Financial Results for the Fiscal Year Ended March 31, 2016 (FY2015) and Guidance for the Fiscal Year Ending March 31, 2017 (FY2016)

Terumo Corporation
Managing Executive Officer,
Investor Relations, Corporate Communication Dept.
Kazuaki Kitabatake

May 10, 2016
Overview: Achieved Significant Growth in Both Sales and Profit

- **Sales**: Interventional system and neurovascular businesses globally grew at double digit, driving the corporate growth.
- **Operating income**: G/P growth driven by sales expansion of highly profitable products and cost improvement mainly in Cardiac and Vascular Company.
- **Ordinary income**: Posted FX loss of 7.5 BJPY in FY15, while posted gain of 6.6 BJPY in FY14.
- **Net income**: Gain through the sales of land of Shibuya, Tokyo.

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>YoY%</th>
<th>YoY% (Excl. FX)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>489.5</td>
<td>525.0</td>
<td>+7%</td>
<td>+5%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>256.1 (52.3%)</td>
<td>284.9 (54.3%)</td>
<td>+11%</td>
<td>+10%</td>
</tr>
<tr>
<td><strong>SG&amp;A Expenses</strong></td>
<td>159.2 (32.5%)</td>
<td>170.1 (32.4%)</td>
<td>+7%</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>R&amp;D Expenses</strong></td>
<td>29.4 (6.0%)</td>
<td>33.1 (6.3%)</td>
<td>+13%</td>
<td>+9%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>67.5 (13.8%)</td>
<td>81.7 (15.6%)</td>
<td>+21%</td>
<td>+25%</td>
</tr>
<tr>
<td>(Excl. Amortization)</td>
<td>85.1 (17.4%)</td>
<td>101.9 (19.4%)</td>
<td>+20%</td>
<td>+21%</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>70.7 (14.4%)</td>
<td>73.1 (13.9%)</td>
<td>+3%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>38.5 (7.9%)</td>
<td>50.7 (9.7%)</td>
<td>+32%</td>
<td></td>
</tr>
</tbody>
</table>

Average Exchange Rate

- USD: 110 yen → 120 yen
- EUR: 139 yen → 133 yen

---

Sales: Interventional system and neurovascular businesses globally grew at double digit, driving the corporate growth.

Operating income: G/P growth driven by sales expansion of highly profitable products and cost improvement mainly in Cardiac and Vascular Company.

Ordinary income: Posted FX loss of 7.5 BJPY in FY15, while posted gain of 6.6 BJPY in FY14.

Net income: Gain through the sales of land of Shibuya, Tokyo.
## Extraordinary Gains & Losses, Income Taxes

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>FX</th>
<th>FY14</th>
<th>FY15</th>
<th>+6.6</th>
<th>-7.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-operating Income and loss</td>
<td>3.3</td>
<td>-8.6</td>
<td>FX</td>
<td>FY14</td>
<td>FY15</td>
<td>+6.6</td>
<td>-7.5</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>70.7</td>
<td>73.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraordinary Gains &amp; Losses</td>
<td>-6.7</td>
<td>+3.8</td>
<td>FY14</td>
<td>Cost for EU restructuring</td>
<td>-5.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>FY15</td>
<td>Gain through the sales of land (Q2)</td>
<td>+4.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before Income Tax</td>
<td>64.0</td>
<td>76.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Taxes Total</td>
<td>-25.6</td>
<td>-26.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Rate (%)</td>
<td>40%</td>
<td>34%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>38.5</td>
<td>50.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

YoY%: +3%
Operating Income Variance Analysis

- **G/P increment by sales increase**: 67.5 billion yen in FY2014, 12.0 billion yen in FY2015
- **G/P improvement by cost reduction, etc**: 17.9 billion yen in FY2014, 3.1 billion yen in FY2015
- **Business mix improvement**: 12.0 billion yen in FY2014, 3.1 billion yen in FY2015
- **Price erosion**: 7.2 billion yen in FY2015
- **SG&A increase due to sales force expansion in US interventional Systems and neurovascular divisions**: 6.1 billion yen in FY2015
- **Increase of R&D**: 2.5 billion yen in FY2015
- **FX**: 2.9 billion yen in FY2015

