

**Financial Results for the First Half
of the Fiscal Year Ending March 31, 2013**

**Terumo Corporation
October 30, 2012**

Consolidated 1H Results

(billions of yen)

	1H Mar. 2012	1H Mar. 2013	YoY%
Net Sales	190.7	191.8	+ 1%
Gross Profit	103.1 (54.1%)	100.5 (52.4%)	- 3%
SG&A Expenses	57.1 (29.9%)	59.9 (31.2%)	+ 5%
R&D Expenses	11.4 (6.0%)	12.4 (6.5%)	+10%
Operating Income	34.6 (18.2%)	28.2 (14.7%)	-19%
(Excl. Amortization of goodwill)	38.4 (20.2%)	32.0 (16.7%)	-17%
Ordinary Income	31.3 (16.4%)	24.2 (12.6%)	-23%
Net Income	17.7 (9.3%)	14.5 (7.6%)	-18%
EBITDA (Operating Income + Depreciation)	48.8	43.7	-10%
Average Exchange Rate	US\$ 80 yen EUR 114 yen	79 yen 101 yen	

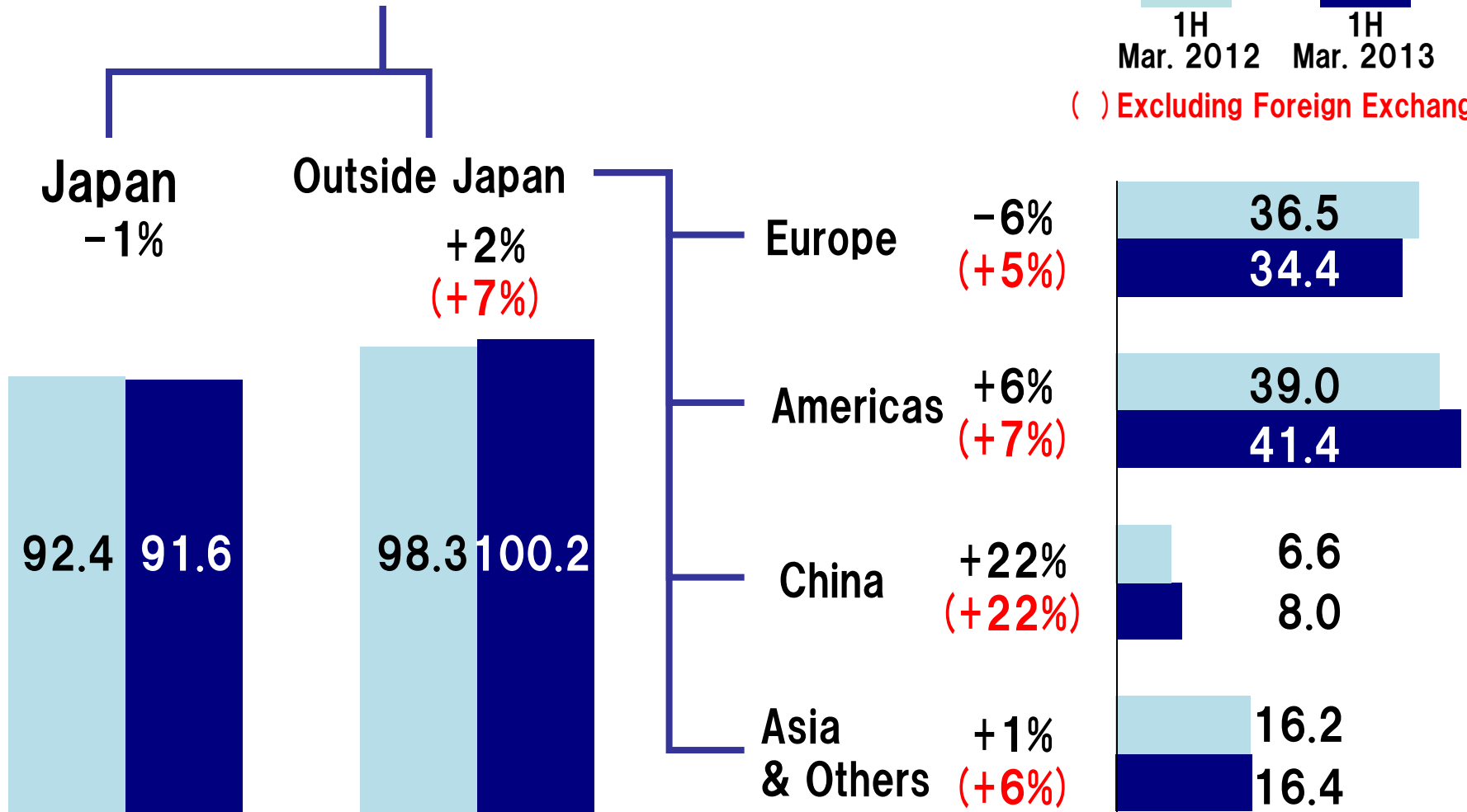
Net Sales (by Region)

Consolidated: +1% (+3%)

(billions of yen)

