

Financial Results
for the First Half of the Fiscal Year
Ending March 31, 2011

October 28, 2010

TERUMO Corporation

Financial Results

(Unit: Billions of yen)

	1H Mar. 2010	1H Mar. 2011	YoY (%)
Net Sales	158.1	163.9	4%
Gross Profit	83.3 (52.7%)	85.6 (52.2%)	3%
SG&A Expenses	50.7 (32.1%)	52.9 (32.2%)	4%
Operating Income	32.6 (20.6%)	32.7 (20.0%)	0%
Ordinary Income	32.2 (20.4%)	28.2 (17.2%)	-13%
Net Income	20.8 (13.1%)	18.4 (11.2%)	-12%
Average foreign exchange rates	US\$ 96yen EUR 133yen	89yen 114yen	} Impact on Net Sales -4%

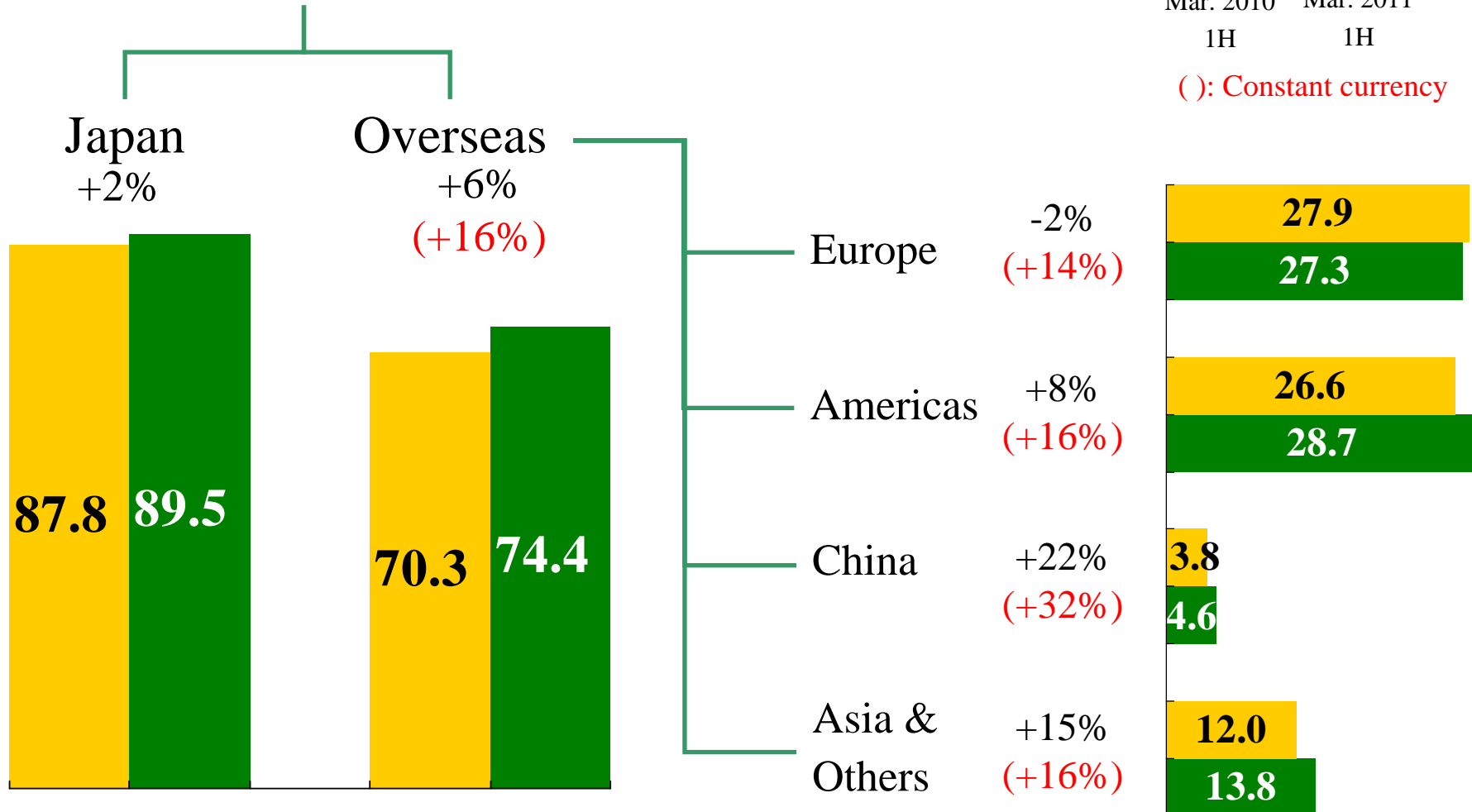
Net Sales (by Region)

