

Financial Results for the Fiscal Year
Ended March 31, 2011
Forecast for the Fiscal Year
Ending March 31, 2012

Terumo Corporation
May 11, 2011

Financial Results

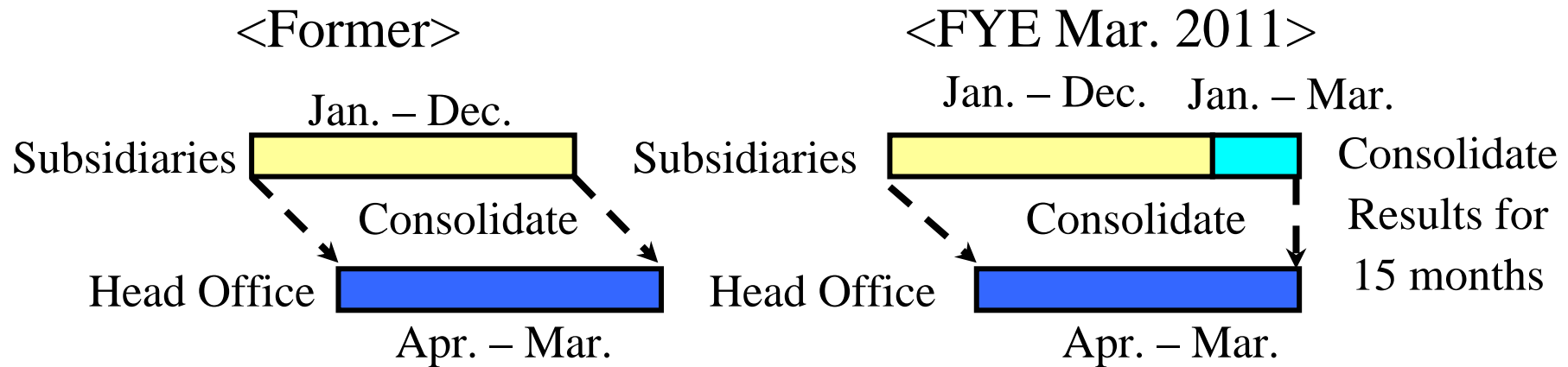
(Unit: billion yen)

	FYE Mar. 2010	FYE Mar. 2011*	YoY%	Excluding Foreign Exchange
Net Sales	316.0	328.2	+4%	+9%
Gross Profit	166.4(52.6%)	170.8 (52.0%)	+3%	+9%
SG&A Expenses	103.1(32.6%)	108.2 (32.9%)	+5%	+10%
Operating Income	63.3(20.0%)	62.6 (19.1%)	-1%	+7%
Ordinary Income	63.6(20.1%)	56.9 (17.3%)	-11%	
Net Income	40.7(12.9%)	32.3 (9.9%)	-21%	
Average exchange rates	US\$ 93yen EUR 131yen	86yen 113yen		

*Including impact of accounting period adjustment of overseas subsidiaries

Accounting Period Adjustment of Overseas Subsidiaries

- Unified accounting period of 5 Asian subsidiaries ends in December into ends in March



*Unify all accounting period into Apr.- Mar. after FYE Mar. 2012

- Impact on results FYE Mar. 2011(addition for 3 months)

(Unit: billion yen)

Net Sales	Operating Income	Net Income
+1.9	+1.0	+0.7

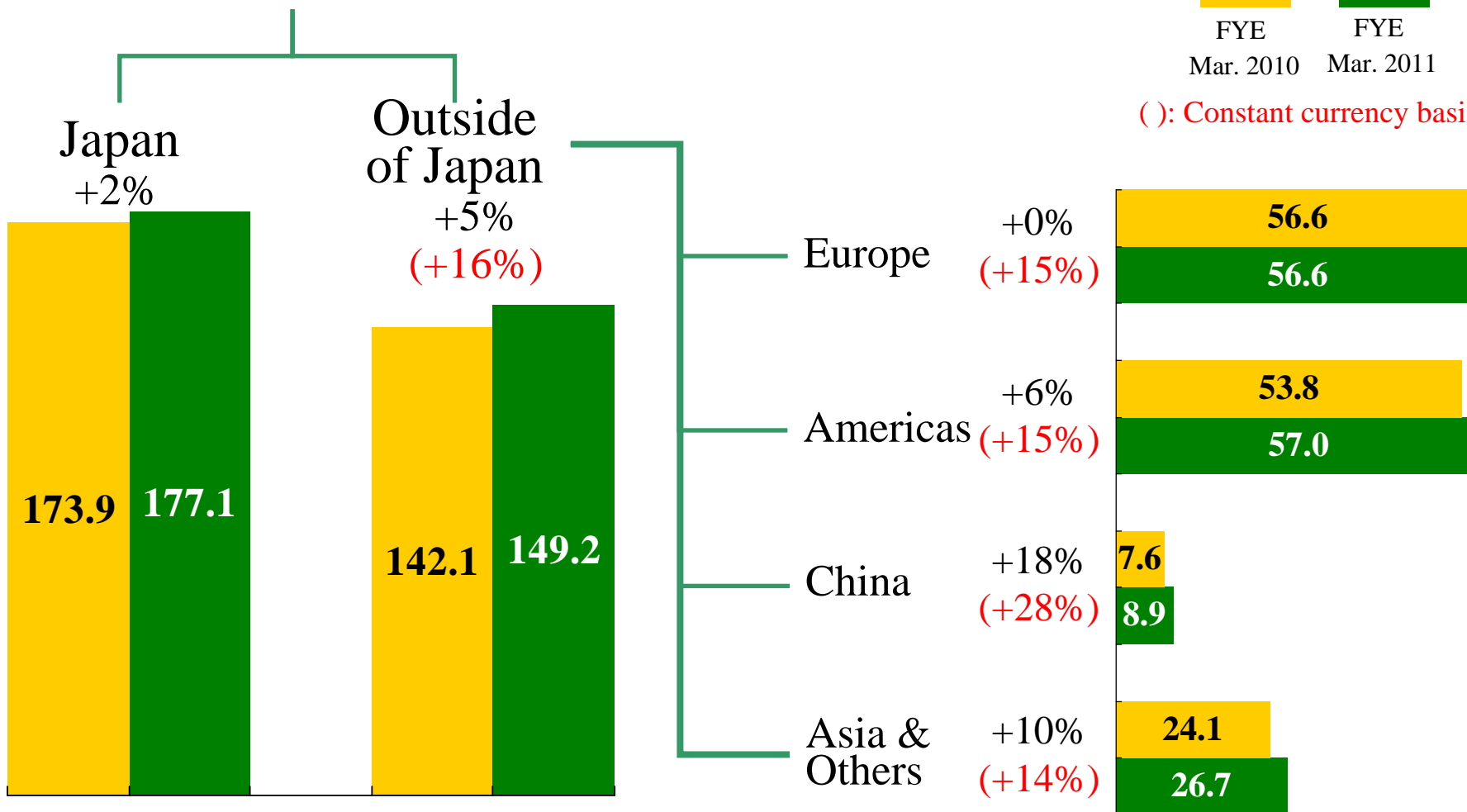
Net Sales (by Region)

Consolidated: +3% (+8%)

