

Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2015 (FY2014)

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

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Highlights

Corporate

- Secured increase both in sales and profit while absorbing reimbursement price cut in Japan
- In Q3, sales in Japan increased

Cardiac & Vascular

- Achieved continuous double-digit sales growth in overseas IS and Neurovascular businesses
- In Japan, mainly IS business sales recovered in Q3 compared to 1H
- Expanded sales of Ultimaster (new DES) steadily

General Hospital

- Increased sales of DM & Consumer Healthcare and D&D (Drug & Device) businesses in Q3
- Increased business profit ratio by improving product mix

Blood Management

- Strengthened cost control, foreseeing more challenges in market environment
- Achieved continuous sales growth in overseas automated blood component processing system and therapeutic apheresis

Increase in Sales and Profit

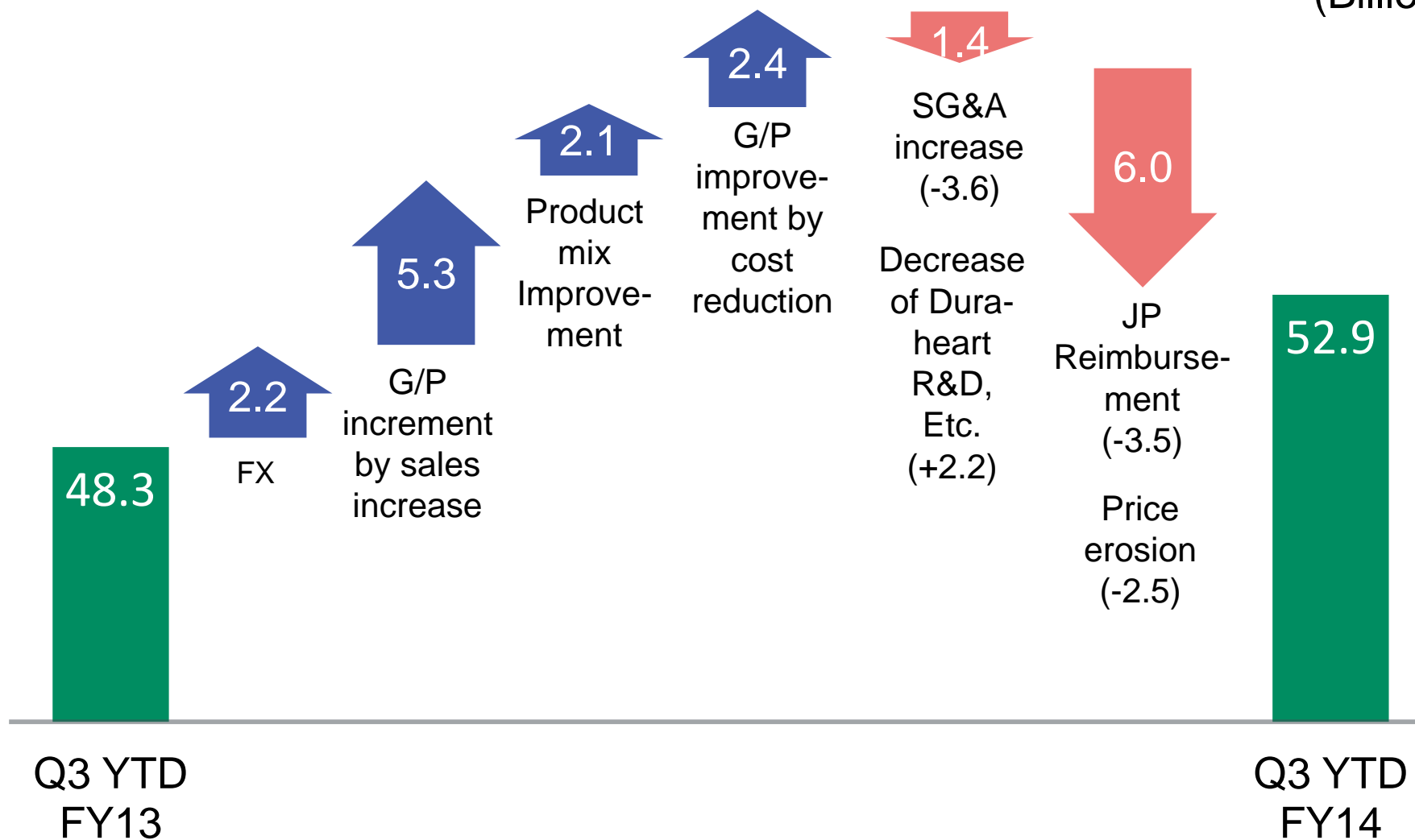
(Billion yen)