(Unit: Billions of yen)

Consolidated: +4% (+8%)

Mar. 2010 1H Mar. 2011 1H

(): Constant currency



Ratio of Overseas Net Sales 45% → 45%

Factors of the Overseas Favorable Performance

Interventional systems drive

■ Europe: 22% growth

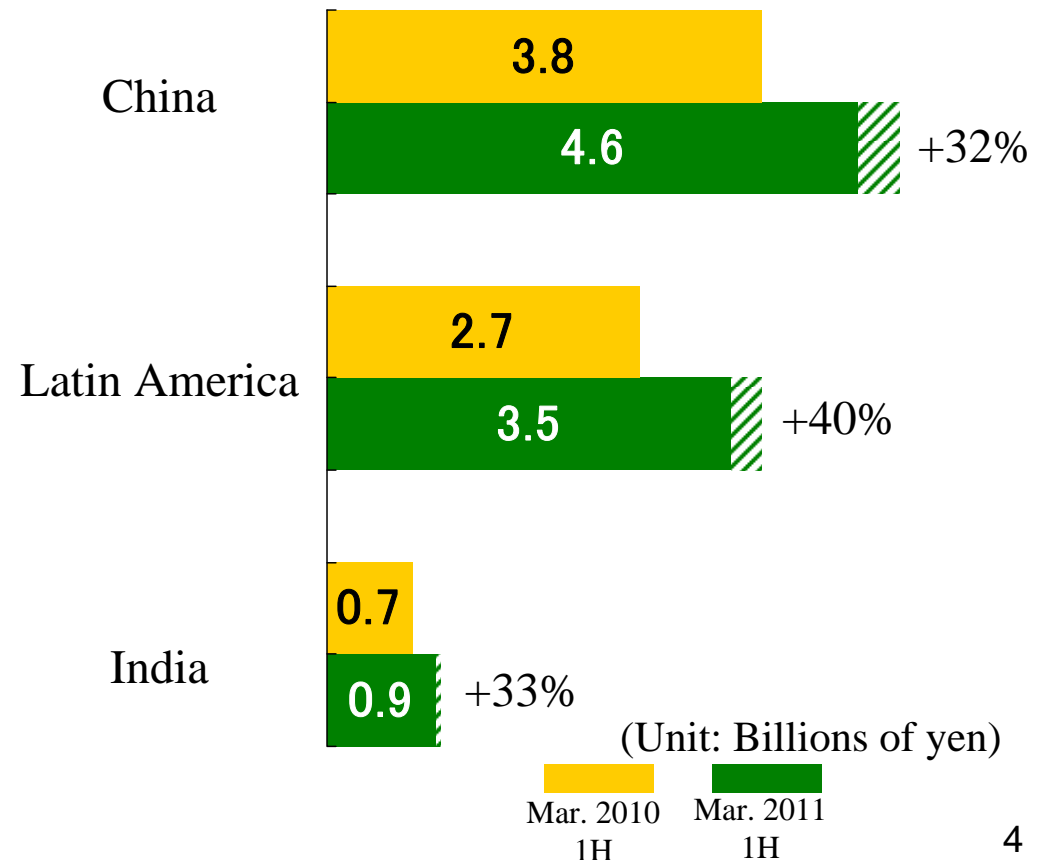
-Sales of Drug Eluting Stent
“Nobori” doubled

■ U.S.: 17% growth

-The Smooth spread of TRI
procedure contributes the sales
increase of other related
products