Total Variance: 81.7 billion yen in FY2015

FY2014: 67.5 billion yen
FY2015: 12.0 billion yen
Operating Income Variance Analysis

Cardiac and Vascular

General Hospital

Blood Management

Increase in operating expenses

Increase in amortization for sales expansion

Increase in investment for sales expansion

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Increment

Increase in G/P Incr...
Impact of FX onto Operating Income

USD: Impact remained neutral due to increase in dollar-based production and expenses

EUR: Sensitivity escalated due to the downscaled production and increase in sales

Currencies in emerging countries: Greater FX impact due to sales increase and those depreciation

<table>
<thead>
<tr>
<th>Currency</th>
<th>FX Fluctuation (yen) FY14-15</th>
<th>Impact on Operating Income (billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1-Q3 YTD</td>
<td>Q4</td>
</tr>
<tr>
<td>USD</td>
<td>-0.8</td>
<td>+1.1</td>
</tr>
<tr>
<td>EUR</td>
<td>-1.6</td>
<td>-0.9</td>
</tr>
<tr>
<td>CNY</td>
<td>+1.8</td>
<td>-1.1</td>
</tr>
<tr>
<td>Others</td>
<td>-0.3</td>
<td>-1.1</td>
</tr>
<tr>
<td>Total</td>
<td>-0.9</td>
<td>-2.0</td>
</tr>
</tbody>
</table>

**Notes:**
- USD: Impact remained neutral due to increase in dollar-based production and expenses.
- EUR: Sensitivity escalated due to the downscaled production and increase in sales.
- Currencies in emerging countries: Greater FX impact due to sales increase and depreciation.
Double digit growth in Cardiac and Vascular and Blood Management drove increase in overall sales.

Newly realigned local distribution network enabled us to cover inland customers and second tier hospitals wider.

Downsizing of low profit business in General Hospital and negative effect of weaker EUR.

Despite negative impact of price declines in Blood Management System, Interventional Systems and Neurovascular made a continuous double digit growth.

Newly realigned local distribution network enabled us to cover inland customers and second tier hospitals wider.

Double digit growth in Cardiac and Vascular and Blood Management drove increase in overall sales.

### Net Sales by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>FY15</th>
<th>FY14</th>
<th>YoY%</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>187.2</td>
<td>183.1</td>
<td>2%</td>
<td>36%</td>
</tr>
<tr>
<td>Europe</td>
<td>101.8</td>
<td>104.6</td>
<td>-3%</td>
<td>(2%)</td>
</tr>
<tr>
<td>Americas</td>
<td>143.5</td>
<td>125.3</td>
<td>14%</td>
<td>(6%)</td>
</tr>
<tr>
<td>China</td>
<td>33.2</td>
<td>24.5</td>
<td>35%</td>
<td>(26%)</td>
</tr>
<tr>
<td>Asia and Others</td>
<td>59.3</td>
<td>51.9</td>
<td>14%</td>
<td>(10%)</td>
</tr>
</tbody>
</table>

100% = 525.0 billion yen

( ) Excl. FX
Despite negative impact of price declines especially in US, therapeutic apheresis and cell processing systems made a double digit growth.

<table>
<thead>
<tr>
<th>Net Sales by Business Segment</th>
<th>Year-on-Year Sales Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>100%=525.0 billion yen</td>
</tr>
<tr>
<td>Cardiac and Vascular</td>
<td>49%</td>
</tr>
<tr>
<td>General Hospital</td>
<td>31%</td>
</tr>
<tr>
<td>Blood Management</td>
<td>20%</td>
</tr>
<tr>
<td>FY15</td>
<td>FY14</td>
</tr>
<tr>
<td>Net Sales</td>
<td>( ) Excl. FX</td>
</tr>
<tr>
<td>258.6 billion yen</td>
<td>14%</td>
</tr>
<tr>
<td>226.9 billion yen</td>
<td>(10%)</td>
</tr>
<tr>
<td>161.4 billion yen</td>
<td>-0%</td>
</tr>
<tr>
<td>161.5 billion yen</td>
<td>(-1%)</td>
</tr>
<tr>
<td>105.0 billion yen</td>
<td>4%</td>
</tr>
<tr>
<td>101.1 billion yen</td>
<td>(2%)</td>
</tr>
</tbody>
</table>