1H Mar. 2012 1H Mar. 2013

() Excluding Foreign Exchange

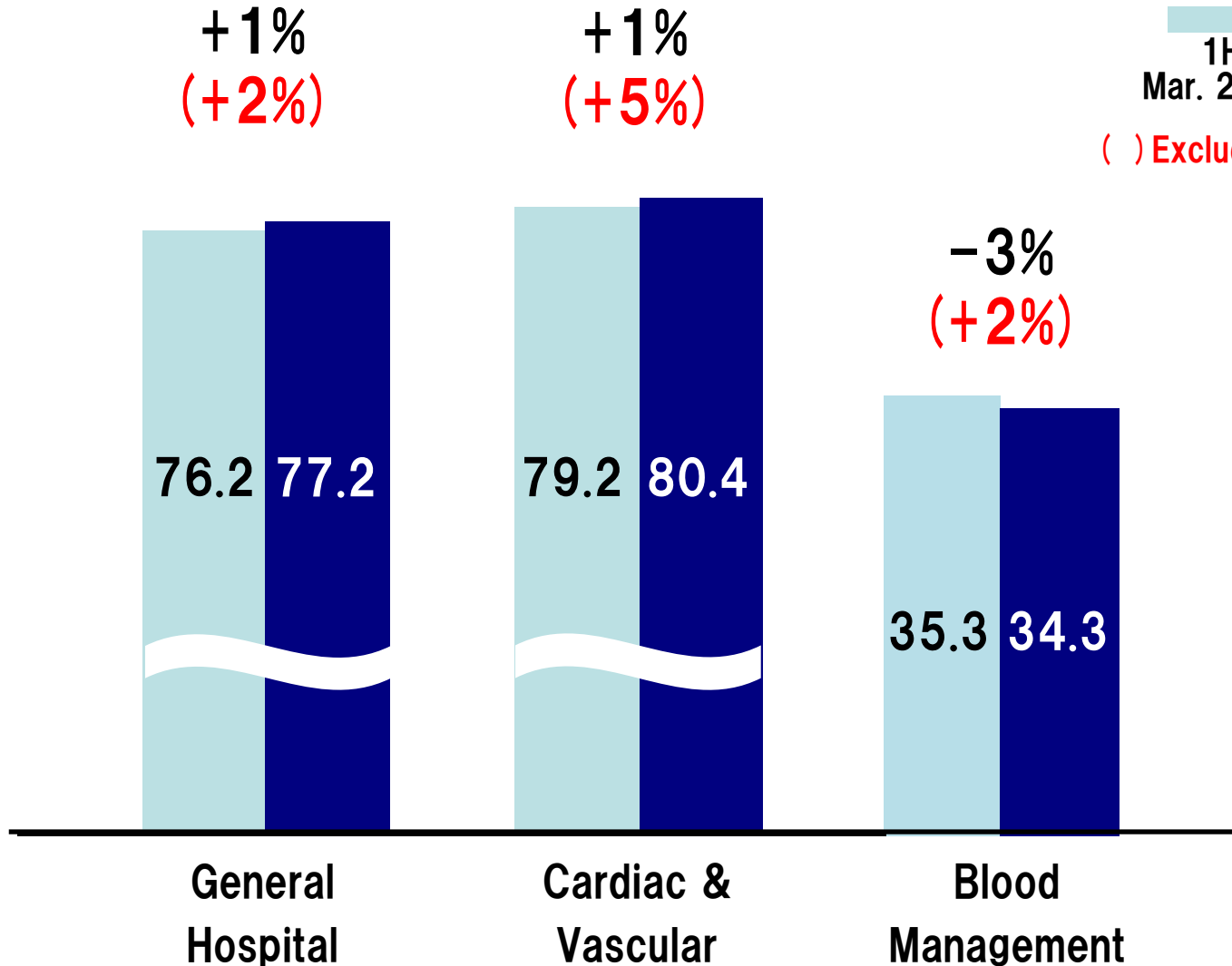


Net Sales (by Business Segment)

(billions of yen)

1H Mar. 2012 1H Mar. 2013

() Excluding Foreign Exchange



1H Net Sales (by Business Segment, JP/Outside JP)