High growth in emerging country

*% based on constant currency

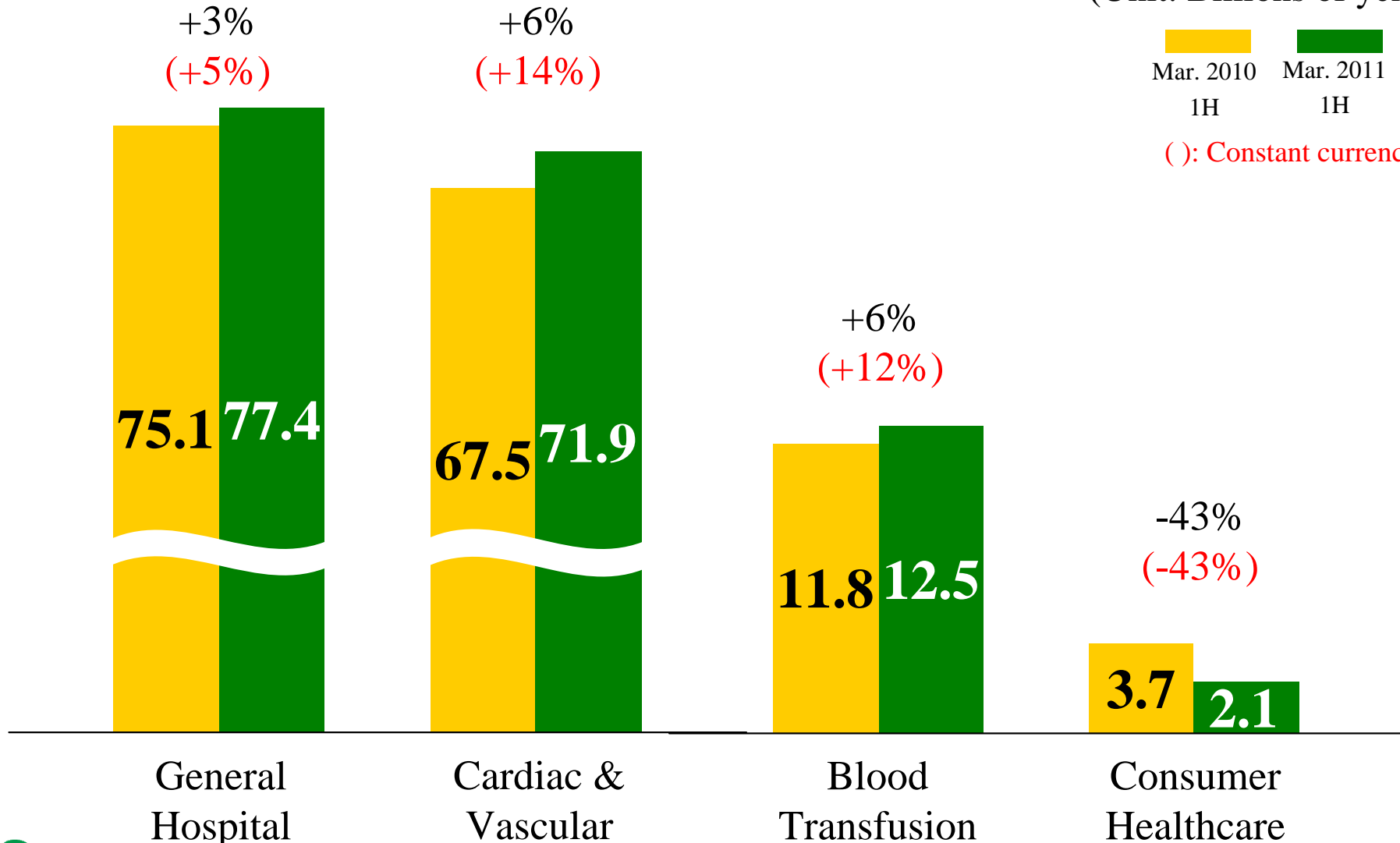


Net Sales (by Business Segment)

