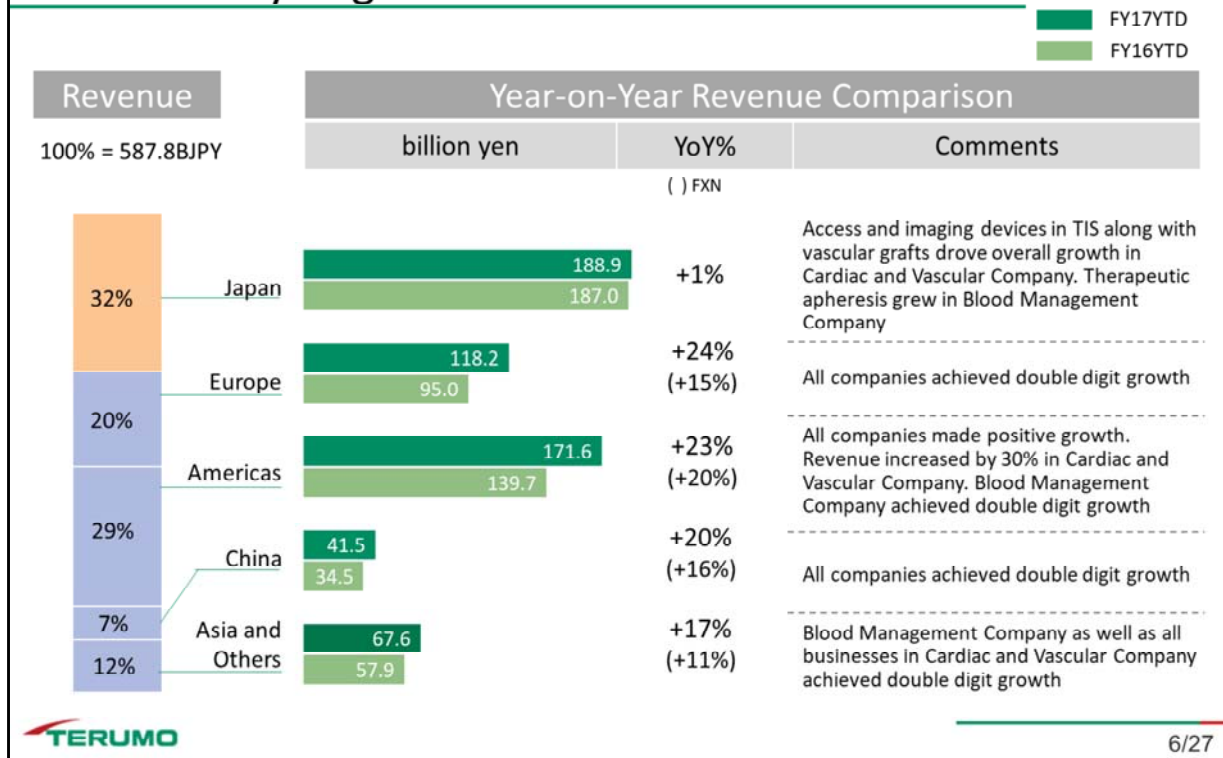
The increase in gross profit and price erosion are the same, and unchanged from ones with JGAAP. However, we do have some differences in gross profitability, increased sales investment cost, and increased R&D cost; Regarding these: First, acquisition-related costs are handled differently and therefore excluded here. Next, goodwill and acquired intangible assets are handled differently. There are also more detailed items that move when comparing IFRS and JGAAP, so there is a one-time transition of these items that results in differences.

However, in terms of seeing the ongoing earnings power of the business, looking at this analysis will still provide the same understanding as before. With that, we see in the FY17 overview that gross profit increased due chiefly to increased revenue. However, when we compare this number with that of the 3rd quarter, it increased slightly less in the 4th quarter than it did in the 3rd. This is because we began including AngioSeal revenue starting in the 4th quarter last fiscal year, and with 4th-quarter AngioSeal revenue somewhat the same this year as the previous year, the upward impact is less. That is the source of the revenue growth slowdown that one might sense here.

On the other hand, sales force investment and R&D spending increased significantly in the 4th quarter. As you can see in the quarterly numbers in the back, this has increased.

As I have mentioned previously, the portion of spending that was slow to happen in the first half shows up in the 4th quarter numbers.