(Unit: billion yen)

FYE
 Mar. 2010
 FYE
 Mar. 2011

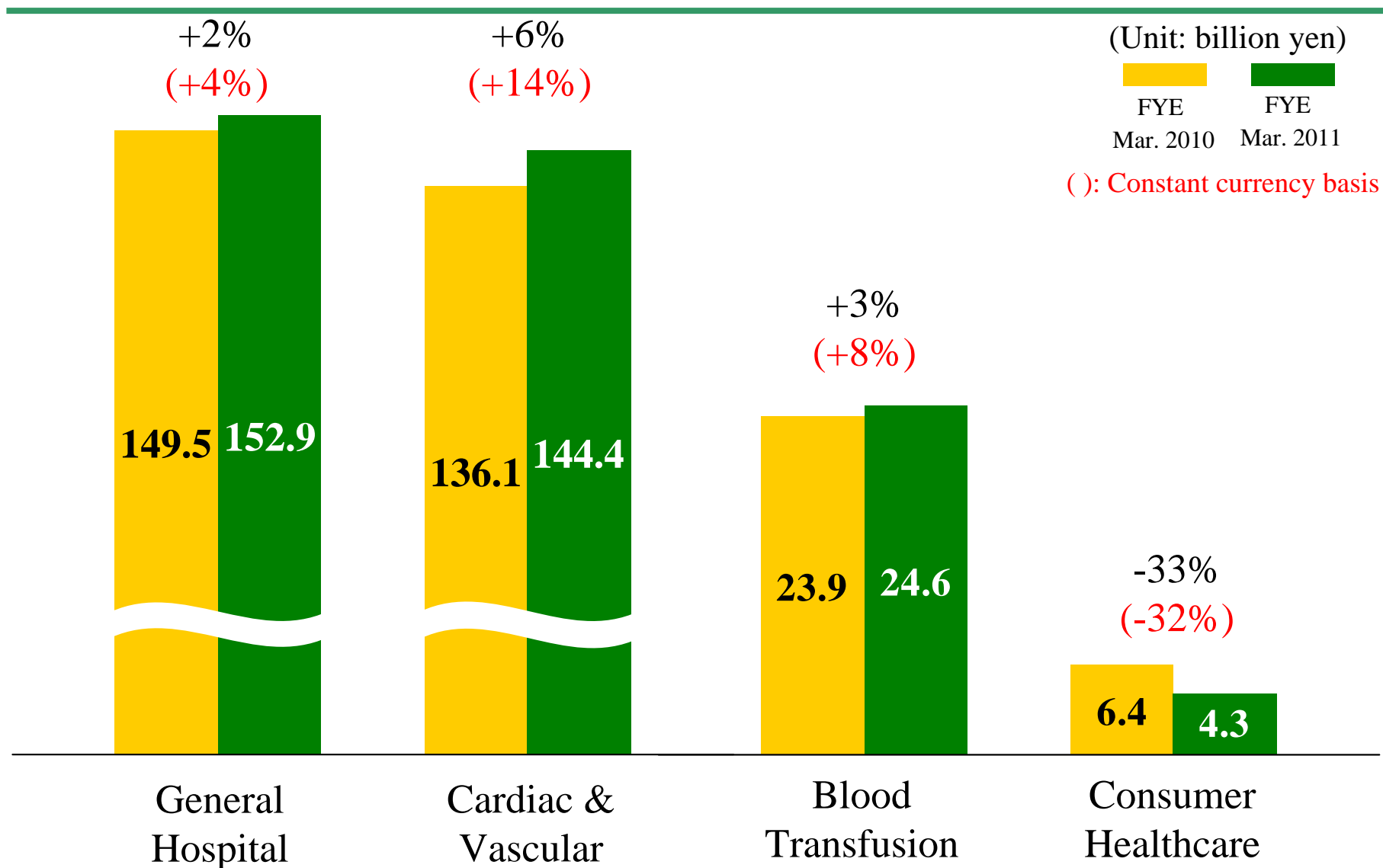
(): Constant currency basis



Outside of Japan, ratio 45% ⇒ 46%

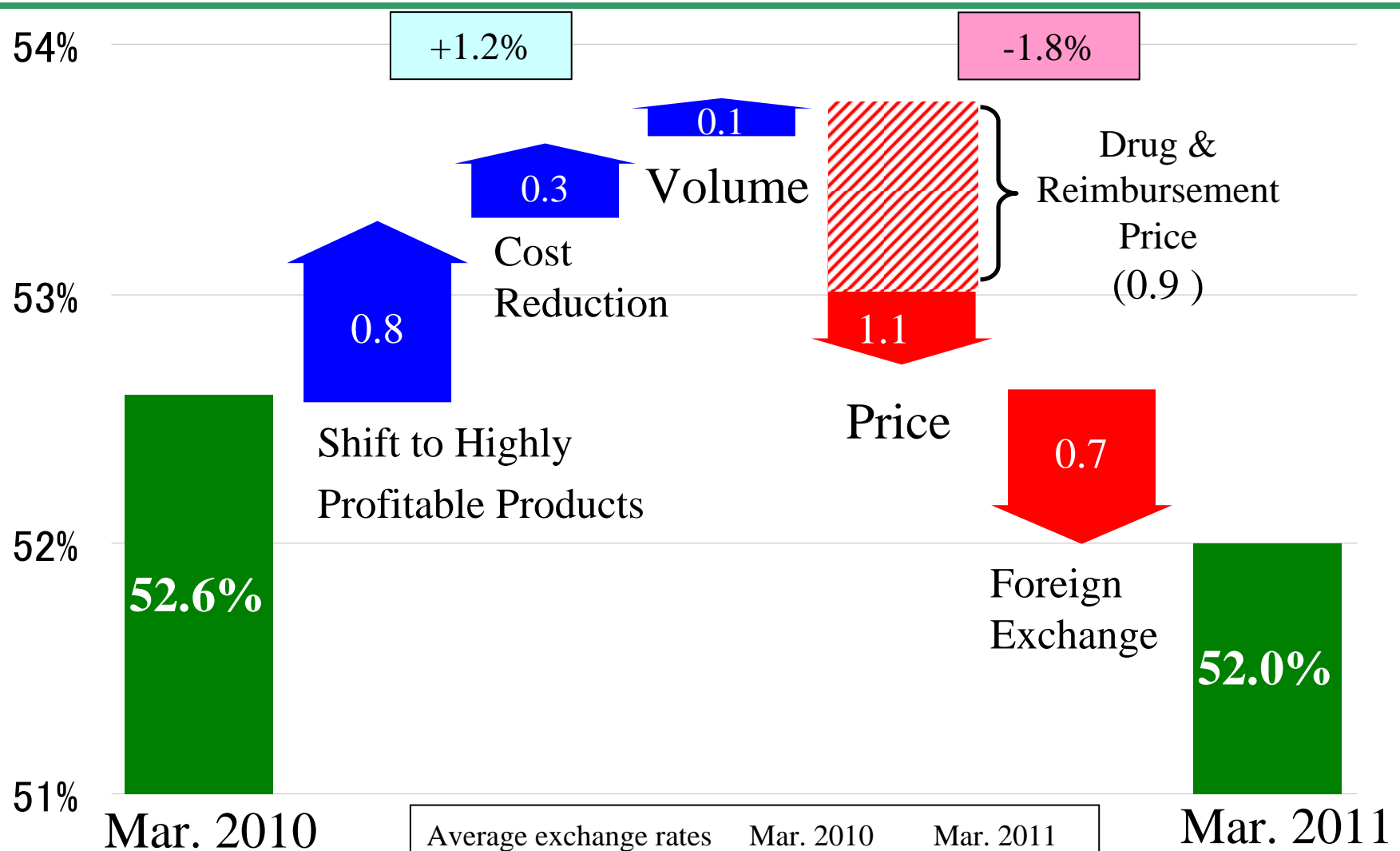
*Excluding impact of accounting period adjustment of overseas subsidiaries(1.9 billion yen)

