

**Refinancing Bridge Loan
Related to CaridianBCT Acquisition
&
Cancellation of Treasury Stock**

**Terumo Corporation
October 27, 2011**

-
- **Refinancing bridge loan
related to CaridianBCT acquisition**
 - **Cancellation of treasury stock**

Refinancing Bridge Loan Related to CaridianBCT Acquisition

■ Environment recognition

- Economic and financial issues in EU
- Downturn risk of U.S. and China economy



**Refinancing the bridge loan
with cash on hand & debt**

Refinancing Bridge Loan of Total 220 Billion Yen

- Cash on hand: 30 billion yen
- Debt: 190 billion yen
- Targeted financial condition in 3 yrs

	1H Mar. 2012	Mar. 2014
Net D/E Ratio	0.4	0.2
Equity Ratio	48%	58%

Cancellation of Treasury Stock

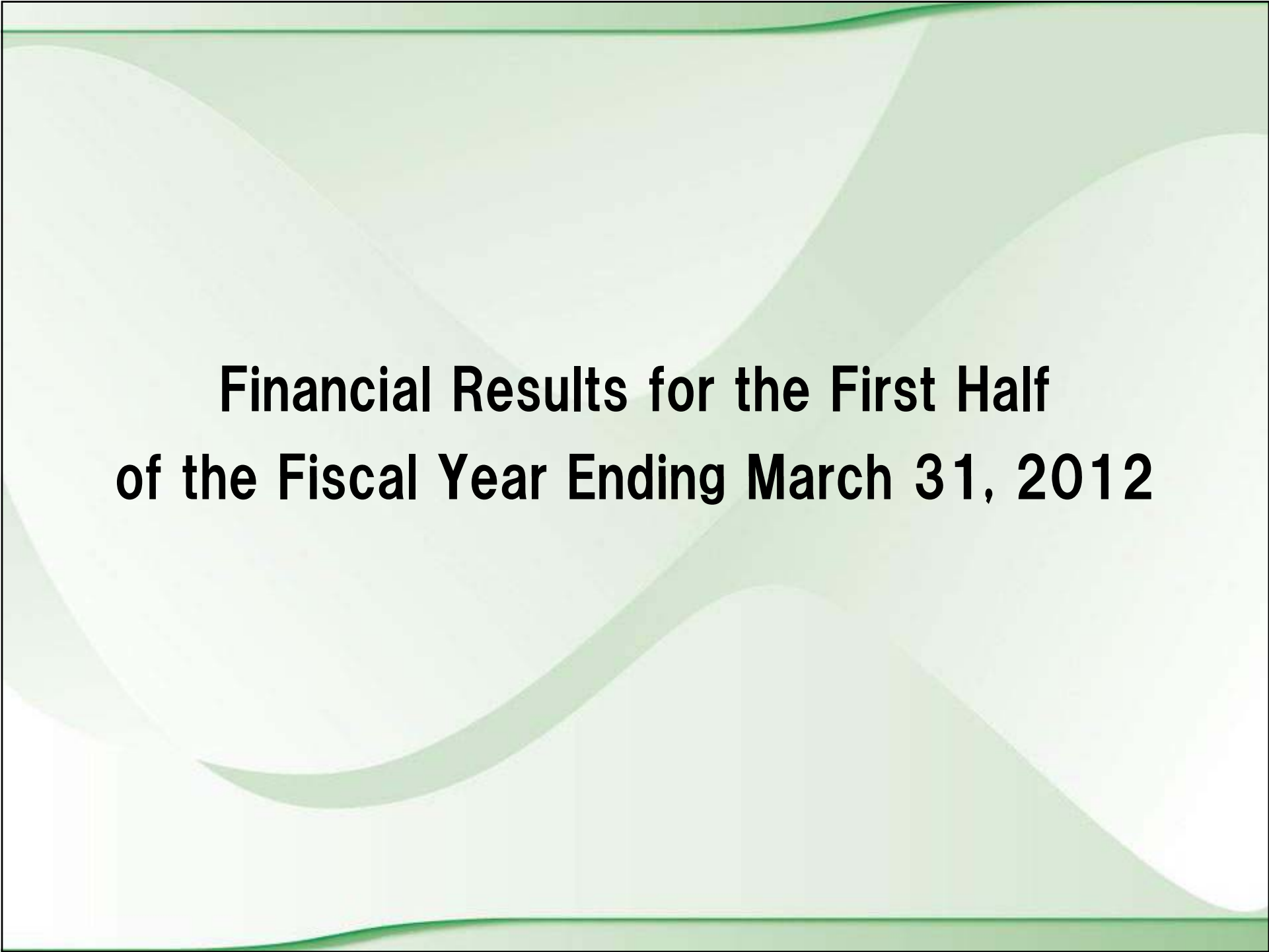
In Board of Directors on Oct 27, 2011, Terumo resolved a cancellation of all of its treasury stock, 20,996 K shares.

