

# ***TERUMO CORPORATION***

***Half Year Financial Result for FYE/ Mar.2006***

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October 26, 2005

# Summary

*To achieve FY05 plan and continued growth in the future*

- Half year target achieved**
- Well prepared for the future**

# Financial Highlights

(billions of yen)

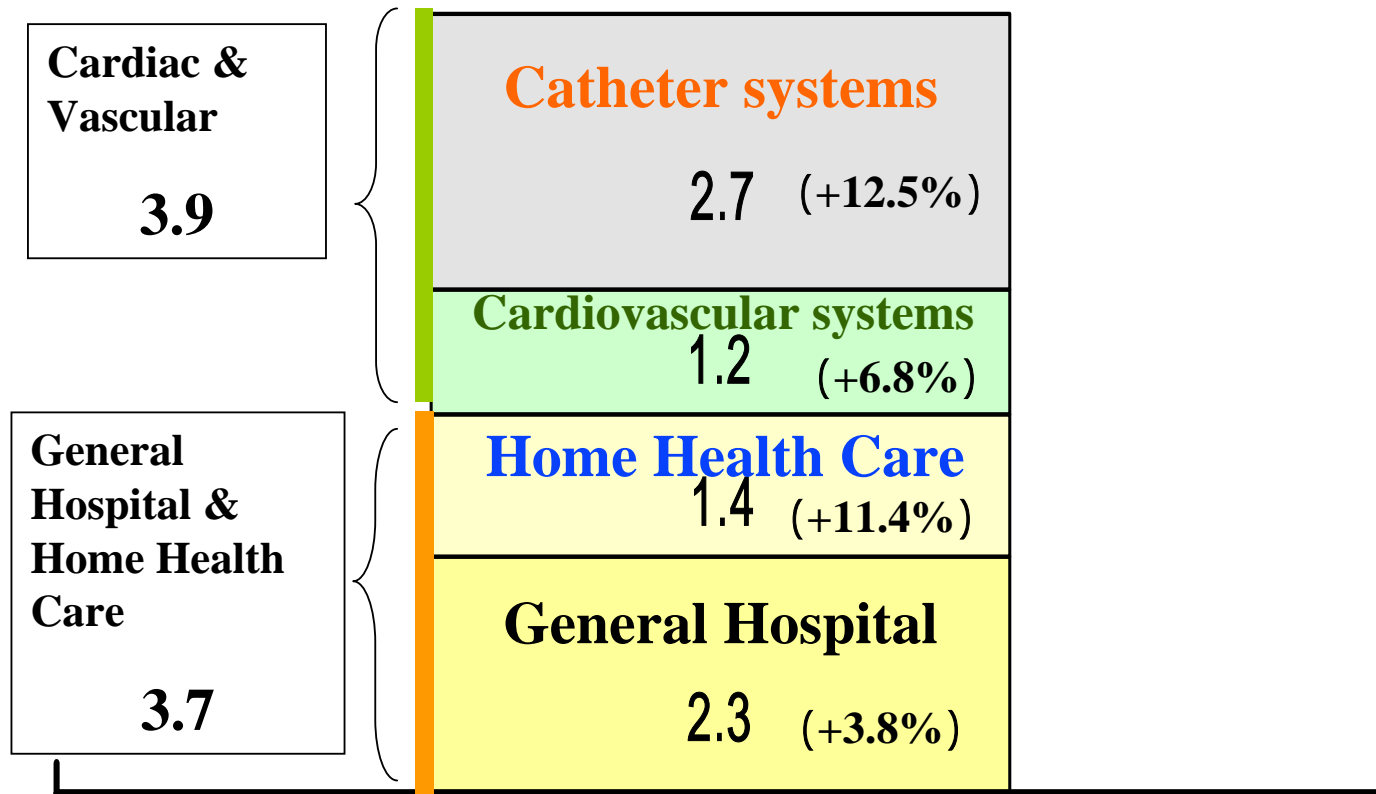
	Sep. 2004	Sep. 2005	Growth
<b>Net Sales</b>	<b>112.2</b>	<b>119.8</b>	<b>7%</b>
<b>Gross Profit</b>	<b>59.8</b> (53.3%)	<b>65.3</b> (54.5%)	<b>9%</b>
<b>SGA Expenses</b>	<b>37.6</b> (33.5%)	<b>40.3</b> (33.6%)	<b>7%</b>
<b>Operating Income</b>	<b>22.2</b> (19.8%)	<b>25.0</b> (20.9%)	<b>13%</b>
<b>Ordinary Income</b>	<b>22.5</b> (20.1%)	<b>25.3</b> (21.1%)	<b>12%</b>
<b>Net Income</b>	<b>13.3</b>	<b>16.3</b>	<b>23%</b>

