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# **Half Year Financial Results for FYE/Mar 2009**

## **Terumo Corporation**

**30, October 2008**

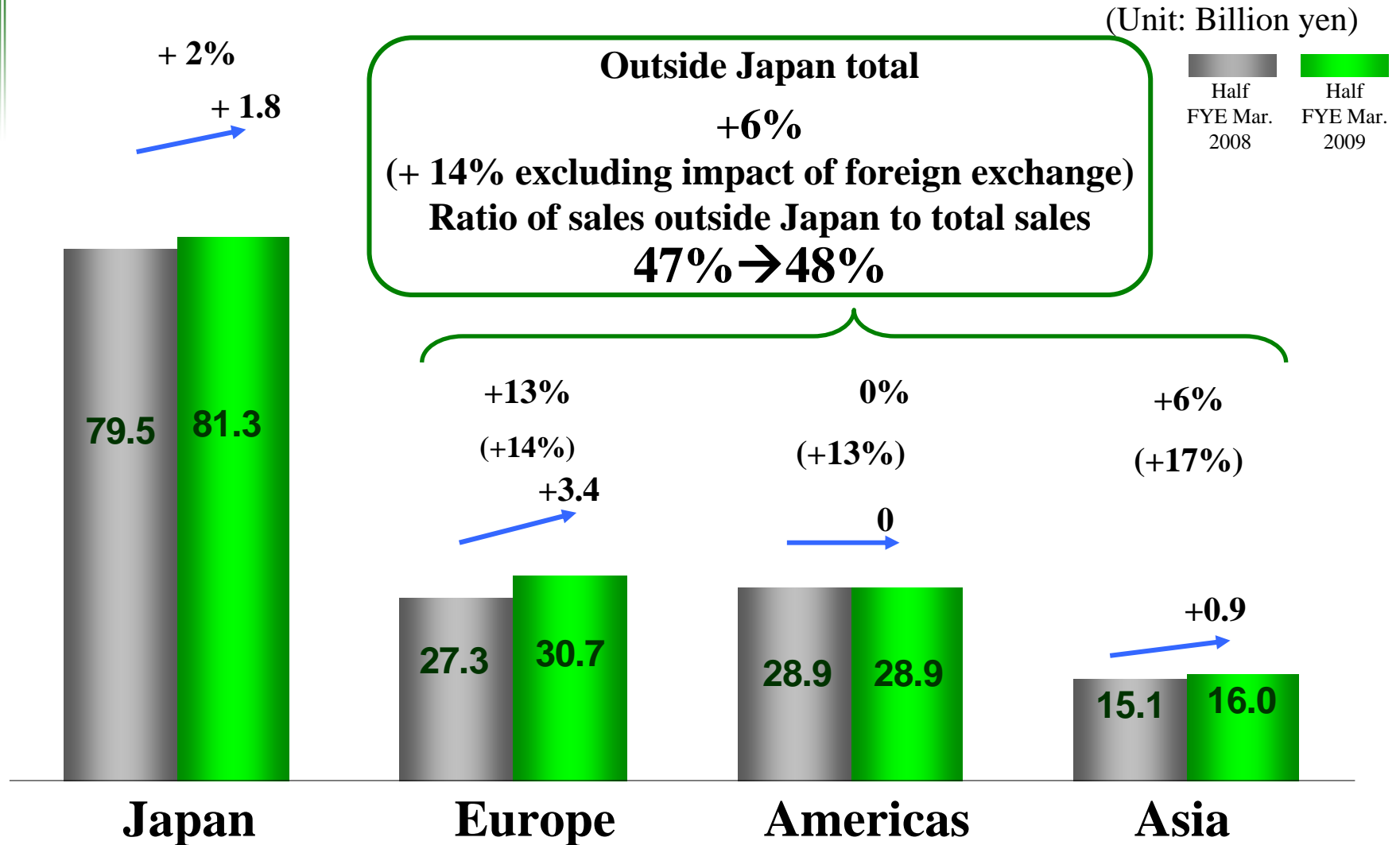
# Sales Increasing But Operating Income decreased

(Unit: Billion yen)

