

Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2011

January 27, 2011

TERUMO Corporation

Agenda

-Financial Results

- Financial Results
- Net Sales (By Region)
- Net Sales (By Business Segment)
- Points on Net Sales
- Gross Profit Rate Variance Analysis
- SG&A Expenses
- Forecast & Progress for the Full-Year Results of FYE Mar. 2011

-The Third Quarter Topics

1. Intravascular Imaging Business
2. TRI in U.S.
3. Chronic Care Market – Semi-Solid Nutritious Food

Financial Results (Consolidated)

(Unit: Billions of yen)

	Q3 YTD Mar.2010	Q3 YTD Mar.2011	YoY	Constant Currency
Net Sales	238.9	244.2	2%	7%
Gross Profit	126.1 (52.8%)	127.2 (52.1%)	1%	7%
SG&A Expenses	76.1(31.9%)	79.1 (32.4%)	4%	8%
Operating Income	50.0(20.9%)	48.1 (19.7%)	-4%	4%
Ordinary Income	50.4(21.1%)	42.9 (17.6%)	-15%	
Net Income	31.9(13.3%)	27.5 (11.3%)	-14%	
Average Exchange Rate	US\$ 94yen EUR 133yen	87yen 113yen		

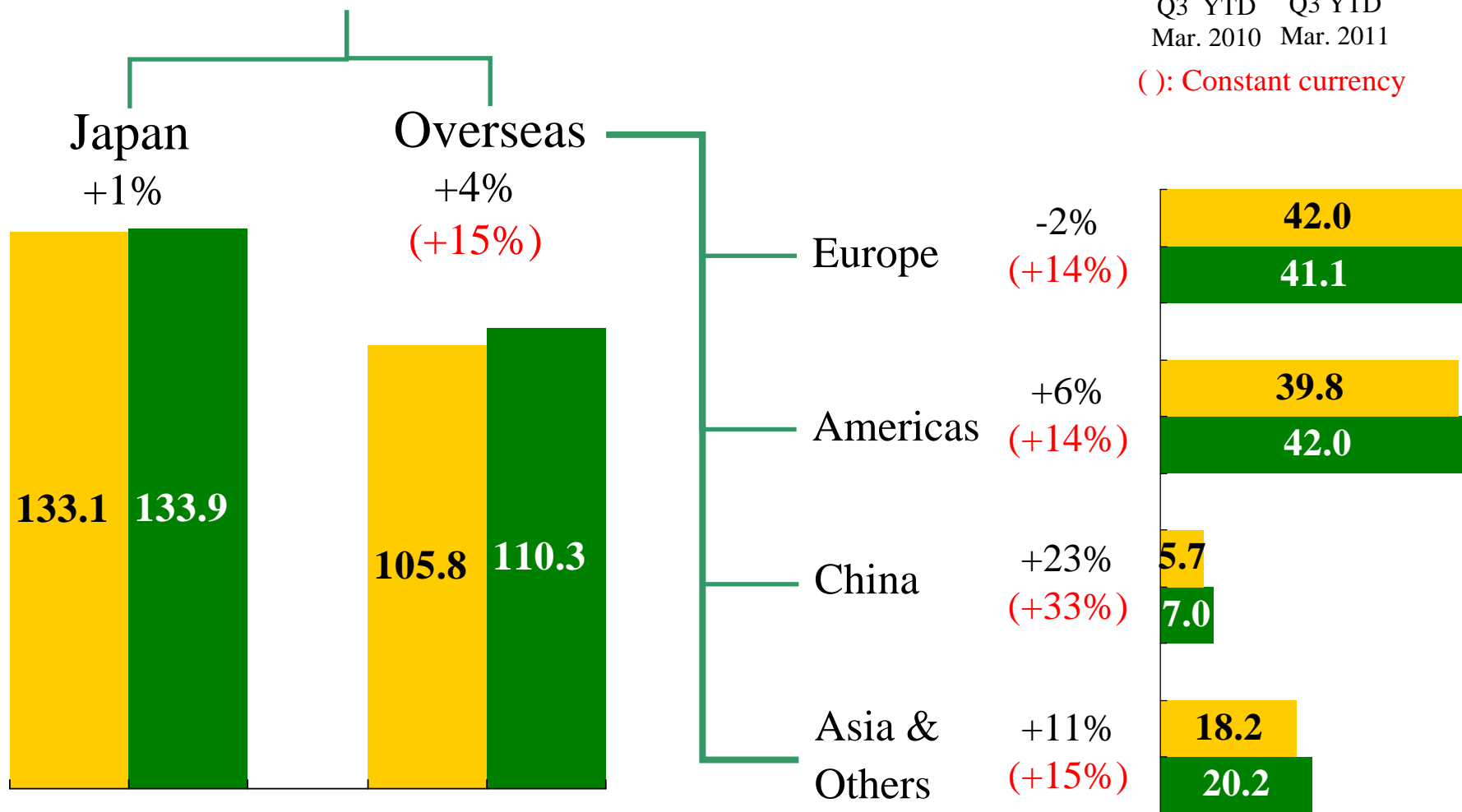
Net Sales (by Region)