Exchange rates 1US\$ = 110yen      110yen  
 1Euro= 133 yen      136yen

# 7.6 billion yen increase in Net Sales<sup>4</sup> by Segment

(billions of yen)

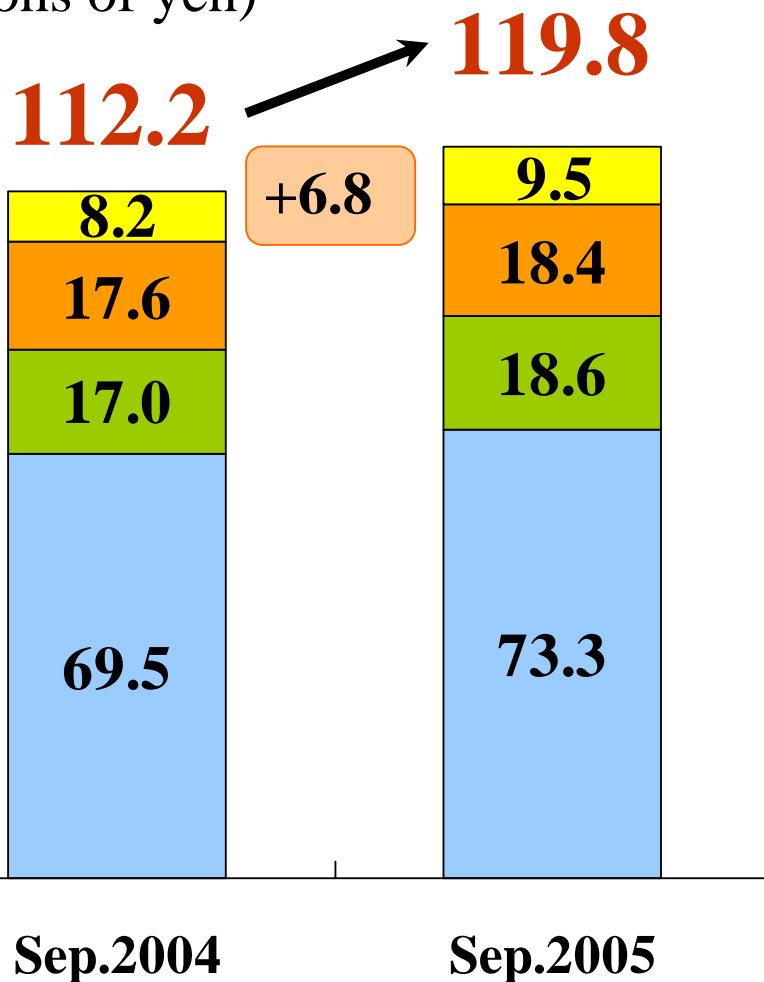
7.6



Sep. 2005

# Net Sales by Region

(billions of yen)



<b>Total</b>	<b>+6.8%</b>	<b>(+6.4%)</b>
■ <b>Asia</b>	<b>+16.0%</b>	<b>(+ 13.5%)</b>
■ <b>Americas</b>	<b>+4.8%</b>	<b>(+5.1%)</b>
■ <b>Europe</b>	<b>+9.4%</b>	<b>(+7.8%)</b>
■ <b>Japan</b>	<b>+5.5%</b>	
.....		
<b>Overseas total</b>	<b>+8.8%</b>	<b>(+7.8%)</b>



