

Financial Results for the Fiscal Year
Ended March 31, 2010
Outlook for the Fiscal Year
Ending March 31, 2011

Terumo Corporation
May 12, 2010

Financial Results (Consolidated)

(Unit: Billion yen)

	FYE Mar. 2009	FYE Mar. 2010	YoY
Net Sales	302.7	316.0	4%
Gross Profit	158.2 (52.3%)	166.4 (52.6%)	5%
SG&A Expenses	104.2 (34.5%)	103.1 (32.6%)	-1%
Operating Income	54.0 (17.8%)	63.3 (20.0%)	17%
Ordinary Income	52.6 (17.4%)	63.6 (20.1%)	21%
Net Income	36.9 (12.2%)	40.7 (12.9%)	10%
Average exchange rate	1US\$ 101 yen 1EUR 144 yen	93 yen 131 yen } Impact on Net Sales	-4%

Net Sales (by Region)



Japan/Outside of Japan Total

+4%
(+9%)

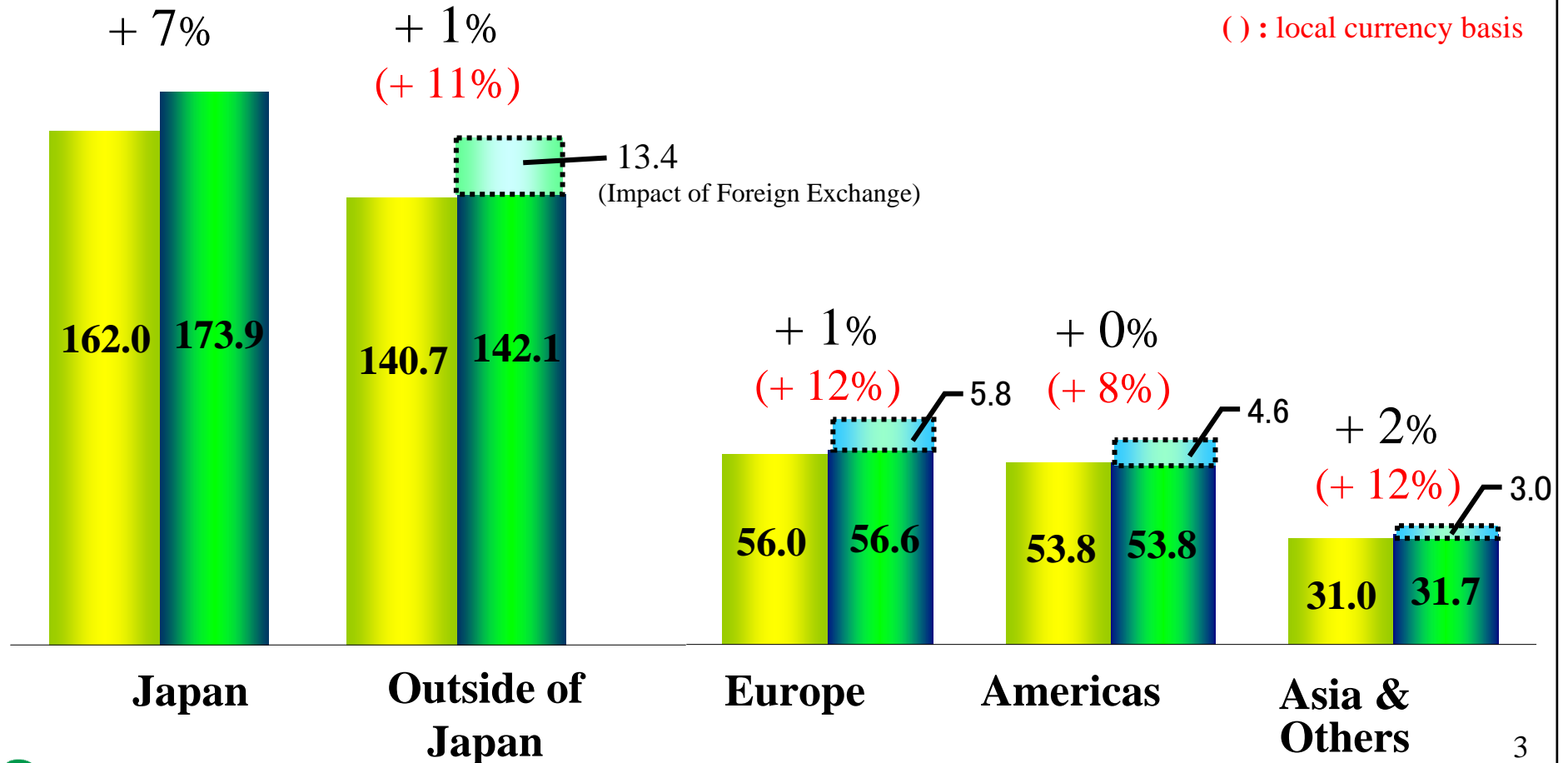
Outside of Japan, Ratio

46% → 45%

(Unit: Billion yen)