### Comments
- Besides double digit growth in overseas interventional systems and neurovascular business, global “Ultimaster” sales also drove overall company growth.
- Negative impact from downsizing low profit business in Europe and Latin America. In Japan, infusion systems etc. greatly grew.
- Despite negative impact of price declines especially in US, therapeutic apheresis and cell processing systems made a double digit growth.
Cardiac and Vascular: Overseas TIS and Neurovascular Businesses Drove the Overall Company, Achieving Double Digit Growth Both in Sales and Profit

<table>
<thead>
<tr>
<th>FY2014 (billion yen)</th>
<th>FY2015 (billion yen)</th>
<th>YoY% (Excl. FX)</th>
<th>Major Topics</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td>Continuous double digit growth in overseas TIS and neurovascular businesses</td>
<td>+28.5</td>
</tr>
<tr>
<td>226.9</td>
<td>258.6</td>
<td>14% (10%)</td>
<td>Detail: The expansion of coronary therapeutic devices driven by global “Ultimaster” sales growth</td>
<td>+8.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Detail: completion of local distributors network realignment followed by the expansion of customer coverage in China</td>
<td>+7.5</td>
</tr>
<tr>
<td>Business Profit</td>
<td></td>
<td></td>
<td>An increase in business profit and improvement for portfolio mix coupled with the sales expansion of overseas TIS and neurovascular businesses</td>
<td></td>
</tr>
<tr>
<td>47.4 (21%)</td>
<td>63.4 (25%)</td>
<td>34% (24%)</td>
<td>An increase in gross profit driven by the global sales expansion of “Ultimaster”</td>
<td></td>
</tr>
</tbody>
</table>
General Hospital

Despite flat in sales due to downsizing of low profit businesses in EU and Americas, improve profitability through cost reduction.

<table>
<thead>
<tr>
<th>FY2014</th>
<th>FY2015</th>
<th>YoY%</th>
<th>Major Topics</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>161.5</td>
<td>161.4</td>
<td>-0%</td>
<td>Japan: Increase of sales in infusion system products (incl. Pumps), PD, and DM</td>
<td>+1.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-1%)</td>
<td>China and Other Asia: Infusion system products achieved a double digit growth.</td>
<td>+1.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Downsizing of low profit business accounts in EU and Americas</td>
<td>-3.5</td>
</tr>
<tr>
<td>20.8</td>
<td>22.6</td>
<td>9%</td>
<td>A continuous effort for cost reduction at domestic production sites, a reformation of supply-chain management, and lowering procurement cost, improved profitability</td>
<td></td>
</tr>
<tr>
<td>(13%)</td>
<td>(14%)</td>
<td></td>
<td>A decline in raw material cost due to low oil prices</td>
<td></td>
</tr>
</tbody>
</table>
### Blood Management

- **Continuous Double Digit Growth for Business in Emerging Countries and Therapeutic Apheresis**

#### FY2014 vs FY2015

<table>
<thead>
<tr>
<th>Major Topics</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>A double digit growth in overseas therapeutic apheresis and cell processing businesses</td>
<td>+3.6</td>
</tr>
<tr>
<td>A double digit growth in blood center business in China and other Asian countries</td>
<td>+2.9</td>
</tr>
<tr>
<td>A negative impact of a price decline implemented in US and other advanced countries.</td>
<td>-1.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales (billion yen)</th>
<th>FY2014</th>
<th>FY2015</th>
<th>YoY%</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>101.1</td>
<td>105.0</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2%)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Profit (billion yen)</th>
<th>FY2014</th>
<th>FY2015</th>
<th>YoY%</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18.5</td>
<td>16.9</td>
<td>-9%</td>
<td>Due to weaker EUR against USD, a negative impact on the products manufactured in US and sold in EU</td>
</tr>
<tr>
<td></td>
<td>(18%)</td>
<td>(16%)</td>
<td>(-3%)</td>
<td></td>
</tr>
</tbody>
</table>
FY2015 Major Topics

**Corporate**
- Established an Audit/Supervisory Committee (Jun)
- Share buyback valued at 61 BJPY in total (Aug, Feb)
- Selected as “The Health & Productivity Stock Selection” (Jan) and “Nadeshiko Brand” (Mar)
- Hollow fiber typed oxygenator won “Okochi Memorial Prize” (Mar)