Net Sales (by Business Segment)



*Excluding impact of accounting period adjustment of overseas subsidiaries(1.9 billion yen)

Gross Profit Variance Analysis



Average exchange rates	Mar. 2010	Mar. 2011
US\$:	93yen	86yen
EUR :	131yen	113yen

SG&A Expenses

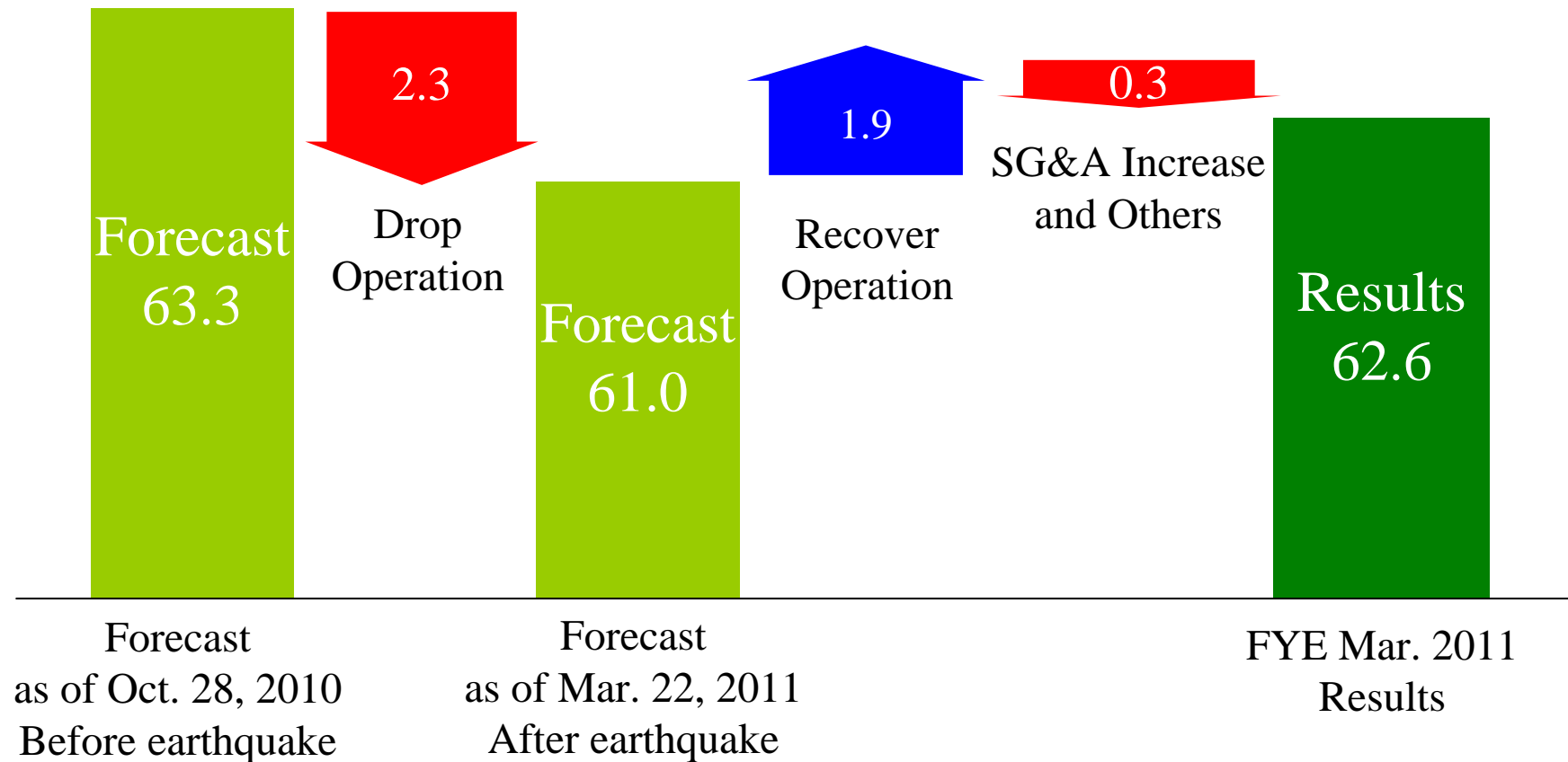
(Unit: billion yen)

	FYE Mar. 2010	FYE Mar. 2011	YoY	YoY%
Salaries & Wages	38.2	38.9	+0.7	+2%
Sales Promotion	11.0	10.5	-0.5	-5%
Logistical Costs	9.0	9.6	+0.6	+7%
Depreciation & Amortization	5.1	4.7	-0.4	-7%
Others	22.3	24.1	+1.8	+9%
General Administrative Total	85.6 (27.1%)	87.8 (26.7%)	+2.2	+3%
R&D Expenses	17.5 (5.5%)	20.4 (6.2%)	+2.9	+16%
SG&A Expenses Total	103.1 (32.6%)	108.2 (32.9%)	+5.1	+5%

(): %Net Sales

Variance with the Forecast (Operating Income)

(Unit: billion yen)



Initiatives in FYE Mar. 2012

First Step to 1 Trillion Yen Track

- Revitalization from earthquake
- Integration of Blood Management Business
- Acquisition of Harvest Technologies Corp.

Revitalization toward Pre-Earthquake State

■ Through this fiscal year, we are to regain average. 100% factory operating ratio.

- Raw materials: Securing significant stock and alternative materials
- Power: Securing by the introduction of flexible working hours and in-house power generators

■ Impact on sales and profit

- Limited product supply resulted as drop in sales for some products such as I.V. solutions
- Effect on R&D delayed new product launch
- Needed to review projects and expense priorities to reduce cost
- Estimated the drop in sales of 10 billion yen, operating income of 3 billion yen.

Integration between Terumo & CaridianBCT



- Terumo Blood Transfusion Business + CaridianBCT
= TERUMO BCT
- Integration team formed with members from both companies by region and function
- Creating new value for global customers through joining both companies strengths
 - To establish “Blood Management Business” model
- Acceleration of globalization
 - CaridianBCT CEO as business leader

Acquisition of Harvest Technologies Corp.