| | Q3 YTD FY2013 | Q3 YTD FY2014 | YoY% | YoY% (Excl. FX) |
|----------------------|------------------|------------------|------|--------------------|
| Net Sales | 345.3 | 363.2 | +5% | +1% |
| Gross Profit | 178.7 (51.7%) | 190.7 (52.5%) | +7% | +2% |
| SG&A Expenses | 108.0 (31.2%) | 116.9 (32.1%) | +8% | |
| R&D Expenses | 22.4 (6.5%) | 20.9 (5.8%) | -7% | |
| Operating Income | 48.3 (14.0%) | 52.9 (14.6%) | +10% | +5% |
| (Excl. Amortization) | 60.4 (17.5%) | 65.8 (18.1%) | +9% | +4% |
| Ordinary Income | 49.9 (14.5%) | 58.7 (16.2%) | +18% | |
| Net Income | 36.9 (10.7%) | 33.4 (9.2%) | -9% | |

| | | | |
|------------------------|------|---------|---------|
| Average exchange rates | US\$ | 99 yen | 107 yen |
| | EUR | 132 yen | 140 yen |

Operating Income Variance Analysis

(Billion yen)



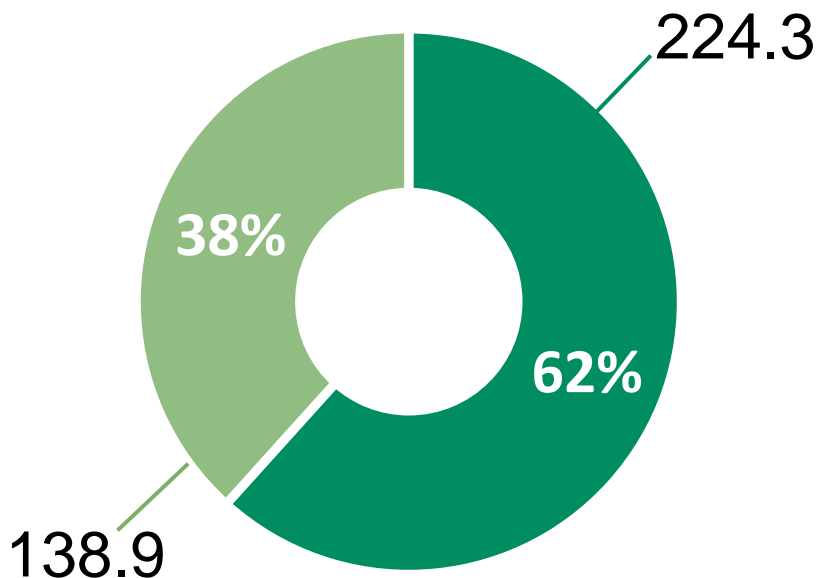
Net Sales by Region

Consolidated: +5% (+1%)

Japan Outside of Japan

-2%

+10% (+4%)

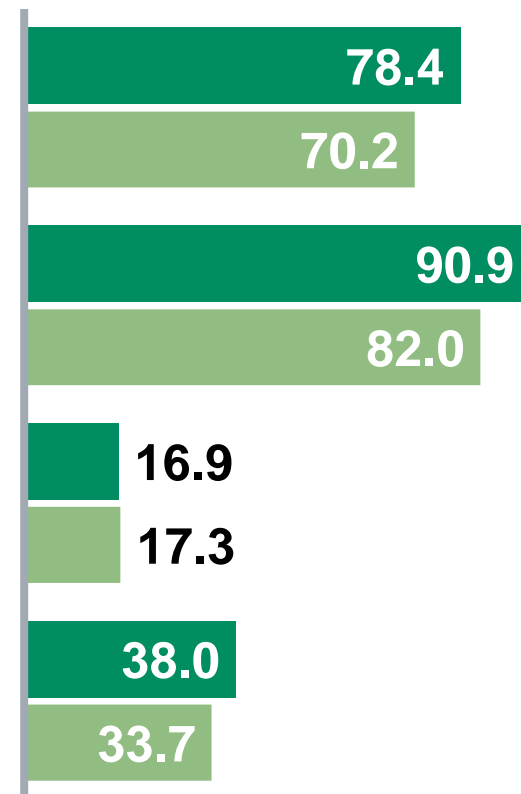


(Billion yen)

Q3 YTD FY2013 (light green bar)
Q3 YTD FY2014 (dark green bar)