# Revenue by Region

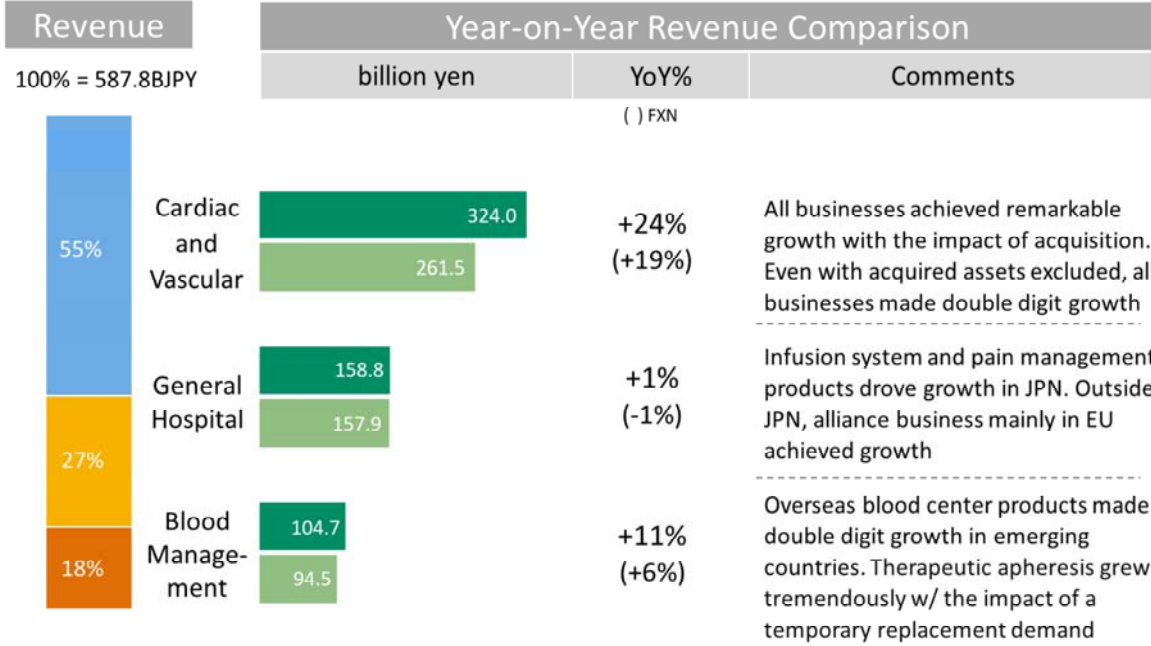


The previous pattern of revenue by region is unchanged.

Japan had a slight increase and regions outside Japan posted double-digit growth. One point I would like to mention is the impact of AngioSeal revenue: It might be asked why AngioSeal strongly pushed up revenue, but there was only a slight increase in Japan. The reason is that AngioSeal has been primarily used in Europe and the United States, whereas the usual treatment in Japan is TRI. Femoral treatment, with which AngioSeal is used, accounts for a mere 10% of treatments in Japan, so its contribution there is small.

# Revenue by Business Segment

FY17YTD  
FY16YTD

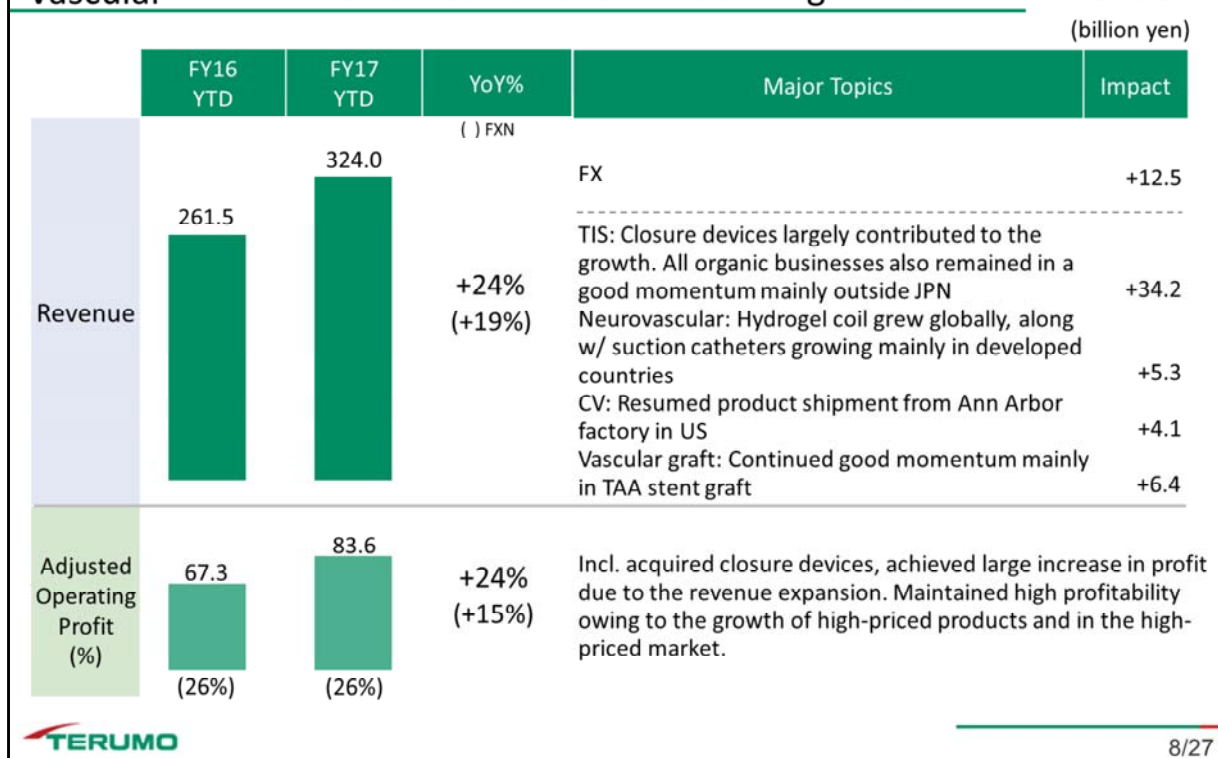


7/27

The numbers by company show that, as usual, the Cardiac & Vascular Company is growing rapidly. Blood Management also grew in double digits. General Hospital grew slightly.



## Cardiac and Vascular : All Businesses Achieved Double Digit Growth in Revenue



Cardiac & Vascular Company saw strong growth in both its existing and acquired business revenue, which resulted in a large increase in operating profit.

The operating profit is expressed here as adjusted operating profit, as I have explained. This can be viewed as essentially the same as the business profit that we previously tracked.