< Acquisition Details >

- Target Company: Harvest Technologies Corporation (U.S.)
- Purchase Price: US\$70 Million (approx. 5.7 billion yen, 1US\$=82 yen conversion)
Separate milestone payment of the total maximum amount of \$35 M over the period from 2012 to 2015
- Established: 1997
- Location: U.S. & Germany (Sales in over 18 countries)
- Financials: Net Sales \$26M, Operating Income \$3M (FYE Dec. 2010)
- Products / Application:
 - Existing Business: System to harvest concentrated platelet rich plasma ⇒ Cardiac & Orthopedics field:
To optimize healing process at surgical wounds
 - New Business: Same system ⇒ Vascular surgery: To treat Critical Limb Ischemia

Background and Purpose of Acquisition

■ Background

- TCVS has been distributing Harvest's products
 - ⇒Exclusive distribution in US cardiac surgery field since 2006
- Practical application of Cellular Therapy in growing trend
 - *) Penetration of the therapy (U.S.)
 - ⇒15 to 20 % in Cardiac Surgery, 10% in Orthopedic surgery

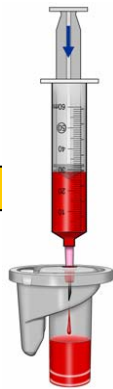
■ Purpose

- Develop business strategy encompassing not only distribution but R&D and manufacturing
- Expand our minimally invasive treatment business
- Strategically advance in regenerative medicine field
 - ⇒Gained BCT's technologies (therapeutic aphaeresis, cell expansion) and Harvest's technology (deriving concentrated cells)

Advanced Technologies to Derive Concentrated Cells from Blood and Bone Marrow

- Current Fields: Cardiac surgery (Distributed by TCVS) / Orthopedics surgery

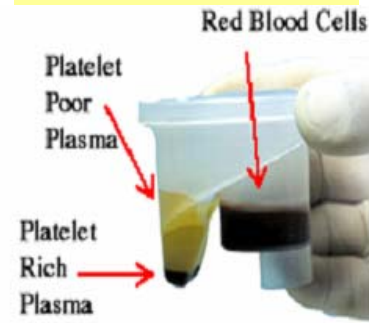
Extracted from the patient's blood and bone marrow



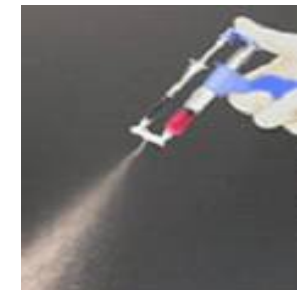
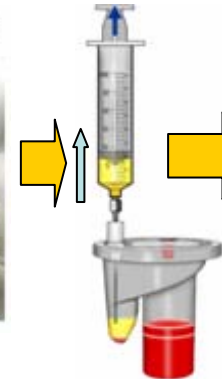
Centrifuged



Separated and harvested



Applied to the wounds



- New Fields: Vascular surgery, etc

Applying the concentrated cells from bone marrows into ischemic lesions of legs and heart



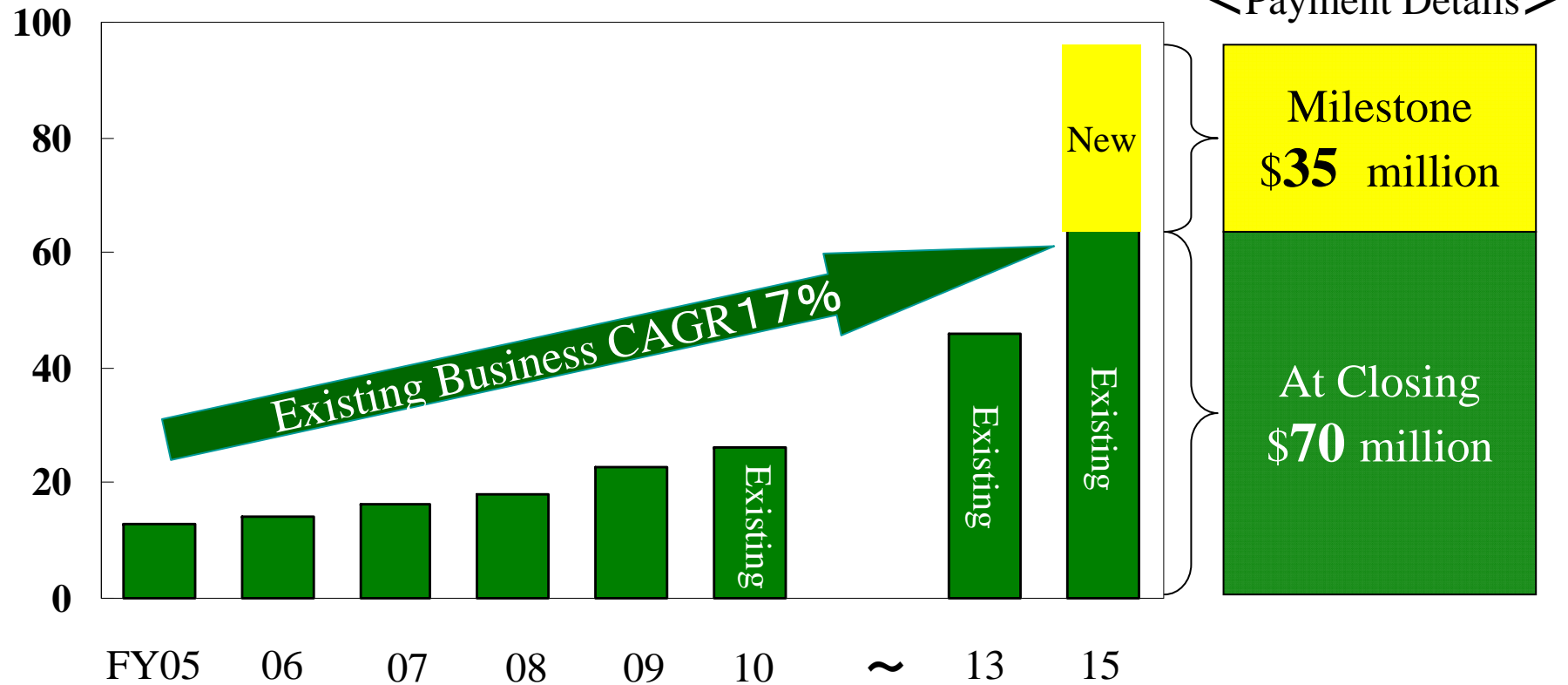
1. Treatment for Lower Limb Ischemia (Clinical trials in US began Mar. 2012)
2. Treatment for Chronic Heart Failure (Under pilot study)

Large Growth Gained only by Existing Business

Even greater growth potentially through Cellular therapy expansion

Unit: \$mil

Net Sales



Forecast for the Fiscal Year Ending March 31, 2012

Forecast for the Fiscal Year Ending March 31, 2012

(Unit: billion yen)

	Mar. 2011 Results	Mar. 2012 Forecast(*)	YoY	Excluding Foreign Exchange
Net Sales	328.2	332.0	+1%	+3%
Operating Income	62.6(19.1%)	65.0(19.6%)	+4%	+7%
Ordinary Income	56.9(17.3%)	63.0(19.0%)	+11%	
Net Income	32.3(9.9%)	40.0(12.0%)	+24%	
Average exchange rates	US\$ 86 yen EUR 113 yen	80yen 113yen		