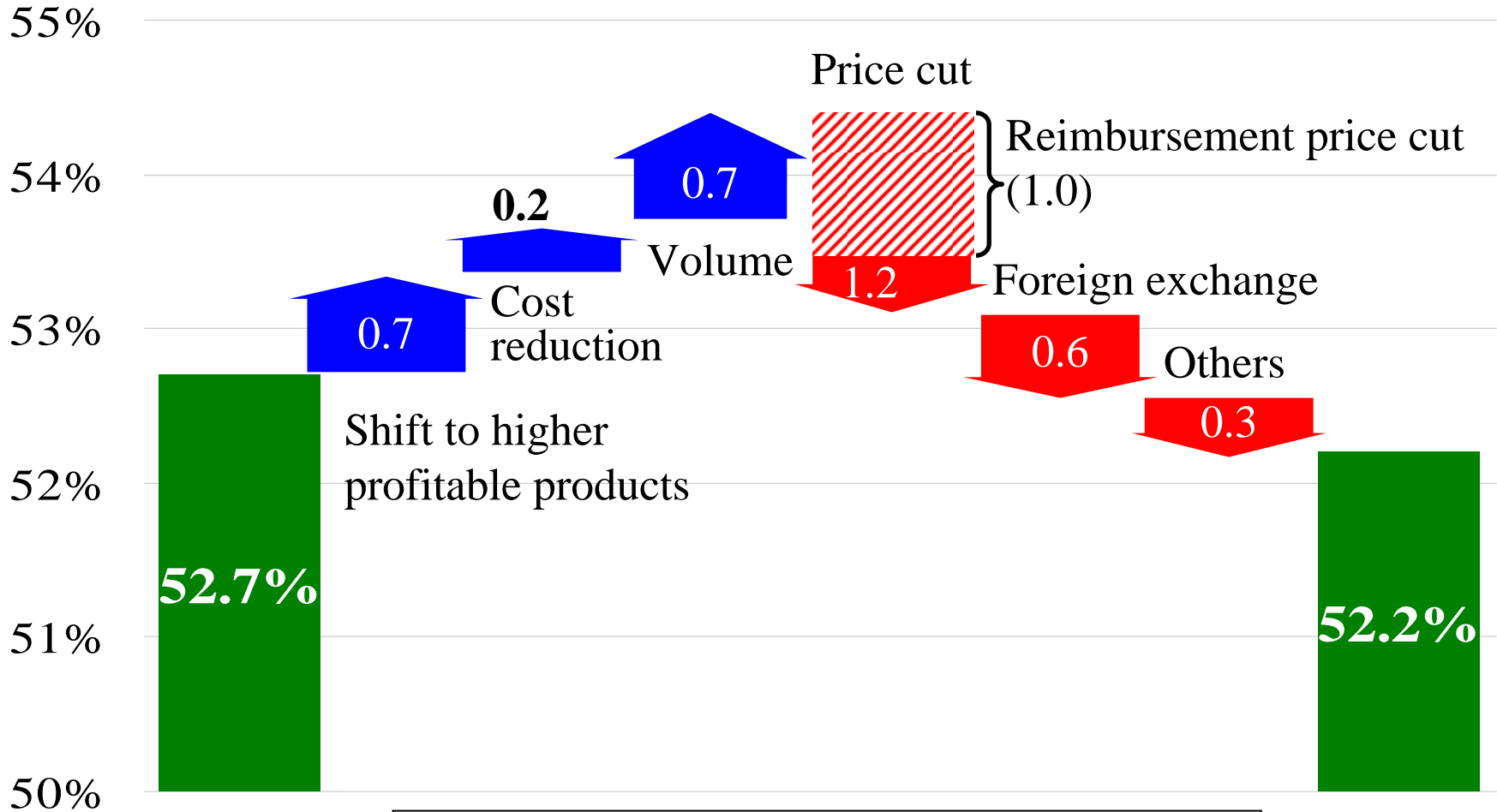
(Unit: Billions of yen)

■ Mar. 2010
■ Mar. 2011
 1H 1H

(): Constant currency



Gross Profit Rate Variance Analysis



Mar. 2010
1H

Average Exchange Rates	1H Mar. 2010	1H Mar. 2011
US\$:	96yen	89yen
EUR :	133yen	114yen

Mar. 2011
1H

SG&A Expenses

(Unit: Billions of yen)

	1H Mar. 2010	1H Mar. 2011	YoY	YoY%
Salaries & wages	19.1	19.5	+0.4	+2%
Sales Promotion	5.2	5.1	-0.1	-2%
Logistical costs	4.4	4.7	+0.3	+7%
Depreciation & Amortization	2.6	2.3	-0.3	-13%
Others	11.2	11.5	+0.3	+3%
General Administrative Total	42.5 (26.9%)	43.1 (26.2%)	+0.6	+1%
R&D Expenses	8.2 (5.2%)	9.8 (6.0%)	+1.6	+20%
SG&A TOTAL	50.7 (32.1%)	52.9 (32.2%)	+2.2	+4%

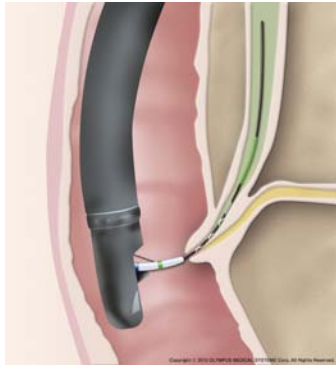
Full Year Forecast for the FYE Mar. 2011

Revised the foreign exchange rate forecasts of 2nd half and the full year

(Unit: Billions of yen)

	Mar. 2011 Original Forecast	Mar. 2011 Revised Forecast	Change
Net Sales	333.0	326.0	-7.0
Operating Income	65.2 (19.6%)	63.3 (19.4%)	-1.9
Ordinary Income	65.0 (19.5%)	57.2 (17.5%)	-7.8
Net Income	41.5 (12.5%)	36.3 (11.1%)	-5.2
Assumed foreign exchange rates	2H Full Year US\$ 90yen 90 yen EUR 120yen 120 yen	2H Full Year US\$ 80yen 85yen EUR 113yen 113 yen	