All four divisions are growing in the double digits, and the highest growth is actually in Vascular, where the acquisition of Bolton had the effect of a 50% year-on-year revenue increase.

In FY18 we anticipate that the TIS and Neurovascular businesses will continue their high growth, while CV and Vascular, will of course not grow at the same rate they did in FY17, but instead slow down.

## General Hospital: Steadily Improved Profitability

	FY16 YTD	FY17 YTD	YoY%	Major Topics	Impact
Revenue	157.9	158.8	+1% (-1%)	( ) FXN	
				FX	+1.7
Adjusted Operating Profit (%)	24.4 (15%)	26.8 (17%)	+9% (+7%)	General hospital products: Infusion system mainly drove growth in JPN. Downsized low profitable accounts in US and EU. Maintained good momentum in China and other Asian countries	-0.8
				Pharmaceutical and nutrition: Growth in adhesion barrier and pain management offset sluggish I.V. solutions	-0.1
				Healthcare: Downsized low profitable accounts inside and outside JPN	-0.5
				Alliance: Overseas device sales to global pharma companies for use in drug product kits grew	+0.7
				Improved profitability due to cost reduction in infusion system and pain management products coupled w/ downsizing overseas low profitable accounts for general hospital products. R&D reimbursement from pharmaceutical partners in alliance business	

Here is General Hospital Company.

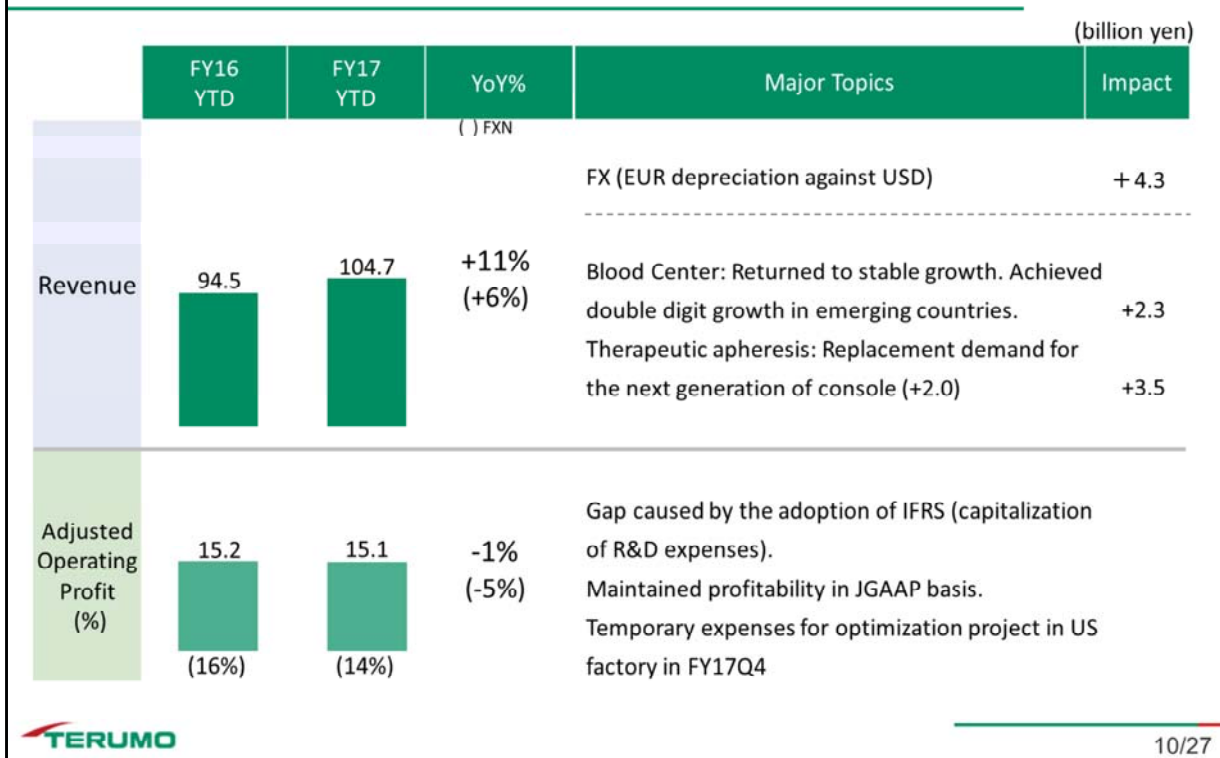
General Hospital revenue was anticipated to grow 1% in the guidance; that number came in slightly lower, but profit ended up growing 9%, strongly outperforming the guidance of 3%.

One other thing I want to mention regarding General Hospital earnings is that the operating profitability is up to 17%. As you are aware, the General Hospital Company saw its operating profitability drop to a low 13% in 2013, and the company focused thereafter on improving profitability. Those efforts have resulted in a gradual increase, and our current mid-term plan includes continuation of that improvement, with a target of around 17%.

However, since the 17% profitability target has been realized early in this past fiscal year, we will pivot to doing some investment in growing the top-line revenue in the General Hospital Company as has been done in other companies, while also continuing to work on further improving profitability.

In recent years, General Hospital has sacrificed some revenue in order to improve profitability, so the timing is right to now grow revenue as well.

## Blood Management: Gaining Back Momentum after Hitting the Bottom in FY16



In Blood Management, revenue is growing well, but there is one point to explain, in adjusted operating profit.

As you can see here, in the previous fiscal year operating profitability was 16%, and then 14% in FY17. Despite that apparent decrease, the headline is "gaining back momentum." The reasons for the apparent drop are two: The transition to IFRS is the first.

