I will now explain concerning the Financial Results for the Fiscal Year ended March 31, 2019.
First, the general overview: During this fiscal year, we successfully resolved the Ashitaka factory shipping delays to achieve revenue and profit in line with the revised guidance that we issued in the 1st quarter.

While the revenue growth rate was low, every company grew positively.

Adjusted operating profit was virtually in line with the revised guidance.

Profit was down year on year; however, year-on-year negative growth was diminished from the 3rd quarter to 4th quarter, and we achieved positive year-on-year profit growth when excluding FX impact.

When excluding the temporary increase that occurred in the previous fiscal year, profit for the Year also increased year on year.

Therefore, we overcame the Ashitaka problems to achieve increased revenue and profit when excluding FX impact.
Next, the FY18 results in comparison to the original guidance.

As you can see, the negative variance was due to Cardiac and Vascular Company. The amount negative below original guidance was approximately the amount that guidance was later revised downward.

In areas other than the Ashitaka Factory shipping delays, drug-eluting stents also came in below forecast, but businesses such as neurovascular covered for some of that shortfall.

In General Hospital, revenue and profit both exceeded original guidance largely.

In Blood Management, revenue was above guidance. Operating profit was trending well below the previous year until the 3rd quarter, but then recovered in the 4th quarter.

When excluding FX impact, its numbers were in line with guidance.
Next, an explanation of the adjustments that result in the adjusted operating profit figures.

The largest adjustment item was the amortization of acquired intangible assets.

Temporary gains and losses were a relatively small 900 million yen in total. They consisted of the same items that we explained when announcing the 3rd quarter financial results.
Next is the adjusted operating profit variance analysis.

Increased revenue and improved gross margin, the two items to the left, grew as business performance improved in the 3rd and 4th quarters.

Specifically, two main factors with positive impact on gross margin increased greatly in the 4th quarter.

The two main factors were: First, improved product mix by the increase of revenue in the TIS business. The other was gross margin improvement through increased production volume at the Yamaguchi Factory.

In price, the Japan reimbursement price revision impact was approximately as we anticipated.

Because of reduced sales during the Ashitaka shipping delays, the amount of price erosion impact was smaller than expected.
Increase of SG&A was as planned.

Increase in R&D was partially affected by the need for engineers to work on resolving the Ashitaka shipping delays, resulting in that number coming in slightly smaller than plan.

The euro and emerging market currencies had a negative impact which increased in the 4th quarter, to end with an impact of minus 3.7 billion yen over the fiscal year.

Our guidance for FY19 includes a similar impact, which I will explain in detail later.
Next, revenue by region.

In Japan, General Hospital and Blood Management covered for negative impacts in Cardiac and Vascular to bring year-on-year revenue growth to approximately 0%.

Outside Japan, the steady recovery of Cardiac and Vascular helped to overcome FX impacts and result in an increase in positive growth.

China in particular experienced a large increase as the Essen acquisition began to contribute revenue in the 4th quarter, and as TIS shipments were increased amid recovery from the Ashitaka shipping delay.

The Americas saw a slightly lower compared to the 3rd quarter year-on-year growth. However, Cardiac and Vascular was steadily recovering, while there was a negative impact from the decrease in the Blood Management therapeutic apheresis business.
Next is revenue by business segment.

I will get into more detail when I discuss the companies individually.

The Cardiac and Vascular Company normalized following the shipping delays to show positive year-on-year growth.

The General Hospital alliance business maintained its strong performance.

In Blood Management, the blood center business expanded steadily to cover the decrease in therapeutic apheresis, for overall revenue growth of approximately 0%.
In Cardiac and Vascular, the TIS business pivoted to year-on-year positive growth in the 4th quarter.

The neurovascular business continued to achieve double-digit growth.

In adjusted operating profit, the recovery of TIS product sales resulted in a large reduction of the profit downturn, from the 3rd to the 4th quarter.
The General Hospital Company alliance business was strong, and other businesses also posted good sales. Specific products with good sales included infusion lines, pain management, and adhesion barrier.