	Q2 FYE/Mar. 2008	Q2 FYE/Mar. 2009	Rate of change
Net Sales	<b>150.8</b>	<b>157.0</b>	<b>4%</b>
Gross profit (%)	<b>82.8 (54.9%)</b>	<b>84.3 (53.7%)</b>	<b>2%</b>
S.G.A Expenses (%)	<b>49.3 (32.7%)</b>	<b>52.8 (33.7%)</b>	<b>7%</b>
Operating Income (%)	<b>33.5 (22.2%)</b>	<b>31.5 (20.0%)</b>	<b>-6%</b>
Ordinary Income (%)	<b>34.0 (22.5%)</b>	<b>32.8 (20.9%)</b>	<b>-3%</b>
Net Income	<b>22.9</b>	<b>23.0</b>	<b>0%</b>
Average exchange rate	1 US\$ 119 yen 1EUR 162 yen	106 yen 163 yen	11.1% yen appreciation 0.3% yen depreciation

# Net Sales (by Region)

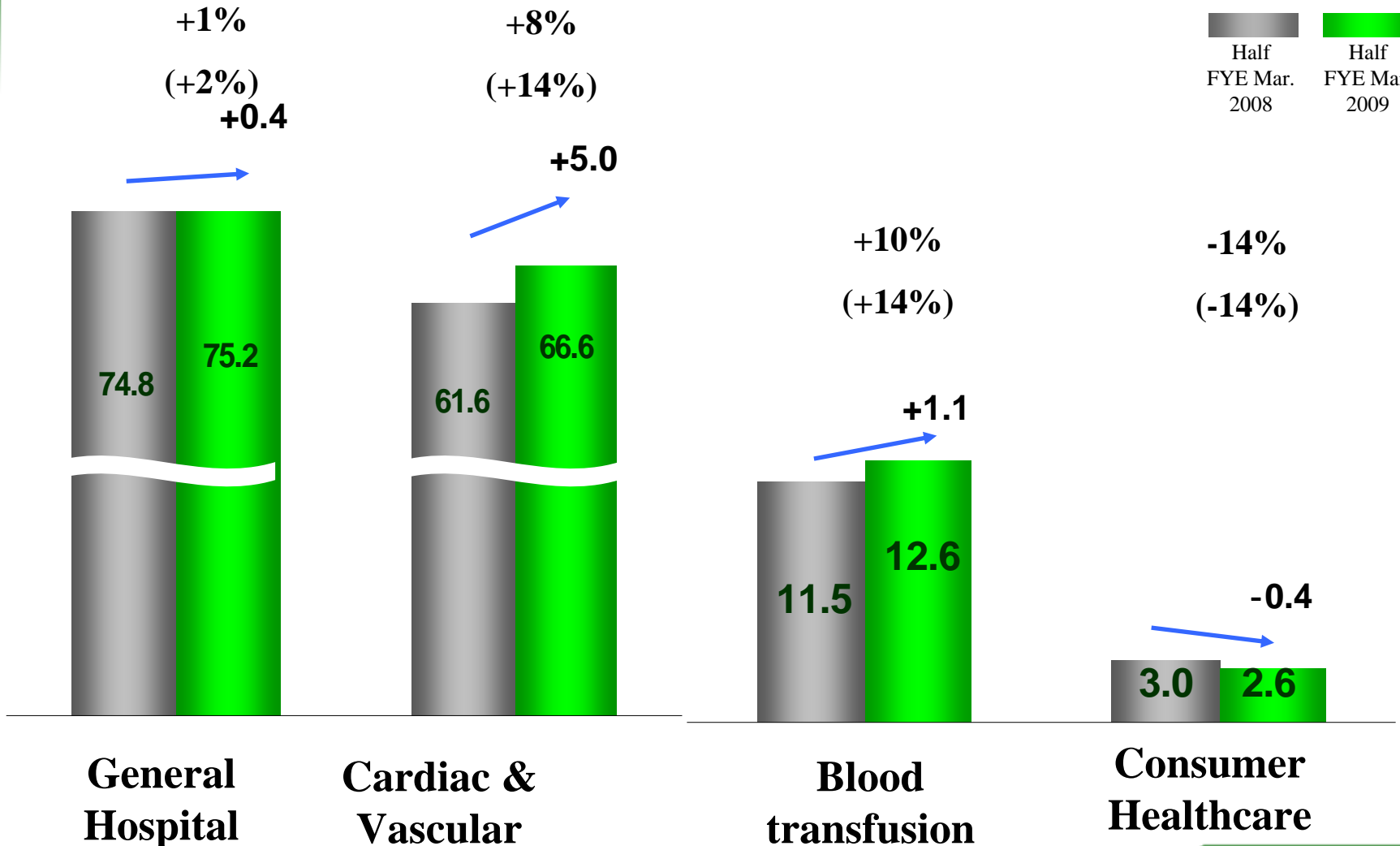
Double-digit growth continuing, excluding impact of foreign exchange