 FYE
Mar.2009  FYE
Mar.2010

() : local currency basis

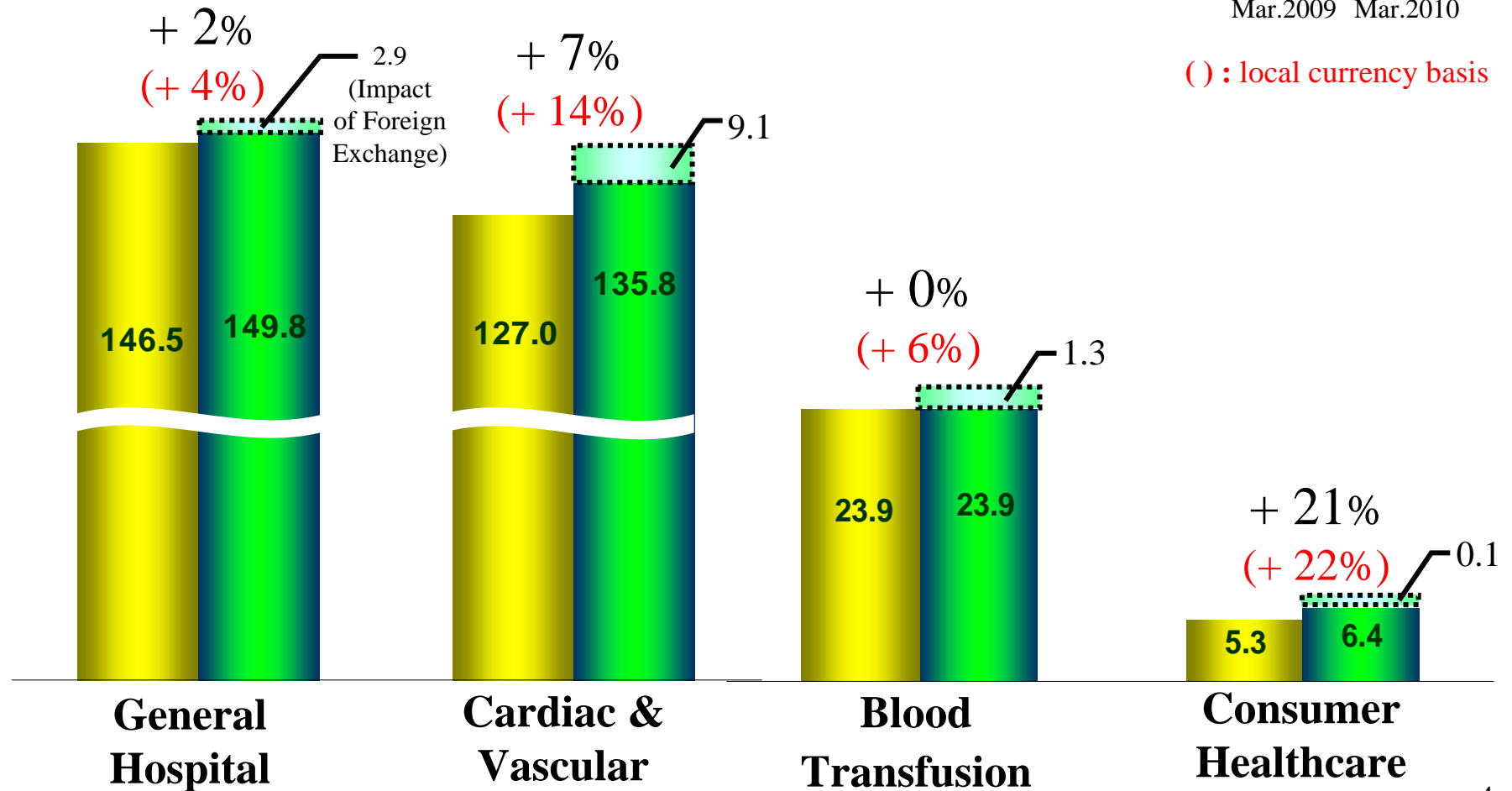


Sales (by Product Group)