(Unit: Billions of yen)

Consolidated : +2% (+7%)

Q3 YTD Q3 YTD
Mar. 2010 Mar. 2011

(): Constant currency



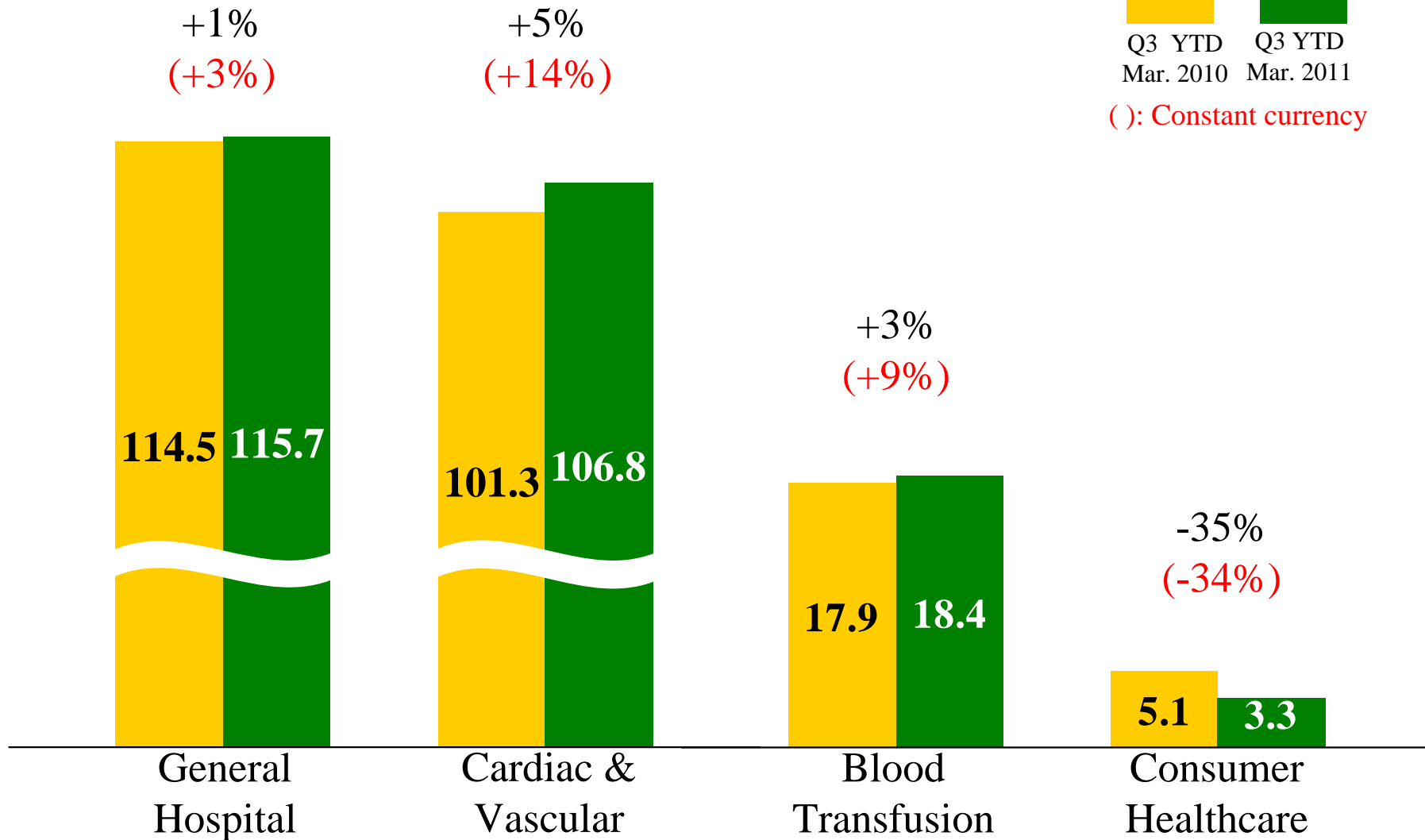
Ratio of Overseas Net Sales 44% → 45%

Net Sales (by Business Segment)

(Unit: Billions of yen)

■ Q3 YTD Mar. 2010
■ Q3 YTD Mar. 2011

(): Constant currency



Points on Net Sales

-Overseas

#:YoY

-Interventional systems achieved double-digit growth in all regions (constant currency basis).