() Excluding Foreign Exchange

- Europe**
+12% (+5%)
- Americas**
+11% (+4%)
- China**
-2% (-8%)
- Asia & Others**
+13% (+7%)



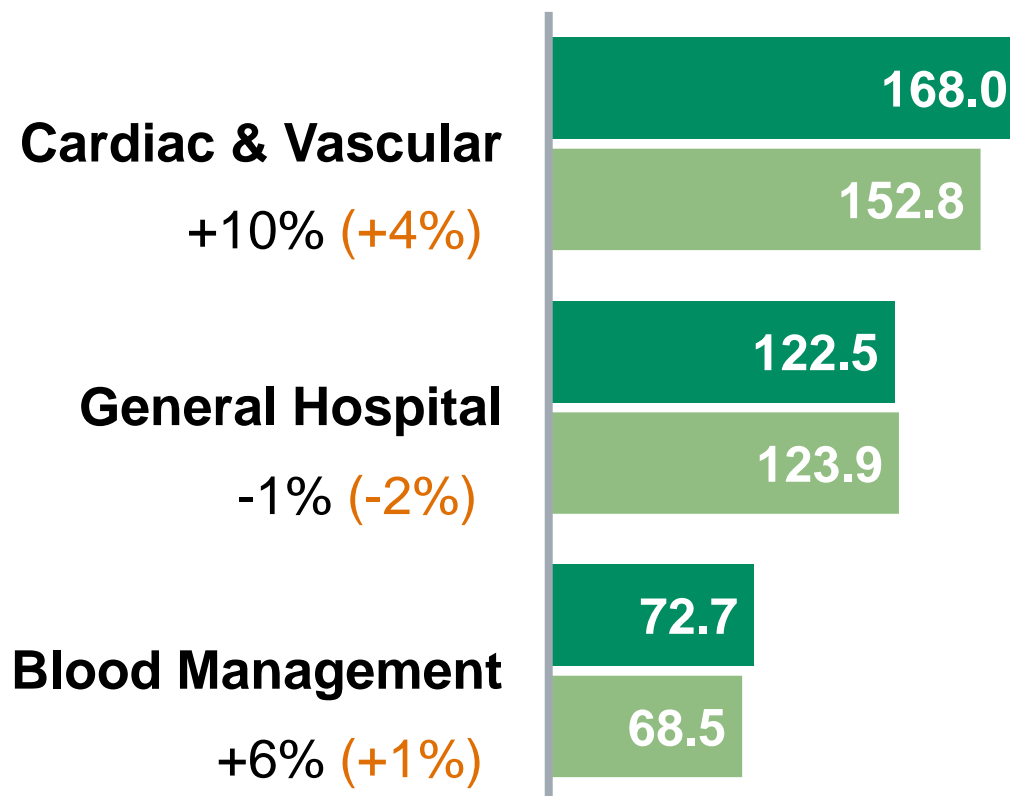
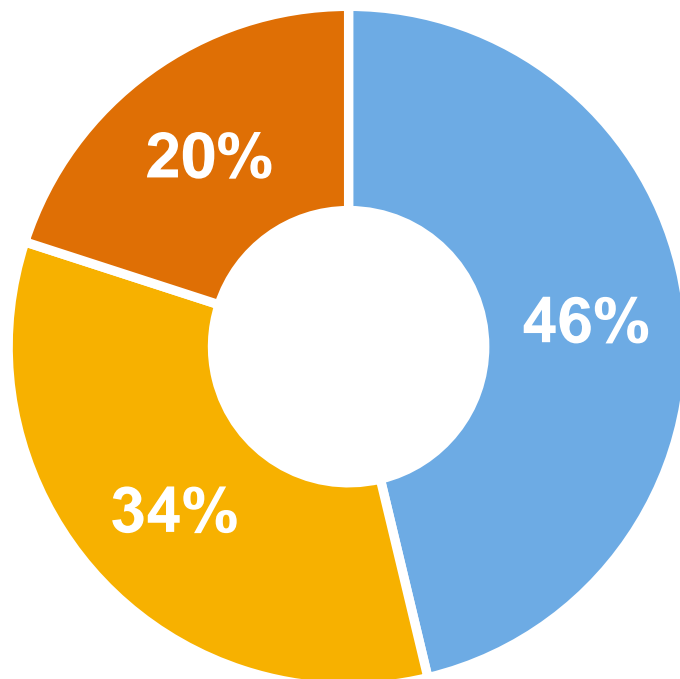
Net Sales by Business Segment