In profit, strong sales of high-margin products absorbed the rapid increase in R&D expenses, resulting in increased profit year on year.
In Blood Management, the blood center business covered for decreased sales of therapeutic apheresis.

Factors behind blood center business growth varied by region; in Japan, growth of the TACSI automated blood processing system contributed to the increase.

In the Americas, next version of the automated blood collection system contributed to growth.

In Asia, production increased at the Vietnam factory, leading to sales growth.

Adjusted operating profit was down year on year until catching up in the 4th quarter, for a final result of positive year-on-year growth.

There was a large FX impact on Blood Management adjusted operating profit from the euro and emerging market currencies; when excluding FX impact, the company’s adjusted operating profit grew 13% year on year.
Major Topics in FY18

Corporate

- Enhanced work style reform and Health and Productivity Management by opening satellite offices and distributing healthcare wearables to associates, etc.
- Selected as "the Health and Productivity Stock Selection" for five consecutive years (Feb)
- Five products won "GOOD DESIGN AWARD" in FY18.
  The company has received the award for twenty three consecutive years (Oct)

Business

- Launched drug eluting stent “Ultimaster Tansei” in EU (May) and JP (Sep)
- Concluded the agreement w/ U.S. based DexCom, Inc. to distribute its CGM devices exclusively in JPN (May) and launched it (Feb)
- Determined to invest 7.0 BJPY in Terumo Yamaguchi D&D to Increase the capacity of PFS production lines in alliance business (Jul)
- The biosimilar, using Terumo’s PLAJEX prefllable syringe in contract manufacturing, was launched in EU (Dec)
- Received US FDA approval for “WEB” intrasaccular aneurysm treatment device (Dec)
- Acquired Essen Technology (Beijing) Co., Ltd., a Chinese manufacturer specialized in drug eluting stent (Dec)
- Announced the plan to construct a new manufacturing building at Vietnam factory w/ the investment of 15.0 BJPY to strengthen the production system of TIS products (Feb)

As for major topics, please refer to the details listed here.
I will also skip the FY18 product pipeline.
I will now explain our FY19 guidance.

Our revenue plan is to see significant growth despite yen appreciation, through TIS recovery.

Our guidance is for 6% year-on-year revenue growth; 8% when excluding FX impact.

Adjusted operating profit guidance is lower growth than revenue; I will explain this on the next slide.
This is the adjusted operating profit variance analysis.

A strong sales increase and improved gross margin are the two positive arrows on the left.

Negative factors unique to FY19 include: The Japan reimbursement price revision scheduled for this year, which will have a 3-billion-yen impact; the costs of compliance to the new European Medical Device Regulation, and investment in IT systems, which will result in 4.7 billion yen.

The euro and emerging market currencies are expected to result in a negative FX impact of 5 billion yen.

These are the factors expected to negatively impact operating profit.
Next is our guidance by company.

First, Cardiac and Vascular is expected to overcome the Japan reimbursement price revision and FX impacts to grow steadily.

Excluding FX impact, both revenue and adjusted operating profit are expected to see double-digit growth.

General Hospital revenue is expected to grow steadily.

However, the operating profit plan is for negative growth. This is due to increased depreciation reflecting expansion of the Yamaguchi Factory, with a year-on-year impact of 1.9 billion yen.

Blood Management is the company most affected by FX impact. Excluding that impact, revenue and adjusted operating profit are both planned to grow 5%, meaning that the company’s base business is growing well.
Next is the FY19 product pipeline; please refer to the details listed here.