Europe 23%, Americas 22%, China 42%, Asia & others 32% growth.

-Drug eluting stent "Nobori" 122% growth

-TRI related products* in U.S. tripled

*Mainly used for the procedure which approach from the radial artery: Introducer sheath, TR-bands etc.

-Japan

-Interventional systems increased by 2 % despite the drug & reimbursement price decline.

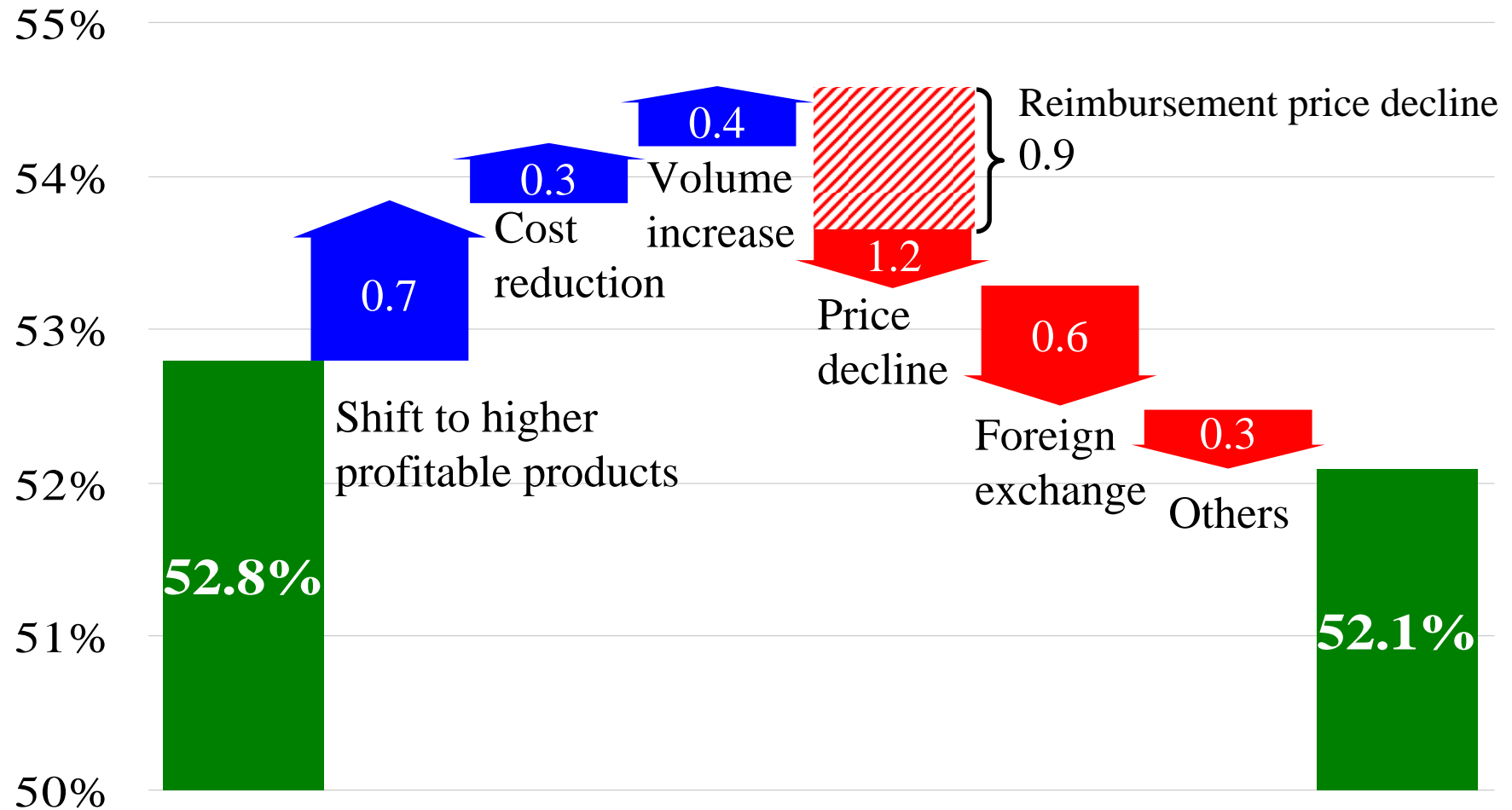
-IVUS (Intravascular Ultrasound) imaging systems was strong, increased by 47%

-Focused on the chronic care market, semi-solid nutritious food increased by 29%.