(Unit: Billion yen)

FYE
 Mar.2009
 FYE
 Mar.2010

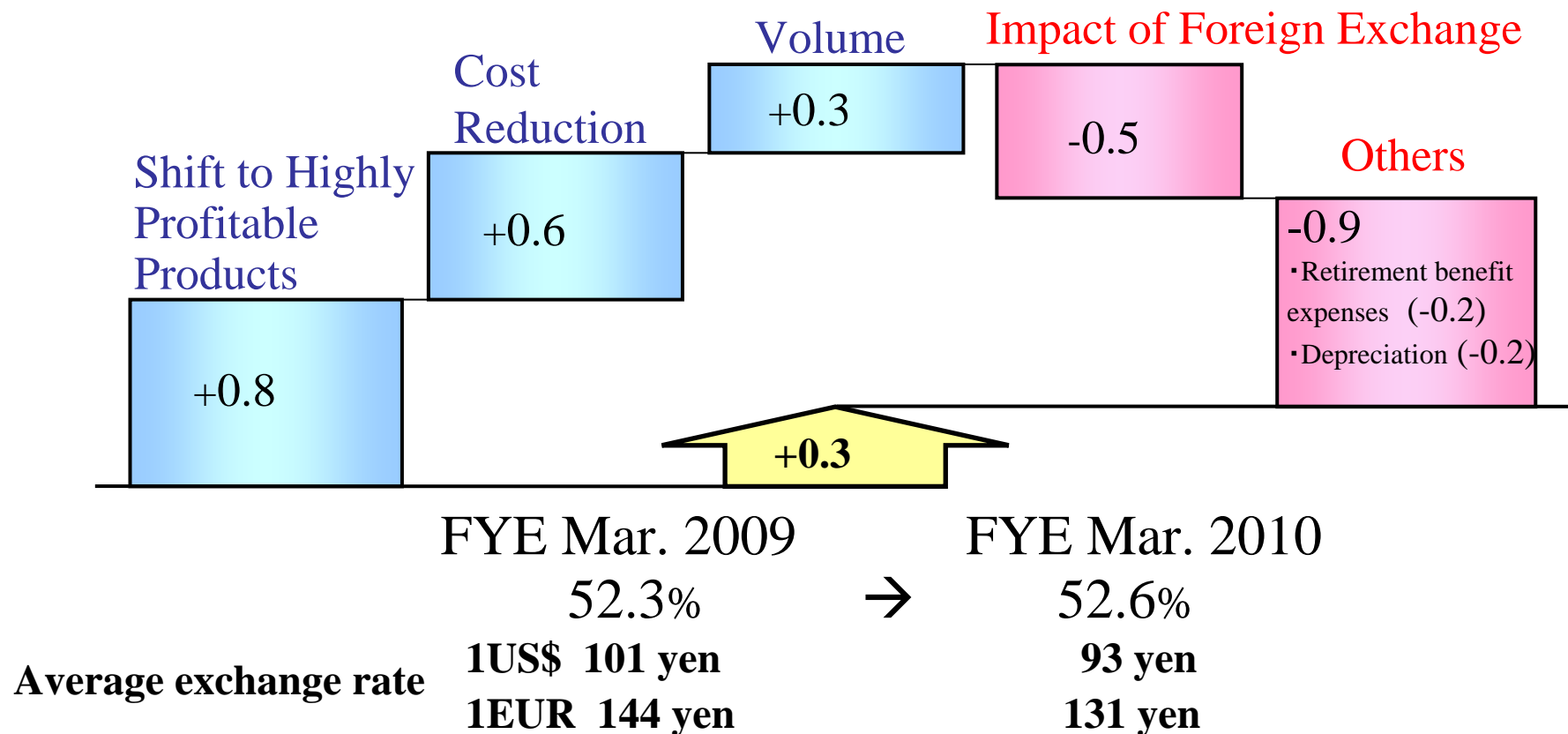
() : local currency basis



Gross Profit Variance Analysis

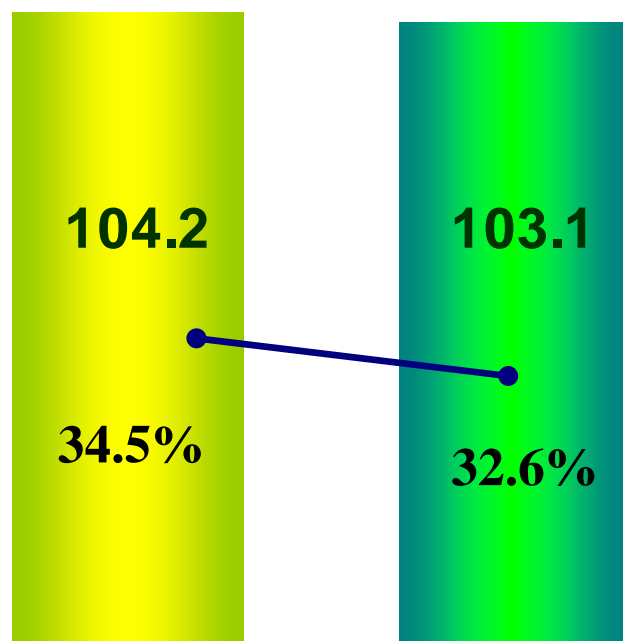
Factors in the increase YoY:
+1.7pt

Factors in the decrease YoY :
-1.4pt



SG&A, R&D expenses

(Unit: Billion yen)



FYE
Mar. 2009

FYE
Mar. 2010

	FYE Mar. 2009	FYE Mar. 2010	Change	YoY%
Salaries & Wages	37.4	38.2	+0.8	2%
Sales Promotion	10.9	11.0	+0.1	1%
Logistical Costs	9.1	9.0	-0.1	-1%
Depreciation & Amortization	5.5	5.1	-0.4	-9%
Others	24.1	22.3	-1.8	-8%
SG&A Sub Total	87.0	85.6	-1.4	-2%
R&D Expenses	17.2	17.5	+0.3	2%
SG&A TOTAL	104.2	103.1	-1.1	-1%

Outlook for the Fiscal Year Ending March 31, 2011

“Higher Earnings on Higher Sales”

(Unit: Billion yen)

	FYE Mar. 2010 Result	FYE Mar. 2011 Forecast	YoY	Excl. impact of foreign exchange, reimbursement price of drug & device
Net Sales	316.0	333.0	5%	9%
Operating Income	63.3(20.0%)	65.2(19.6%)	3%	17%
Ordinary Income	63.6(20.1%)	65.0(19.5%)	2%	
Net Income	40.7(12.9%)	41.5(12.5%)	2%	
Average exchange rate	1US\$ 93 yen 1EUR 131 yen	90 yen 120 yen		

Changes in Medical System

Apr. 2010: Revision of Medical Fee
Reimbursement
+1.55%

Acute phase

- Upward revision of procedure fee
 - 30 to 50%, in particular for highly-specialized procedures