- Cardiac & Vascular
- General Hospital
- Blood Management

(Billion yen)

| Q3 YTD FY2013 | Q3 YTD FY2014 |
|------------------|------------------|
|------------------|------------------|

() Excluding Foreign Exchange



Profit by Business Segment

(Billion yen)

| | | Q3 YTD FY2013 | Q3 YTD FY2014 | YoY% | YoY% (Excl. FX) |
|--|--------------------|------------------|------------------|------|--------------------|
| Business Profit | Cardiac & Vascular | 32.0 (21%) | 34.1 (20%) | +6% | -3% |
| | General Hospital | 16.2 (13%) | 16.5 (13%) | +2% | +1% |
| | Blood Management | 13.8 (20%) | 14.2 (20%) | +3% | +1% |
| Others* | | -1.6 | 1.0 | - | - |
| Operating Income (Excl. amortization) | | 60.4 (17%) | 65.8 (18%) | +9% | +4% |

* Others: profit unrelated to any business segments

Q3 YTD FY13: R&D for Duraheart and others

Q3 YTD FY14: profit increase by reduction of corporate related expense and others

Cardiac & Vascular: Increase in Sales and Profit

(Billion yen)

| | Q3 YTD FY2013 | Q3 YTD FY2014 | YoY% | YoY% (Excl. FX) |
|---------------------|------------------|------------------|------|--------------------|
| Sales | 152.8 | 168.0 | +10% | +4% |
| Business Profit (%) | 32.0 (21%) | 34.1 (20%) | +6% | -3% |

<Sales>

- Increase in overseas IS business and neurovascular intervention products (stent, etc.) + 12.5 BJPY
- Sales of CV products grew mainly in U.S. and Asia + 2.5 BJPY
- Reimbursement price cut in Japan - 2.8 BJPY
- Sales of Ultimaster (new DES) continued to expand steadily

<Business Profit>

- Reduced manufacturing cost mainly for IS business + 0.9 BJPY

General Hospital: Increase in Profit due to Growth of High Margin Products

(Billion yen)

| | Q3 YTD FY2013 | Q3 YTD FY2014 | YoY% | YoY% (Excl. FX) |
|---------------------|------------------|------------------|------|--------------------|
| Sales | 123.9 | 122.5 | -1% | -2% |
| Business Profit (%) | 16.2 (13%) | 16.5 (13%) | +2% | +1% |

<Sales>

- Japan: effects of changes in the healthcare market environment in 1H - 1.2 BJPY
- Reimbursement price cut in Japan - 0.7 BJPY
- Increased sales of DM & Consumer Healthcare and D&D (Drug & Device) businesses in Q3 + 1.5 BJPY

<Business Profit>

- Improved product mix

Blood Management: Increase in Sales and Profit

(Billion yen)

| | Q3 YTD FY2013 | Q3 YTD FY2014 | YoY% | YoY% (Excl. FX) |
|---------------------|------------------|------------------|------|--------------------|
| Sales | 68.5 | 72.7 | +6% | +1% |
| Business Profit (%) | 13.8 (20%) | 14.2 (20%) | +3% | +1% |

<Sales>

- Increased sales both in whole blood collection and blood component collection in Latin America and Asia + 2.0 BJPY
- Achieved double digit growth in overseas therapeutic apheresis + 1.7 BJPY
- Automated blood component processing system globally grew at double digit + 1.1 BJPY
- EU and U.S.: on the back of constraints of healthcare expenditure, price pressure is increased - 0.6 BJPY