-Consumer Healthcare Business remains the backlash from the emergency demand caused by last fiscal year's pandemic H1N1 flu.

-Due to the launch of new products, the rate of quarterly decline compared with the previous year showed a narrowing trend.

Gross Profit Rate Variance Analysis



Q3 YTD
Mar.2010

Average exchange rate	Q3YTD Mar. 2010	Q3YTD Mar. 2011
US\$:	94yen	87yen
EUR:	133yen	113yen

Q3 YTD
Mar.2011

SG&A Expenses

(Unit: Billions of yen)

	Q3 YTD Mar. 2010	Q3 YTD Mar. 2011	Changes	YoY
Salaries & Wages	28.5	28.8	+0.3	+1%
Sales Promotion	8.0	7.7	-0.3	-4%
Logistical Costs	6.7	7.2	+0.5	+7%
Depreciation & Amortization	3.8	3.4	-0.4	-10%
Others	16.5	17.5	+1.0	+7%
General Administrative Total	63.5 (26.6%)	64.6 (26.5%)	+1.1	+2%
R&D Expenses	12.6 (5.3%)	14.5 (5.9%)	+1.9	+14%
SG&A TOTAL	76.1 (31.9%)	79.1 (32.4%)	+3.0	+4%

():%/Net Sales

Forecast and Progress for the Full-Year of Results FYE Mar. 2011

-Forecast for this fiscal year is on hold.

(Unit: Billions of yen)

	Mar.2011 Full-Year Forecast	Q3 YTD Results/Progress		Changes
Net Sales	326.0	244.2	75%	81.8
Operating Income	63.3 (19.4%)	48.1	76%	15.2
Ordinary Income	57.2 (17.5%)	42.9	75%	14.3
Net Income	36.3 (11.1%)	27.5	76%	8.8
Average Exchange Rate	US\$ 85yen EUR 113yen	87yen	113yen	

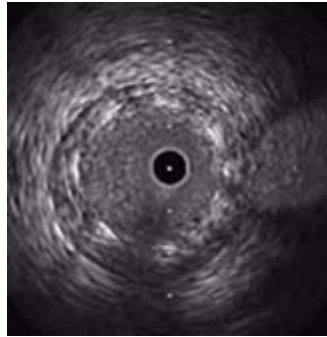
The Third Quarter Topics

1. Intravascular Imaging Business
2. TRI in U.S.
3. Chronic Care Market
 - Semi-Solid Nutritious Food

1. Intravascular imaging business

Promoting Safe & Efficient Interventional Treatment

- Monitoring the cross-section of the blood vessel
- Selecting a stent, checking the fitting ability
- Categorizing with the types of signals



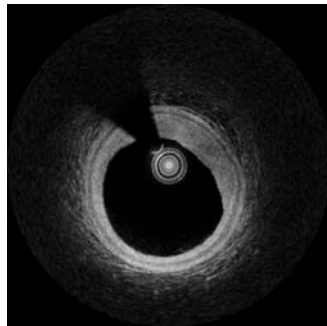
IVUS image

-Ultrasound.....IVUS

-Possible to look deep into the blood vessel wall, but poor image resolution

-Optical.....OFDI/OCT

•High image resolution, but the shallow spectrum of blood vessel wall visibility.