<table>
<thead>
<tr>
<th>Category</th>
<th>Products</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>Closure device for distal radial approach</td>
<td>JP</td>
</tr>
<tr>
<td>Coronary</td>
<td>PTCA balloon</td>
<td>EU, Asia</td>
</tr>
<tr>
<td>Peripheral</td>
<td>Stent (THV)</td>
<td>JP, US</td>
</tr>
<tr>
<td>Neuro</td>
<td>Intrasaccular aneurysm treatment device (WEB)</td>
<td>US</td>
</tr>
<tr>
<td></td>
<td>Distal access catheter (Sofia FX)</td>
<td>EU, US</td>
</tr>
<tr>
<td></td>
<td>Mini balloon</td>
<td>EU, US</td>
</tr>
<tr>
<td></td>
<td>Aspiration catheter</td>
<td>JP</td>
</tr>
<tr>
<td></td>
<td>Stentriever</td>
<td>JP</td>
</tr>
<tr>
<td>CV</td>
<td>Next generation of oxygenator</td>
<td>JP</td>
</tr>
<tr>
<td></td>
<td>Heart lung machine (re-launch)</td>
<td>JP</td>
</tr>
<tr>
<td>Vascular graft</td>
<td>Large-bone vascular graft (Triplex Advanced)</td>
<td>JP</td>
</tr>
<tr>
<td>General Hospital</td>
<td>Next generation of syringe pump</td>
<td>JP</td>
</tr>
<tr>
<td>DM and consumer</td>
<td>Adhesion barrier (AdSpray mini)</td>
<td>JP</td>
</tr>
<tr>
<td>Blood Management</td>
<td>Continuous glucose monitoring system</td>
<td>JP</td>
</tr>
<tr>
<td></td>
<td>Blood glucose monitoring system</td>
<td>JP</td>
</tr>
<tr>
<td></td>
<td>Insulin patch pump</td>
<td>JP</td>
</tr>
<tr>
<td></td>
<td>Next version of blood pressure monitor</td>
<td>JP</td>
</tr>
<tr>
<td></td>
<td>Next version of thermometer</td>
<td>JP</td>
</tr>
<tr>
<td></td>
<td>Fill and finish system for cell therapy processing (FINIA)</td>
<td>Global</td>
</tr>
</tbody>
</table>
Lastly, regarding dividends: This fiscal year, we have implemented a stock split, so per-share dividend is half of the prior amount; however, I will express the amount based on that of the previous year for ease in comparison.

Last year’s dividend was 54 yen for the year; this year that is expected to be increased by two yen to the equivalent of 56 yen.

This concludes my explanation. Thank you.
Reference
## FY18 Revenue and Growth by Region

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Japan (Billion yen)</th>
<th>Outside of Japan Subtotal (Billion yen)</th>
<th>Europe (YoY%)</th>
<th>Americas (YoY%)</th>
<th>China (YoY%)</th>
<th>Asia (YoY%)</th>
<th>G. Total (Billion yen)</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiac and Vascular</td>
<td>47.8 (+13%)</td>
<td>280.7 (+5%)</td>
<td>84.9 (-3%)</td>
<td>174.9 (-5%)</td>
<td>38.2 (-14%)</td>
<td>32.7 (+4%)</td>
<td>328.5 (+2%)</td>
<td></td>
</tr>
<tr>
<td>Out of C&amp;V Interventional Systems*</td>
<td>35.9 (-12%)</td>
<td>227.6 (+6%)</td>
<td>68.1 (+3%)</td>
<td>96.6 (+6%)</td>
<td>35.7 (+14%)</td>
<td>27.2 (+4%)</td>
<td>263.5 (+3%)</td>
<td></td>
</tr>
<tr>
<td>General Hospital</td>
<td>127.9 (+4%)</td>
<td>37.9 (+6%)</td>
<td>9.5 (-11%)</td>
<td>8.6 (-8%)</td>
<td>7.7 (-17%)</td>
<td>17.2 (+2%)</td>
<td>165.8 (+5%)</td>
<td></td>
</tr>
<tr>
<td>Blood Management</td>
<td>12.5 (+5%)</td>
<td>92.4 (+4%)</td>
<td>26.0 (+5%)</td>
<td>42.2 (-3%)</td>
<td>5.3 (+2%)</td>
<td>18.9 (+3%)</td>
<td>105.0 (+3%)</td>
<td></td>
</tr>
<tr>
<td>G. Total</td>
<td>188.5 (-9%)</td>
<td>411.0 (+5%)</td>
<td>120.4 (+4%)</td>
<td>175.6 (+3%)</td>
<td>46.2 (+12%)</td>
<td>68.8 (+5%)</td>
<td>599.5 (+3%)</td>
<td></td>
</tr>
</tbody>
</table>