**Business**
- Peripheral Stent “Misago” acquired PMA in US for the first time among Japanese Companies (Jun)
- Gained a regulatory approval for intradermal injection device (Sep)
- Gained a regulatory approval for “HeartSheet” (Sep)
- Launched “Ultimaster” in Japan (Oct)
# New Products Launched in FY2015

<table>
<thead>
<tr>
<th>Business</th>
<th>Product</th>
<th>Region</th>
<th>Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coronary</td>
<td>DES (Ultimaster)</td>
<td>JP</td>
<td>Launched in Oct 1</td>
</tr>
<tr>
<td>Peripheral</td>
<td>Stent (Misago)</td>
<td>US</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>PTA balloon (above the knee)</td>
<td>EU, US</td>
<td>Q2</td>
</tr>
<tr>
<td></td>
<td>PTA balloon (below the knee)</td>
<td>JP</td>
<td>FY16</td>
</tr>
<tr>
<td></td>
<td>Embolic particles (beads)</td>
<td>EU</td>
<td>Q1</td>
</tr>
<tr>
<td>Neuro</td>
<td>Coil assist stent</td>
<td>JP</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Liquid embolic glue</td>
<td>EU</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Distal protection device</td>
<td>EU</td>
<td>FY16</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Business</th>
<th>Product</th>
<th>Region</th>
<th>Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>CV</td>
<td>Disposable centrifugal pump</td>
<td>JP</td>
<td>Q4</td>
</tr>
<tr>
<td>Blood Management</td>
<td>Automated blood component</td>
<td>JP</td>
<td>FY16</td>
</tr>
<tr>
<td></td>
<td>processing system</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Embolic particles “LifePearl” EU(Q1)
- Coil assist stent “LVIS Jr” JP(Q1)
- Liquid embolic glue “PHIL” EU(Q1)
- PTA balloon (above the knee) “Misago” US (Q1)
- PTA balloon (below the knee) “Metacross RX” US (Q2)
## FY2016 Guidance

<table>
<thead>
<tr>
<th></th>
<th>FY2015 Result</th>
<th>FY2016 Guidance</th>
<th>YoY%</th>
<th>Impact of FX</th>
<th>FY2016 FX Neutral Guidance</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>525.0</td>
<td>517.0</td>
<td>-2%</td>
<td>-31.0</td>
<td>548.0</td>
<td>+4%</td>
</tr>
<tr>
<td>Operating Income (%)</td>
<td>81.7 (15.6%)</td>
<td>75 (14.5%)</td>
<td>-8%</td>
<td>-8.5</td>
<td>83.5 (15.2%)</td>
<td>+2%</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>73.1</td>
<td>71.0</td>
<td>-3%</td>
<td>-10.3</td>
<td>81.3</td>
<td>+11%</td>
</tr>
<tr>
<td>Net Income</td>
<td>50.7</td>
<td>52.5</td>
<td>+4%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Average exchange Rate

- USD 120 yen to 110 yen
- EUR 133 yen to 125 yen

Net income will increase due to decrease in tax burden by tax effect (deferred tax assets) at end FY16
<table>
<thead>
<tr>
<th>Sales</th>
<th>Business Profit</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>FY2015</td>
<td>Continuous growth in overseas TIS and neurovascular businesses</td>
</tr>
<tr>
<td>Sales</td>
<td>Business Profit</td>
<td>Comments</td>
</tr>
<tr>
<td>billion yen</td>
<td>YoY%</td>
<td>billion yen</td>
</tr>
<tr>
<td>Cardiac and Vascular</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>278.0</td>
<td>25%</td>
</tr>
<tr>
<td>FY15</td>
<td>258.6</td>
<td>25%</td>
</tr>
<tr>
<td>Continuous improvement on business profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Hospital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>161.4</td>
<td>14% 22.6</td>
<td>+0%</td>
</tr>
<tr>
<td>Continuous improvement on business profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blood Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>105.0</td>
<td>16% 16.9</td>
<td>+3%</td>
</tr>
<tr>
<td>Impact of price declines in US peaked in FY15 A growth expected in therapeutic apheresis and business in emerging countries</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FY2016 Annual Guidance