OFDI image



Console monitor



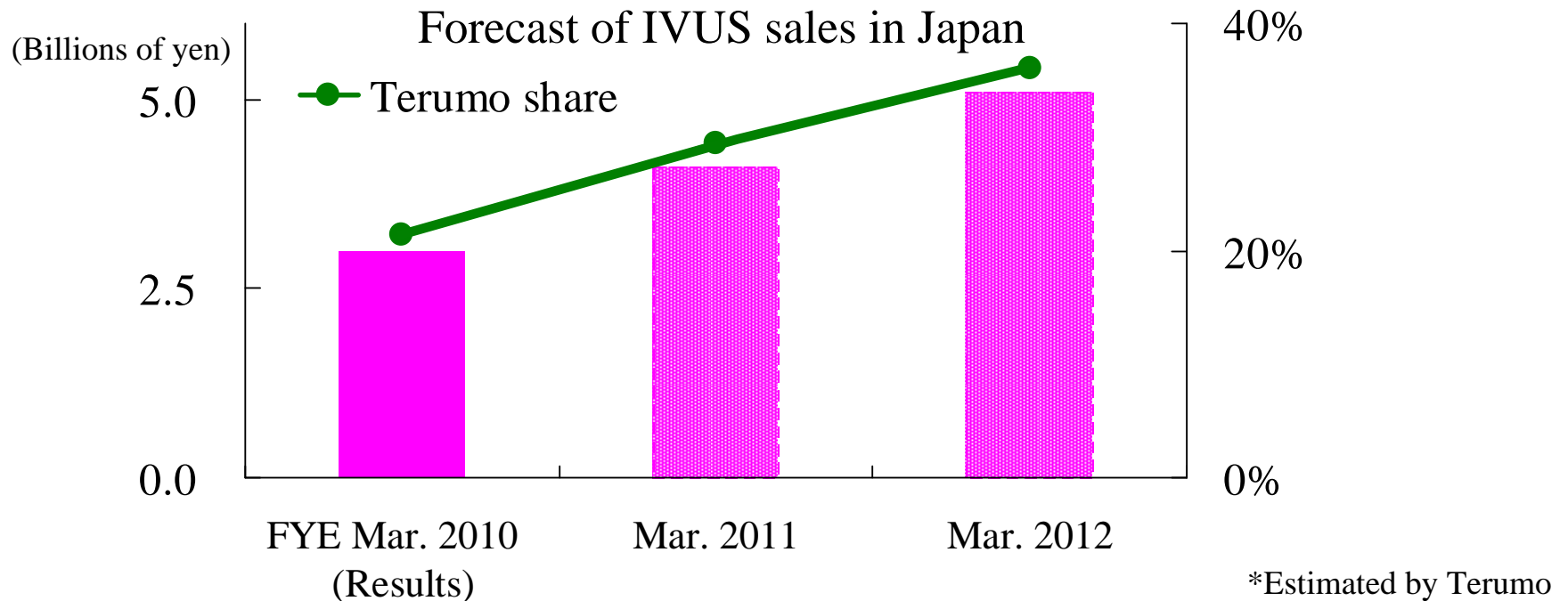
Imaging catheter

IVUS: Intravascular Ultrasound, OFDI: Optical Frequency Domain Imaging, OCT: Optical Coherence Tomography

1. Intravascular imaging business

IVUS in Japan : Continuous Improvement Enhances the Market Evaluation

- Vivid imaging display and analysis made possible
- Improvement of deliverability and procedure efficiency of IVUS catheters



Aiming 36% share within Japan for the FYE in Mar 2012, with sales 5 billion yen

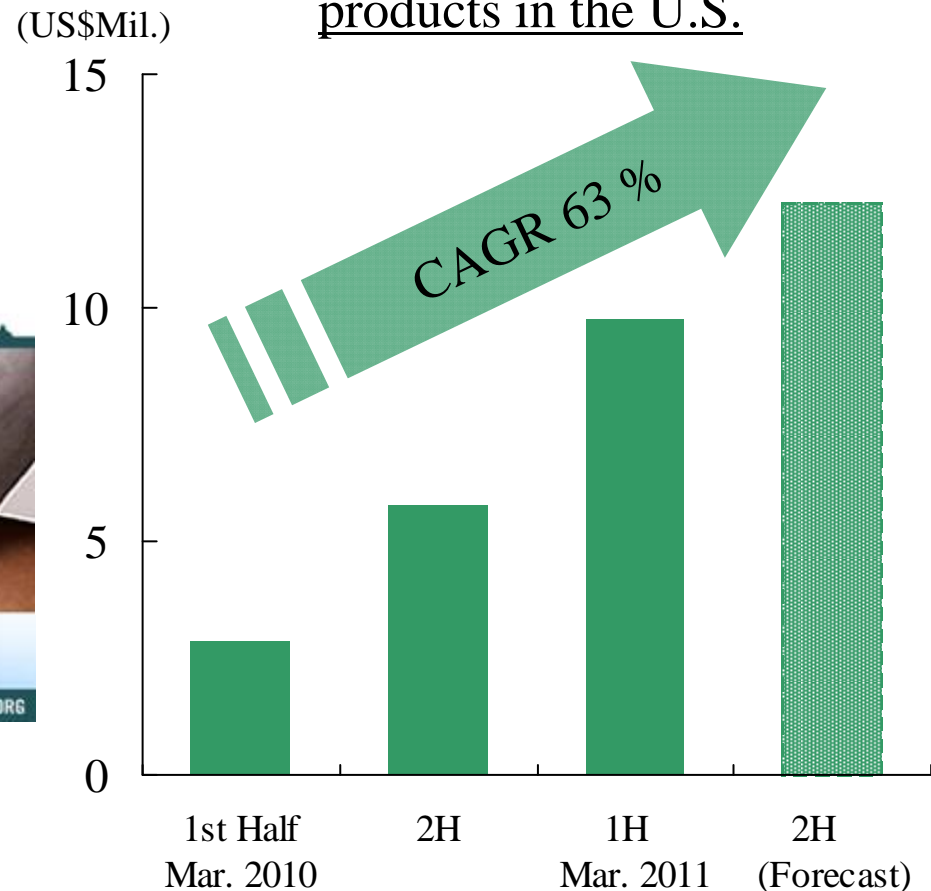
2. Promising Spread of TRI in U.S.