For the Future Growth



1) Endoscopic
Guidewire

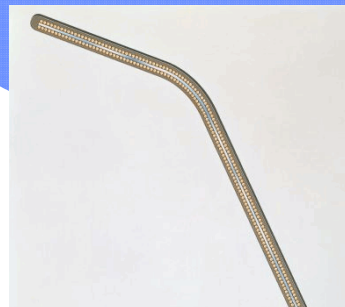
Hydrophobic
Coating

Swellable
Coating



2) Cerebrovascular
Embolization Coil

Hydrophilic
Coating



- Guidewires for
Angiography/Treatment
- Sheaths for TRI Procedures

Strategically Develop Innovative Products

- *Thoroughly benchmark the product with highest shares
- *Survey the market needs beyond the framework of alliance



Satisfies the 2 contradictory requirements of “thinness” and “rigidity”.
Enables almost all treatments with one guidewire.

- Advantages
- Shorter procedure time
 - No trouble in selecting a device per individual case
 - Contributing to the healthcare economy

Change the Market by Forming a Partnership

- Conditions before development

- The most important device in endoscopic treatment
- Overseas manufacturers dominated the guidewire market

- Purpose of development

**Best in-the-world technology
in guidewires**

**Overwhelming sales power
in an endoscopic field**



Change the market by producing ideal guidewires
desired by doctors

Our Innovative Technology Evaluated by the Market

- October 2009: Began selling the products designed for the market outside Japan
- April 2010: Began selling the products designed for the market within Japan

Evoked a great response after the release

10% market share in the U.S., 20% market share in Japan



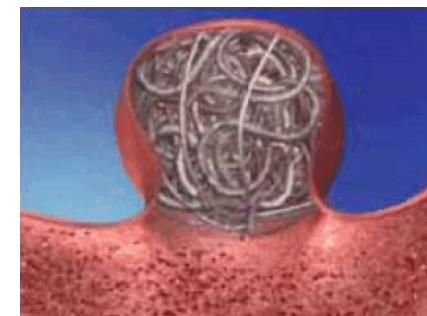
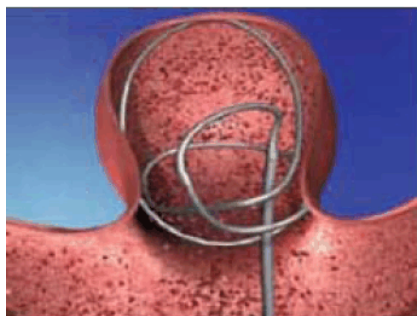
Target to “Gain 30% global share within the next 3 years”
is within our reach

Become No.1 in the global market by continuing to
improve the products through further collaboration

2) Cerebrovascular Embolization Coil

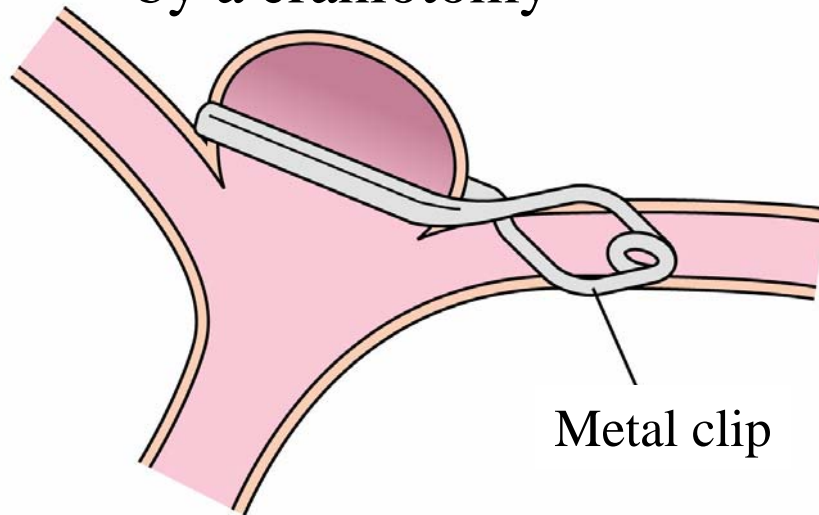
To Expand the Neuro Market with Our Unique Technology