The reason lies in capitalization of R&D spending. In IFRS, some R&D spending turned into an asset. Between FY16 and FY17, the amount capitalized is quite different, with the FY16 amount much larger. That portion did not impact the Japanese accounting, but in IFRS that expense amount drops. With that large decrease and this small decrease, the FY16 number comes out much better than the FY17 one. However, if we view this under JGAAP accounting, both are around 14% profitability. In other words, a major factor in this change from FY16 was the difference in capitalization amount.

One other item to explain is that FY17 looks good under JGAAP up to the 3rd quarter. While it was higher by 1% point under JGAAP, we now see it as the same. The reason for this is a one-time expense in the 4th quarter. It involves the transfer of production from an American factory to the Vietnam factory. A project was begun to reduce costs and raise efficiency. In the 4th quarter, consulting fees, inventory amortization, and similar expenses occurred as one-time costs, resulting in this one-point loss of profitability.

These reasons—the IFRS transition and one-time expenses in the 4th quarter—are why we say the business is actually still gaining momentum.

## Major Topics in FY17

### Corporate

- Won “FY2017 Good Design Award” (Oct)
- Selected as “the Health and Productivity Stock Selection” for four consecutive years (Feb)
- Won two awards concerning an internal program to provide employment support for cancer patients, from MHLW and Tokyo Metropolitan Government (Feb, Mar)



### Business

- Established “TIS Mastery Center” at Ashitaka factory to promote innovation (May)
- Opened new facility in Southern CA, US, to enhance R&D and production in endovascular and neurovascular arenas (Sep)
- Announced construction for a new building in Terumo Yamaguchi to reinforce production system for TIS (Dec)
- Integrated two R&D facilities in Silicon Valley, and opened “Terumo Bay Area Innovation Lab.” (Jan)
- Announced an investment of 5.0BJPY in one of subsidiary companies, Vascutek Limited, to reinforce its production facilities (Feb)



11/27

Next, we have the major topics from FY17; in the 4th quarter we had some items which fit Terumo well.

We were selected for the 4th straight year as a Health & Productivity Stock. We won two awards for our internal program to provide employment support for cancer patients, from the Ministry of Health and the Tokyo Metropolitan Government.

Some topics in businesses are about the strengthening of production development that Mr. Sato mentioned is happening under his new management team.

## New Products Pipeline in FY17

Category	Products	Region	Category	Products	Region
Coronary	PTCA balloon	US: FY18	CV	Heart-lung machine (Re-launch)	Launched
	Stent (TRI) ★	FY18		Next generation of oxygenator	JP, US, EU FY18
Peripheral	PTA balloon (TRI) ★	FY18	General Hospital Products	Vertical infusion pump	JP: Launched
	PTA guiding sheath (TRI) ★	FY18		Needleless infusion system for anti-cancer drugs	Launched
	Drug coated balloon	EU: FY18	DM	Insulin patch pump	JP: Approved
	Embolization coil	Launched		New software for automated blood collection system	JP: Launched
Neuro	Distal protection device	Launched			
	Hydrogel coil 3D	Launched			
Oncology	Radioembolization beads (Quirem) ★	Launched			

⊙ Item with large contribution to sales and profit

★ Item with highly innovative technology



12/27

Here is the FY17 new product pipeline. Some items moved into FY18, but on the whole we feel that progress is steady.

## FY18 Guidance (IFRS)

	(billion yen)			
	FY17 Results	FY18 Guidance	YoY%	FY16-18 CAGR
Revenue	587.8	608.0	+3%	+9%
Operating Profit (%)	108.6 (18.5%)	114.5 (18.8%)	+5%	+14%
Adjusted Operating Profit (%)	124.9 (21.3%)	128.5 (21.1%)	+3%	+11%
Profit for the Year	91.3	83.5	-9%	+23%

Average Exchange Rate	USD	111 yen	105 yen
	EUR	130 yen	130 yen



13/27

Our guidance for FY18 is 3% top-line growth, 5-point operating profitability growth, and 3% adjusted operating profit growth.

These numbers are much lower than the previous fiscal year. One major factor behind this is the lack of acquisition effect that we saw in FY17. Another factor is that there is a reimbursement price revision this fiscal year in Japan.

From a revenue perspective, the reimbursement price revision has an impact of more than 5 billion yen. This is approximately a 1% change. An appreciating yen results in an approximately 2% impact. Therefore, when adjusting for the reimbursement price revision and FX impacts, this 3% becomes 6.4%. Our view of revenue growth, in other words, is that it will grow 6.4% organically.