<Business Profit>

- Controlled SG&A within the range of sales growth

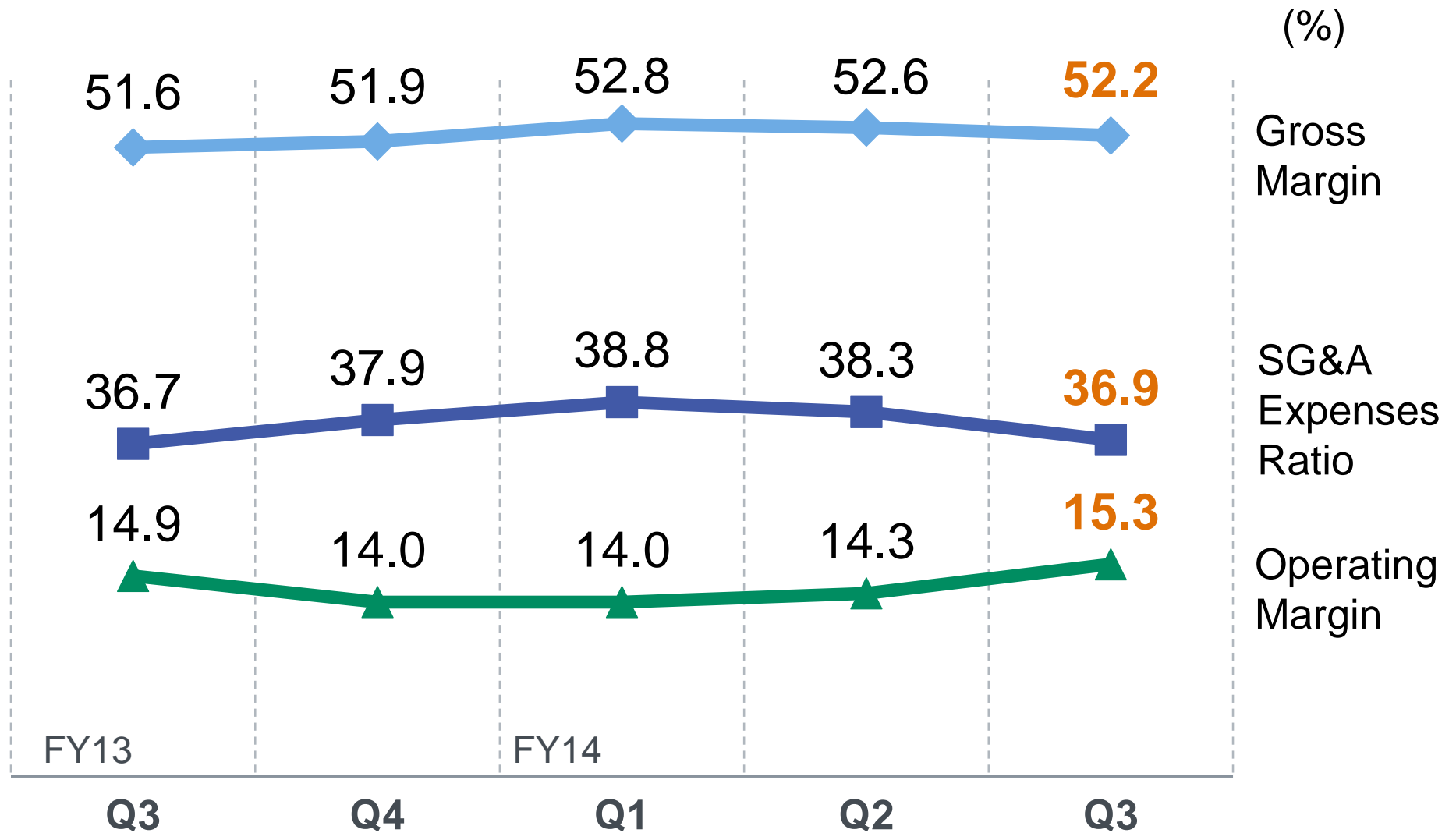
Quarterly Results

(Billion yen)

| | Q3 (Oct-Dec) | Q4 (Jan-Mar) | Q1 FY14 (Apr-Jun) | Q2 (Jul-Sep) | Q3 (Oct-Dec) |
|------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
| Net Sales | 119.2 | 122.1 | 114.9 | 118.4 | 129.9 |
| Gross Profit | 61.5 (51.6%) | 63.3 (51.9%) | 60.7 (52.8%) | 62.3 (52.6%) | 67.8 (52.2%) |
| SG&A Expenses | 43.7 (36.7%) | 46.3 (37.9%) | 44.6 (38.8%) | 45.4 (38.3%) | 47.9 (36.9%) |
| Operating Income | 17.8 (14.9%) | 17.0 (14.0%) | 16.1 (14.0%) | 16.9 (14.3%) | 19.9 (15.3%) |

| | | | | | | |
|-------------------------------------|------|---------|---------|---------|---------|---------|
| Average Quarterly Exchange Rates | US\$ | 100 yen | 103 yen | 102 yen | 104 yen | 115 yen |
| | EUR | 137 yen | 141 yen | 140 yen | 138 yen | 143 yen |

