Review on the 1H Performance, Growth Drivers for the 2H

Terumo Corporation
President and Representative Director

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Progress in 1H FY15

Explanation at previous financial announcement

- "We are slightly off the track to the FY16 OPM target of 20%. We are supposed to have 18% or greater in FY15. Through FY15 with various initiatives, we would like to improve it as much as possible."

- "We can’t tell that we come within the range of OPM target of 20% in FY16. Our first step is to make efforts to outperform FY15 guidance as much as possible."

Better-than-expected performance, upwardly revised 1H and FY15 guidance

*1 Excl. amortization of goodwill and intangibles
Business-led Management Instills Profit Awareness

- Strengthened global management infrastructure
- Instilled profit awareness
  - Cardiac & Vascular: profitable growth
  - General Hospital: stabilization, recovery
  - Blood Management: delay in price decline, mitigation of its damage

Business-led Management
CXO positions
Global profit management
Global supply chain management
Strategy for 2H and Next Fiscal Year

- Continue the group’s profit management initiatives with a view to growth acceleration
- Maintain General Hospital and Blood Management stabilized
  - Have General Hospital stay in recovery momentum
  - Manage soft landing for Blood Management business
- Cardiac & Vascular as a major growth driver
  - Maintain strong IS business performance in US and China
  - Have Ultimaster for Japanese market and other new products contribute to the growth
IS Business in US and China Drives Sustainable Growth

U.S.

Enter therapeutic device market

Direct business transition

CAGR (FY05-FY14): 20%

1H Results

Million US$

China

Local distributors realignment

CAGR (FY05-FY14): 26%

1H Results

Million CNY

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The market share information in this presentation is partly derived from our own independent research.