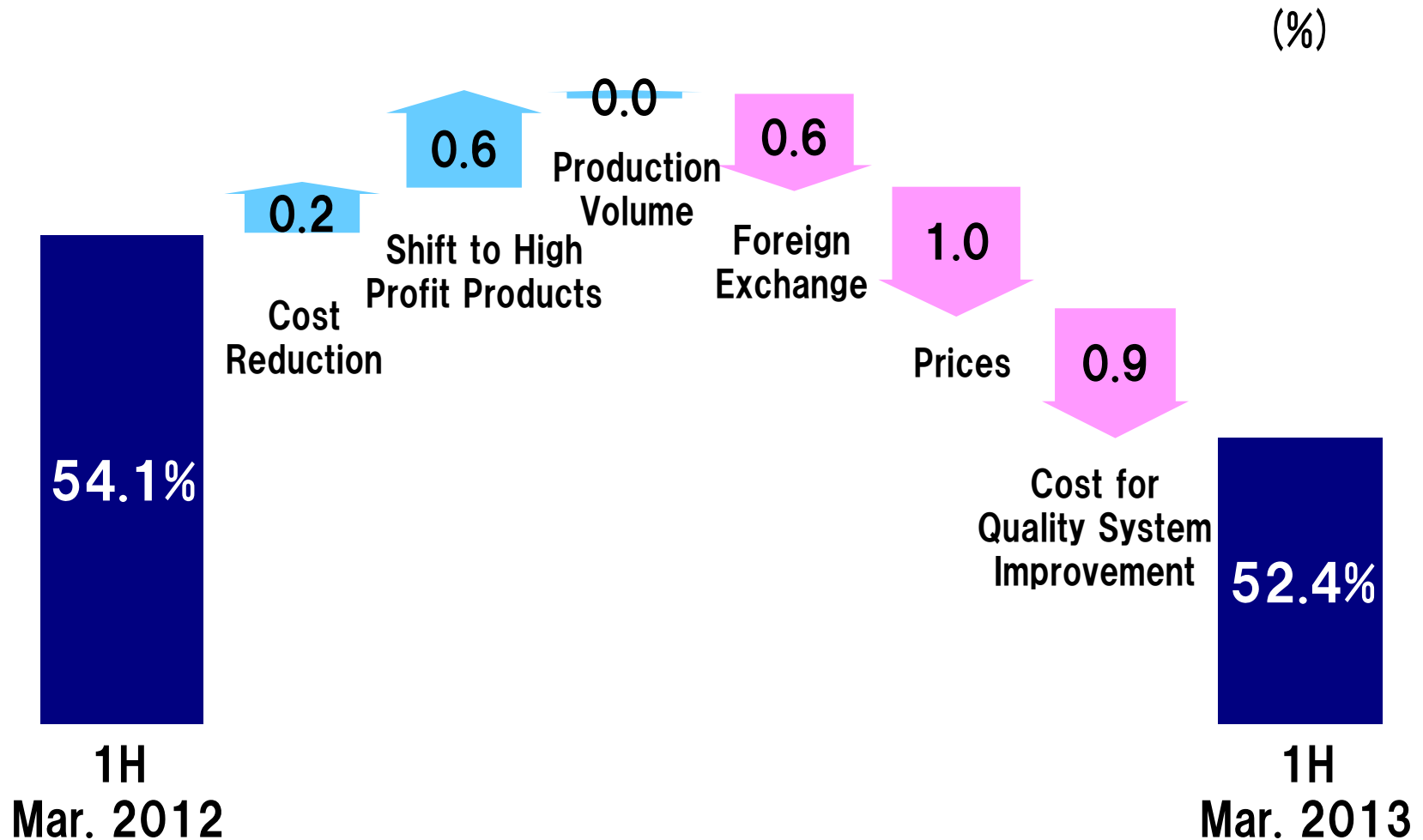
1H (Apr – Sep)

(billions of yen)

Business Segment	Japan	Outside of Japan Total	Europe	Americas	China	Asia & Others	G·Total
General Hospital	62.7 (3%)	14.4 (1%)	4.8 (-0%)	3.5 (2%)	0.6 (32%)	5.5 (-1%)	77.2 (2%)
Cardiac & Vascular	22.8 (-11%)	57.5 (12%)	20.7 (11%)	23.7 (12%)	6.3 (24%)	6.9 (10%)	80.4 (5%)
Blood Management	6.0 (6%)	28.3 (1%)	8.9 (-2%)	14.2 (1%)	1.2 (11%)	3.9 (10%)	34.3 (2%)
G·Total	91.6 (-1%)	100.2 (7%)	34.4 (5%)	41.4 (7%)	8.0 (22%)	16.4 (6%)	191.8 (3%)

(YoY %) : Excluding Foreign Exchange

Gross Profit Variance Analysis



SG&A Expenses

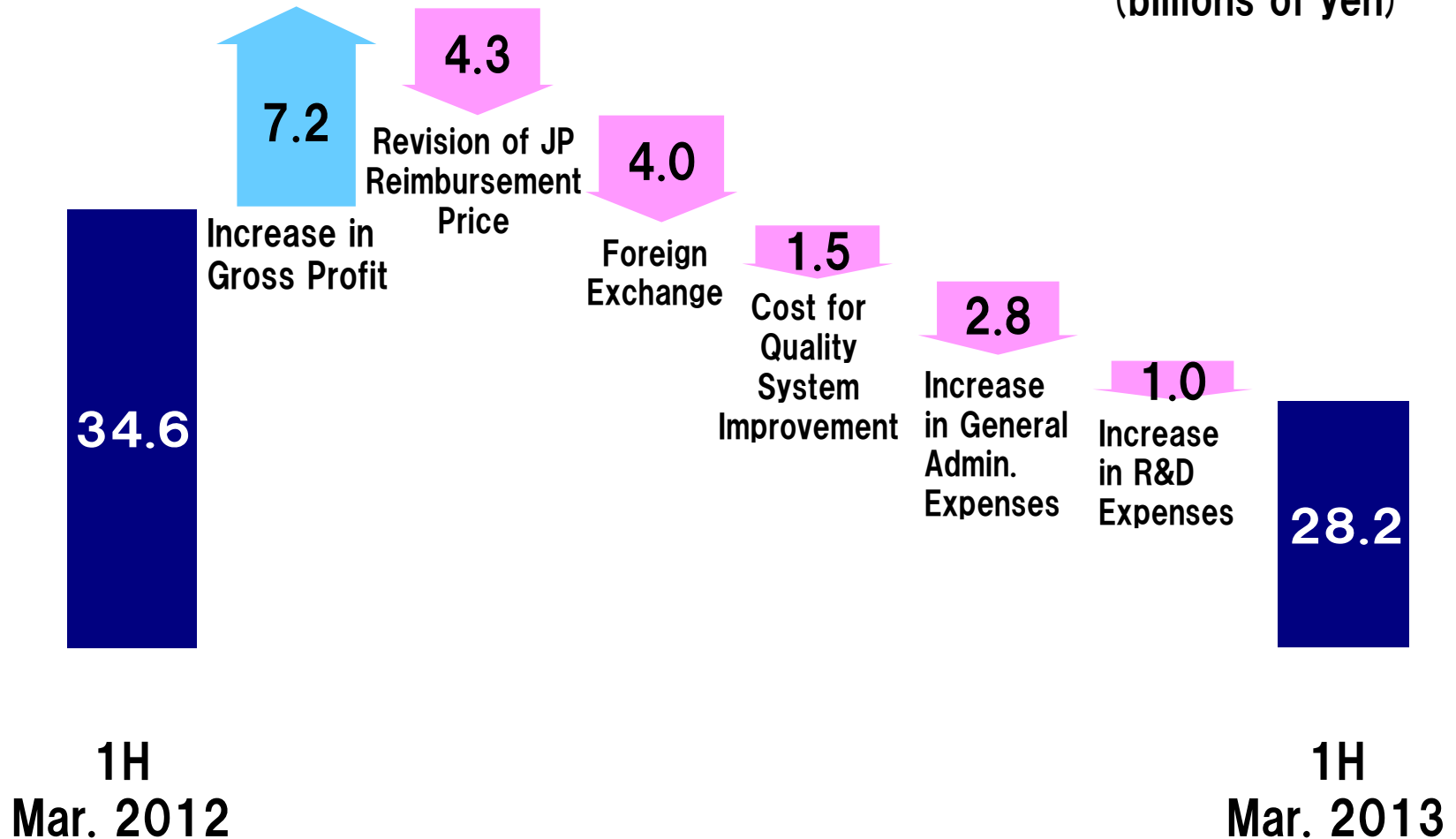
(billions of yen)

