

Management Priorities

**Terumo Corporation
President & Representative Director
Yutaro Shintaku**

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Management Priorities

- 1. Solid Business Continuity Plan (BCP) and stability of product supply**
- 2. Investment in production to enable sustainable business growth and enhance cost competitiveness**
- 3. Strategic shift in business portfolio**
- 4. Investment in quality management system of CV business (US)**
- 5. Investment in growth strategy & shareholders return**

1. BCP & Stability of Product Supply

- Installed 5 in-house power generators
- Data center integrity
(one in eastern JP, one in western JP)
- Two customer service centers
(one in eastern JP, one in western JP)
- New Yamaguchi factory
 - Diversify domestic production between eastern and western JP
 - Produce the core components of value added products to boost mass production outside JP
- Diversification of raw materials procurement

Emergency power generators used in previous year



In-house power generators are installed



2. Investment in production

■ Vietnam

- Hanoi: a new building to expand production of interventional products
- Southern Vietnam: a new factory to produce blood management products

■ The Philippines

- A new production building to expand production of general hospital products such as syringes and needles

■ China

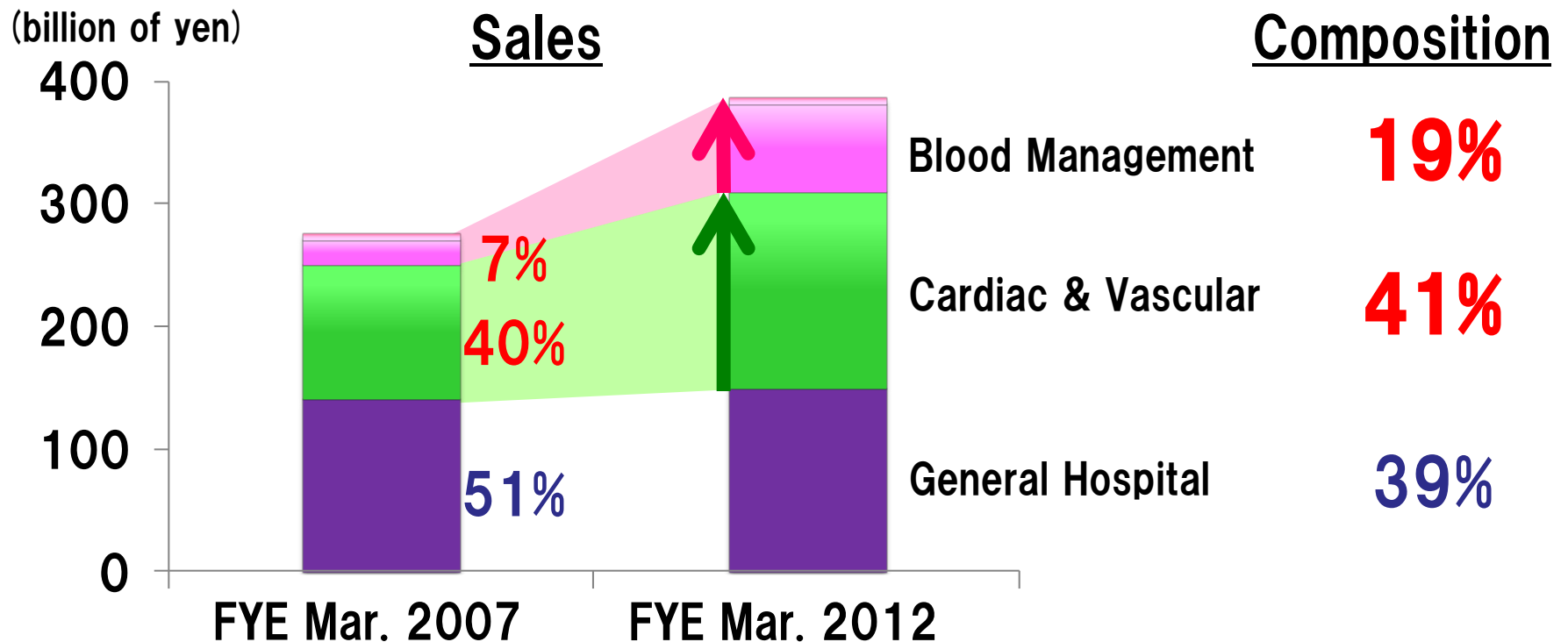
- Hangzhou: preparation for local production of interventional products to supply local market