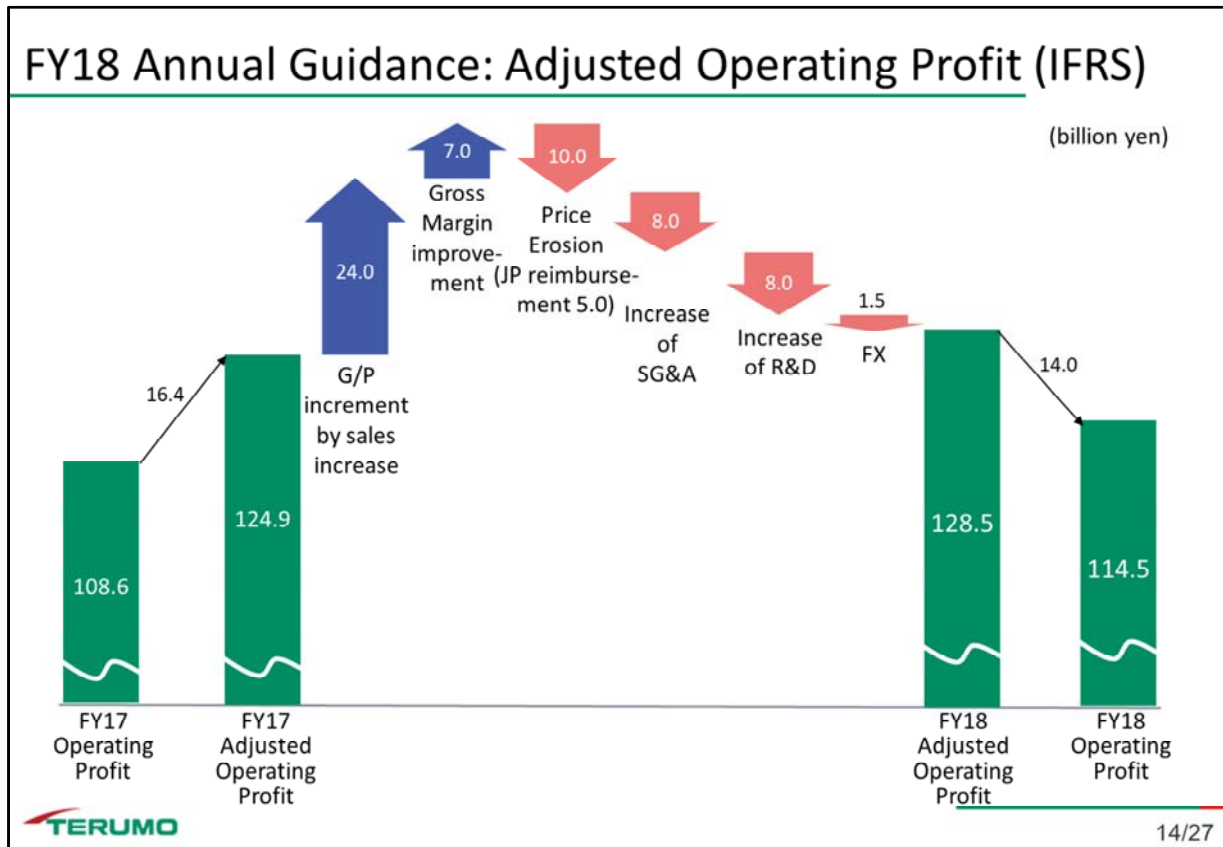
In profit, we anticipated operating profit to grow at 11% and adjusted operating profit at 8%, when excluding the reimbursement price revision and FX impacts.

Further, there is a decrease in profit for the year, but this is because the previous year's amount included the one-time 15.3 billion-yen boost from the United States tax reform; when that is excluded, profit for the year grows 10%.

That is why, when we exclude the aforementioned factors, we feel that we will be growing on an organic basis.

Also, the two-year period of FY17 and FY18 within our mid-term plan represent in our view a

period of large business growth.



Here is the profit variance analysis.

One thing I can say about the variance analysis is that the main factor behind FY18 operating profit growth will be increased revenue. In other words, gross profit growth due to increased revenue. This is the largest factor.

Price erosion is especially large due to including the 5-billion-yen impact of the Japan reimbursement price revision.

In addition, we are anticipating significant increases in SG&A, sales investment, and R&D spending in this fiscal year.

For example, the increased investment in sales will include strengthening the sales force required to sell the WEB product we acquired in the Sequent Medical purchase in FY16, and the stent graft product of Bolton.

In R&D spending, we have various trials underway, for which we anticipate significant cost increases. This expected increase is similar in size to that of FY16, so you can view these numbers accordingly.



## FY18 Guidance

	Revenue		Adjusted Operating Profit		Comments
	billion yen	YoY%	billion yen	YoY%	
Cardiac and Vascular	FY18	341.0	26%	87.5	W/ slowdown in CV and vascular graft businesses, JP reimbursement revision, and FX taken into account, maintain same momentum
	FY17	324.0	26%	83.6	
General Hospital		163.0	15%	25.0	Commencement of depreciation for Yamaguchi factory. Lowered profitability owing to increase of R&D cost (Alliance and DM)
		158.8	17%	26.8	
Blood Management		104.0	16%	16.5	Slight decrease in revenue because of temporary demand for therapeutic apheresis console in FY17. Upward trend for operating profit
		104.7	14%	15.1	



15/27

Commenting by company, one point is that Cardiac & Vascular revenue growth is 5%. That is with most of the 5-billion-yen impact of the reimbursement price revision hitting the Cardiac & Vascular Company. The FX impact, and, as I mentioned, the slowdown of the CV and Vascular businesses are also included in that 5%.

Regarding General Hospital, operating profitability drops two points. The factor behind this is the beginning of amortization of the Yamaguchi factory expansion, which we have undertaken to meet the demand of the Alliance Business. R&D spending is increasing for businesses such as Alliance and DM, and up-front investments for these are included in the guidance. We are confident that the revenue resulting from these investments will cover the costs going forward.

In Blood Management, we anticipate a two-point improvement in operating profitability, as I explained earlier. In revenue, the FX impact, and temporary replacement demand for next generation therapeutic apheresis in FY17 will result in a slight revenue decrease.