# Net Sales (by Product Group)

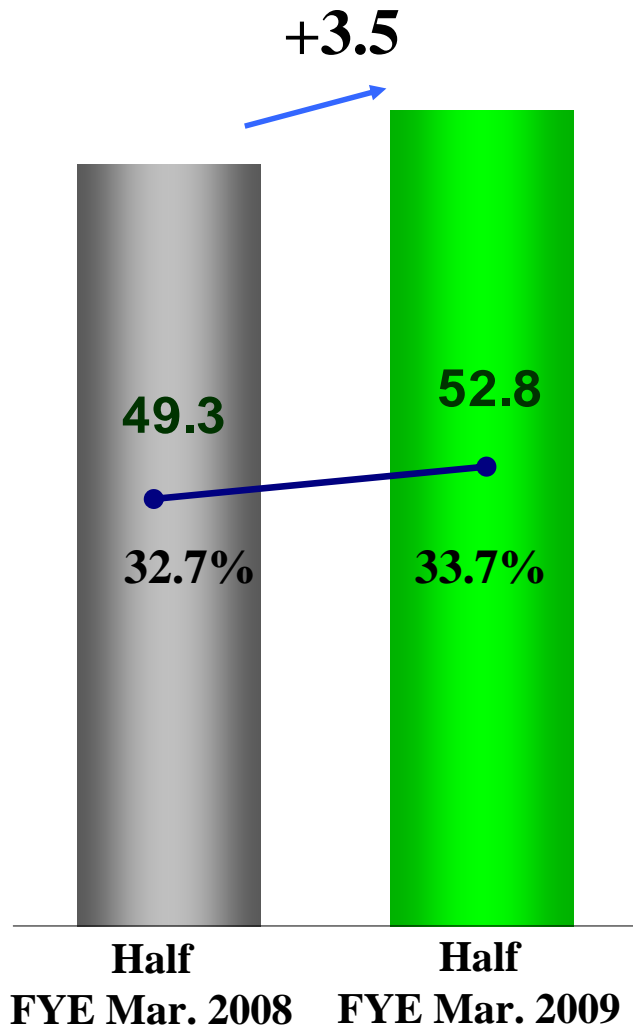
(Unit: Billion yen)

Half FYE Mar. 2008  
 Half FYE Mar. 2009



# S.G.A Expenses

(Unit: Billion yen)