Exclude ForEx impact

# Variance Analysis of Gross Margin

**Improvement +1.2pt (53.3% 54.5%)**

## **Positive**

Improved product mix

Economy of scale (Production increase)

Cost reduction

**+2.2pt**

+1.8pt

+0.2pt

+0.2pt

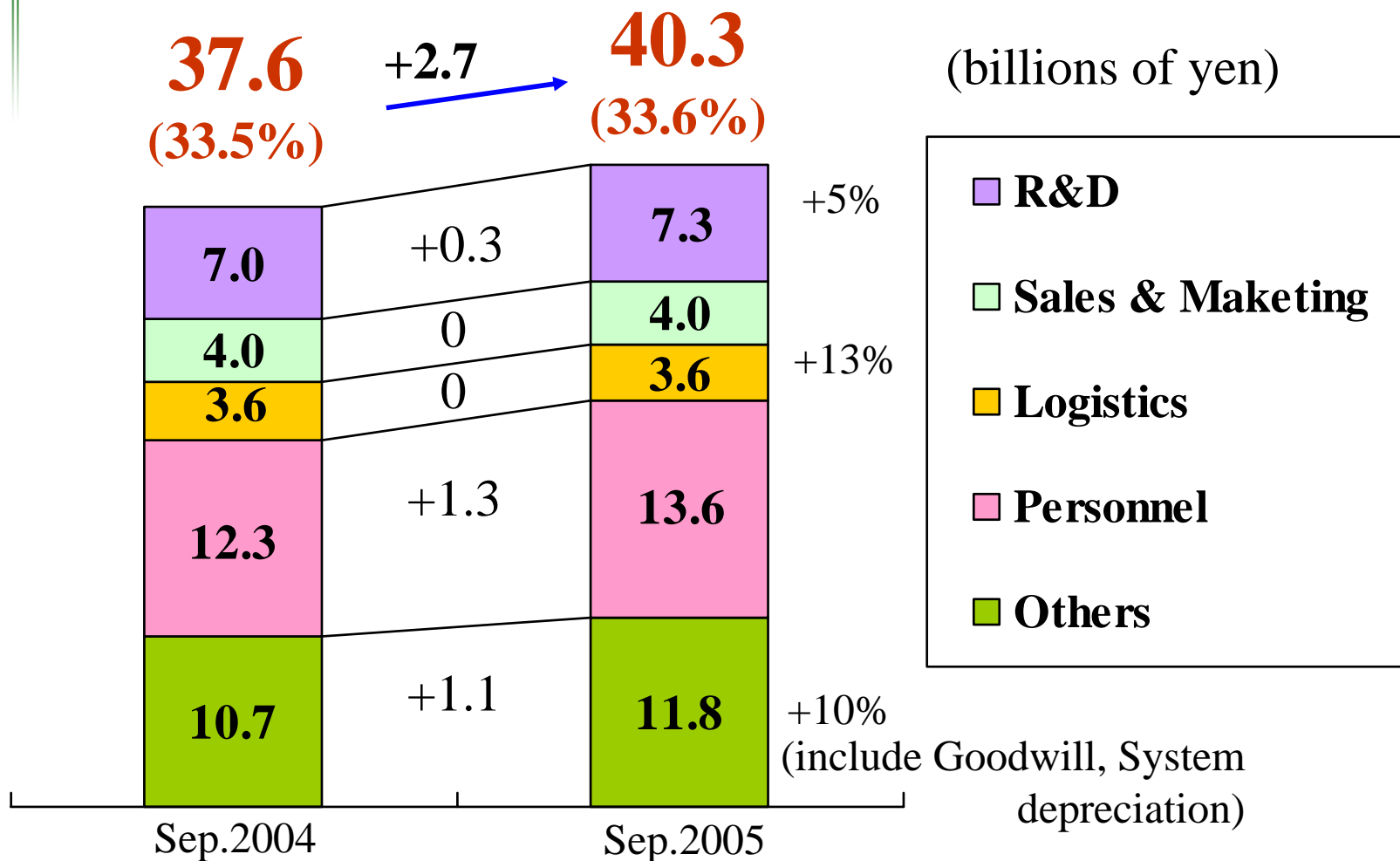
## **Negative**

Price decline

**-1.0pt**

-1.0pt

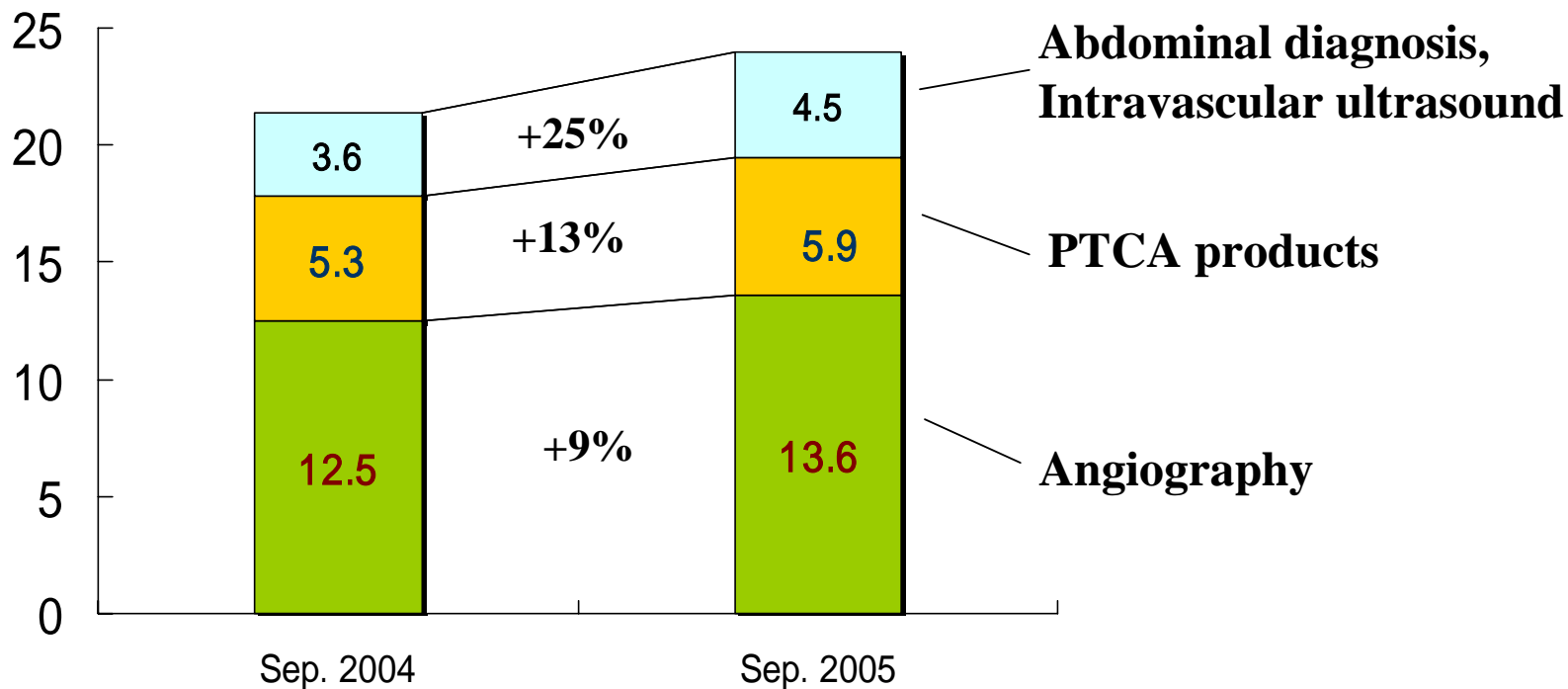
# SGA Expenses



## Cardiac & Vascular Products

# The interventional business has extended steadily

(billions of yen)