(*)Excluding forecasts of CaridianBCT and Harvest

(*)Including the impact of unified depreciation method into Straight-line Method

Unified Depreciation of Property, Plant, and Equipment into Straight-line Method

■ Objective

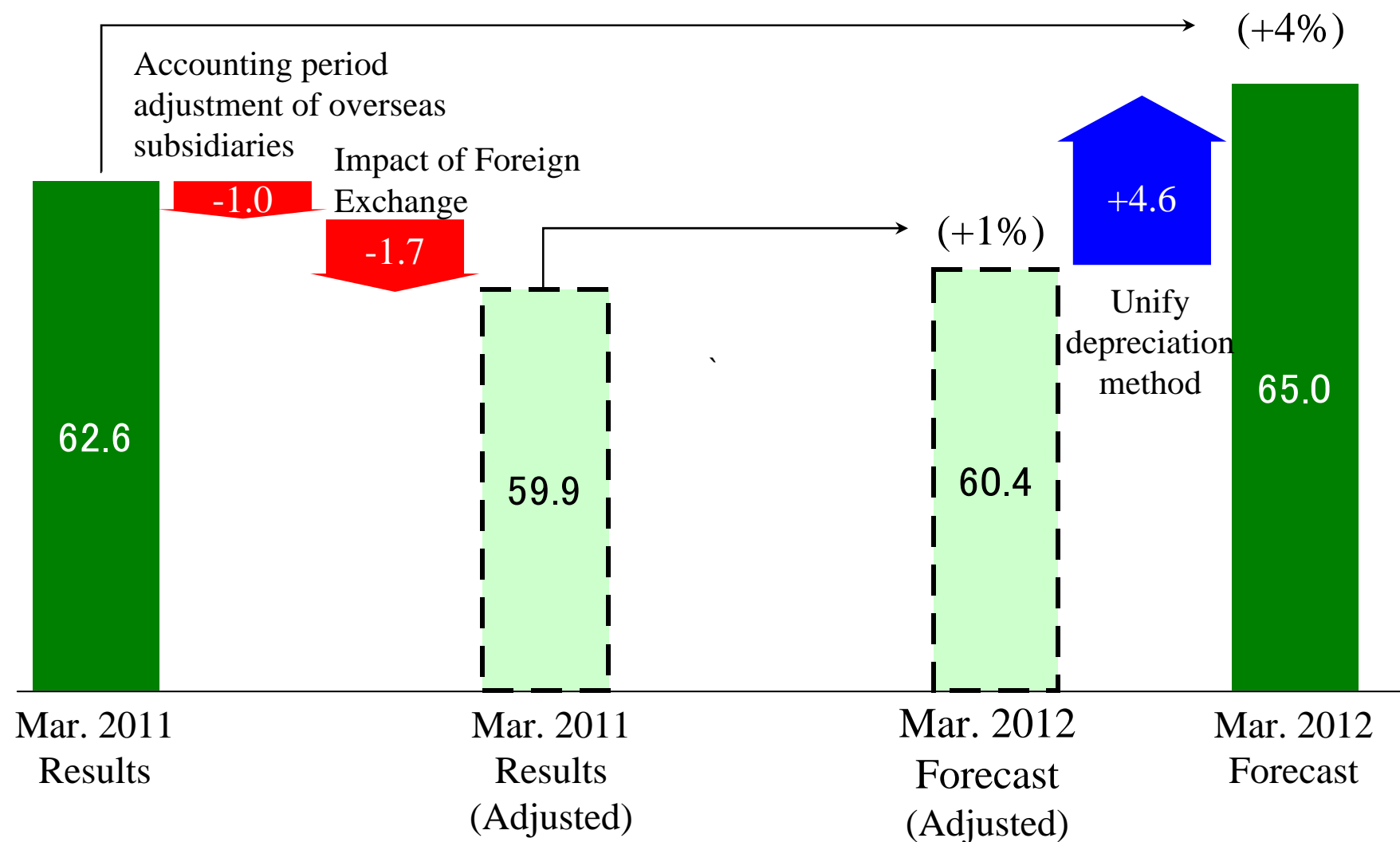
- ✓ Speed up global business management
- ✓ Straight-line method as the standard in overseas subsidiaries
- ✓ Match the actual business condition
- ✓ Ready for IFRS

■ Impact on FYE Mar. 2012

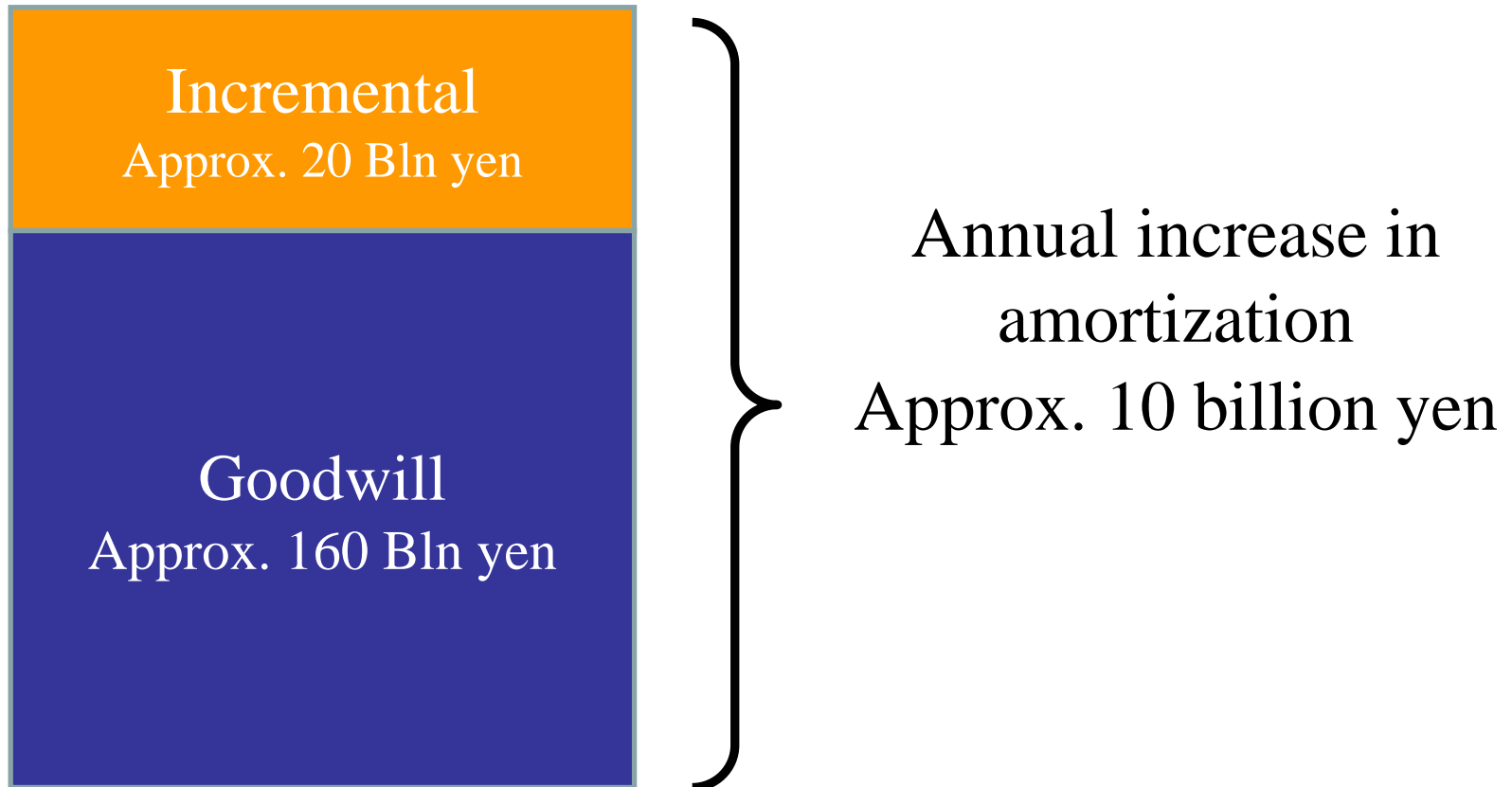
- ✓ Approx. 4.6 billion yen decrease in depreciation expenses