■ % of production outside Japan

- Reached 40.4% as of Mar. 2012

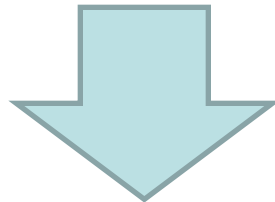
3. Strategic Shift in Business Portfolio

- Over half of the total sales now comes from highly profitable businesses growing at double digit rate
 - Cardiac & Vascular and Blood Management
- High expectation on new products of General Hospital business



4. Investment in Quality Management System (U.S.-TCVS)

- **Improvement works in good progress, in accordance with consent decree agreed with U.S. FDA in Sep, 2011**
- **The similar level of investment to one in FYE Mar. 2012 will be continuously made in FYE Mar. 2013**
- **It will complete in Spring of 2013, as originally planned**



Considering this challenge as requirements not only for CV business but also for all businesses in U.S., we will as the entire Terumo Group enhance its all quality management system

5. Investment in Growth Strategy & Shareholders Return

Target for next 5 years

Operating Cash Flow

Depreciation & Amortization
minus
Working Capital increase

Net Income

Investment & Financial Cash Flow

Repayment of debts

Investment in sustainable growth

Dividends

Balancing between investment in growth and repayment of debts

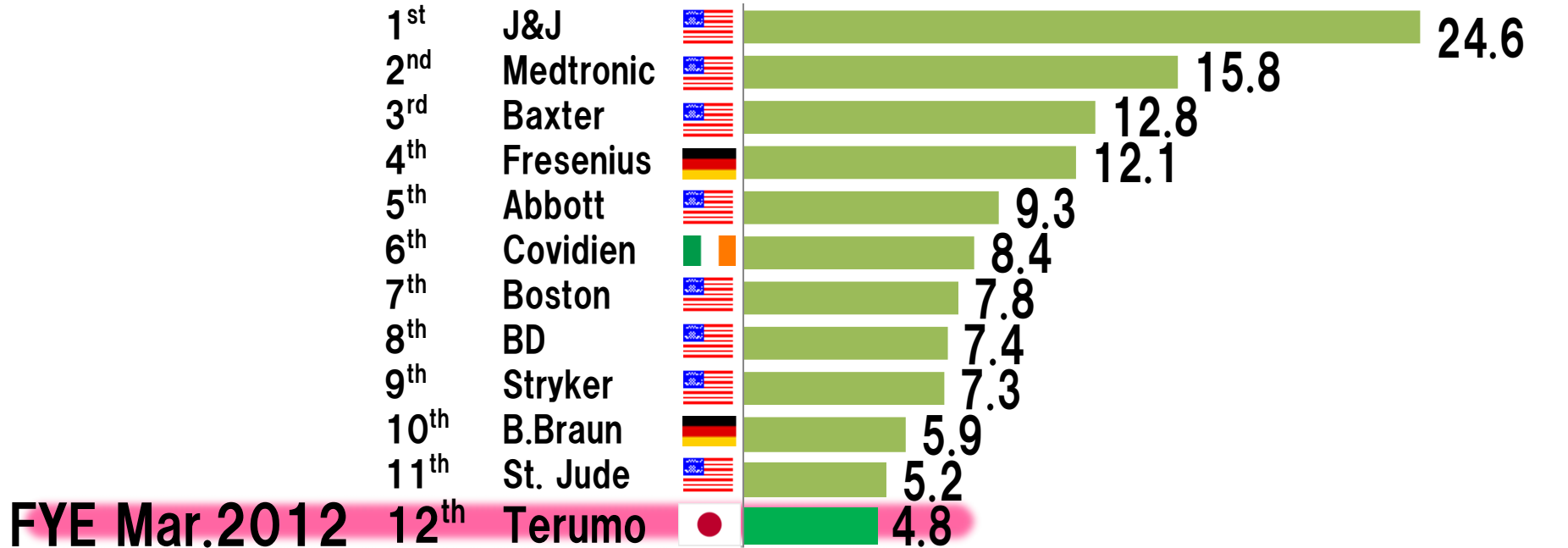
Targeting 30% of net income

Steadily Increasing Global Presence

Ranking of World Med-Tech Companies

(Excl. diagnostic imaging companies)

(US\$B)



Organic growth + M&A + Yen appreciation

FYE Mar. 2007 19th Terumo 2.2

(Note) • Diagnostic imaging companies are excluded from MPO Magazine Ranking
• Exchange rate for FYE Mar. 2012: USD1=JPY80

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.