■ Initial plan of holding treasury stock

- To utilize it in connection with strategic investments, in responding to business environment

■ Refinancing bridge loan with cash on hand & debt

- Few opportunities to utilize it in the foreseeable future



**Financial Results for the First Half
of the Fiscal Year Ending March 31, 2012**

Consolidated 1H Results

(billion of yen)

	1H Mar. 2011	1H Mar. 2012*	YoY%
Net Sales	163.9	190.7	+16%
Gross Profit	85.6 (52.2%)	103.1 (54.1%)	+21%
SG&A Expenses	52.9 (32.2%)	68.5 (35.9%)	+30%
Operating Income	32.7 (20.0%)	34.6 (18.2%)	+6%
(Excl. Amortization of goodwill)	33.5 (20.4%)	38.4 (20.2%)	+15%
Ordinary Income	28.2 (17.2%)	31.3 (16.4%)	+11%
Net Income	18.4 (11.2%)	17.7 (9.3%)	-4%
Average Exchange Rate	US\$ 89 yen EUR 114 yen	80 yen 114 yen	

* Consolidated BCT Apr.-Sep. and Harvest May-Sep. results

1H Results of BCT Stand Alone

Sustained strong performance

(billion yen)

	1H Mar. 2012	YoY% (Constant Currency)
Net Sales	22.8	+13%
Gross Profit	14.2 (62.2%)	+12%
SG&A Expenses	8.4 (36.6%)	+15%
Operating Income	5.8 (25.6%)	+8%
Ordinary Income	5.6 (24.6%)	
Net Income	3.3 (14.5%)	

Excluding newly accrued amortization of goodwill and intangible assets

Excluding
BCT & Harvest

1H Results of Existing Business

Steady increase both in sales and income

(billion yen)

	1H Mar. 2011	1H Mar. 2012	YoY%	Constant Currency
Net Sales	163.9	167.2	+2%	+5%
Gross Profit	85.6 (52.2%)	88.4 (52.9%)	+3%	+8%
SG&A Expenses	52.9 (32.2%)	53.8 (32.2%)	+2%	+4%
Operating Income	32.7 (20.0%)	34.6 (20.7%)	+6%	+13%
Ordinary Income	28.2 (17.2%)	31.6 (18.9%)	+12%	
Net Income	18.4 (11.2%)	19.3 (11.5%)	+5%	