- Cerebrovascular embolization coil



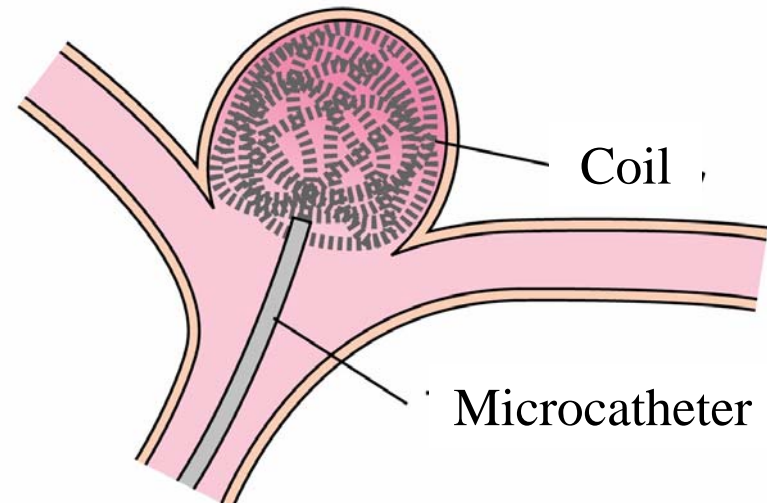
Trends in Cerebrovascular Treatments

Surgical clipping
by a craniotomy



Still prevalent within Japan

Coiling treatment



Widespread
within Europe & U.S.

In the future, there will be a shift towards
less invasive coiling treatment in Japan

Superiority of HydroCoils

- Characteristics of HydroCoil

- Expands by reacting to the blood, and fills up inside of an aneurysm
- One and only technology in the world



- The result of HELPS*

*2010: 7 countries from Europe and U.S., Randomized clinical trial of HydroCoil against Bare Coil

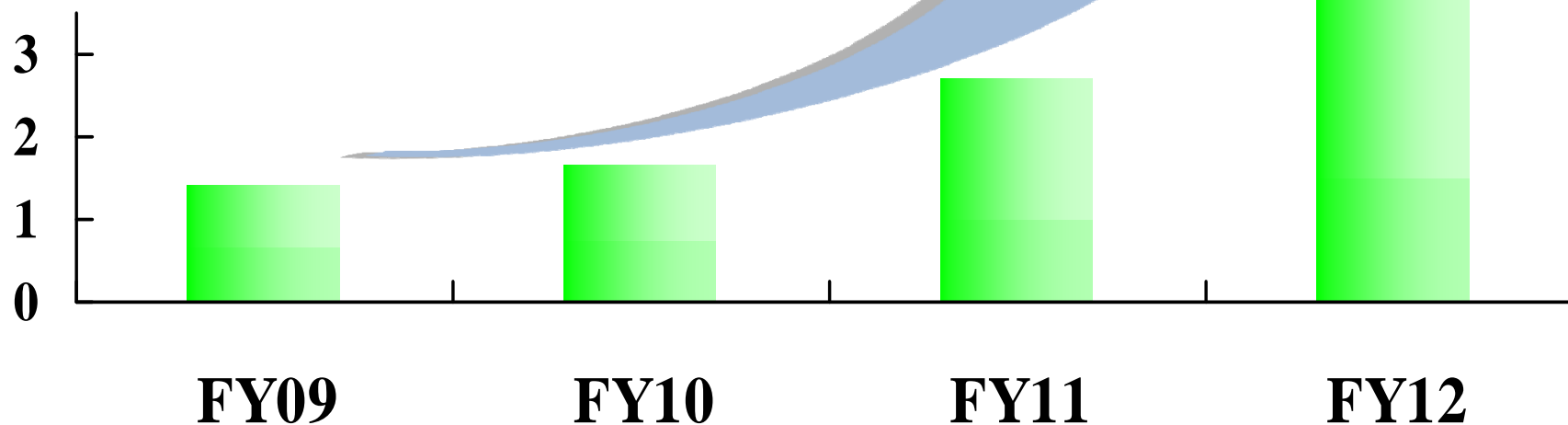
Rating Category	HydroCoil	Bare coils	
Aneurysm filling rate	68.3%	24.9%	HydroCoils have a high filling rate
Aneurysm recurrence rate	HydroCoils are 8.6% lower in comparison with bare coils		There is a statistically significant difference
Retreatment rate	2.9%	3.6%	HydroCoils are superior

Domestic Growth Strategies for Neuro Business

1. Continuous launch of new products
2. Strengthen evidence
3. Improve sales organization

Triple both sales and share

(Unit: Billions of yen)



FY12 To become No.1 in the neuro business within Japan

Reference

Income for the 1st Half of the FYE Mar. 2011: To the Forecast for the 1st Half

(Unit: Billions of yen)