## New Products Pipeline in FY18

Category	Products	Region	Category	Products	Region
Access	Closure device for distal radial approach	JP	CV	Next generation of oxygenator	⊙ JP, US
	PTCA balloon	US		Next generation of blood parameter monitoring system	EU, US, Asia
Coronary	PTCA balloon	JP, EU, Asia	Vascular graft	TAA stent graft (low profile)	★ EU
	DES (Ultimaster Tansei)	⊙ JP, EU, Asia		AAA stent graft (Anaconda w/ smaller diameter)	EU
Peripheral	Stent (TRI)	★ JP, US	General hospital product	Portable vascular access imaging device	JP
	PTA balloon (TRI)	★ JP, US	DM	Insulin patch pump	JP
	PTA guiding sheath (TRI)	★ JP, US	Blood Management	New software for automated blood collection system	EU, US, Asia
	Drug coated balloon	⊙ ★ EU		New disposable kits for automated blood component processing system	EU, US, Asia
Neuro	Distal access catheter (Sofia EX)	EU, US			
	Coil assisted balloon	EU, US			

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



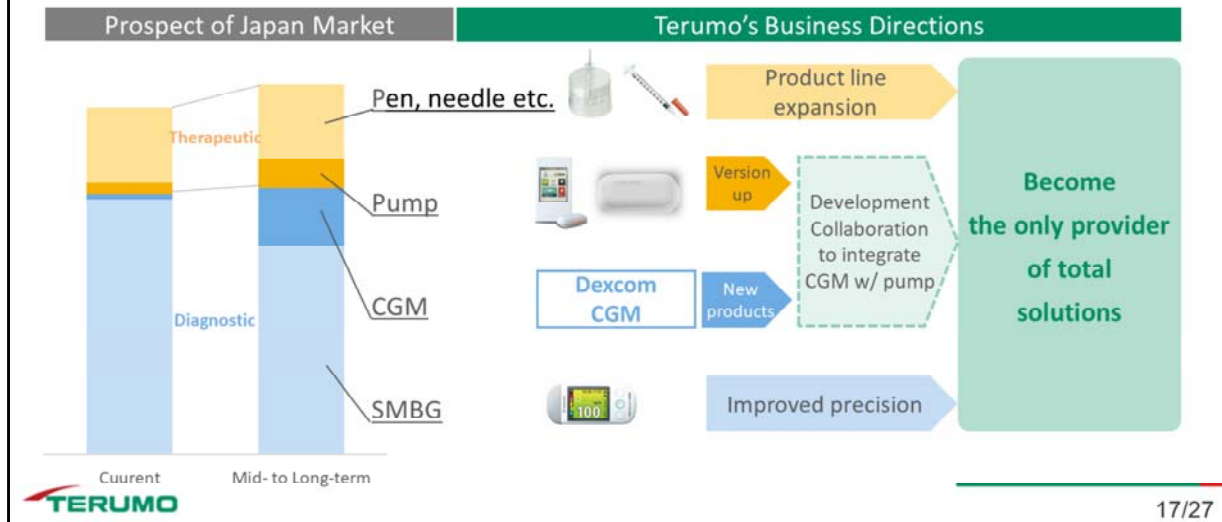
Here is our FY18 product pipeline. This fiscal year, the new DES Ultimaster Tansei will come out in the 2nd half.

Also, the peripheral products that were slightly delayed last year will come out this fiscal year. We will launch a next-generation oxygenator this fiscal year as well.

As you can see, we have a lot of new products coming this year. Not all will have immediate impact, but we are confident in launching a robust pipeline of products going forward.

## DM Business: Distribute Global No.1 CGM in Japan

- Distribute US Dexcom's Continuous Glucose Monitoring devices exclusively in Japan
- Beginning sales in FY18, gradually launch new products over the next few years
- Considering a collaboration to integrate CGM with an insulin pump platform



We announced this week that we have acquired the exclusive distribution rights to the Dexcom CGM product in Japan, and this will contribute to revenue starting in the second half of this year.

In this DM business we previously sold single products such as the SMBG, and the very narrow Nanopass needle for treatment; last year we obtained Japanese regulatory approval for the patch pump.

In addition to these, we then added this CGM product of Dexcom's. Going forward, we are studying a collaboration to integrate the CGM with pump products as a system solution.

This is all to illustrate that the DM business of the General Hospital Company is shifting from a model of single-product revenue to becoming a total solutions provider. To do so, the business will strengthen its product development and sales force across the mid-term.

## Increased FY17 Year-end Dividend up to 27.0JPY

- Maintain stably increase in dividends even after the adoption of IFRS, and aim for the target dividend payout ratio of 30% over the mid to long term
- Increased FY17 annual dividend up to 50.0JPY
- Continue to increase FY18 annual dividend up to 54.0JPY

(billion yen) IFRS basis

	FY17 Results	FY18 Guidance
Profit for the year	91.3	83.5
EPS (JPY)	258	236

Dividend proposal/share	<b>46.0JPY</b> Interim 23.0 Year-end 23.0	<b>50.0JPY</b> Interim 23.0 Year-end 27.0	<b>54.0JPY</b> Interim 27.0 Year-end 27.0
IFRS dividend payout ratio		19.3%	22.9%



18/27

Finally, regarding dividends: we initially announced a dividend of 22 yen for the interim dividend and 22 yen for year end. However, at the time of the interim dividend, we increased these to 23 yen and 23 yen, respectively.

Taking into account factors including the jump in results we saw for FY17, we have raised the year-end dividends to 27 yen.

Regarding this FY18, due to the bar being raised, and although the net income guidance is actually a decrease, we do see that decrease being the result of the previous fiscal year's one-time occurrences, so we have increased the dividend guidance to 27 yen and 27 yen, for a total of 54 yen.