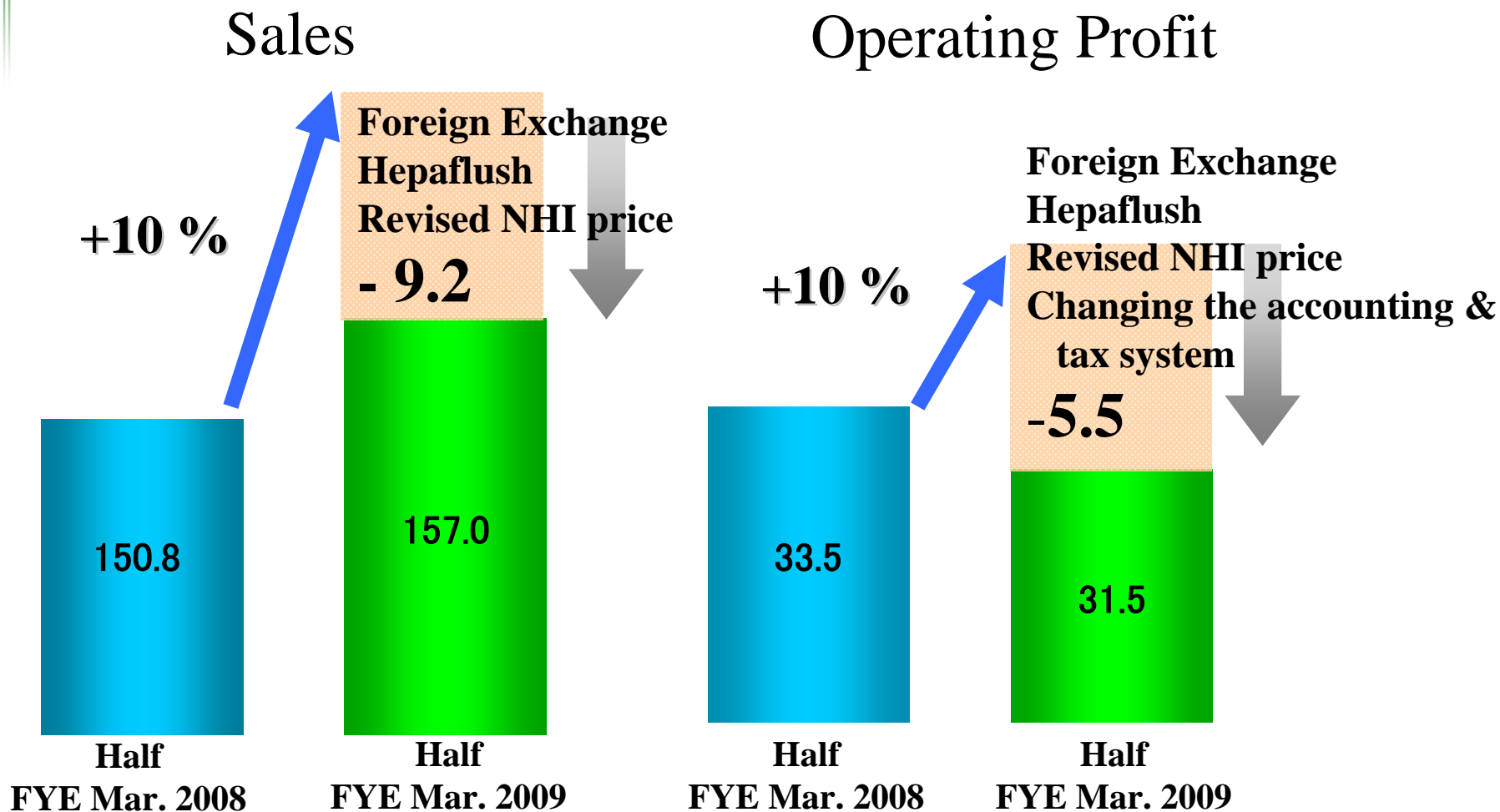


**S.G.A Expenses ratio  
1.0 point increase**

	Half FYE Mar. 2008	Half FYE Mar. 2009	Change	%
Personal	18.3	19.5	+1.2	6.8%
Logistics	4.4	4.7	+0.3	6.5%
Sales and Advertising	4.8	5.2	+0.4	8.2%
R&D	7.8	8	+0.2	2.6%
Depreciation Goodwill	0.6	1	+0.4	65.8%
Others	13.4	14.4	+1.0	7.2%
<b>Total</b>	<b>49.3</b>	<b>52.8</b>	<b>+3.5</b>	<b>7.1%</b>

# The Impact of Uncommon Factors

(Unit: Billion yen)



# With Changing Assumed Exchange Rate

(Unit: Billion yen)

	FYE/Mar 2009 Q2 Results	FYE/Mar. 2009 Revised Fcst.	FYE/Mar. 2009 Original Fcst.
Net Sales	157.0	310.0	318.0
Operating Income (%)	31.5 (20.0%)	62.0 (20.0%)	68.0 (21.4%)
Ordinary Income (%)	32.8 (20.9%)	61.0 (20.9%)	68.0 (21.4%)
Net Income	23.0	40.0	45.0