Excluding newly accrued amortization of goodwill and intangible assets

Excluding
BCT & Harvest

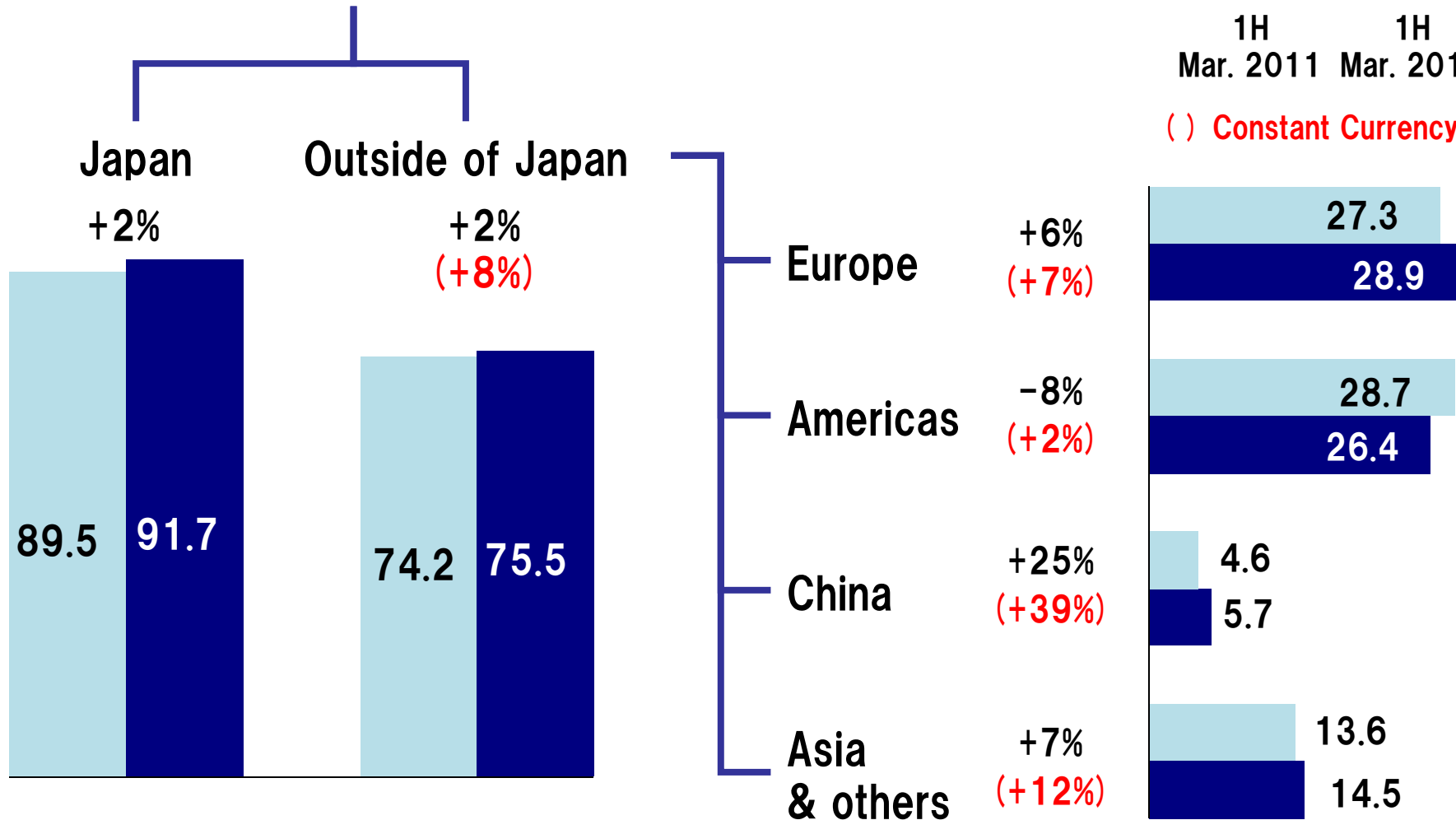
Net Sales (by Region)

Consolidated: +2% (+5%)

(billion of yen)