	1H Mar. 2012	1H Mar. 2013	YoY	YoY%
Salaries & Wages	24.2	25.4	+1.2	+5%
Sales Promotion	5.4	5.7	+0.3	+5%
Logistical Costs	5.1	5.0	-0.1	-1%
Depreciation & Amortization	8.6	8.6	- 0	-0%
Others	13.8	15.2	+1.4	+9%
General Administrative Total	57.1 (29.9%)	59.9 (31.2%)	+2.8	+5%
R&D Expenses	11.4 (6.0%)	12.4 (6.5%)	+1.0	+10%
SG&A Expenses Total	68.5 (35.9%)	72.3 (37.7%)	+3.8	+6%

() %: Against net sales

Operating Income Variance Analysis

(billions of yen)



1H Forecast vs. 1H Results

(billions of yen)

	1H Forecast	1H Results	Variance	1H Progress
Net Sales	195.0	191.8	-3.2	98%
Operating Income	28.5 (14.6%)	28.2 (14.7%)	-0.3	99%
Ordinary Income	27.5 (14.1%)	24.2 (12.6%)	-3.3	88%
Net Income	16.0 (8.2%)	14.5 (7.6%)	-1.5	91%

Key Facts

1. Nobori® sales in JP (-)
2. Impact of foreign exchange (-)
3. Strong sales in interventional systems outside JP (+)

Average Exchange Rate	Forecast	Results
US\$	80 yen	79 yen
EUR	105 yen	101 yen

Consolidated Results: Q1 to Q2

(billions of yen)

	Q1 Results	Q2 Results	Variance	Variance %
Net Sales	95.9	96.0	+0.1	+0%
Gross Profit	51.7 (53.9%)	48.8 (50.9%)	-2.9	-6%
Operating Income	15.5 (16.1%)	12.7 (13.3%)	-2.8	-18%

Average Exchange Rate	Q1	Q2
US\$	80 yen	79 yen
EUR	103 yen	98 yen

Factors for lowered gross profit

1. Foreign exchange -1.0 billion yen
2. Lower factory utilization ratio -1.1
3. Product mix -0.6
4. Others -0.2

■ Gross Profit in 2H will be maintained at same level as 1H

Q2: Strong in Overseas C&V, Recovery in Blood Management

Q2 (Jul – Sep)

(billions of yen)

■ The challenges are General Hosp and C&V in Japan

Business Segment	Japan	Outside of Japan Total	Europe	Americas	China	Asia & Others	G·Total
General Hospital	31.5 (1%)	7.5 (4%)	2.4 (8%)	1.9 (2%)	0.3 (22%)	2.9 (0%)	39.0 (2%)
Cardiac & Vascular	11.1 (-19%)	28.2 (14%)	9.7 (12%)	11.9 (15%)	2.9 (12%)	3.6 (18%)	39.3 (2%)
Blood Management	3.4 (18%)	14.2 (4%)	4.5 (0%)	7.1 (2%)	0.7 (11%)	2.0 (20%)	17.7 (6%)
G·Total	46.1 (-3%)	49.9 (9%)	16.7 (8%)	20.9 (9%)	3.9 (12%)	8.5 (12%)	96.0 (3%)

(YoY %) : Excluding Foreign Exchange

Key Initiatives in 2nd Half

- **Regain Nobori market share in JP by re-emphasizing its strengths**
 - **Advantages in particular lesions, Long-term safety & efficacy**