	<u>1H</u> <u>Original Forecast</u>	<u>1H</u> <u>Results</u>	<u>Changes</u>	<u>Impact of</u> <u>Foreign Exchange</u>
Net Sales	164.0	163.9	-0.1	- 1.3
Operating Income	32.6 (19.9%)	32.7 (20.0%)	+0.1	- 0.5
Ordinary Income	32.5 (19.8%)	28.2 (17.2%)	-4.3	
Net Income	20.8 (12.7%)	18.4 (11.2%)	-2.4	

Foreign exchange
rates

Assumed

US\$	90yen	89yen
EUR	120yen	114yen

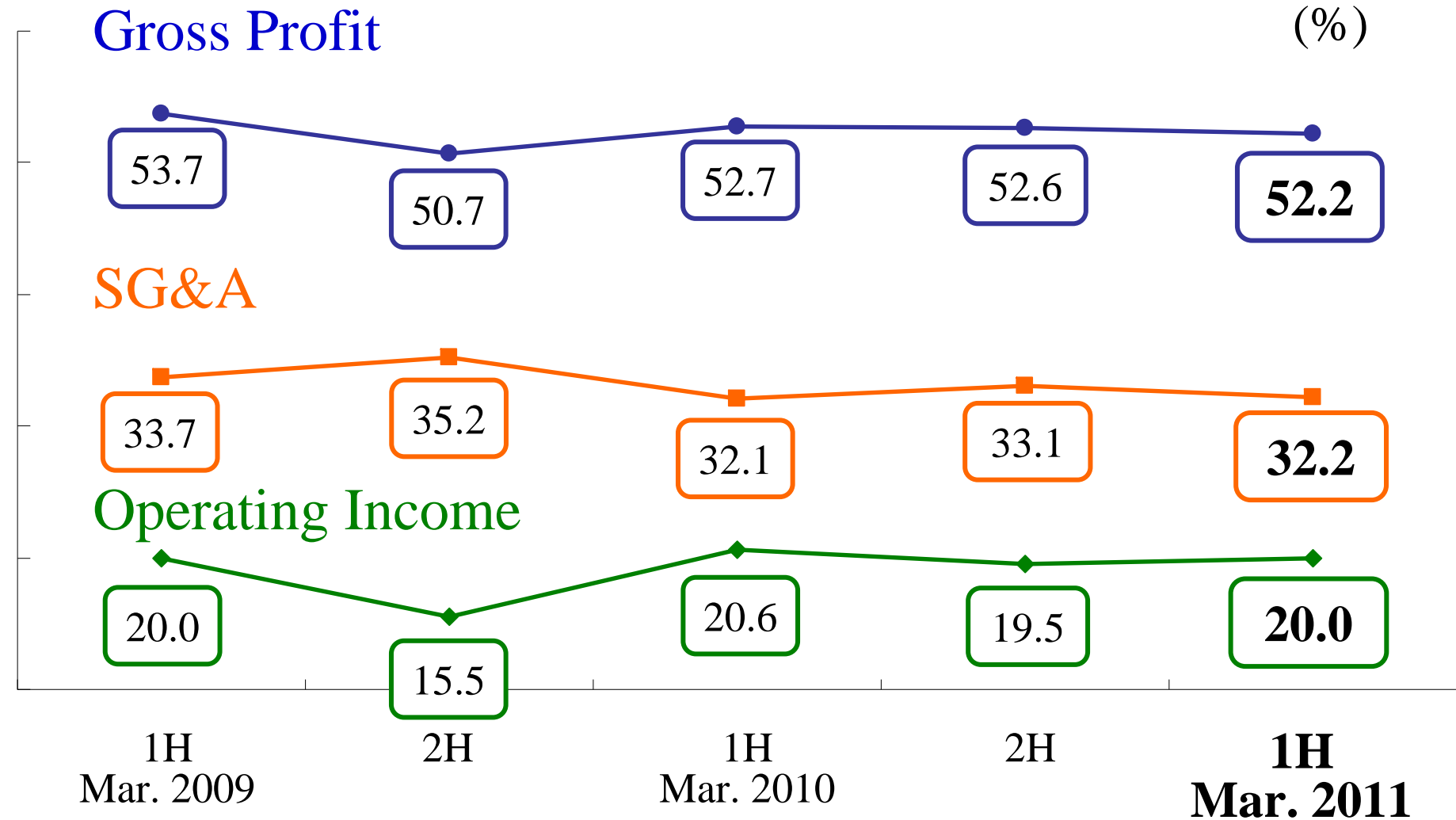
Income for the 1st Half of the FYE Mar. 2011: To the Forecast for the Full Year

(Unit: Billions of yen)