- Revision of critical care/emergency care
 - Hospitalization fees
 - Hospital visit fee for HCU
- Evaluation of team medical care
 - Additions for nutrition support teams

Chronic phase

- Evaluation of backup support in chronic phase
 - Initial additions for emergency and home treatment support hospitals
- Evaluation of accepting patients with advanced diseases
- Evaluation of regional cooperation
 - Additions for treatment and discharge planning

Sophistication & Increased Efficiency

Cooperation with Acute Phase &
Home Medical Treatment

Reorganizing Sales Force for Better Performance

Functional Division and Regional Cooperation

Acute Phase

More advanced medical care and specialization

Cooperation

Chronic Phase

Acceptance of patients with an advanced disease

Cooperation

Clinics/Home Medical Care

Improvement of medical care quality

Strategies to match shift in policy

Specialized Sales Reps for Certain Fields



Sales Reps (Shift from other fields)



Sales Reps Specializing in Diabetes

(Newly organized)



Training to Respond to Needs

Healthcare Reforms in Progress Globally

The United States



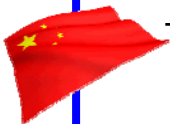
- Market expansion with improved coverage rate of uninsured persons
- Review of high cost medical services
- Taxation on companies (2.3% of sales from fiscal 2013)