Profit Ratio, SG&A Expenses Ratio



New Product Pipeline for 2H

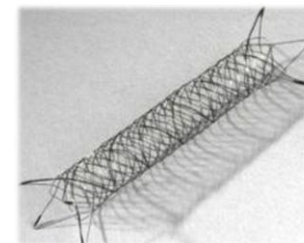
| Business | Product | | Region | Launch |
|------------------|--|----|----------------------|--------|
| Coronary | New PTCA balloon | ◎ | EU, L. America, Asia | |
| Peripheral | PTA balloon (above the knee) | | JP, US | |
| | PTA balloon (below the knee) | | EU | Done |
| | Stent for small vessel (Misago) | | EU | |
| Neuro | Coil assist stent | ◎ | US | Done |
| | Stroke device (clot retriever) | ◎★ | EU | Done |
| | Liquid embolic glue | ★ | EU | |
| Infusion System | Needleless system | | Asia | |
| DM | Blood glucose monitor (color LCD) | ◎ | JP | Done |
| Blood Management | Automated blood component collection system (plasma) | | JP | |
| | Automated blood component processing system | ★ | JP | |
| | Therapeutic apheresis system (Bone marrow stem cell and polymorphonuclear leukocyte application) | | US | |

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



PTA balloon, below the knee (Tercross)

Non-compliant and semi-compliant balloon, catheter shaft with good maneuverability



Coil assist stent (LVIS)

Superior deliverability and easy stent deployment



Stroke device (ERIC)

Interlinked cage system for efficient clot retrieval



Blood glucose monitor (MEDISAFE Fit Smile)

Voice guided navigation and easily viewable color LCD

Reference

Q3 YTD Net Sales and Growth by Region

(Billion yen)

| Business Segment | Japan | Outside of Japan | | | | | G. Total |
|------------------------------------|-------------|------------------|-----------|------------|-------------|------------|-------------|
| | | Subtotal | Europe | Americas | China | Asia | |
| Cardiac & Vascular | 36.0 (-2%) | 132.0 (6%) | 48.8 (6%) | 54.8 (9%) | 12.9 (-12%) | 15.5 (15%) | 168.0 (4%) |
| Out of C&V Interventional Systems* | 27.6 (-3%) | 99.8 (7%) | 38.8 (8%) | 36.9 (13%) | 12.1 (-12%) | 11.9 (14%) | 127.4 (5%) |
| General Hospital | 93.7 (-2%) | 28.7 (-4%) | 9.3 (2%) | 6.0 (-16%) | 1.1 (19%) | 12.3 (-3%) | 122.5 (-2%) |
| Blood Management | 9.2 (-5%) | 63.5 (2%) | 20.2 (3%) | 30.2 (-1%) | 2.9 (1%) | 10.2 (10%) | 72.7 (1%) |
| G. Total | 138.9 (-2%) | 224.3 (4%) | 78.4 (5%) | 90.9 (4%) | 16.9 (-8%) | 38.0 (7%) | 363.2 (1%) |

*Including Neurovascular business

(YoY%): Excluding foreign exchange

SG&A Expenses

(Billion yen)

| | Q3 YTD FY2013 | Q3 YTD FY2014 | YoY | YoY% |
|---------------------------------|------------------|------------------|------|------|
| Salaries & Wages | 47.2 | 52.1 | +4.9 | +10% |
| Sales Promotion | 10.6 | 11.6 | +1.0 | +9% |
| Logistical Costs | 8.1 | 8.2 | +0.1 | +1% |
| Depreciation & Amortization | 16.7 | 18.4 | +1.7 | +10% |
| Others | 25.4 | 26.6 | +1.2 | +5% |
| General Administrative Total | 108.0 (31.2%) | 116.9 (32.1%) | +8.9 | +8% |
| R&D Expenses | 22.4 (6.5%) | 20.9 (5.8%) | -1.5 | -7% |
| SG&A Expenses Total | 130.4 (37.7%) | 137.8 (37.9%) | +7.4 | +6% |

(%) Against net sales

SG&A Expenses

(Billion yen)

| | Q3 YTD FY2013* | Q3 YTD FY2014 | YoY | YoY% |
|---------------------------------|-------------------|------------------|------|------|
| General Administrative Total | 113.3 | 116.9 | +3.6 | +3% |
| R&D Expenses | 23.1 | 20.9 | -2.2 | -10% |
| SG&A Expenses Total | 136.4 | 137.8 | +1.4 | +1% |

* Value adjusted by excluding FX impact

Non-operating Income & Expenses, Extraordinary Gains & Losses, Income Taxes

(Billion yen)

| | Q3 YTD FY2013 | Q3 YTD FY2014 | | |
|------------------------------------|------------------|------------------|--|------------|
| Operating Income | 48.3 | 52.9 | | |
| Non-operating Income & Expenses | +1.7 | +5.8 | FX gains +8.1 | |
| | Exchange rates | End of Mar. 2014 | End of Dec. 2014 | Difference |
| | US\$ | 102.9 yen | 120.6 yen | (+17.7) |
| | EUR | 141.7 yen | 146.5 yen | (+4.8) |
| Extraordinary Gains & Losses | +4.6 | -6.4 | Transformation of product portfolio in EU -6.4 Impairment loss -1.5 Others +1.5 | |
| Income Taxes Total | -17.6 | -18.9 | Elimination of effect resulted from reorganization of TBCT in FY12 | |
| Tax Rate (%) | 32% | 36% | | |
| Net Income | 36.9 | 33.4 | | |