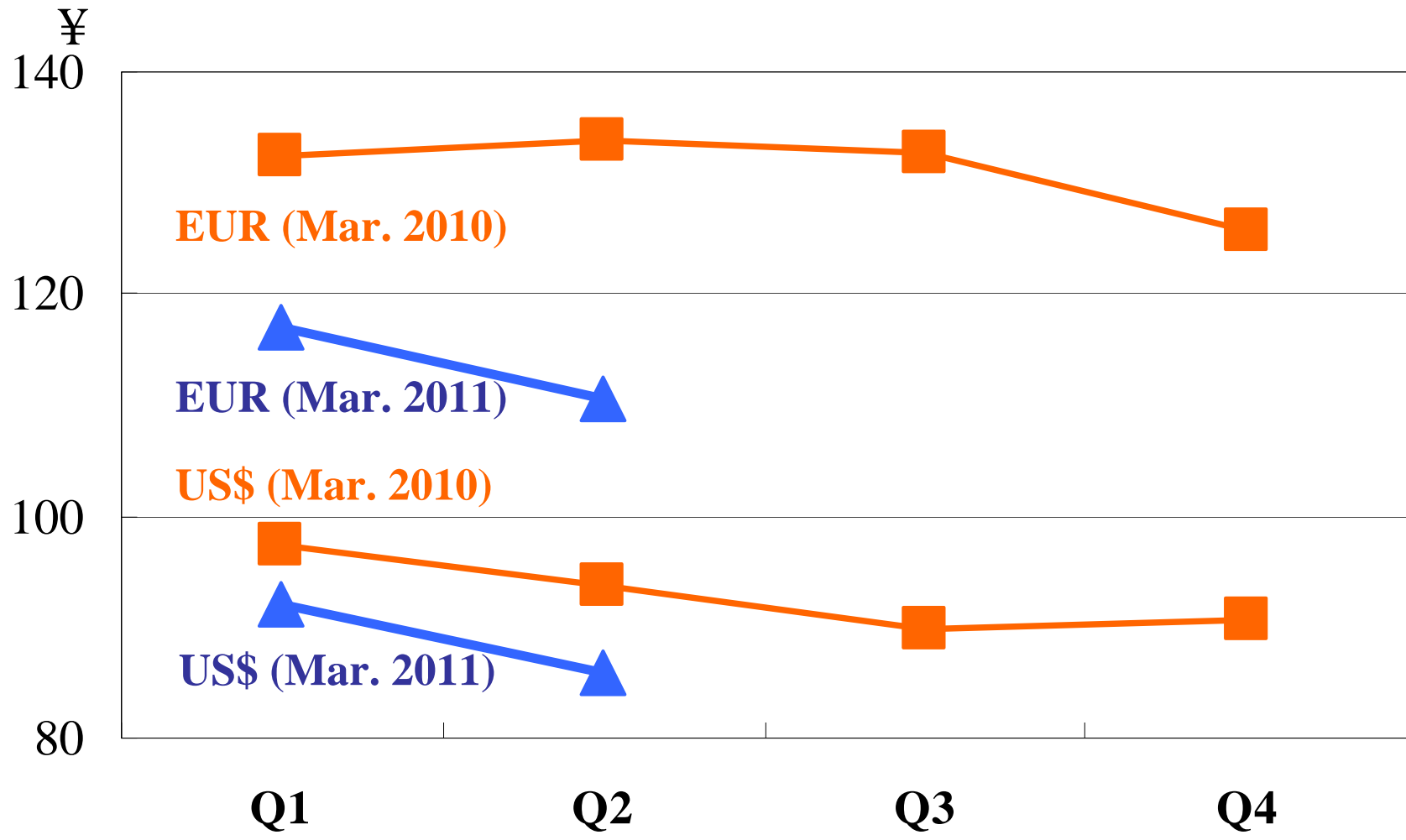
	<u>Full Year</u> <u>Revised Forecast</u>	<u>1H</u> <u>Results</u>	<u>Progress</u> <u>Rates</u>	<u>Impact of</u> <u>Foreign Exchange</u>
Net Sales	326.0	163.9	50%	-1.3 (Lower progress rate by 0.4%)
Operating Income	63.3 (19.4%)	32.7 (20.0%)	52%	-0.5 (Lower progress rate by 0.8%)
Ordinary Income	57.2 (17.5%)	28.2 (17.2%)	49%	
Net Income	36.3 (11.1%)	18.4 (11.2%)	51%	

Foreign exchange rates	<u>Forecast</u>	
US\$	85yen	89yen
EUR	113yen	114yen

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 presentation is partly derived from our own independent research.