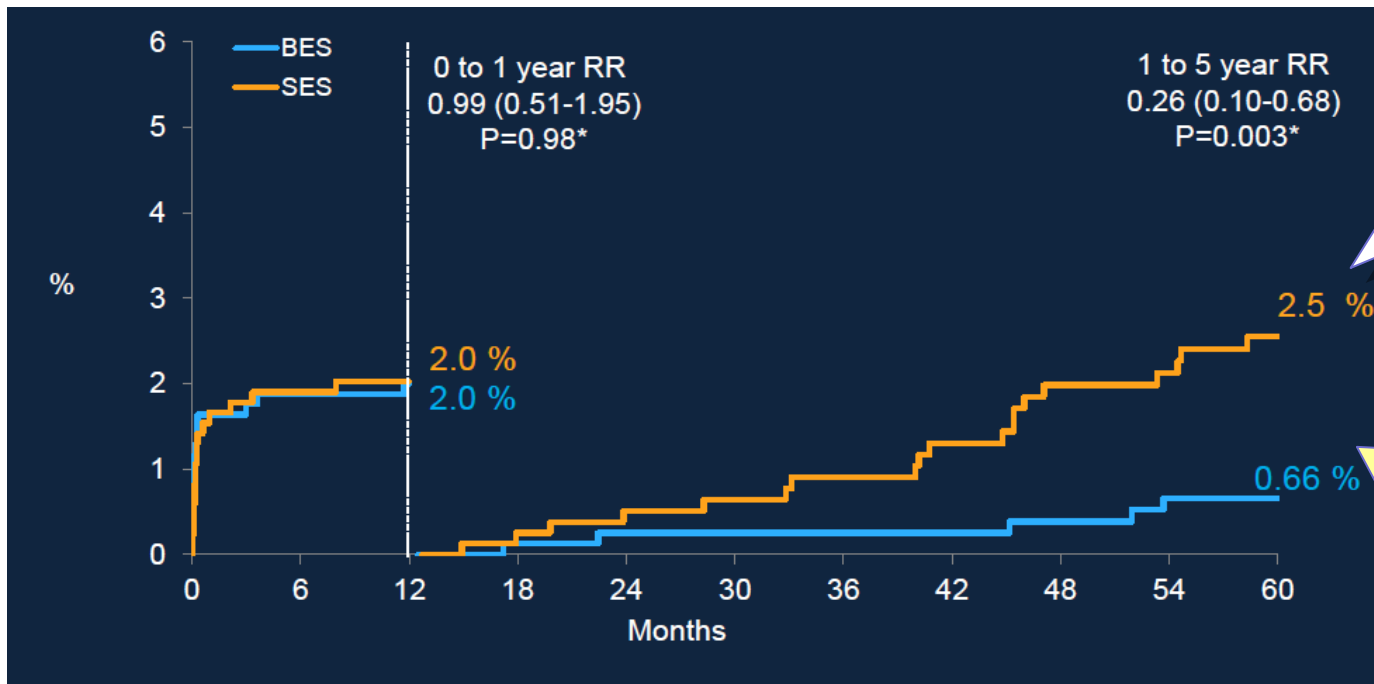
- **Strengthen General Hospital business in JP**
 - **Broaden the product lineup in infusion system**
 - **FULCALIQ® (Total parenteral nutrition in safety enhanced bag) – Oct**
 - **TERUFUSION® (Infusion & syringe pump) – Nov**
 - **SURFLO® V3 (I.V. catheter) – Nov**

- **US-TCVS: Solidly correspond to FDA requirements**

Nobori Long-term Safety Presented at TCT

- Biodegradable polymer DES (same drug & polymer as Nobori) was compared w/ durable polymer DES
- “Nobori is significantly lower in stent thrombosis in long-term”

LEADERS 5 years: Stent Thrombosis Rate



Sirolimus
Eluting Stent
(Durable polymer)
<Cypher>

Biolimus
Eluting Stent
(Biodegradable
polymer)
<Nobori, BioMatrix>

Comparison between Biolimus eluting stent (BioMatrix)* & Sirolimus eluting stent (Cypher)

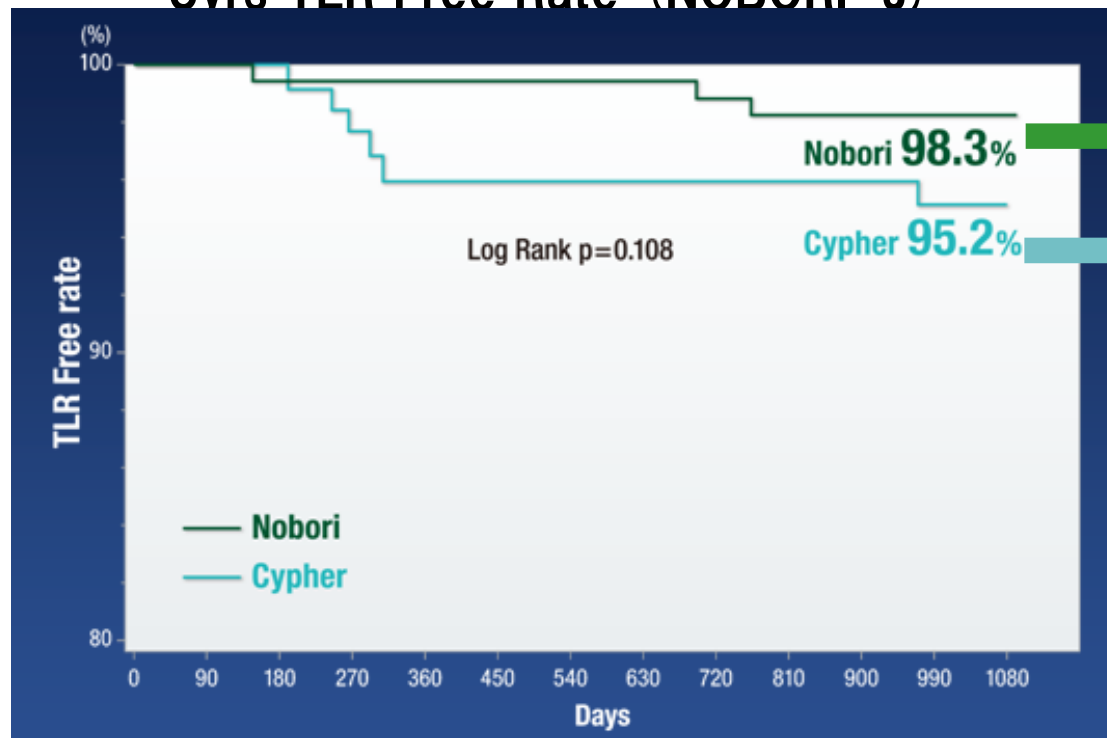
(* Same drug and polymer as Nobori)