**Catheter business**      **21.4**                      **24.1 ( + 13%)**

### \* PTCA products breakdown

PTCA catheter	2.6	3.9 (+49%)
Coronary stent	2.7	2.1 (-22%)

# PTCA Guidewire 'Runthrough NS'

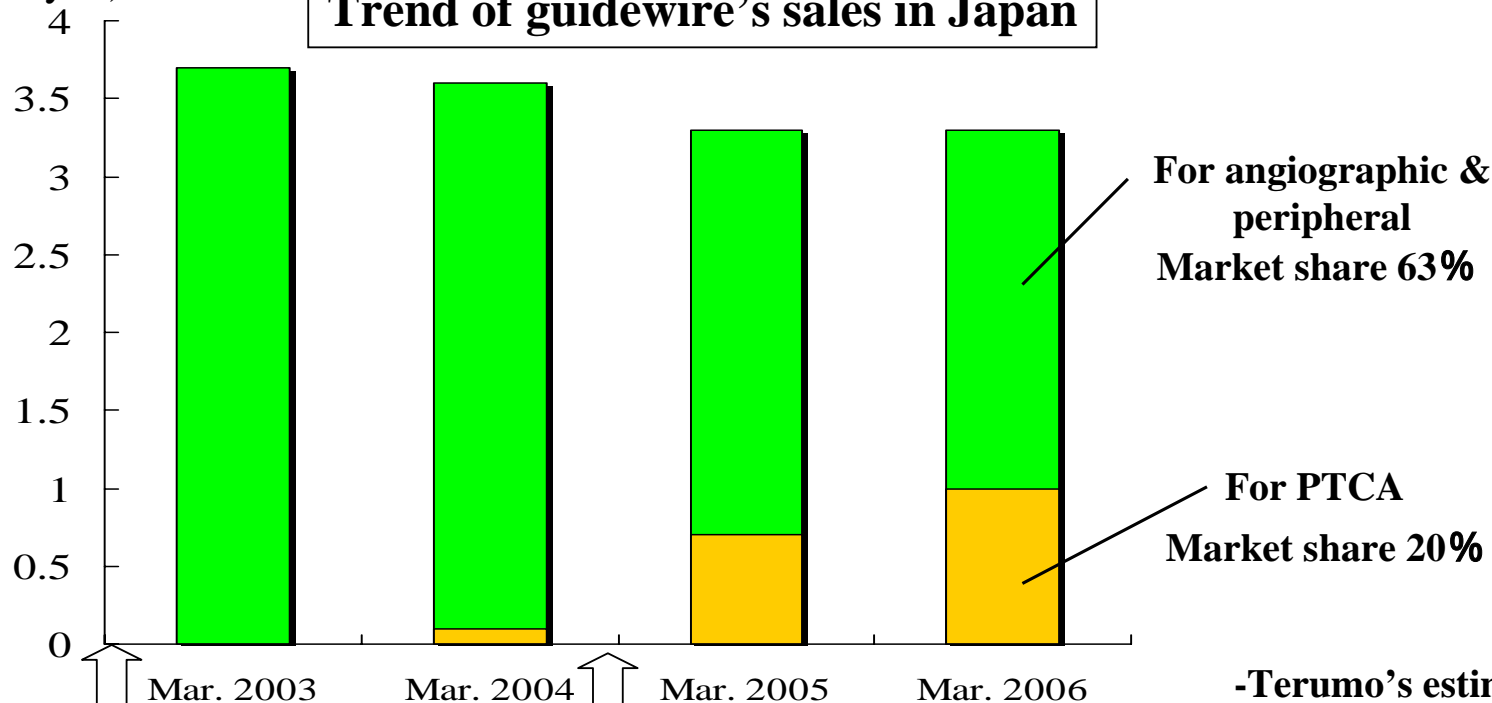
**Grows as core product in interventional business**

-Launched Dec. 03, increasing sales in Japan

-Direct joint of nickel-titanium alloy with stainless steel

(billions of yen)