Thank you for your attention. This concludes my explanation.

# Reference

## FY17 Revenue and Growth by Region

(billion yen)

Business Segment	Japan	Outside of Japan					G. Total
		Subtotal	Europe	Americas	China	Asia	
Cardiac and Vascular	54.0 (+6%)	270.0 (+22%)	84.3 (+20%)	119.5 (+26%)	33.9 (+16%)	32.3 (+20%)	324.0 (+19%)
Out of C&V Interventional Systems*	40.8 (+5%)	217.8 (+22%)	67.4 (+17%)	92.0 (+29%)	31.6 (+15%)	26.8 (+20%)	258.6 (+19%)
General Hospital	122.7 (-1%)	36.1 (+1%)	8.7 (-1%)	8.1 (0%)	2.3 (+14%)	17.1 (0%)	158.8 (-1%)
Blood Management	11.9 (-1%)	92.8 (+7%)	25.2 (+4%)	44.1 (+8%)	5.3 (+17%)	18.1 (+8%)	104.7 (+6%)
<b>G. Total</b>	<b>188.9</b> (+1%)	<b>398.9</b> (+16%)	<b>118.2</b> (+15%)	<b>171.6</b> (+20%)	<b>41.5</b> (+16%)	<b>67.6</b> (+11%)	<b>587.8</b> (+11%)

\*Including Neurovascular business

(YoY%): FXN



20/27

## Operating Expenses (IFRS)

(billion yen)

	FY16 YTD	FY17 YTD	YoY	YoY%	YoY% (FXN)
Salaries & Wages	73.9	84.4	+10.5	+14%	+11%
Sales Promotion	15.6	17.8	+2.2	+14%	+11%
Logistical Costs	10.7	12.6	+1.9	+18%	+15%
Depreciation & Amortization	12.6	13.7	+1.1	+9%	+7%
Others	38.1	42.5	+4.4	+12%	+9%
<b>SG&amp;A Expenses Total</b>	<b>150.9</b> (29.4%)	<b>171.0</b> (29.1%)	<b>+20.1</b>	<b>+13%</b>	<b>+10%</b>
<b>R&amp;D Expenses</b>	<b>32.4</b> (6.3%)	<b>41.3</b> (7.0%)	<b>+8.9</b>	<b>+28%</b>	<b>+26%</b>
<b>Operating Expenses Total</b>	<b>183.3</b> (35.7%)	<b>212.4</b> (36.1%)	<b>+29.1</b>	<b>+16%</b>	<b>+13%</b>

## Quarterly Results

(billion yen)

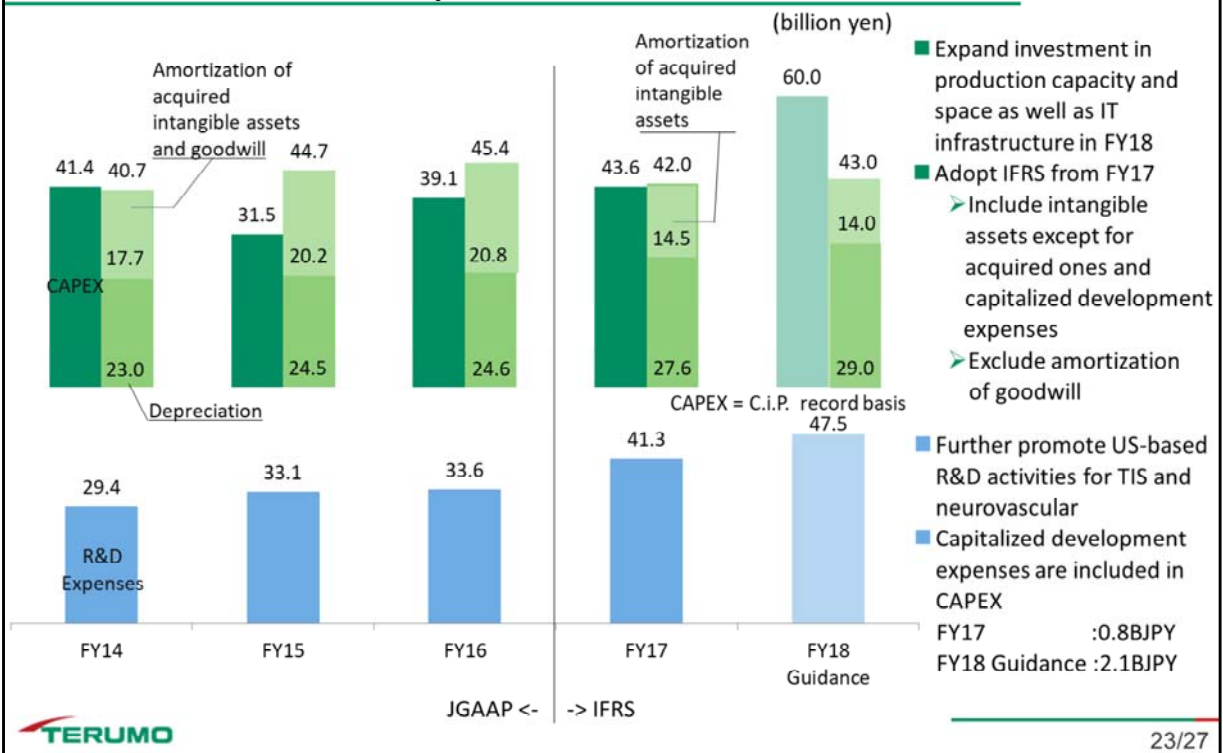
	JGAAP		IFRS			
	FY16Q4 (Jan-Mar)	FY17 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	
Revenue	139.8	139.3	145.3	152.3	150.8	
Gross Profit	74.3 (53.2%)	75.9 (54.5%)	79.5 (54.7%)	83.2 (54.6%)	80.7 (53.5%)	
SG&A Expenses	47.4 (34.0%)	40.2 (28.9%)	41.2 (28.4%)	43.8 (28.7%)	45.9 (30.4%)	
R&D Expenses	9.2 (6.6%)	8.5 (6.1%)	9.8 (6.7%)	10.7 (7.0%)	12.4 (8.2%)	
Other income and Expenses	-	1.2	0.2	0.6	- 0.4	
Operating Profit	17.7 (12.6%)	28.4 (20.4%)	28.7 (19.8%)	29.4 (19.3%)	22.0 (14.6%)	
Adjusted Operating Profit	-	32.1 (23.0%)	32.8 (22.6%)	32.7 (21.5%)	27.4 (18.1%)	
Average Exchange Rate	USD	114 yen	111 yen	111 yen	113 yen	108 yen
	EUR	121 yen	122 yen	130 yen	133 yen	133 yen