CAPEX, R&D Expenses

(Billion yen)

| | FY2014 Guidance | Q3 YTD FY2014 | Progress to guidance |
|--------------------------------|--------------------|------------------|-------------------------|
| CAPEX | 42.0 | 30.8 | 73% |
| Depreciation & Amortization | 41.0 | 30.1 | 73% |
| R&D Expenses | 31.0 | 20.9 | 67% |

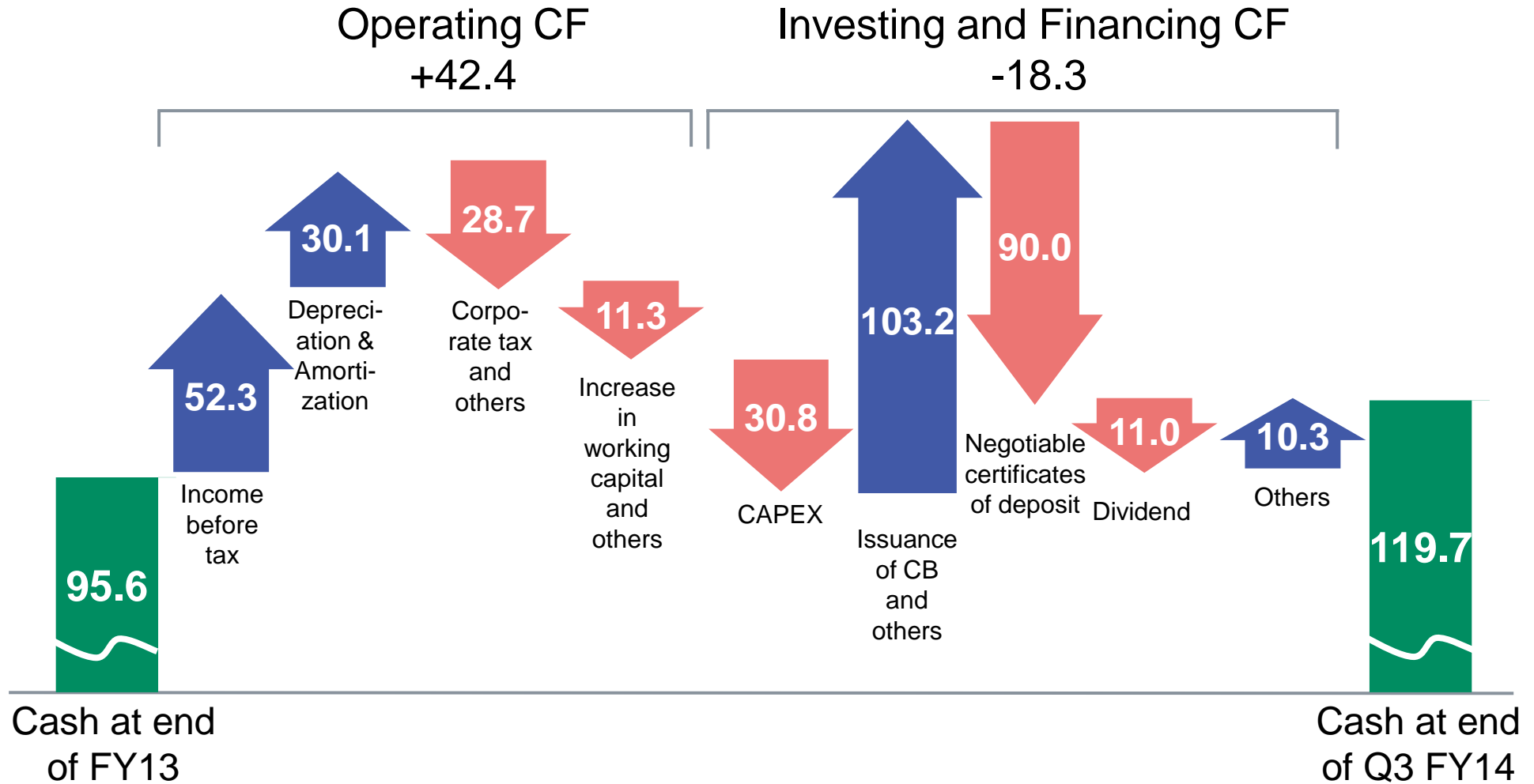
Depreciation & Amortization: Including intangibles

CAPEX: Acquisition basis

Cash Flow

- Financed 100 BJPY by CB, invested 90 BJPY in short-term financial asset
- Despite corporate tax burden in Q1 and Q3, operating CF recovered well.
- SB of 40 BJPY will be redeemed in March, 2015.