<Reference>: TCT 2012 LEADERS 5 years, Patrick Serruys MD, PhD

Nobori Long-term Efficacy (JP Study) Presented at TCT

- Revascularization rate of Nobori tended to be lower than Cypher in the long-term
- Differences in revascularization between the two at 2yrs and 3yrs increased

3yrs TLR Free Rate (NOBORI-J)



Revascularization: 1.7%

Revascularization: 4.8%

Reference

CAPEX, R&D Expenses

(billions of yen)

	Mar. 2013 Forecast	1H Mar. 2013 Result	YoY
CAPEX*	38.0	15.1 (40%)	+2.8
Depreciation & Amortization*	32.5	15.5 (48%)	+1.3
R&D Expenses	27.0	12.4 (46%)	+1.0

?: Progress to forecast

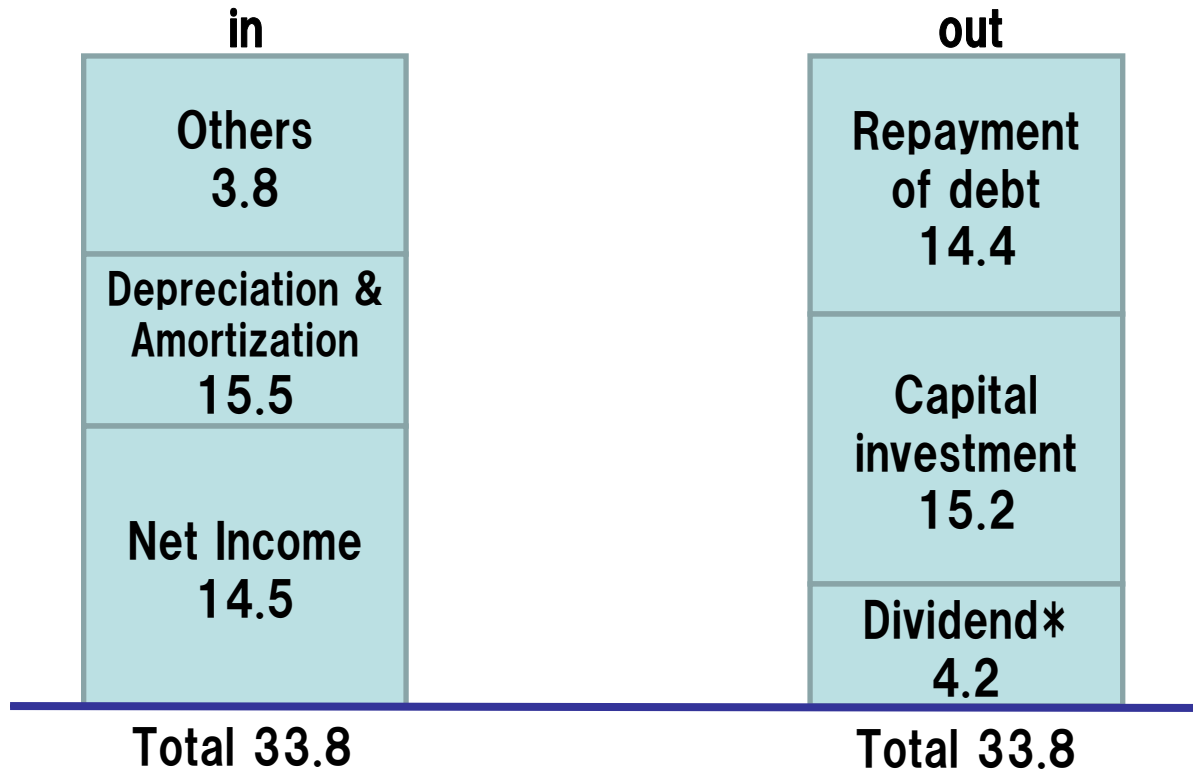
* Including intangibles

CAPEX: acquisition basis

1H Cash Flow

(billions of yen)

- Cash was used in good balance among capital investment for sustainable growth, repayment of debt, and dividend.