1H Mar. 2011 1H Mar. 2012

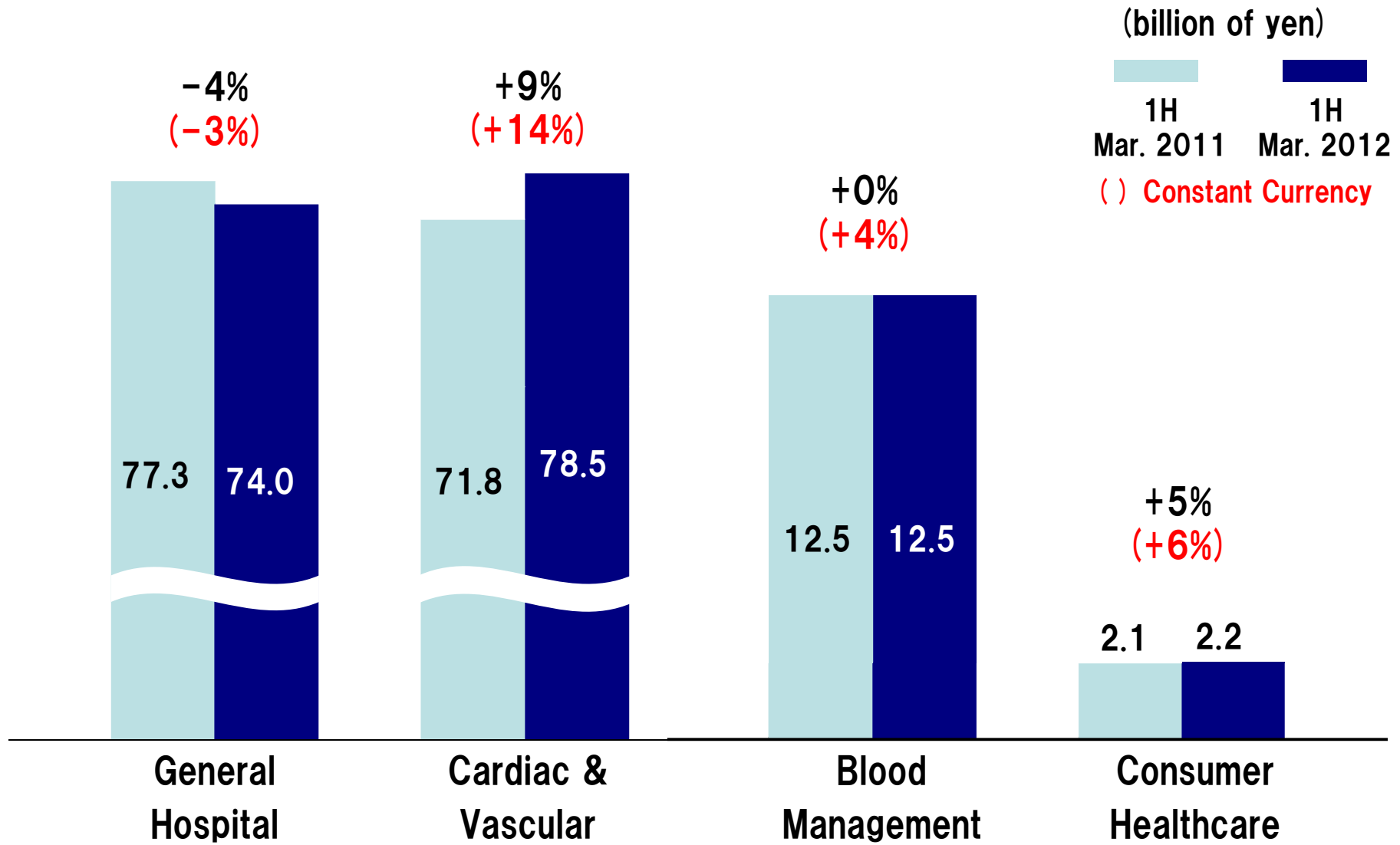
() Constant Currency



*Asia & Others: Comparing the results for the same period, Apr.-Sep.