-TRI procedure increasing from 3% to 8% out of PCI.

Holding symposiums in
academic meetings



Net sales of TRI related
products in the U.S.



3. Chronic care market

Tube Feeding Scene

The process follows the tube feeding (bottle and tube used)



Prepare



Infuse



Wash /Sterilize

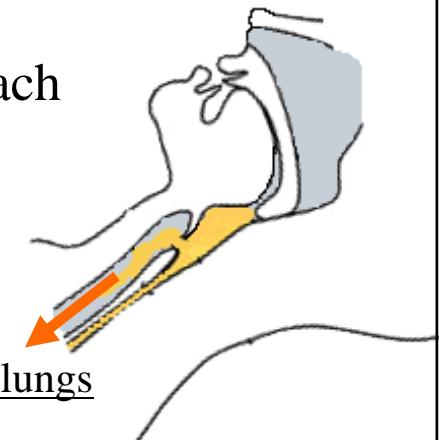
-Challenges of liquid nutritious food for tube feeding

-Aspiration pneumonia by back flow of liquid food from the stomach and the gullet

-Elderly and bedridden people have higher risk

-Increasing patients, much time and effort must be spent on the feeding process.

-Patients are shifting from the acute care facility to the chronic care facility.



By back flow, into the trachea

3. Chronic care market

Elderly Healthcare Originated from Japan, Semi-Solid Nutritious Food

-Characteristics of Terumo's Products

-Semi-solid to prevent backflow

→Reduces the risk of aspiration pneumonia

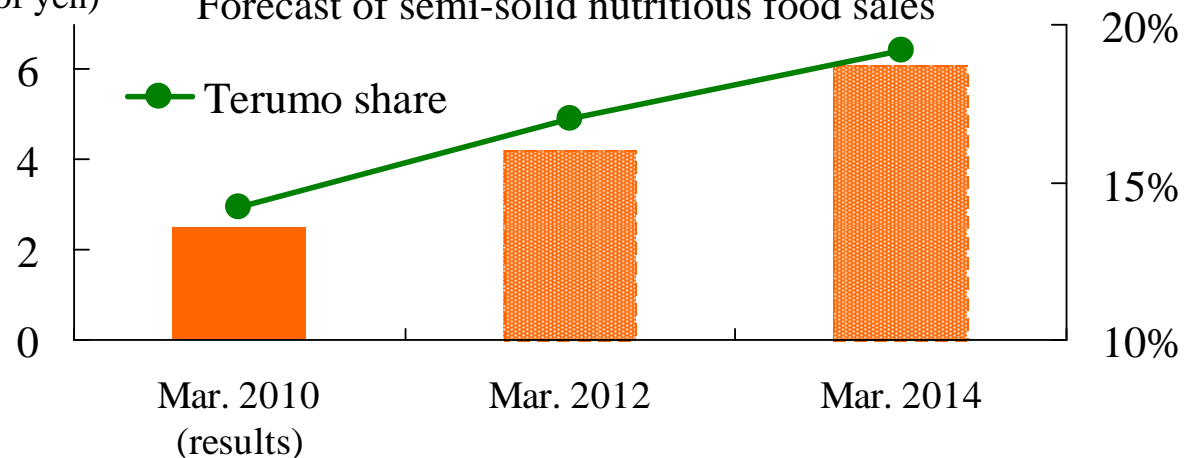
-No container nor equipment required, washing nor sterilization necessary

→Reduces operation time drastically



(Billions of yen)

Forecast of semi-solid nutritious food sales



Aiming 6 billion yen sales for the FYE Mar. 2014

*Sales: excluding the delivery Share: share of semi-solid nutritious food within the semi-solid and tube feeding liquid foods market, estimated by Terumo

Reference

Financial Results (three months)

(Unit: Billions of yen)

	Q3 Mar. 2010	Q3 Mar. 2011	YoY
Net Sales	80.8	80.3	-1 %
Gross Profit	42.8(52.9%)	41.6 (51.7%)	-3 %
SG&A Expenses	25.4(31.3%)	26.2 (32.5%)	3 %
Operating Income	17.4(21.6%)	15.4 (19.2%)	-12 %
Ordinary Income	18.1(22.4%)	14.7 (18.3%)	-19 %
Net Income	11.1(13.7%)	9.1 (11.4%)	-18 %
Average Exchange Rate	US\$ 90yen EUR 133yen	83yen } Net Sales 112yen } 5% impacted	