(Billion yen)

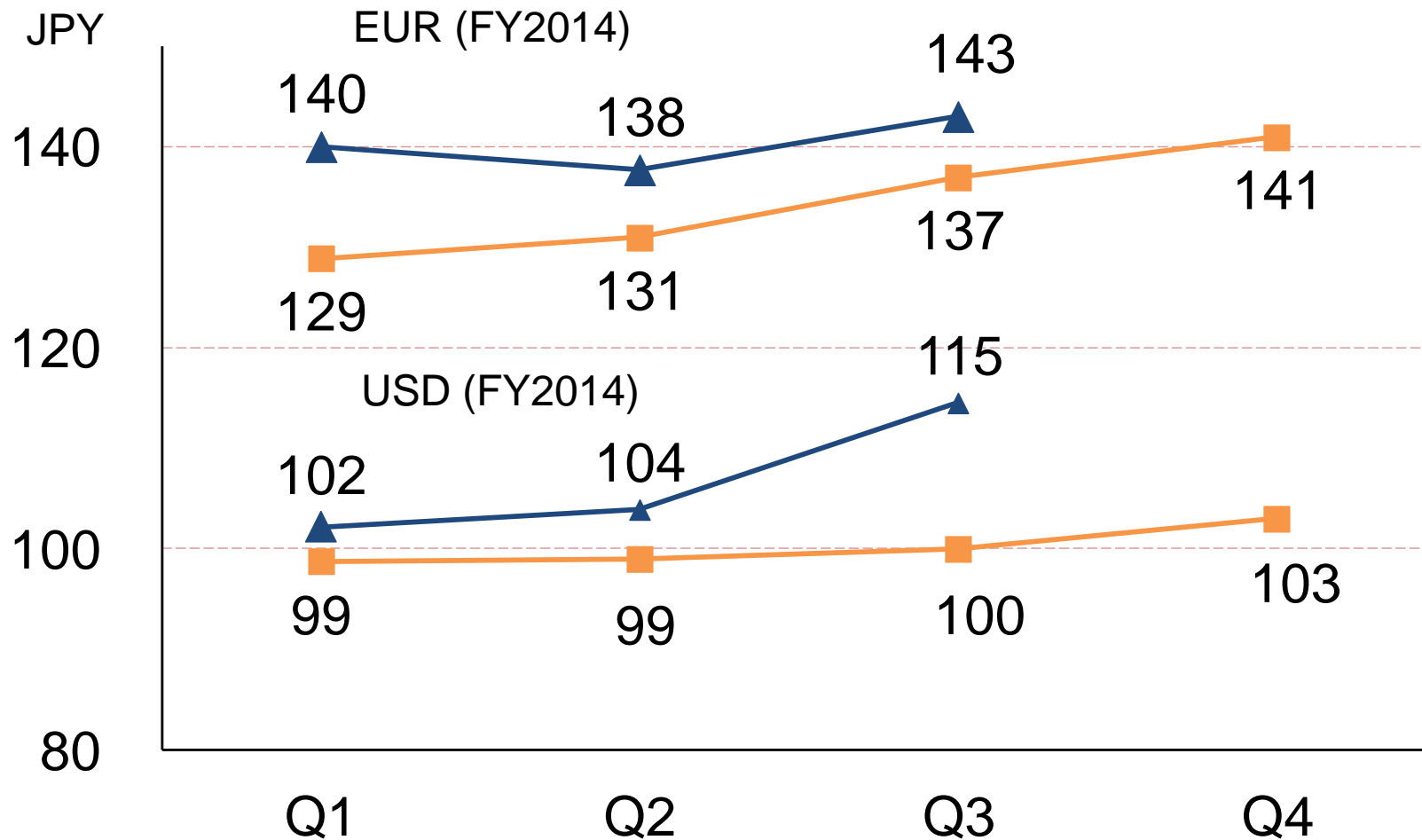


Foreign Exchange Sensitivity

(Billion yen/year)

| | US\$ | EUR |
|------------------|------|-----|
| Net Sales | 1.8 | 0.7 |
| Operating Income | 0.3 | 0.4 |

Quarterly Average Exchange Rates Trend



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.