*Including Neurovascular business

(YoY%): FXN
## Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>YOY</th>
<th>YOY%</th>
<th>YoY% (¥tr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>84.4</td>
<td>87.4</td>
<td>+3.0</td>
<td>+4%</td>
<td>+4%</td>
</tr>
<tr>
<td>Sales Promotion</td>
<td>17.8</td>
<td>18.2</td>
<td>+0.4</td>
<td>+2%</td>
<td>+3%</td>
</tr>
<tr>
<td>Logistical Costs</td>
<td>12.6</td>
<td>13.6</td>
<td>+1.0</td>
<td>+8%</td>
<td>+9%</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>13.7</td>
<td>14.3</td>
<td>+0.6</td>
<td>+4%</td>
<td>+5%</td>
</tr>
<tr>
<td>Others</td>
<td>42.5</td>
<td>45.1</td>
<td>+2.6</td>
<td>+6%</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>SG&amp;A Expenses Total</strong></td>
<td>171.0</td>
<td>178.7</td>
<td>+7.6</td>
<td>+4%</td>
<td>+5%</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>41.3</td>
<td>47.7</td>
<td>+6.3</td>
<td>+15%</td>
<td>+15%</td>
</tr>
<tr>
<td><strong>Operating Expenses Total</strong></td>
<td>212.4</td>
<td>226.3</td>
<td>+14.0</td>
<td>+7%</td>
<td>+7%</td>
</tr>
</tbody>
</table>
## Quarterly Results

(billion yen)

<table>
<thead>
<tr>
<th></th>
<th>FY17Q4 (Jan-Mar)</th>
<th>FY18Q1 (Apr-Jun)</th>
<th>Q2 (Jul-Sep)</th>
<th>Q3 (Oct-Dec)</th>
<th>Q4 (Jan-Mar)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>150.8</td>
<td>143.0</td>
<td>142.0</td>
<td>158.6</td>
<td>155.9</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>80.7 (53.5%)</td>
<td>79.9 (55.8%)</td>
<td>74.7 (52.6%)</td>
<td>87.6 (55.2%)</td>
<td>84.3 (54.1%)</td>
</tr>
<tr>
<td><strong>SG&amp;A Expenses</strong></td>
<td>45.9 (30.4%)</td>
<td>43.5 (30.4%)</td>
<td>43.5 (30.5%)</td>
<td>45.0 (28.4%)</td>
<td>46.7 (29.9%)</td>
</tr>
<tr>
<td><strong>R&amp;D Expenses</strong></td>
<td>12.4 (8.4%)</td>
<td>11.3 (7.9%)</td>
<td>12.4 (8.8%)</td>
<td>12.3 (7.7%)</td>
<td>11.6 (7.0%)</td>
</tr>
<tr>
<td><strong>Other Income and Expenses</strong></td>
<td>-0.4</td>
<td>0.8</td>
<td>2.9</td>
<td>0.6</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>22.0 (14.6%)</td>
<td>25.9 (18.1%)</td>
<td>21.7 (15.3%)</td>
<td>30.9 (19.5%)</td>
<td>28.2 (18.1%)</td>
</tr>
<tr>
<td><strong>Adjusted Operating Profit</strong></td>
<td>27.4 (18.1%)</td>
<td>30.5 (21.4%)</td>
<td>24.8 (17.4%)</td>
<td>35.9 (22.0%)</td>
<td>30.9 (19.3%)</td>
</tr>
<tr>
<td><strong>Average Exchange Rate</strong></td>
<td>USD 108yen</td>
<td>109yen</td>
<td>111yen</td>
<td>113yen</td>
<td>110yen</td>
</tr>
<tr>
<td></td>
<td>EUR 133yen</td>
<td>130yen</td>
<td>130yen</td>
<td>129yen</td>
<td>125yen</td>
</tr>
</tbody>
</table>
CAPEX and R&D Expenses