**Trend of guidewire's sales in Japan**



-Terumo's estimates

Revision of NHI price

Revision of NHI price

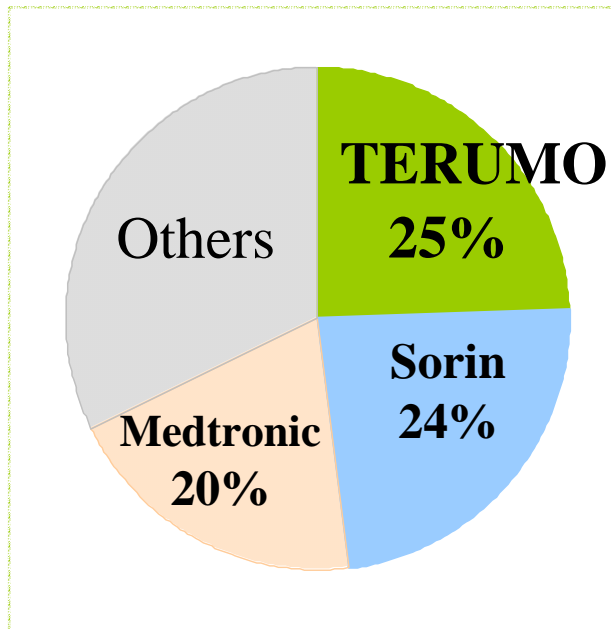
(estimation)