Operating Income Variance Analysis

(Unit: billion yen)



Estimate of Amortization on Goodwill after CaridianBCT Acquisition



* The above figures are in-house estimates and maybe revised after asset valuation by third-party external specialists and audit by independent auditors.

Estimate of Acquired Companies' Impact on Financial Forecast

- High profit of core business from year one
- Break-even after amortization of goodwill etc.

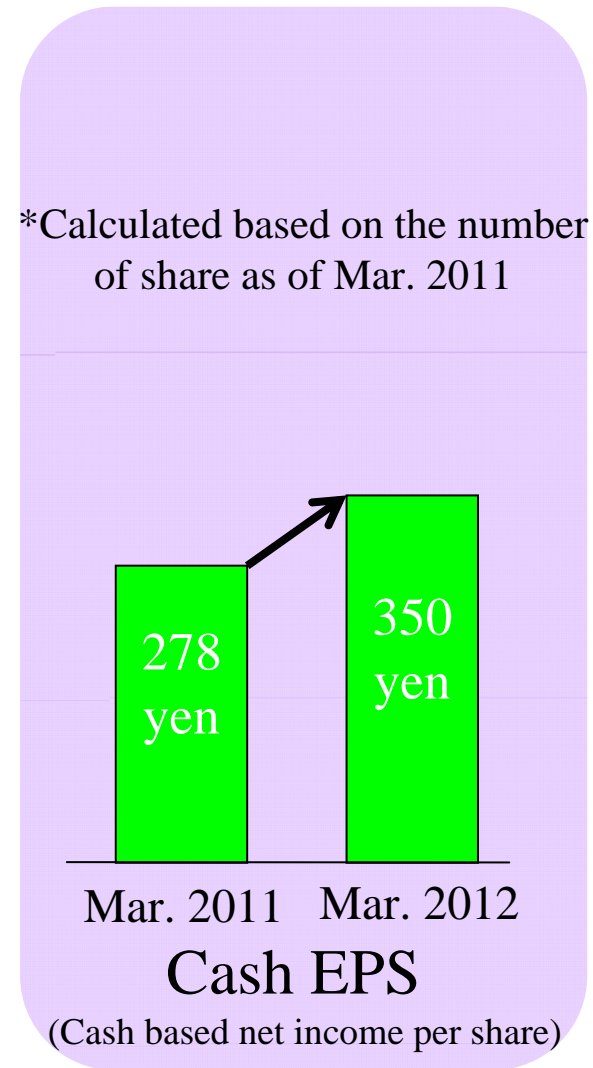
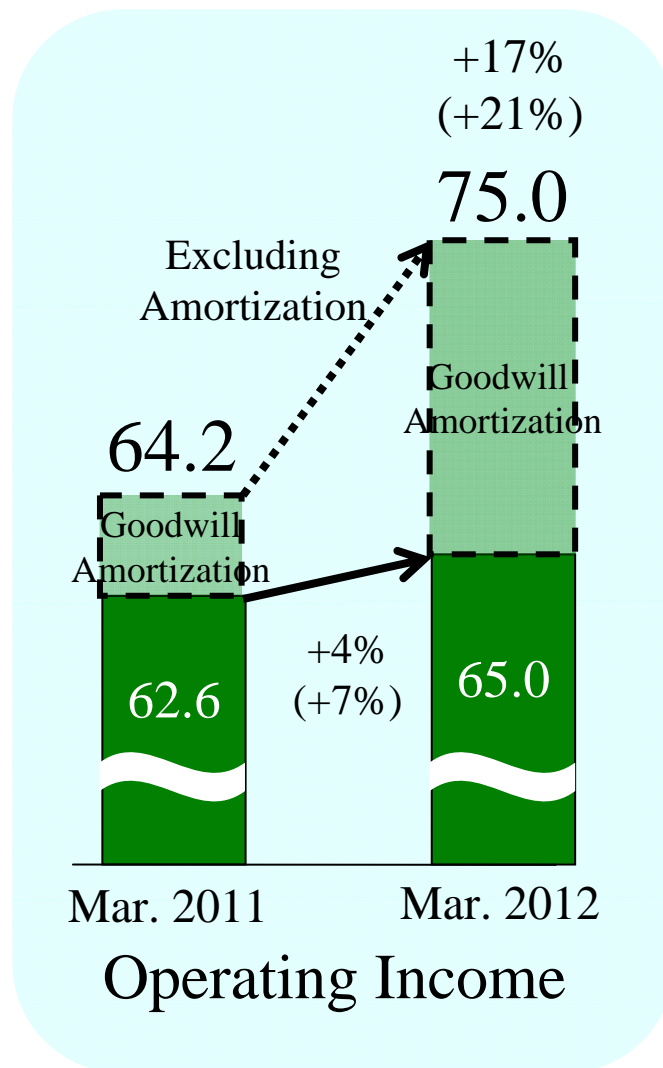
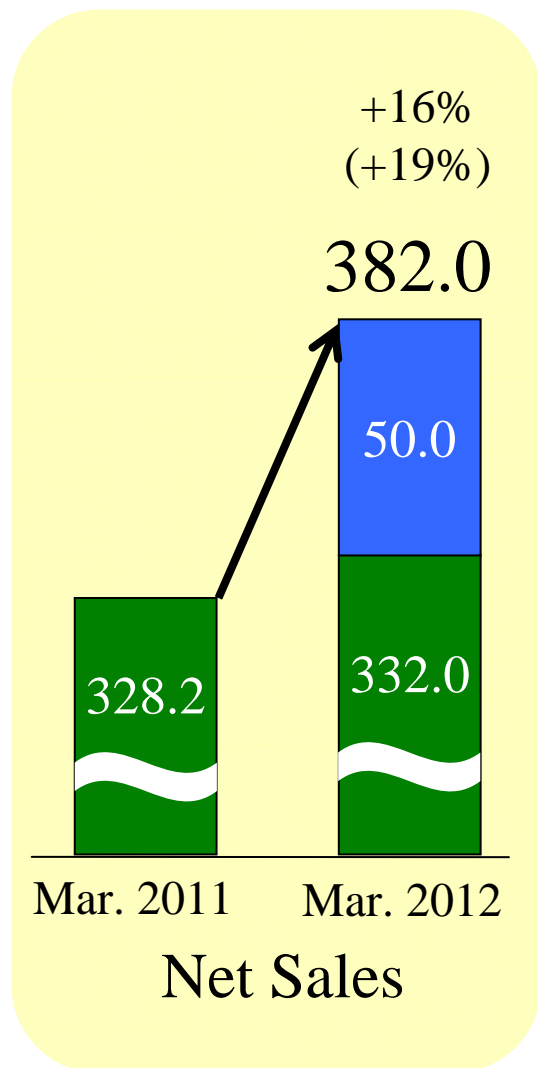
(Unit: billion yen)

	CaridianBCT	Harvest	Total
Net Sales	48.0	2.0	50.0
Operating income	10.0	0.4	10.4
Amortization of goodwill etc.*	▲ 10.0	▲ 0.3	▲ 10.3

* The above figures are in-house estimates and maybe revised after asset valuation by third-party external specialists and audit by independent auditors.