G/P increment by sales increase: 81.7 billion yen

G/P improvement by cost reduction: 18.4 billion yen

Product mix improvement: 8.4 billion yen

Price erosion: 7.4 billion yen

JP reimbursement: 5.2 billion yen

SG&A: 10.7 billion yen

R&D expenses: 4.0 billion yen

FX reimbursement: 8.5 billion yen

FX ( Guidance): 75 billion yen

Incl. increase pension cost of 1.5 billion yen due to a lower Interest rate

FY2015 Result

FY2016 FX Neutral (Guidance)

FY2016 (Guidance)
## The Impact of FX on FY2016

<table>
<thead>
<tr>
<th>Currency</th>
<th>Fluctuation of FX (yen) FY15Q1~FY16 (Guidance)</th>
<th>Impact on Net Sales</th>
<th>Impact on Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td></td>
<td>FY16 Guidance 110</td>
<td>-13.6</td>
</tr>
<tr>
<td></td>
<td>FY2015Q1 Q2 Q3 Q4</td>
<td>FY16 Guidance 125</td>
<td>-3.9</td>
</tr>
<tr>
<td>EUR</td>
<td></td>
<td>FY2016 Guidance 17.0</td>
<td>-3.3</td>
</tr>
<tr>
<td>CNY</td>
<td></td>
<td>FY2016 Guidance 17.0</td>
<td>-10.2</td>
</tr>
<tr>
<td>Others (Asia, L. America etc.)</td>
<td></td>
<td>FY2016 Guidance 3.1</td>
<td>-31.0</td>
</tr>
<tr>
<td></td>
<td>e.g. Thai Baht</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Shift to highly profitable business

e.g. ) Business Portfolio in EU (Sales by business segments)

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>FY2014</th>
<th>FY2016</th>
<th>Change in Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiac and Vascular</td>
<td>62%</td>
<td>66%</td>
<td>+2.9 (billion yen)</td>
</tr>
<tr>
<td>General Hospital</td>
<td>12%</td>
<td>8%</td>
<td>-4.0</td>
</tr>
<tr>
<td>Blood Management</td>
<td>26%</td>
<td>26%</td>
<td>+0.2</td>
</tr>
</tbody>
</table>

Downsize low profit business

e.g. ) General Hospital Product Business in Latin America

FY2016 (compared to FY2014)

- Sales  Decrease by 35%
- Profit  Increase by 35% (13% pt improvement in margin)
* Reach up to 10.0%

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income (billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011</td>
<td>24.2</td>
</tr>
<tr>
<td>FY 2012</td>
<td>47.0</td>
</tr>
<tr>
<td>FY 2013</td>
<td>34.1</td>
</tr>
<tr>
<td>FY 2014</td>
<td>38.5</td>
</tr>
<tr>
<td>FY 2015</td>
<td>50.7</td>
</tr>
<tr>
<td>FY 2016</td>
<td>52.5</td>
</tr>
</tbody>
</table>

* A decrease in corporate tax due to a reform of TBCT

Share Buyback valued at 61 billion yen

ROE: 7.0%, 11.9% *, 7.2%, 9.3%, 10.0%

Equity: 700, 600, 500, 400, 300, 200, 100

Guidance
Dividends and EPS

EPS
Dividend Payout Ratio

Dividend per Share


19.5 22.0 29.0 30.5 39.0 41.0

64 124 90 101 135 145

Guidance
# New Products Pipeline in FY2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Products</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coronary</td>
<td>DES(Ultimaster)</td>
<td>France</td>
</tr>
<tr>
<td></td>
<td>DES (Ultimaster) 4.0mm (Diameter)</td>
<td>JP</td>
</tr>
<tr>
<td>Imaging</td>
<td>IVUS</td>
<td>JP</td>
</tr>
<tr>
<td>Peripheral</td>
<td>PTA Balloon (Below the knee, RX/OTW)</td>
<td>JP•US•EU</td>
</tr>
<tr>
<td></td>
<td>PTA Balloon (Below &amp; above the knee, RX/OTW)</td>
<td>JP•US•EU</td>
</tr>
<tr>
<td></td>
<td>PTA balloon (Above the knee, RX/OTW)</td>
<td>JP•US•EU</td>
</tr>
<tr>
<td>Neuro</td>
<td>Distal protection device</td>
<td>EU</td>
</tr>
<tr>
<td>Oncology</td>
<td>Radioembolization beads (Quirem)</td>
<td>EU</td>
</tr>
</tbody>
</table>