# Cardiopulmonary business

**Expanded product line to improve market share**

Global market share, Sep 2005



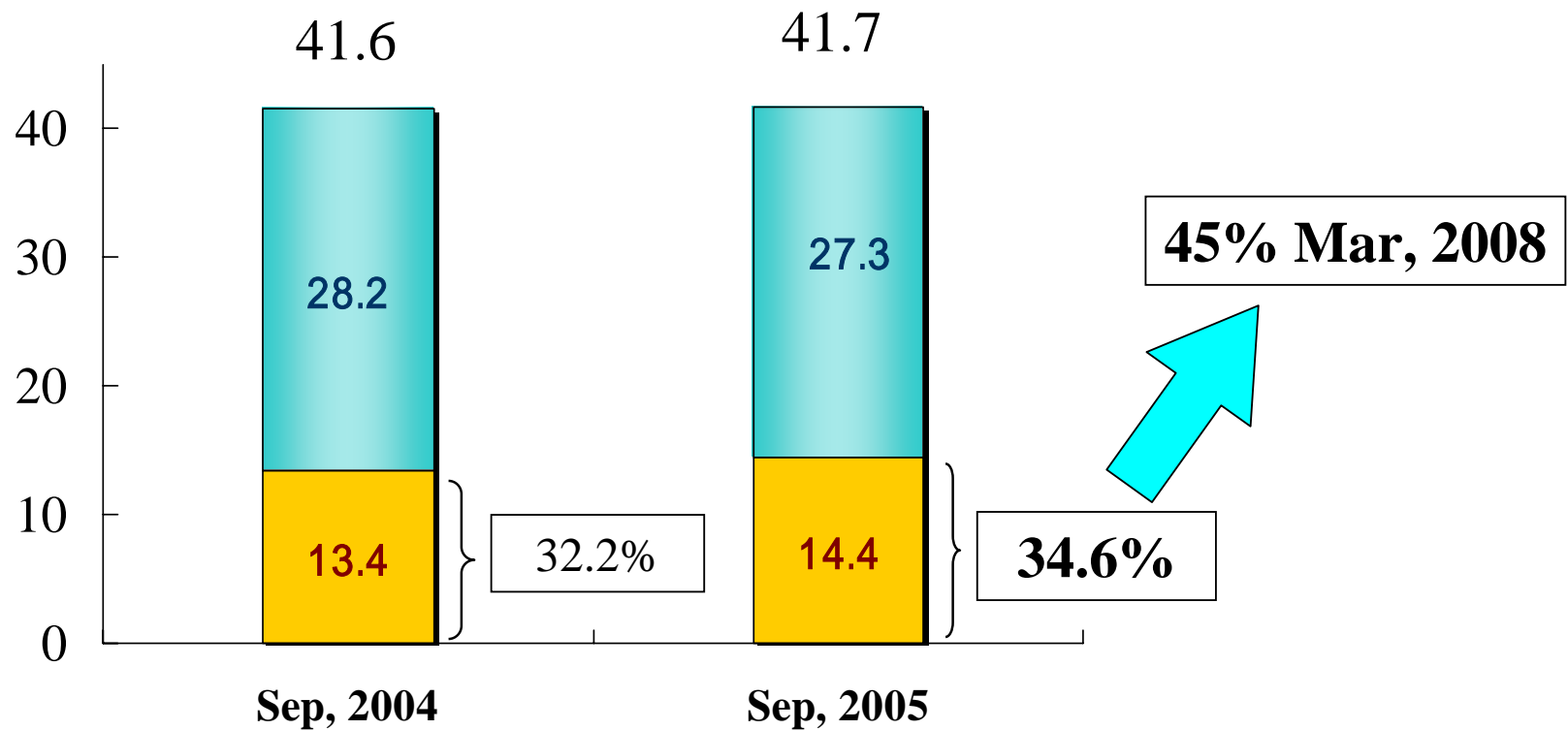
**secure global No.1 position**



## General Hospital products

# Sales of Products with Safety features expanded

(billions of yen)



# Entry into new markets in Japan

## Acquired distribution right for the contrast media from Guerbet

- Planned launch date : January 1, 2006
- Sales: About 1.5 billion yen (FY2004)



## took over the business right for the nutrition products from Hisamitsu

- After acquisition : market share expected to increase from 8% to 13% (No.3)
- Planned launch date : November 1, 2005



# Diabetes Care Systems

	Sep. 04	Sep. 05
<b>Sales</b>	<b>3.8</b>	<b>4.8 (+26%)</b>

Blood glucose monitor “MEDISAFE MINI”

- Continued sales increase in Japan
- Geographical expansion

Launched : Thailand, Indonesia, Saudi Arabia

Planned : Asia & Europe



## *Drug eluting stent “NOBORI”*

### **European clinical trial ongoing**

- Scheduled completed by year end
- 360 Implants at 30 hospitals in Europe & Asia
- Comparison with Taxus
- Will announce clinical trial results in TCT in Oct. 2006
- Launch in 1<sup>st</sup> half FY2006 in Europe



**Launch in 4Q FY2005 in Asia**

# *Vascular Grafts*

## Minimally-invasive device for aortic aneurysm

### *Anaconda (Stent-graft)*

- Launched in Apr. 2005 in Europe
- Sales target is 0.2 billion yen, FY05
- 26 implanted in Clinical trial in US
- Scheduled to launch in FY2008 for US market



Anaconda

### *Other lineup*

#### *Rapidax, access graft for dialysis*

- Fusion of the technology between Terumo and Vascutek
- Approved CE mark in Aug, 2005