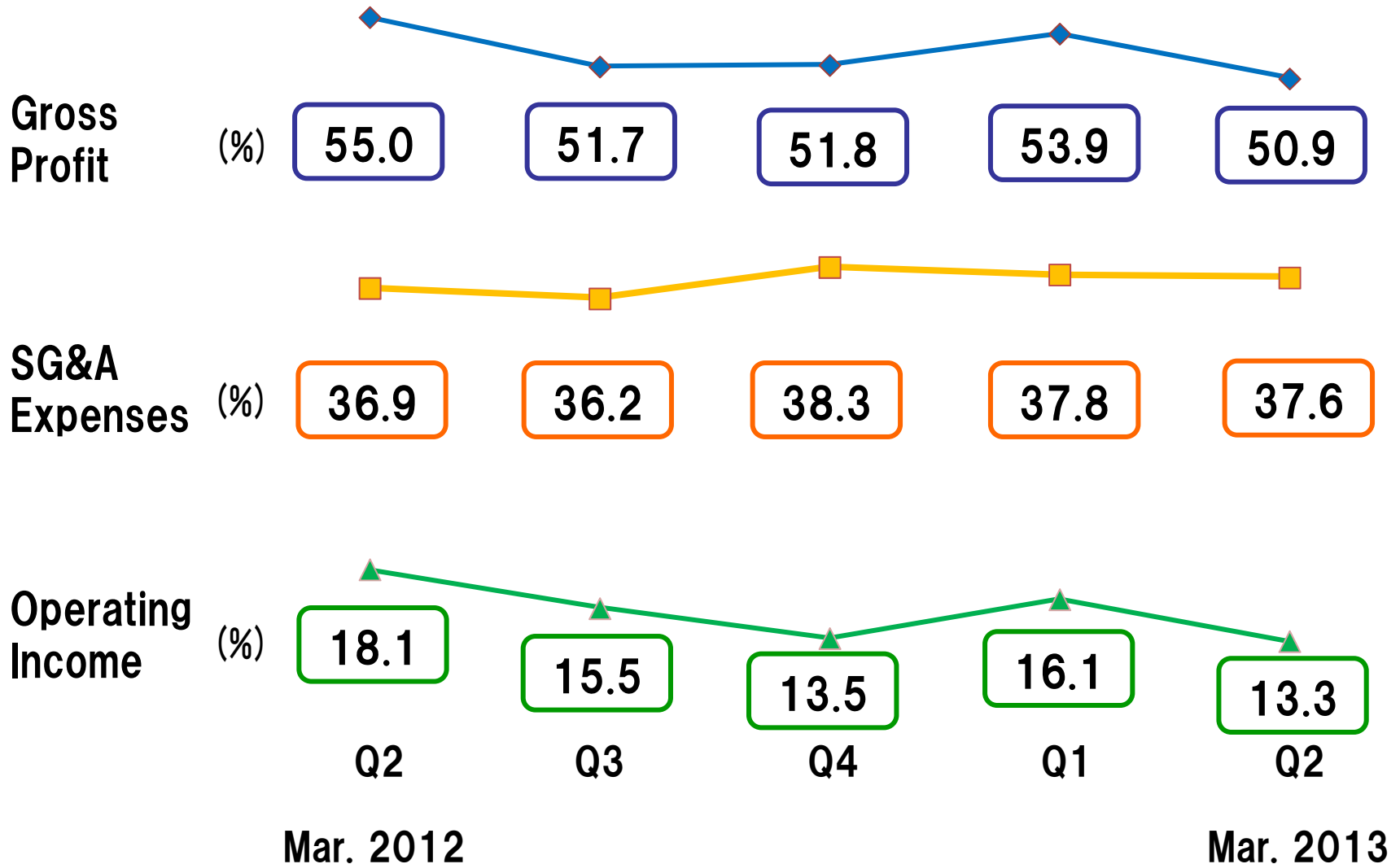
*Target dividend payout ratio of 30% over mid-long term

Foreign Exchange Sensitivity

(billions of yen)

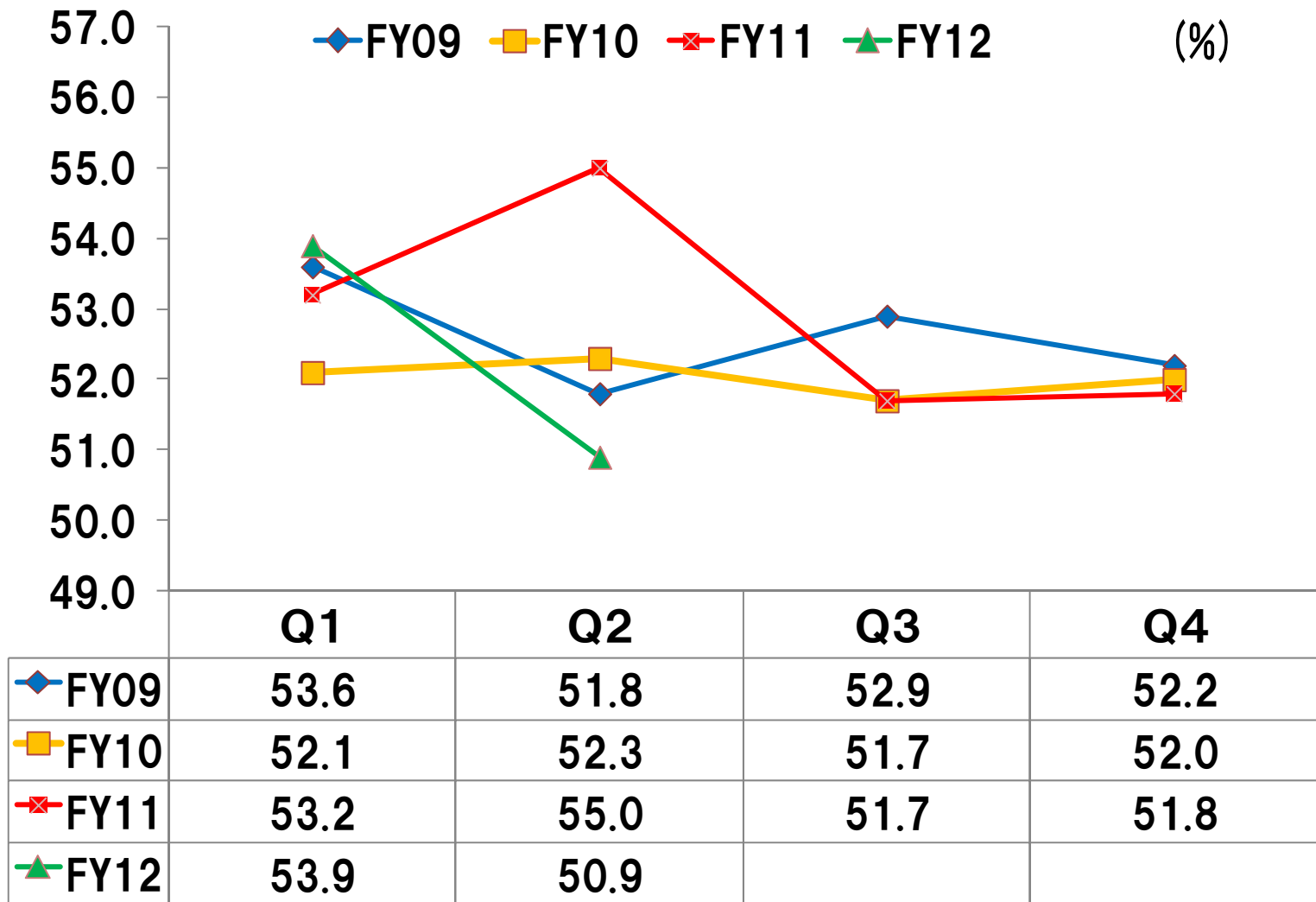
	US\$	EUR
Net Sales	1.7	0.7
Operating Income	0.3	0.4