**◎** Item with large contribution to sales and profit

**★** Item with highly innovative technology

<table>
<thead>
<tr>
<th>Category</th>
<th>Products</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>CV</td>
<td>Disposable Centrifugal Pump (for PCPS)</td>
<td>Asia</td>
</tr>
<tr>
<td>D&amp;D</td>
<td>Intradermal Injection Device</td>
<td>JP</td>
</tr>
<tr>
<td></td>
<td>Adhesion barrier</td>
<td>JP</td>
</tr>
<tr>
<td>DM</td>
<td>Blood glucose meter (MEDISAFE Fit Smile)</td>
<td>China</td>
</tr>
<tr>
<td>Blood Management</td>
<td>Automated blood component processing system</td>
<td>JP</td>
</tr>
<tr>
<td>Regenerative Medicine</td>
<td>HeartSheet</td>
<td>JP</td>
</tr>
</tbody>
</table>

Radioembolization beads (EU)  
HeartSheet (JP)  
Intradermal injection device (JP)
Reference
## FY15 Net Sales and Growth by Region

(billion yen)

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Japan</th>
<th>Outside of Japan</th>
<th>G. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Subtotal</td>
<td>Europe</td>
<td>Americas</td>
</tr>
<tr>
<td>Cardiac and Vascular</td>
<td>51.6 (+7%)</td>
<td>207.0 (+11%)</td>
<td>66.7 (+5%)</td>
</tr>
<tr>
<td>Out of C&amp;V Interventional Systems*</td>
<td>39.6 (+7%)</td>
<td>163.3 (+14%)</td>
<td>53.3 (+6%)</td>
</tr>
<tr>
<td>General Hospital</td>
<td>124.2 (+2%)</td>
<td>37.2 (-7%)</td>
<td>9.3 (-24%)</td>
</tr>
<tr>
<td>Blood Management</td>
<td>11.5 (-9%)</td>
<td>93.6 (+4%)</td>
<td>25.8 (+6%)</td>
</tr>
<tr>
<td>G. Total</td>
<td>187.2 (+2%)</td>
<td>337.8(+7%)</td>
<td>101.8 (+2%)</td>
</tr>
</tbody>
</table>

*Including Neurovascular business

(YoY%): Excluding foreign exchange
## Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
<th>YoY</th>
<th>YoY%</th>
<th>YoY% (Excl. FX)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>70.5</td>
<td>76.0</td>
<td>+5.5</td>
<td>+8%</td>
<td>+5%</td>
</tr>
<tr>
<td>Sales Promotion</td>
<td>16.0</td>
<td>17.2</td>
<td>+1.2</td>
<td>+8%</td>
<td>+6%</td>
</tr>
<tr>
<td>Logistical Costs</td>
<td>11.0</td>
<td>11.0</td>
<td>-0.0</td>
<td>-0%</td>
<td>-1%</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>25.1</td>
<td>27.5</td>
<td>+2.4</td>
<td>+10%</td>
<td>+3%</td>
</tr>
<tr>
<td>Others</td>
<td>36.6</td>
<td>38.4</td>
<td>+1.8</td>
<td>+5%</td>
<td>+3%</td>
</tr>
<tr>
<td><strong>SG&amp;A Expenses Total</strong></td>
<td>159.2 (32.5%)</td>
<td>170.1 (32.4%)</td>
<td>+10.9</td>
<td>+7%</td>
<td>+4%</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>29.4 (6.0%)</td>
<td>33.1 (6.3%)</td>
<td>+3.7</td>
<td>+13%</td>
<td>+9%</td>
</tr>
<tr>
<td><strong>Operating Expenses Total</strong></td>
<td>188.6 (38.5%)</td>
<td>203.2 (38.7%)</td>
<td>+14.6</td>
<td>+8%</td>
<td>+5%</td>
</tr>
</tbody>
</table>