Image of Net Sales and Income Including Acquired Companies

Unit: billion yen, % YoY, () Excluding impact of Foreign Exchange



Reference

Financial Results (Quarterly three months)

(Unit: billion yen)

	Q4FYE Mar. 2010	FYE Mar. 2011 Q4(*)	YoY%
Net Sales	77.1	84.0	+9 %
Gross Profit	40.3(52.2%)	43.6 (52.0%)	+8 %
SG&A Expenses	27.0(35.0%)	29.1 (34.7%)	+8 %
Operating Income	13.3(17.2%)	14.5 (17.3%)	+9 %
Ordinary Income	13.2(17.2%)	14.0 (16.7%)	+6 %
Net Income	8.9(11.5%)	4.9 (5.8%)	-45%
Average exchange rates	US\$ 91yen EUR 126yen	82yen 113yen	

*Including impact of accounting period adjustment of overseas subsidiaries

Financial Results of 2nd Half for FYE Mar. 2011: To the Forecast for the 2nd Half

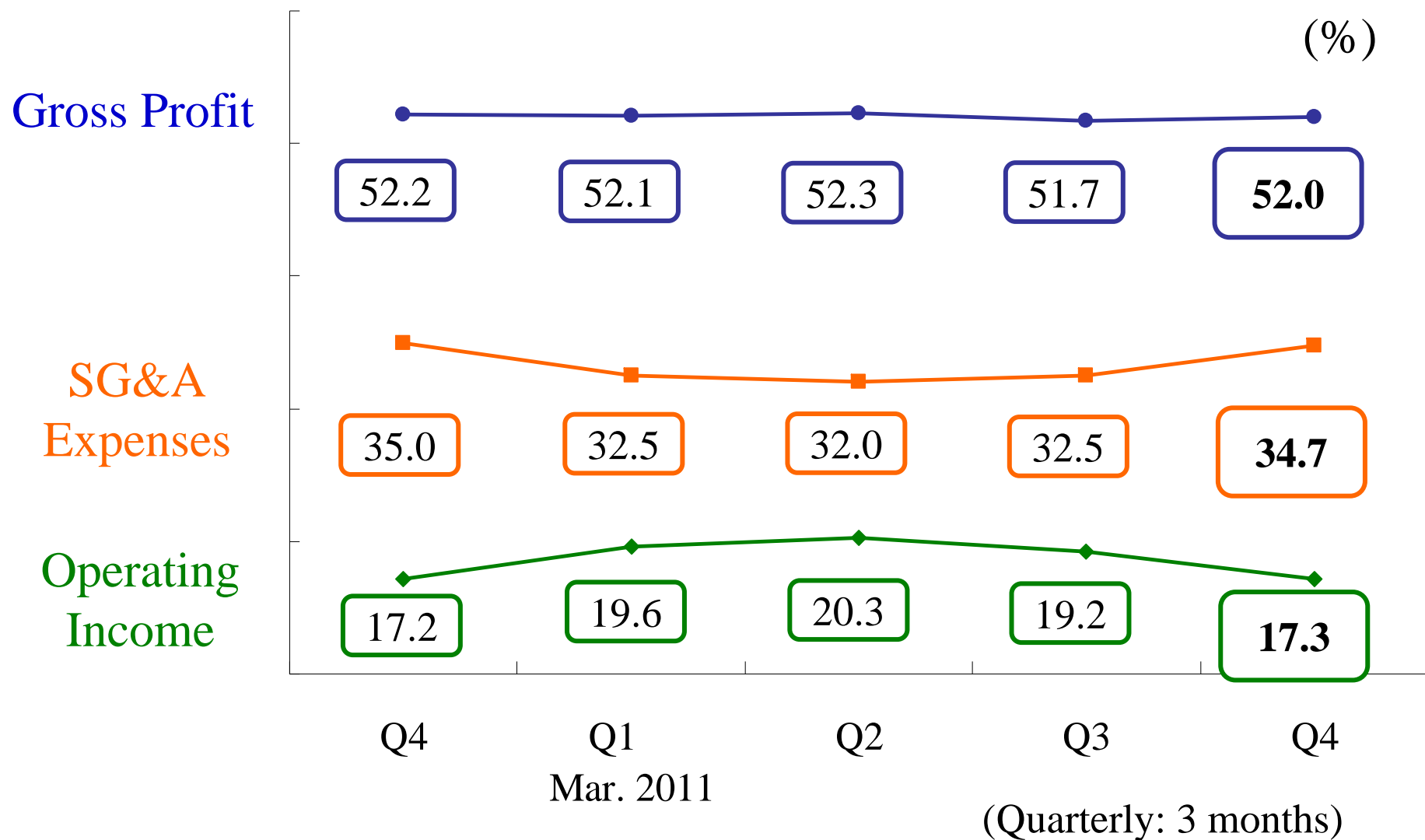
(Unit: billion yen)

	<u>2H Forecast</u>	<u>2H Results</u>	Progress Rates	<u>Impact of Foreign Exchanges</u>
Net Sales	162.1	164.3	101%	+1.5 billion yen (Upper progress rate by 0.9%)
Operating Income	28.3 (17.5%)	29.9 (18.2%)	106%	+0.4 billion yen (Upper progress rate by 1.5%)
Ordinary Income	26.4 (16.3%)	28.7 (17.5%)	109%	
Net Income	13.7 (8.5%)	14.0 (8.5%)	102%	