Average exchange rate  
 1 US\$ 106 yen  
 1EUR 163 yen

101 yen  
 144 yen

100 yen  
 155 yen

Assumed 2<sup>nd</sup> half rate

**1US\$ 95 yen**  
**1EUR 125 yen**

# Topics

◆ **Review of The 1<sup>st</sup> Half**

◆ **Future Market Trends and Strategies**





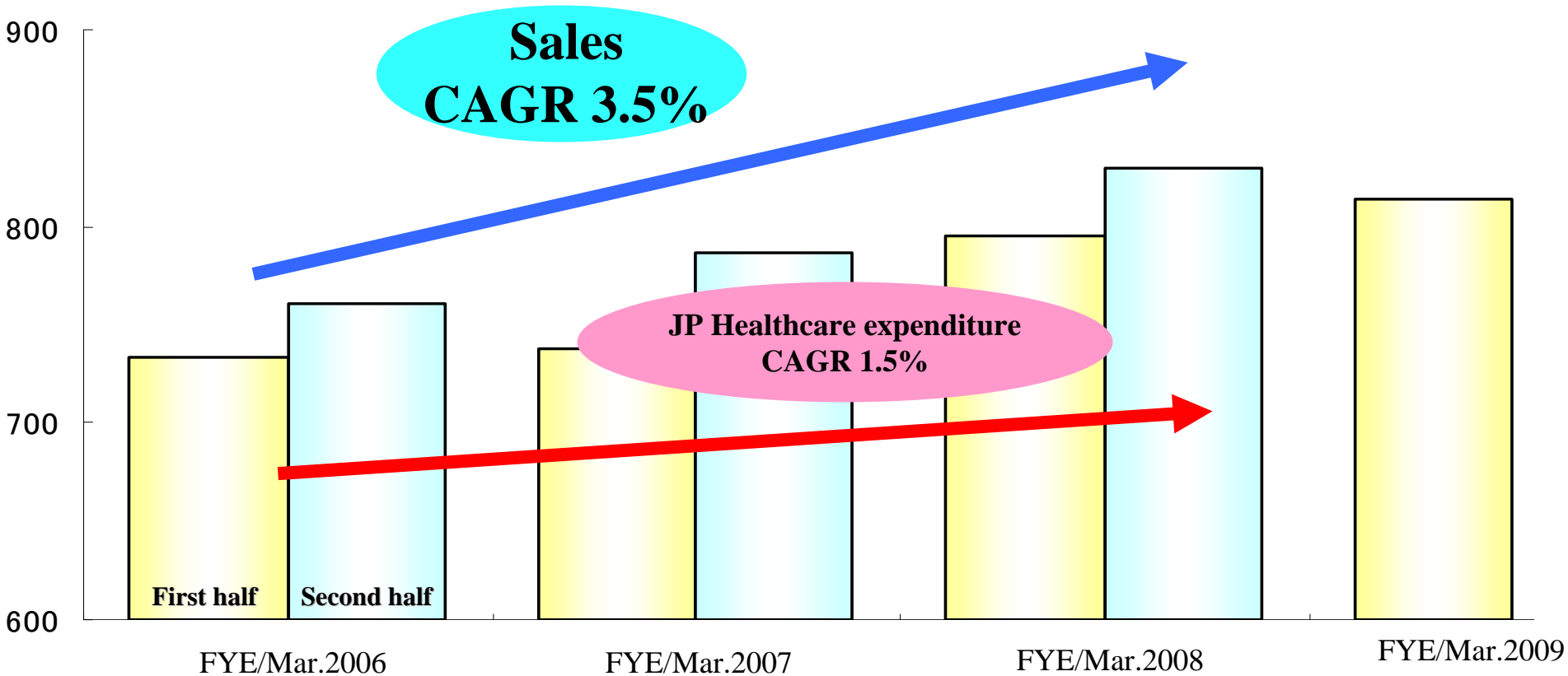
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# **Review of The 1<sup>st</sup> Half**