- Expanded investment in production capacity and space as well as IT in FY18
- Depreciation includes amortization of capitalized development expenses
- Amortization of leased assets and liabilities (IFRS16) is not included in FY19 guidance

- Further promote R&D activities mainly for TIS, neurovascular and Blood Management Company
- Capitalized development expenses are included in CAPEX

FY17: 43.0
FY18: 60.8
FY19 Guidance: 50.0

R&D Expenses:
- FY15: 33.1
- FY16: 33.6
- JGAAP to IFRS:
  - FY17: 41.3
  - FY18: 47.7
  - FY19 Guidance: 50.0
FY18 Cash Flow

Operating CF
+93.6

- Depreciation and amortization: 44.0
- Income taxes: 30.2
- Increase of working capital: 22.0

Profit before tax: 102.7

Investment and Finance CF
138.4

- CAPEX: 60.8
- Repayment of borrowings: 47.8
- Dividends: 39.6
- Acquisition of Esmari Technology: 20.3
- Others: 10.1

Cash at end of FY17: 167.8

CAPEX = C.I.R. record basis
Cash at the end of each fiscal year is equal to “cash and cash equivalents” on BS

Cash at end of FY18: 123.0
## Foreign Exchange Sensitivity

### Annual impact of one-yen depreciation (billion yen)

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>EUR</th>
<th>CNY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1.7</td>
<td>0.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>0.0</td>
<td>0.5</td>
<td>1.2</td>
</tr>
</tbody>
</table>

### Impact when yen is depreciated by 10%

<table>
<thead>
<tr>
<th></th>
<th>North America</th>
<th>Latin America</th>
<th>EMEA</th>
<th>Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR</td>
<td>Others</td>
<td>CNY</td>
<td>Others</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>-0.1</td>
<td>1.0</td>
<td>6.5</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.6</td>
</tr>
</tbody>
</table>
The Status of Convertible Bonds

Detail of the bonds (Issued in Dec. 2014)  *After two for one stock split implemented in Apr. 2019

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Aggregate principal amount (billion yen)</th>
<th>Coupon</th>
<th>Conversion price (yen)</th>
<th>Contingent conversion trigger price (yen)</th>
<th>Number of shares required to be issued for conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 2019</td>
<td>50.0</td>
<td>0.0%</td>
<td>1,927</td>
<td>2,505</td>
<td>approx. 26M shares</td>
</tr>
<tr>
<td>Dec. 2021</td>
<td>50.0</td>
<td>0.0%</td>
<td>1,927</td>
<td>2,505</td>
<td>approx. 26M shares</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td></td>
<td></td>
<td></td>
<td>approx. 52M shares</td>
</tr>
</tbody>
</table>

Status of conversion (as of Apr. 30, 2019)

<table>
<thead>
<tr>
<th>Bonds</th>
<th>Amount of shares issued for conversion (% against the total amount of bond)</th>
<th>Number of shares issued for conversion (% against total number of issued shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convertible Bonds due Dec. 2019</td>
<td>50.00 B/JPY (100.0%)</td>
<td>25.9M shares (3.4%)</td>
</tr>
<tr>
<td>Convertible Bonds due Dec. 2021</td>
<td>25.21 B/JPY (50.4%)</td>
<td>13.1M shares (1.7%)</td>
</tr>
<tr>
<td>Total</td>
<td>75.21 B/JPY (75.2%)</td>
<td>39.0M shares (5.3%)</td>
</tr>
</tbody>
</table>

Allocated treasury shares to the shares issued for conversion

- Status of treasury shares: 16.4M shares
  (at the end of Apr. 2019, treasury stock cost per share: 1,949 JPY, % against total number of issued shares: 2.2%)
IR Contact

Terumo Corporation
Corporate Communication (IR) Dept.
E-mail: 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 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.