Income for the Q3 FYE Mar. 2011: To the Forecast for the 2nd Half

(Unit: Billions of yen)

	<u>2H</u> <u>Forecast</u>	<u>Q3</u> <u>(Three months)</u>	<u>Progress</u> <u>Rates</u>	<u>Impact of</u> <u>Foreign Exchange</u>
Net Sales	162.1	80.3	50%	+0.6 (Upper the progress rate by 0.4%)
Operating Income	30.6 (18.9%)	15.4(19.2%)	50%	+0.2 (Upper the progress rate by 0.6%)
Ordinary Income	29.0 (17.9%)	14.7(18.3%)	51%	
Net Income	17.9 (11.0%)	9.1(11.4%)	51%	

Foreign Exchange Rates

Forecast

US\$	80yen	83yen
EUR	113yen	112yen

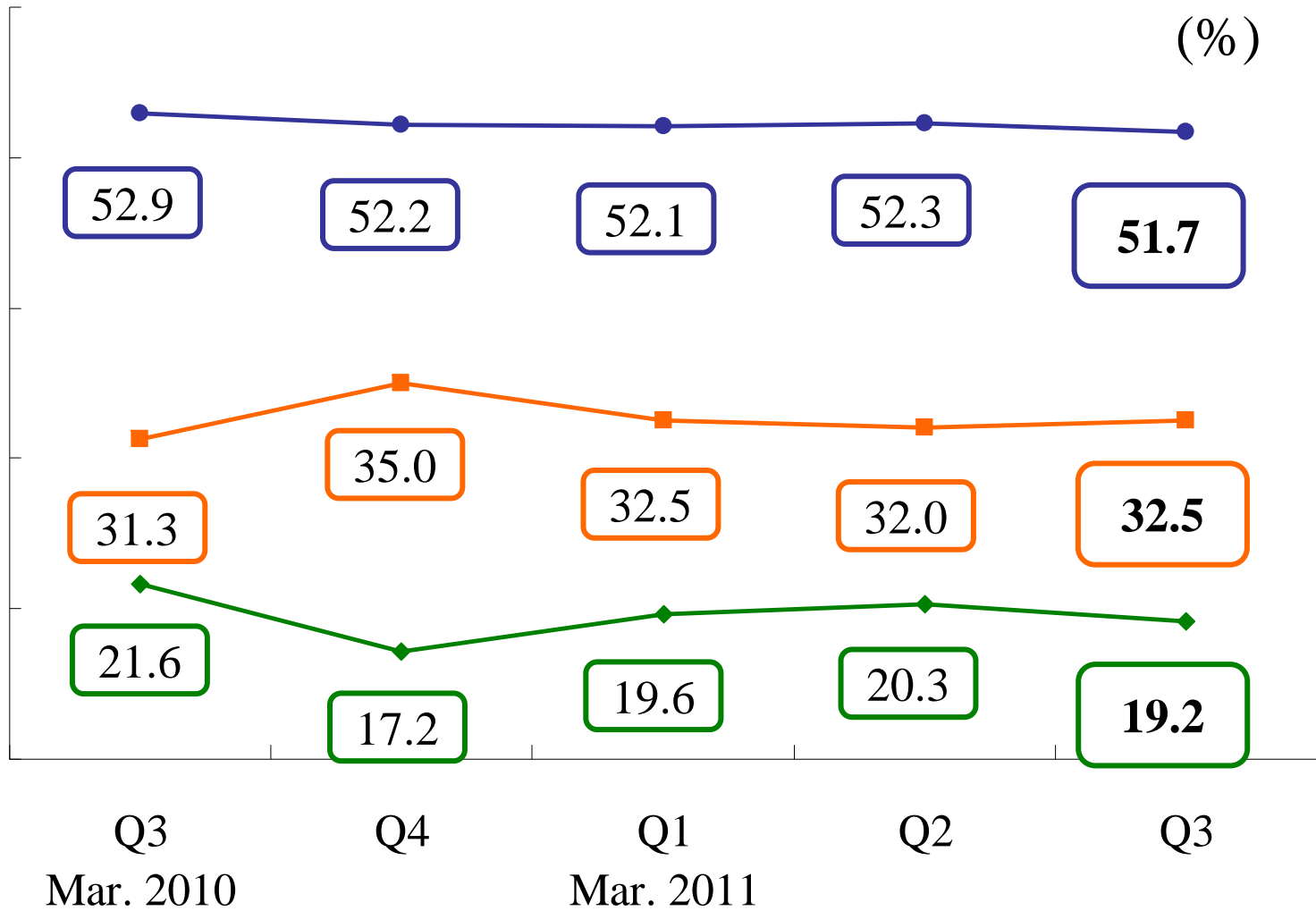
Gross Profit, SG&A, Operating Income Rates