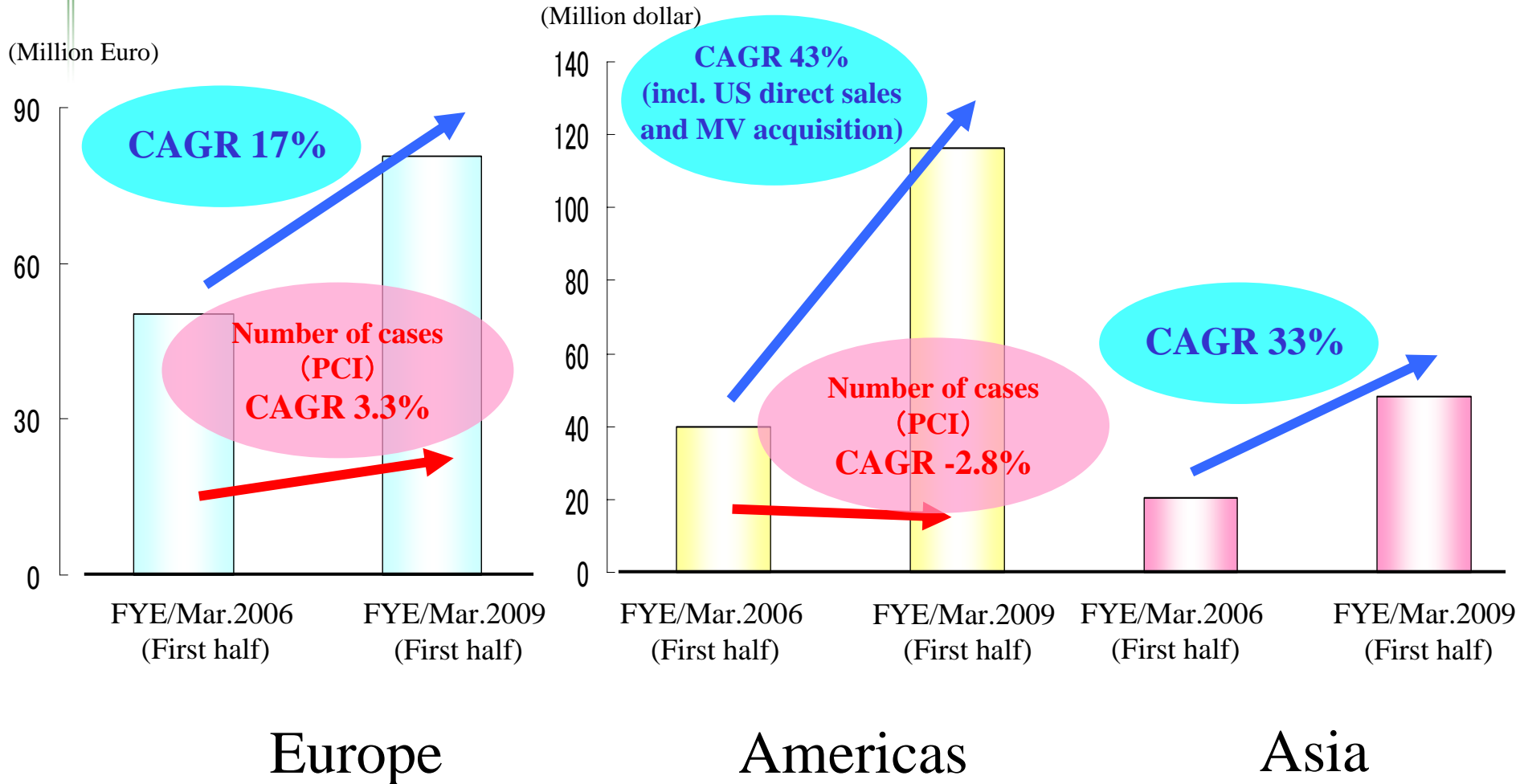
# Japan Business Expanding Stably

- ◆ Market growth is in extremely low, but
- ◆ Our business continuously growing even after NHI price revisions

(Unit: Billion yen)



# Interventional Business Showing Strong Growth in WW



# New Member of Group “Clinical Supply”

- ◆ Already Started to strengthen sales force in Japan
- ◆ International marketing of its products to start in next fiscal year
- ◆ Integration synergy in both development and production



Catheters for angiography



"Sniper"  
Micro catheters





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# **Future Market Trends and Strategies**

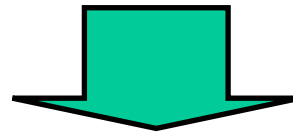
# Things Taking Place, Now...

## Drastic economic changes

**Aging of society in progress**  
**Increasing life style diseases**

**Growth in**  
**healthcare expenditure**

**Tightening of regulations**  
**for medical safety**



**Globally expanding business opportunities**  
**with the keyword “Healthcare Economic Efficiency”**

# Japanese Government Expects Medical Devices To Improve Healthcare Economy

- ◆ In Sep, MHLW announced  
"New Vision of Medical Devices & Medical Technology Industry"
- ◆ The new vision to provide incentive towards product  
development improving economic efficiency in healthcare.