Europe



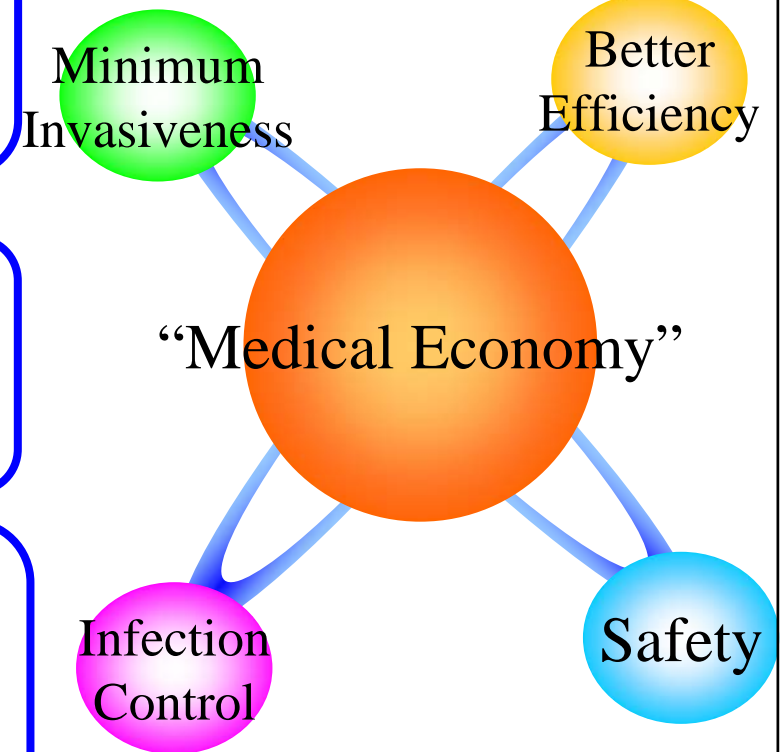
- Reduction of medical costs and expenses
- (Financial crisis in Greece)

China



- Market expansion with introduction of medical insurance
- Improvement in medical services
- Emerging European, US and local manufacturers