Gross Profit

(%)

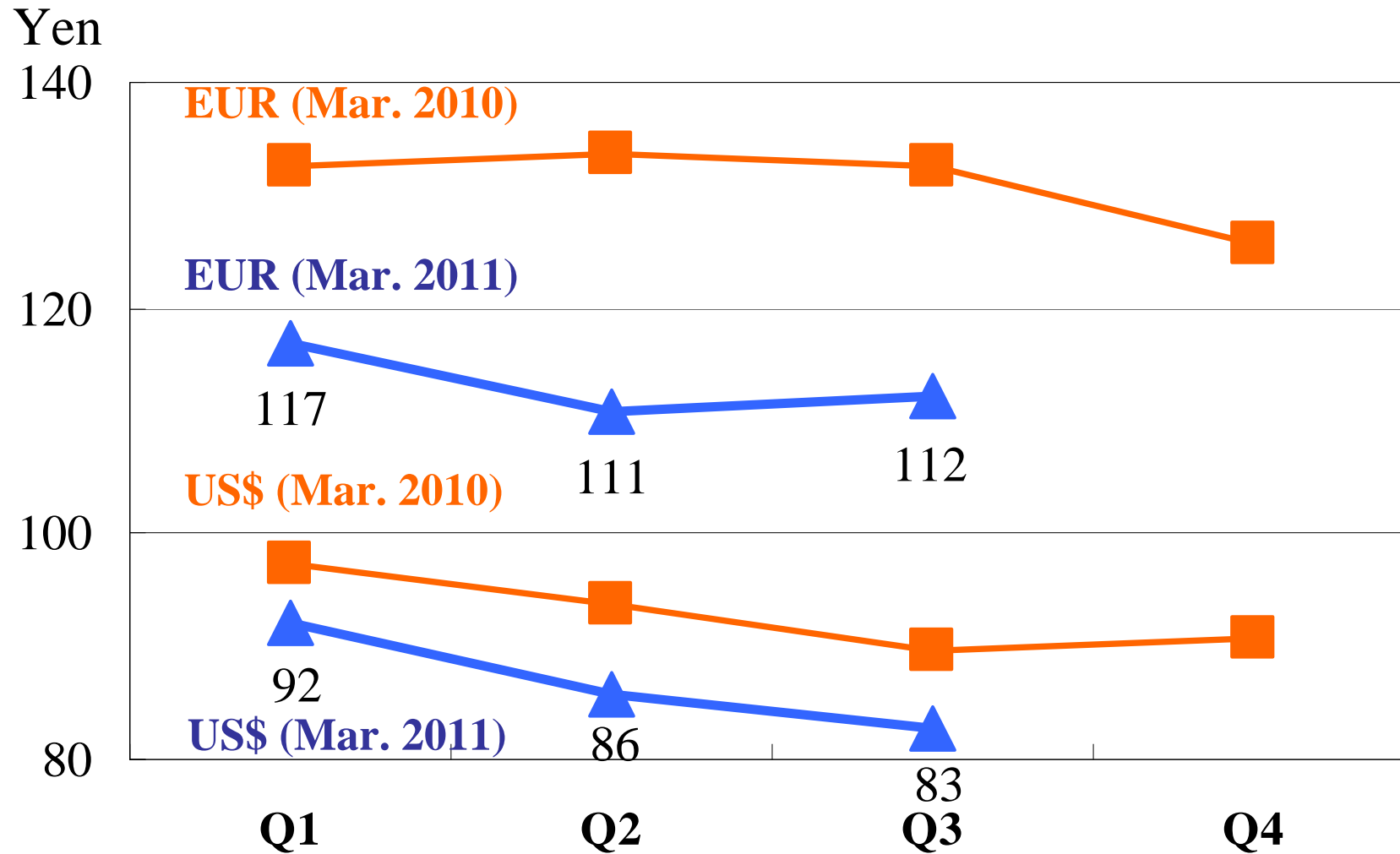
SG&A

Operating
Income



(Unit: Quarterly three months)

Changes of Quarterly Average Exchange Rates



(Average exchange rates for the quarterly three months)

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The market share information in this presentation is partly derived from our own independent research.