# New Product Launch for Better Healthcare Economy

## ◆ New IV system, “EXFREE”

- A brand new connection method is developed, contributing to safety improvements in IV solutions



## ◆ A new pre-filled syringe: “AtvagoReverse”

- Integrating syringes with two drugs (neostigmine + atropine) contributing to safety and efficiency





## Strategy 2

# Catheterization with “TRI,” Outstanding Healthcare Economy

### ◆ More minimally invasive

-Approaching cardiovascular system from a wrist artery

### ◆ Easy hemostasis

-Drastically shorter time needed than conventional methods (via femoral artery)

### ◆ Enabling patients to walk back home

-Patients can leave by foot, outpatient surgery possible



**“This is TERUMO Territory”  
Pamphlet of TRI-related products**

※TRI (abbreviation of Transradial Coronary Intervention; Transradial = radial artery )

# Terumo = TRI , Global Expansion Through Unique Strategies

◆ A comprehensive range of products from access to hemostasis

◆ From Japan to the world:

Together with the spread and penetration of this procedure

## TRI Penetration rate

Japan : 45%

Europe: 25%

America : 5% or  
below

Asia: 25%



Training Chinese doctors  
(Medical Pranex)



TRI symposium to celebrate the 100th anniversary of  
Japanese emigration to Brazil

※As of March 2008 (Terumo estimates)

# Expanding Interventional Product Lineup

## ◆ Neuro intervention

- Coils for cerebral aneurysms treatment
- + Guidewires -- Launched in Q2
- + Catheters -- Plan to be launched in 2<sup>nd</sup> half



HydroSoft  
( Coils for cerebral aneurysms treatment )

## ◆ Peripheral



MISAGO (stent for femoral artery)



AZUR (coil for visceral arteries)

# Improving Production Capability and Profitability (1)

## Interventional Products

- ◆ Construction of a new building at Ashitaka Plant started
- ◆ Production capability to increase in America and Europe



**A rendering of the new building, Ashitaka Plant**

-20- (Scheduled to start operation in mid-2009)



Terumo Medical CO.  
(U.S.A)



Terumo Europe N.V.  
(Belgium)

# Improving Production Capability and Profitability (2)

## Increase in Production Capability in Asia

- ◆ **Vietnamese plant: started operation in May**
- ◆ **Capacity expansion also planned in China and India**



**Changchun Terumo  
Medical Products CO.,LTD**



**Terumo Penpol LTD.**



**Terumo Vietnam CO.,LTD**

# Value-added Approach & Pursuit of Operational Efficiency

## ◆ Terumo Medical Pranex

Training for medical professionals  
in Terumo Medical Pranex



## ◆ EB (electron beam) sterilization system

- Contributing to shortening lead time and reducing inventories

## ◆ Thoroughly efficient use of general overhead expenses, etc.

## Strategy 6

# Development of Globally Important New Products

## Making Steady Progress

### ◆DuraHeart

- Clinical tests started in America (July)  
and in Japan (October) in succession
- Sales steady in Europe

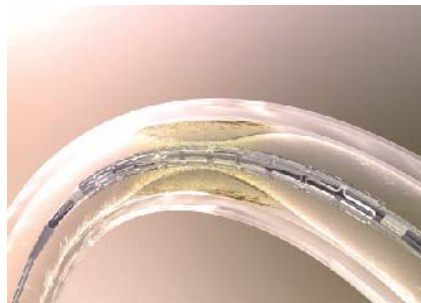


Duraheart

( Left Ventricular Assist System )

### ◆Nobori

- Enrollment in Japan completed
- Sales steady in Europe, drawing distinction from competitor's price
- Contributing to sales increase of PTCA and other peripheral products



Nobori

( Drug eluting stent )

# Summary

◆ **Global economy in confusion, but business opportunities increasing**

◆ **Keyword is “Healthcare Economic Efficiency”;**

**Terumo’s strategy = Needs of the age**

◆ **Phoenix2010 in progress toward better and increased profitability**

<Topic>

**Own shares acquisition is just resolved during the board of directors meeting today.**

**(up to 4M shares / JPY 20B valued).**



# *IR Contact*

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