(%) Against net sales
## Quarterly Results

<table>
<thead>
<tr>
<th></th>
<th>FY14 Q4 (Jan-Mar)</th>
<th>FY15 Q1 (Apr-Jun)</th>
<th>Q2 (Jul-Sep)</th>
<th>Q3 (Oct-Dec)</th>
<th>Q4 (Jan-Mar)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>126.3</td>
<td>128.7</td>
<td>130.5</td>
<td>136.8</td>
<td>129.0</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>65.4 (51.7%)</td>
<td>69.0 (53.7%)</td>
<td>70.4 (53.9%)</td>
<td>75.3 (55.0%)</td>
<td>70.3 (54.4%)</td>
</tr>
<tr>
<td><strong>SG&amp;A Expenses</strong></td>
<td>42.4 (33.5%)</td>
<td>41.7 (32.5%)</td>
<td>42.7 (32.7%)</td>
<td>42.9 (31.3%)</td>
<td>42.8 (33.1%)</td>
</tr>
<tr>
<td><strong>R&amp;D Expenses</strong></td>
<td>8.4 (6.7%)</td>
<td>7.9 (6.1%)</td>
<td>8.0 (6.1%)</td>
<td>7.4 (5.4%)</td>
<td>9.9 (7.7%)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>14.6 (11.5%)</td>
<td>19.4 (15.1%)</td>
<td>19.7 (15.1%)</td>
<td>25.0 (18.3%)</td>
<td>17.6 (13.6%)</td>
</tr>
<tr>
<td>(Excl. Amortization)</td>
<td>19.4 (15.3%)</td>
<td>24.5 (19.1%)</td>
<td>24.8 (19.0%)</td>
<td>30.1 (22.0%)</td>
<td>22.5 (17.4%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Exchange Rate</strong></td>
<td>119 yen</td>
<td>134 yen</td>
</tr>
<tr>
<td></td>
<td>121 yen</td>
<td>134 yen</td>
</tr>
<tr>
<td></td>
<td>122 yen</td>
<td>136 yen</td>
</tr>
<tr>
<td></td>
<td>121 yen</td>
<td>133 yen</td>
</tr>
<tr>
<td></td>
<td>115 yen</td>
<td>127 yen</td>
</tr>
</tbody>
</table>
CAPEX and R&D Expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>CAPEX</th>
<th>R&amp;D Expenses</th>
<th>Amortization of Intangibles and Goodwill</th>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>32.2</td>
<td>27.1</td>
<td>14.0</td>
<td>18.6</td>
</tr>
<tr>
<td>FY2013</td>
<td>46.6</td>
<td>30.1</td>
<td>39.9</td>
<td>23.6</td>
</tr>
<tr>
<td>FY2014</td>
<td>41.4</td>
<td>29.4</td>
<td>40.7</td>
<td>23.0</td>
</tr>
<tr>
<td>FY2015</td>
<td>31.5</td>
<td>33.1</td>
<td>20.2</td>
<td>24.5</td>
</tr>
<tr>
<td>FY2016</td>
<td>39.0</td>
<td>35.5</td>
<td>44.0</td>
<td>25.5</td>
</tr>
</tbody>
</table>

- CAPEX was peaked out on FY2013.
- CAPEX is projected to be at the same level as amortization.
- CAPEX of 4 billion yen planned in FY15 was pushed and will be realized in FY16.
- Further promote R&D activities for TIS and neurovascular business in US.
Cash Flow

**Operating CF**
- Income before Tax: 129.7*
- Corporate Tax: 36.5
- Depreciation & Amortization: 44.7
- Increase in Working Capital: 4.8
- Operating CF: +80.3

**Investing and Financing CF**
- Sale of Investment Securities: 61.0
- Share Buyback: 31.5
- Dividends: 13.2
- CAPEX: 13.2
- Others: 34.6
- Investing and Financing CF: -60.3

**Cash at end of FY2014**
- Cash at end of FY2014: 76.9

**Cash at end of FY2015**
- Cash at end of FY2015: 149.7*

*Cash at end of fiscal year is consistent with “Cash and deposits” on B/S.*
## Foreign Exchange Sensitivity

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Excl. Amortization</td>
<td>Incl. Amortization</td>
</tr>
<tr>
<td>Net Sales</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Operating Income</td>
<td>0.0</td>
<td>-0.2</td>
</tr>
</tbody>
</table>
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.