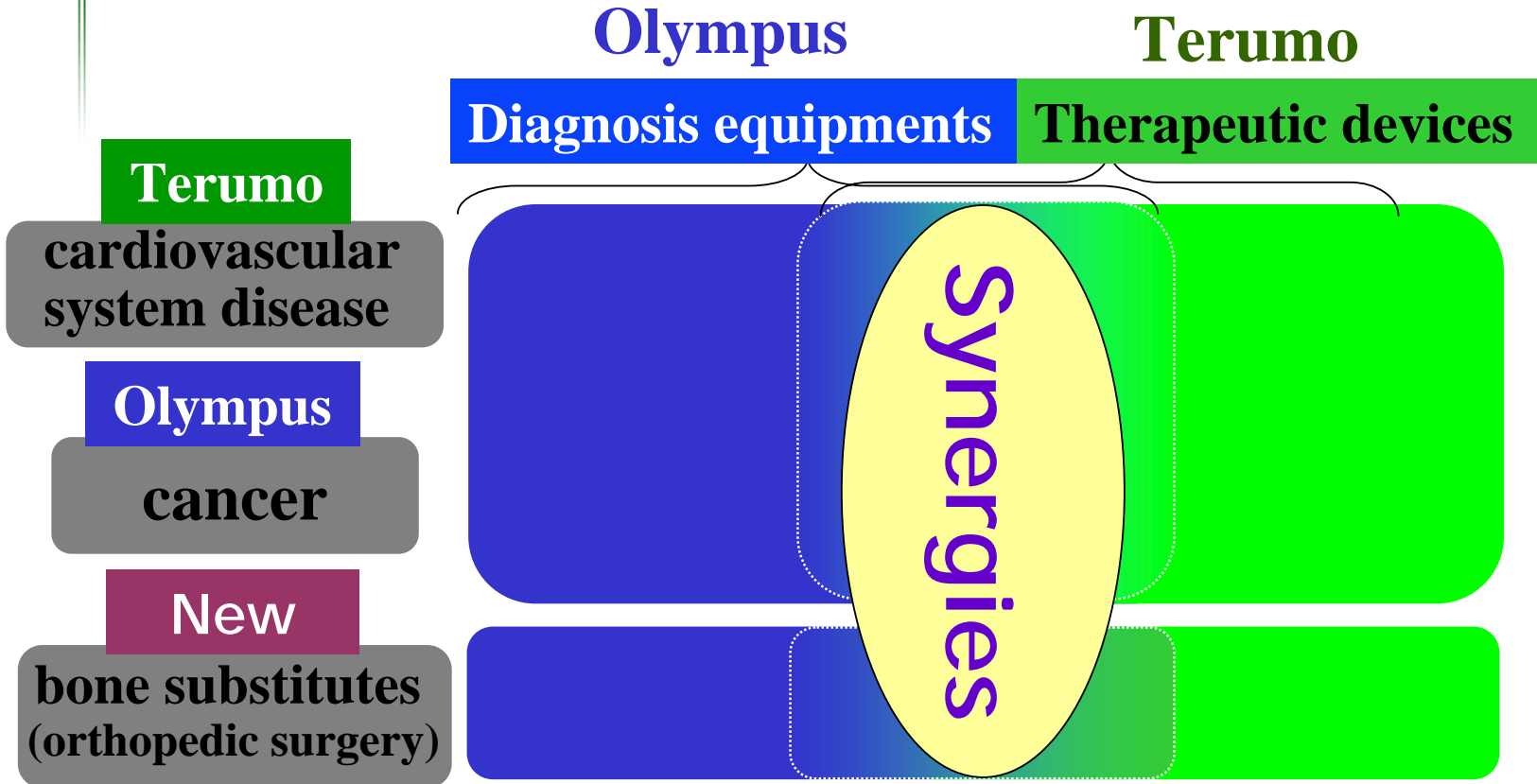
## *“DuraHeart”-Left ventricular assist systems-*



- Completed end-point by Oct 18, 2005 in Europe
- Ready for filing to CE Mark

Scheduled to launch at the end of FY2005 in Europe

# Strengthened Business Partnership between Olympus and Terumo



# Mar. 2006 Estimate

	(billions of yen)		
	Mar. 2005	Mar. 2006	Growth
<b>Net Sales</b>	<b>230.0</b>	<b>244.0</b>	<b>6%</b>
<b>Gross profit</b>	<b>123.8</b> (53.8%)	<b>132.3</b> (54.2%)	<b>7%</b>
<b>SGA Expenses</b>	<b>76.7</b> (33.3%)	<b>82.3</b> (33.7%)	<b>7%</b>
<b>Operating Income</b>	<b>47.1</b> (20.5%)	<b>50.0</b> (20.5%)	<b>6%</b>
<b>Ordinary Income</b>	<b>47.1</b> (20.5%)	<b>50.0</b> (20.5%)	<b>6%</b>
<b>Net Income</b>	<b>27.1</b>	<b>31.8</b>	<b>17%</b>

<u>Exchange rates</u>	FY2004	FY2005	
	1US\$ =108yen	110yen	2% depreciation of yen
	1Euro= 135yen	135yen	

# *IR Contact*

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