 TERUMO

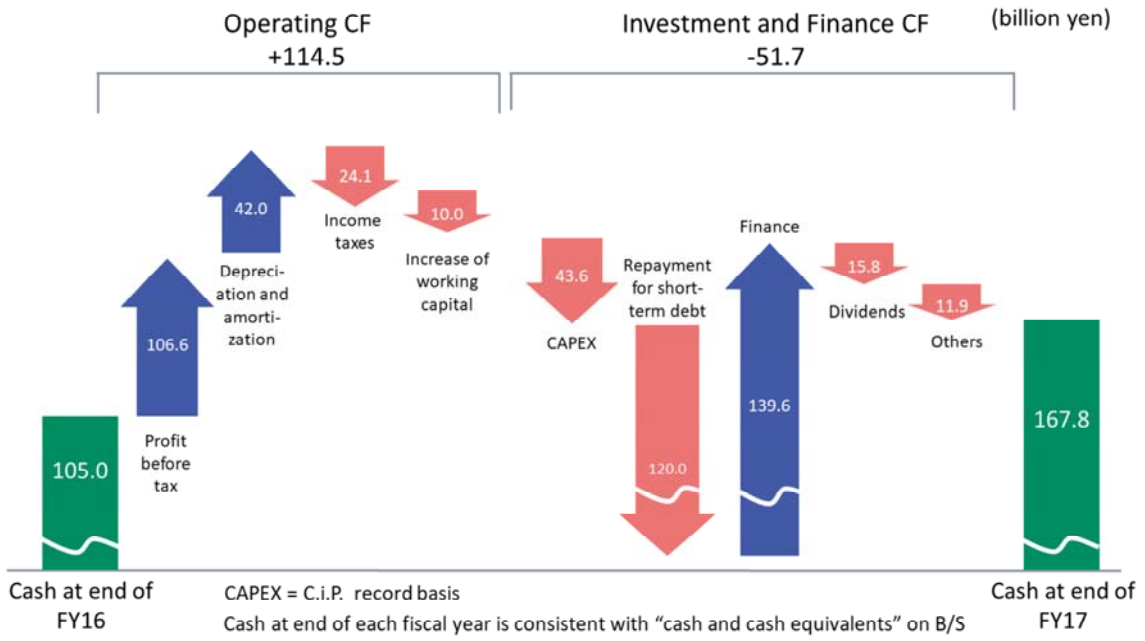
22/27



# CAPEX and R&D Expenses



# FY17 Cash Flow (IFRS)



## Foreign Exchange Sensitivity

(billion yen)

	USD	EUR	CNY
Revenue	1.6	0.8	2.0
Adjusted Operating Profit	0.0	0.5	1.0

<Reference> Impact of +/-10% fluctuation

	North America	Latin America	EMEA		Asia	
			EUR	Others	CNY	Others
Adjusted Operating Profit	-0.1	0.9	6.0	1.3	1.7	3.3

## The Status of Convertible Bonds

### ■ Detail of the bonds (Issued in Dec. 2014)

Maturity	Aggregate principal amount (billion yen)	Coupon	Conversion price (yen)	Contingent conversion trigger price (yen)	Number of shares required to be issued for conversion
Dec, 2019	50.0	0.0%	3,868	5,028	12.9M shares
Dec, 2021	50.0	0.0%	3,868	5,028	12.9M shares
Total	100.0				25.9M shares

### ➤ Allocated treasury shares to the shares issued for conversion

- Status of treasury shares (as of the end of Mar. 2018): Treasury stock cost per share: 3,896JPY, Number of treasury shares: 26.1M shares, % against total number of issued shares: 6.9%

### ■ Status of conversion (as of Mar 31, 2018)

Bonds	Amount of shares issued for conversion (% against the total amount of bond)	Number of shares issued for conversion (% against total number of issued shares)
Convertible Bonds due Dec, 2019	6.47 BJPY (12.9%)	1.7M shares (0.44%)
Convertible Bonds due Dec, 2021	0.06 BJPY (0.1%)	0.02M shares (0.004%)



## *IR Contact*

---

Terumo Corporation

Corporate Communication (IR) Dept.

E-mail: [kouhou\\_terumo01@terumo.co.jp](mailto: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 or 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.