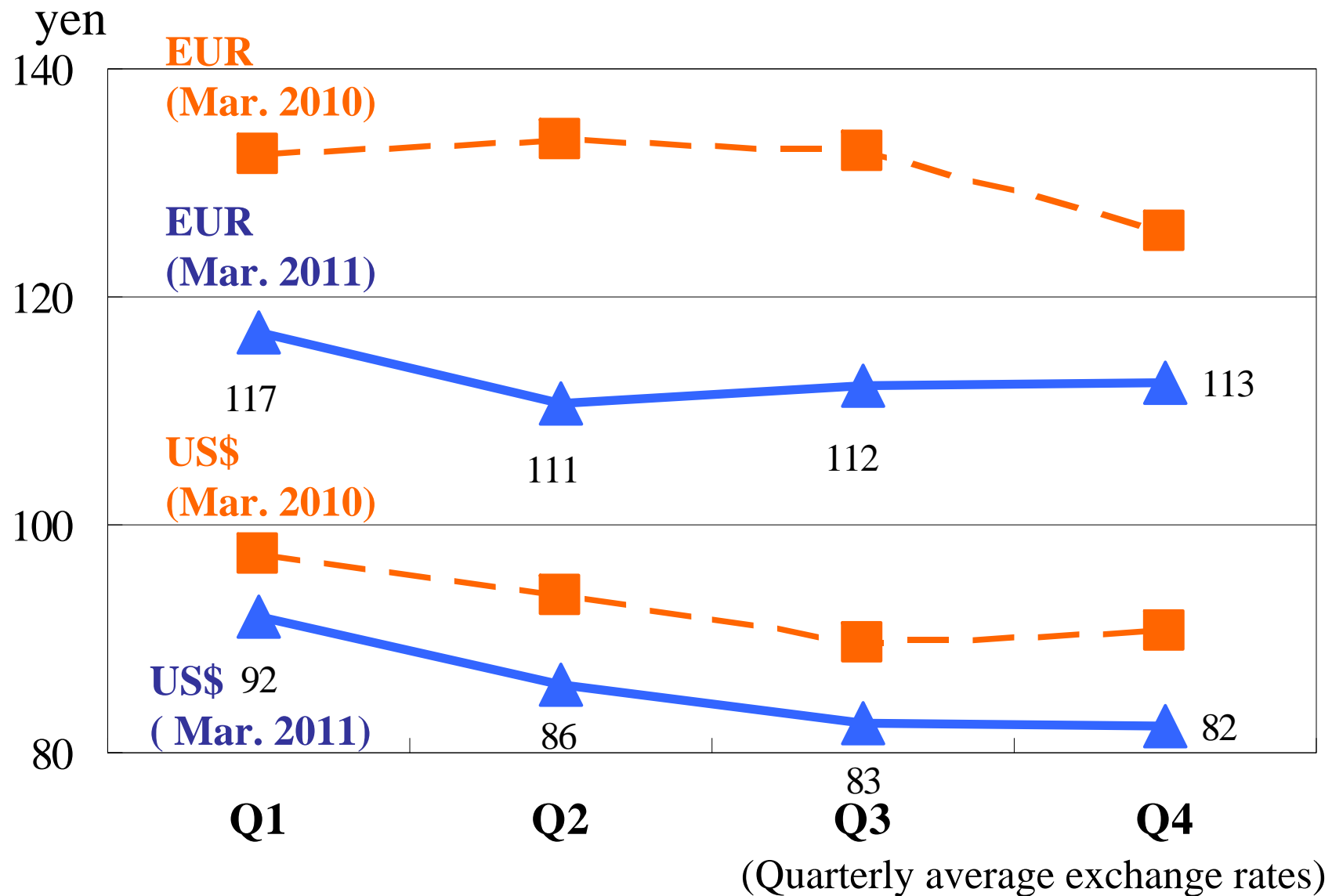
Average exchange rates

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

Gross Profit, SG&A, Operating Income Rates

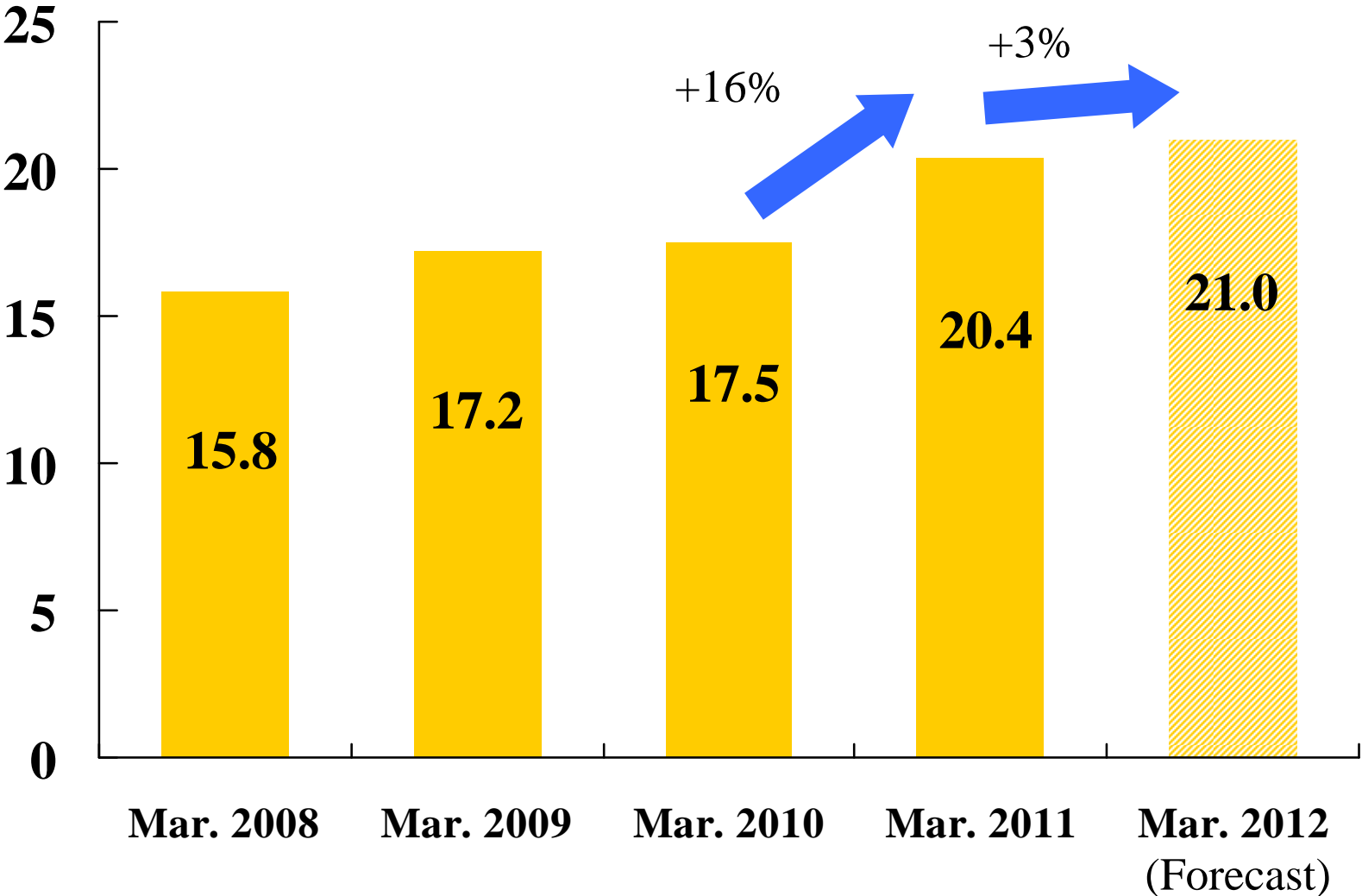


Changes of Quarterly Average Exchange Rates



R&D Expenses

(Unit: billion yen)



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