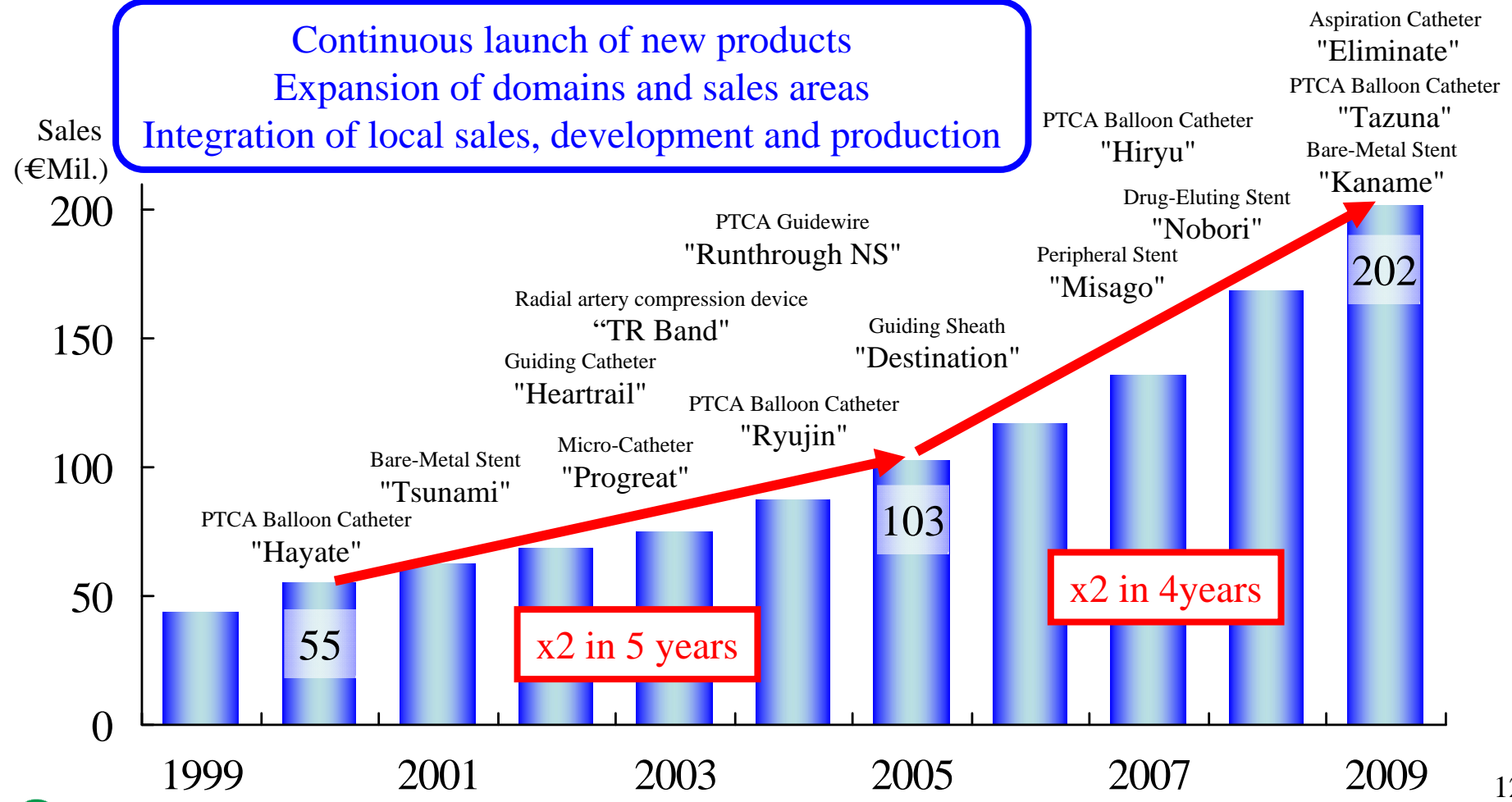
Keywords



Applications of European Interventional Business Model

Sales double in 4 years, reaching €200M ▶ Applying model to Asia, Latin America

Continuous launch of new products
 Expansion of domains and sales areas
 Integration of local sales, development and production



Expansion and Strengthening of Sales and Manufacturing System

Turkey

- 70 million people, ranked 2nd in Europe
- Average age of 29
- Geographical advantages

Sales Network Expansion

South America

- 500 million people (ASEAN: 600 million)
- 7-billion scale healthcare market (ASEAN: 2.3 billion dollars)

Opening of
Turkey Sales Office



Opening of
Columbia Sales Office

Mexico
Miami

2009: Improve and strengthen import and sales functions in Brazil

2007: Local agent in Chile turned into an subsidiary

Expansion of production capability
and aiming for cost reduction

China: Increased production of blood bags and thermometers

India: Increased production of blood bags

Vietnam: Starting production of interventional systems and vascular grafts

Philippines: Increased production of general hospital products

Expansion of Product Range and Establishment of Infrastructure for the Future

Establishment of infrastructure to prepare for locally self-sufficient business

- Strengthening alliances in development, production and sales
- Head office functions to be established in China
- Strengthening brand value

Limited business

- Profitability focus
- Minimal risk



Expanding product range

Reference

Income for the FYE Mar. 2010: To the Forecast for the year

(Unit: Billion yen)

	<u>FYE Mar. 2010</u> <u>Forecast</u>	<u>FYE Mar. 2010</u> <u>Result</u>	<u>Progress Rates</u>	<u>Impact of Foreign</u> <u>Exchange</u>
Net Sales	315.0	316.0	100%	+2.5 (Raise progress rate by a little less than 0.8 %)
Operating Income	63.0 (20.0%)	63.3 (20.0%)	100%	+0.7 (Raise progress rate by a little less than 1.1 %)
Ordinary Income	61.0 (19.4%)	63.6 (20.1%)	104%	
Net Income	40.0 (12.7%)	40.7 (12.9%)	102%	

Average exchange Rate

1US\$	90yen	93yen
1EUR	132yen	131yen

Income for the 2nd half FYE Mar. 2010: To the Forecast for the 2nd Half

(Unit: Billion yen)

	<u>the 2nd Half</u> <u>Forecast</u>	<u>the 2nd half</u> <u>Result</u>	<u>Progress Rates</u>	<u>Impact of Foreign</u> <u>Exchange</u>
Net Sales	156.9	157.9	101%	+2.5 (Raise progress rate by 1.6 %)
Operating Income	30.4 (19.4%)	30.7 (19.5%)	101%	+0.7 (Raise progress rate by 2.3 %)
Ordinary Income	28.8 (18.4%)	31.4 (19.9%)	109%	
Net Income	19.2 (12.2%)	20.0 (12.6%)	104%	

Average exchange Rate

1US\$	85yen	90yen
1EUR	130yen	129yen

Financial Results for the Three Months

(Unit: Billion yen)

	Q4/FYE Mar. 2009	Q4/FYE Mar. 2010	Rate of Change
Net Sales	71.2	77.1	8%
Gross Profit	34.8 (48.8%)	40.3 (52.2%)	16%
SG&A Expenses	26.3 (36.8%)	27.0 (35.0%)	3%
Operating Income	8.5 (12.0%)	13.3 (17.2%)	56%
Ordinary Income	9.9 (13.8%)	13.2 (17.2%)	34%
Net Income	8.1 (11.4%)	8.9 (11.5%)	9%