Gross Profit, SG&A Expenses, Operating Income



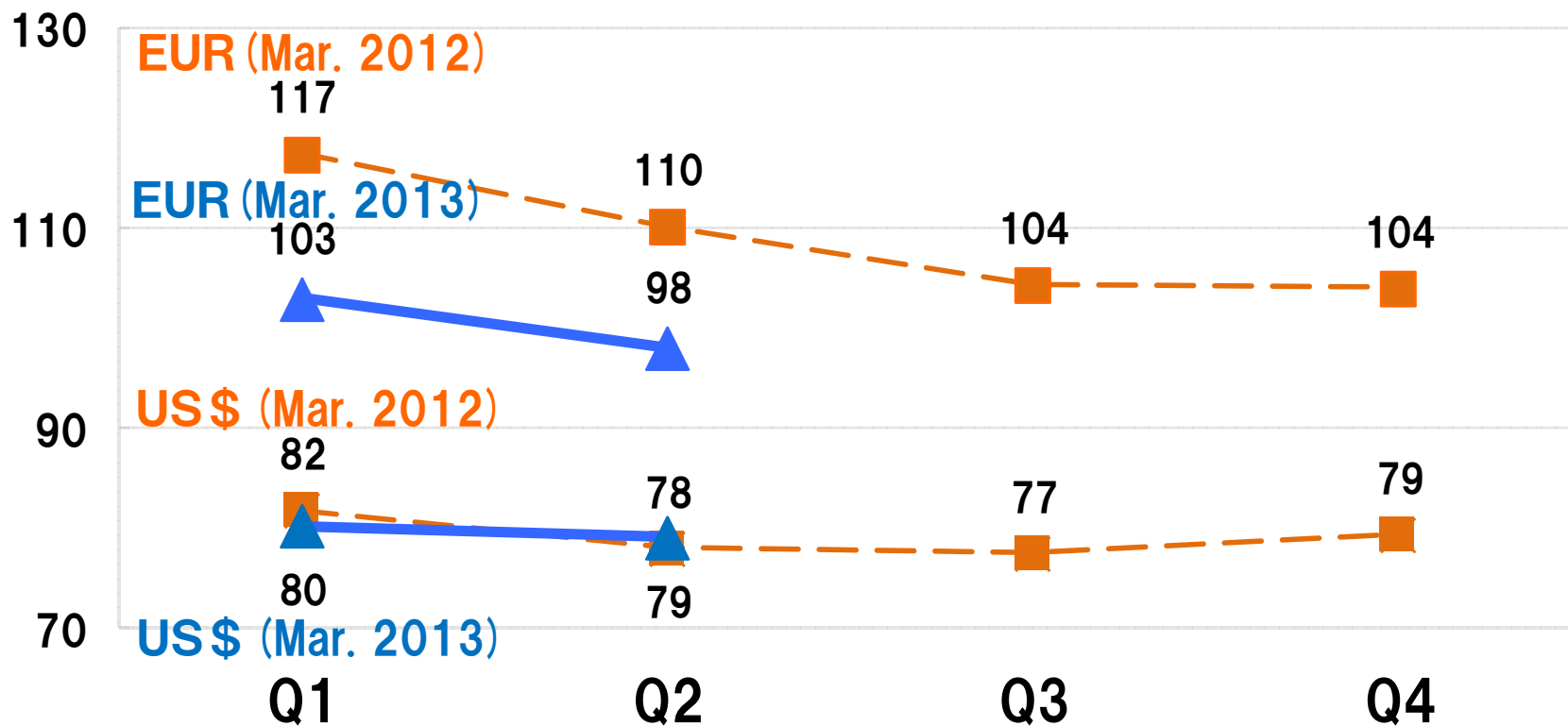
(%) : Against net sales

Changes in Gross Profit (%)



(Quarterly: 3 months)

Changes of Quarterly Average Exchange Rates



(Quarterly: 3 months)

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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.