Average exchange rate	1US\$	94 yen	} Impact on Net Sales
	1EUR	122 yen	

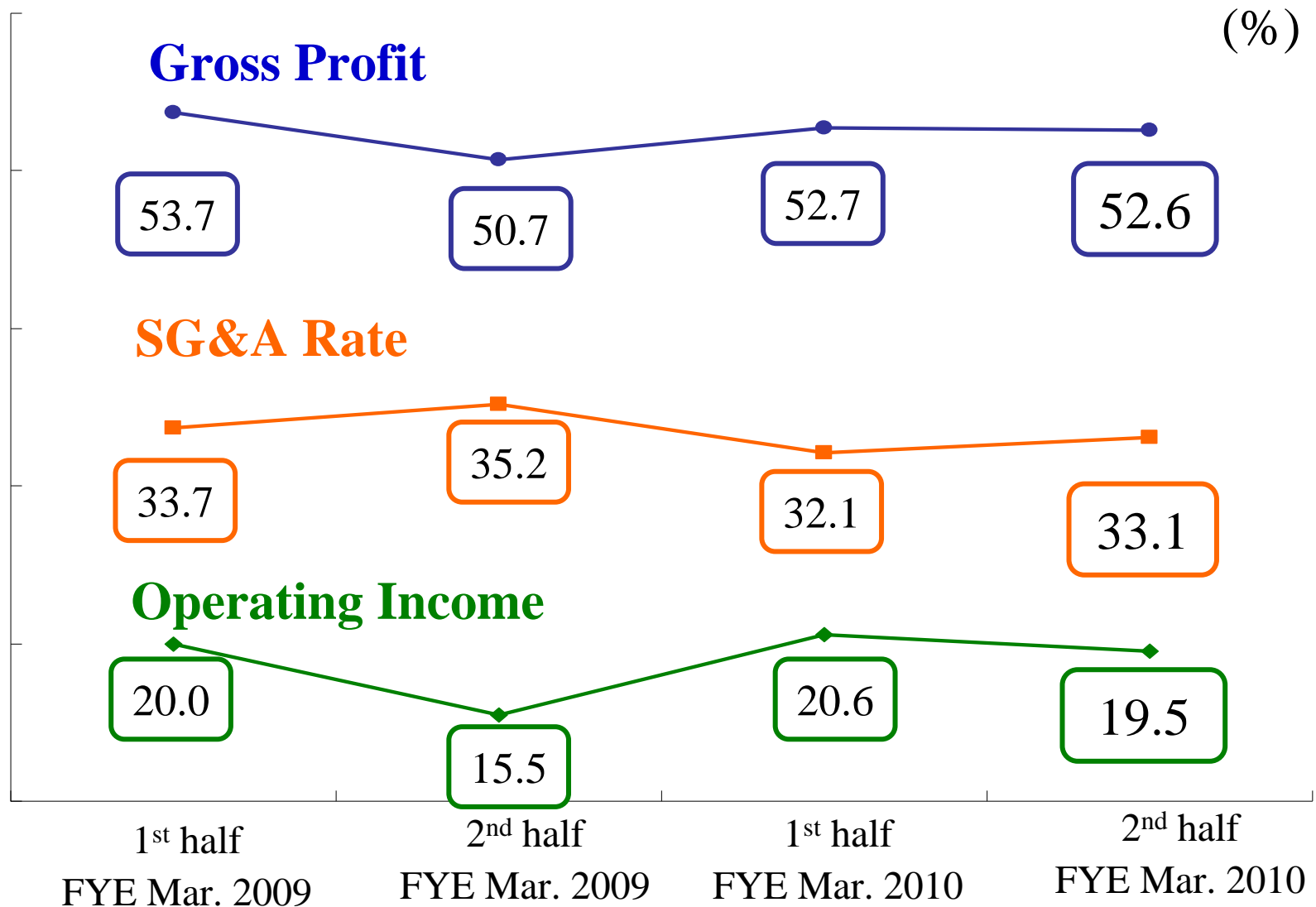
91 yen	} Impact on Net Sales
126 yen	

Forecast for FYE Mar. 2011, Impact of Reimbursement Drug & Device price

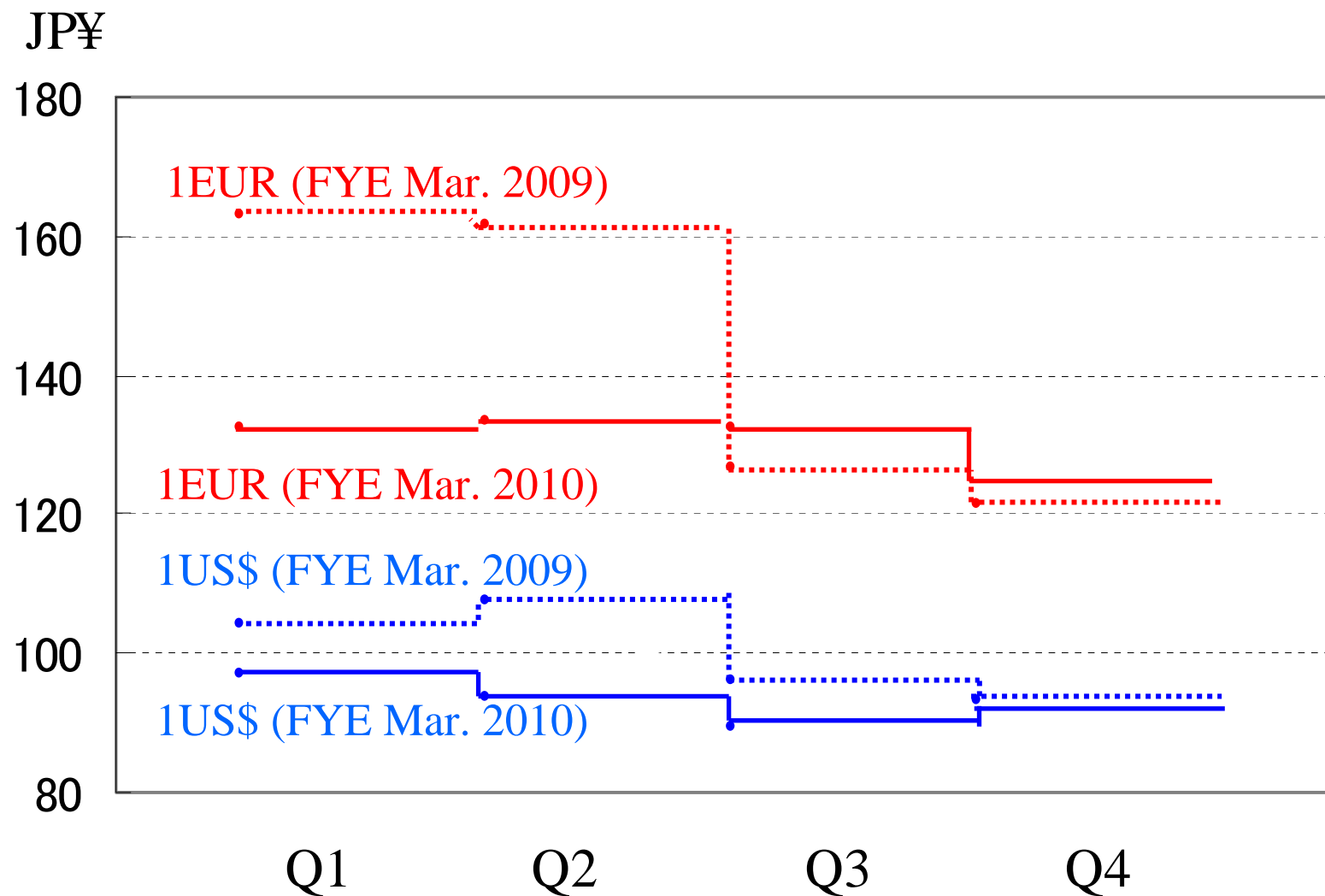
(Unit: Billion yen)

	<u>FYE Mar. 2011</u> <u>Forecast</u>	<u>FYE Mar. 2011</u> <u>Forecast</u> <small>Excl. impact of foreign exchange, increase reimbursement price drug & device</small>	<u>Impact</u>	<u>Details</u>
Sales (YoY)	333.0 (+5%)	346.1 (+9%)	13.1	{ Reimbursement price of drug & device 6.0 Foreign exchange 7.1
Operating Income (YoY)	65.2 (+3%)	74.3 (+17%)	9.1	{ Reimbursement price of drug & device 6.0 Foreign exchange 3.1

Gross Profit, SG&A, Operating Income Rates



Changes of Quarterly Average Exchange Rates



IR Contact

TERUMO Corporation

Corporate Communication (IR) Dept.

E-mail: kouhou_terumo01@terumo.co.jp

Among the information that Terumo discloses, forecasts of financial performance on future projections contain potential risks and uncertainty since these are forecasts on projections made by Terumo based on limited information available at the moment of disclosure. 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 booklet is partly derived from our own independent research.