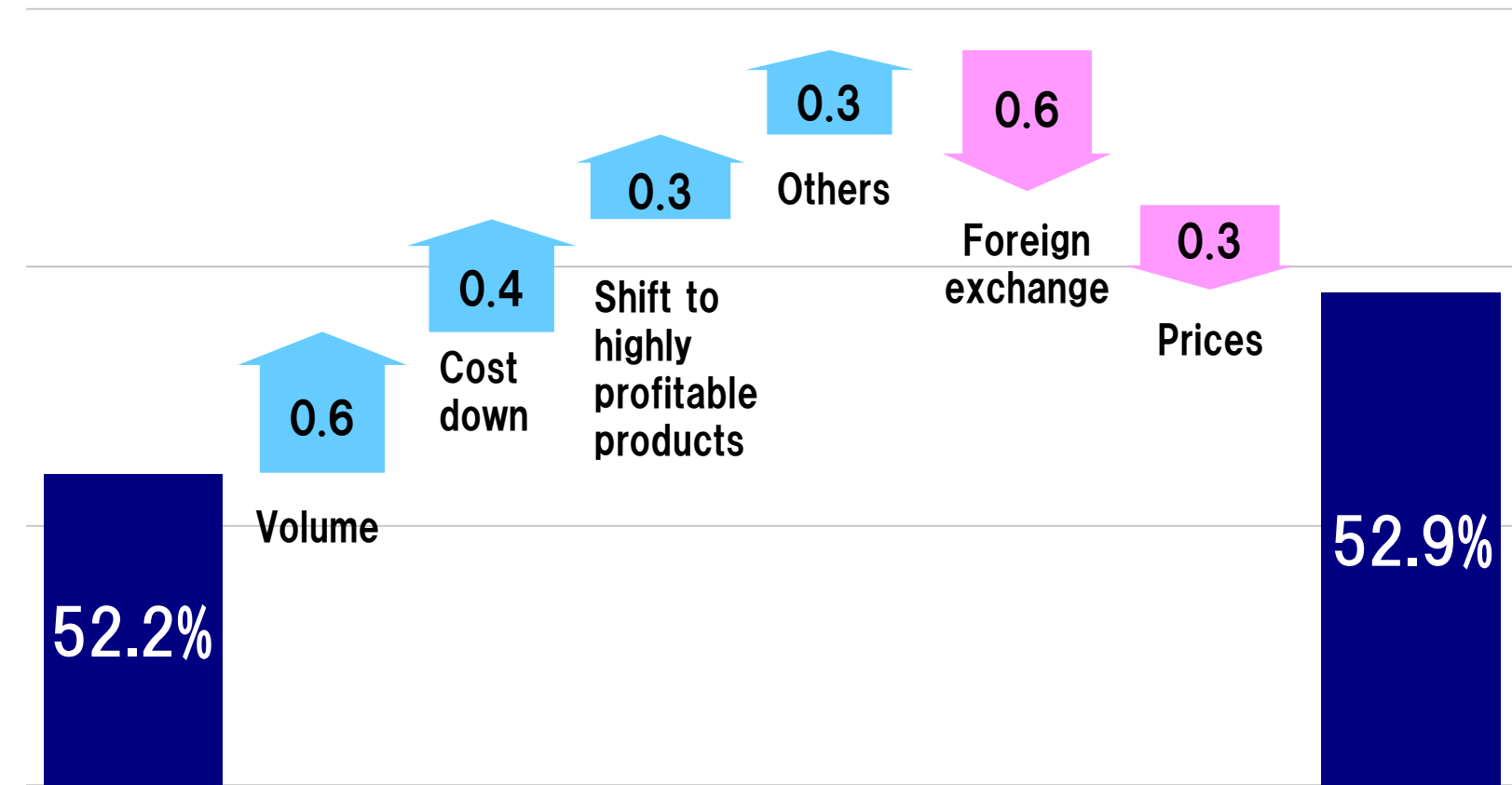
Excluding
BCT & Harvest

Net Sales (by Business Segment)



Excluding
BCT & Harvest

Gross Profit Variance Analysis



1H
Mar. 2011

Average Exchange Rate	1H Mar. 2011	1H Mar. 2012
US\$:	89 yen	80 yen
EUR:	114 yen	114 yen

1H
Mar. 2012

Excluding
BCT & Harvest

SG&A Expenses

(billion of yen)

	1H Mar. 2011	1H Mar. 2012	YoY	YoY%
Salaries & Wages	19.5	19.5	+0.0	+0%
Sales Promotion	5.1	5.2	+0.1	+1%
Logistical Costs	4.7	5.1	+0.4	+8%
Depreciation & Amortization	2.3	2.3	+0.0	+0%
Others	11.5	11.9	+0.4	+3%
General Admin Total	43.1 (26.2%)	44.0 (26.3%)	+0.9	+2%
R&D Expenses	9.8 (6.0%)	9.8 (5.9%)	+0.0	+0%
SG&A Expenses Total	52.9 (32.2%)	53.8 (32.2%)	+0.9	+2%

() %: Against net sales

Impact of the Earthquakes

- Assumed some business loss due to short supply of product, delay of new product development, and market shrinkage

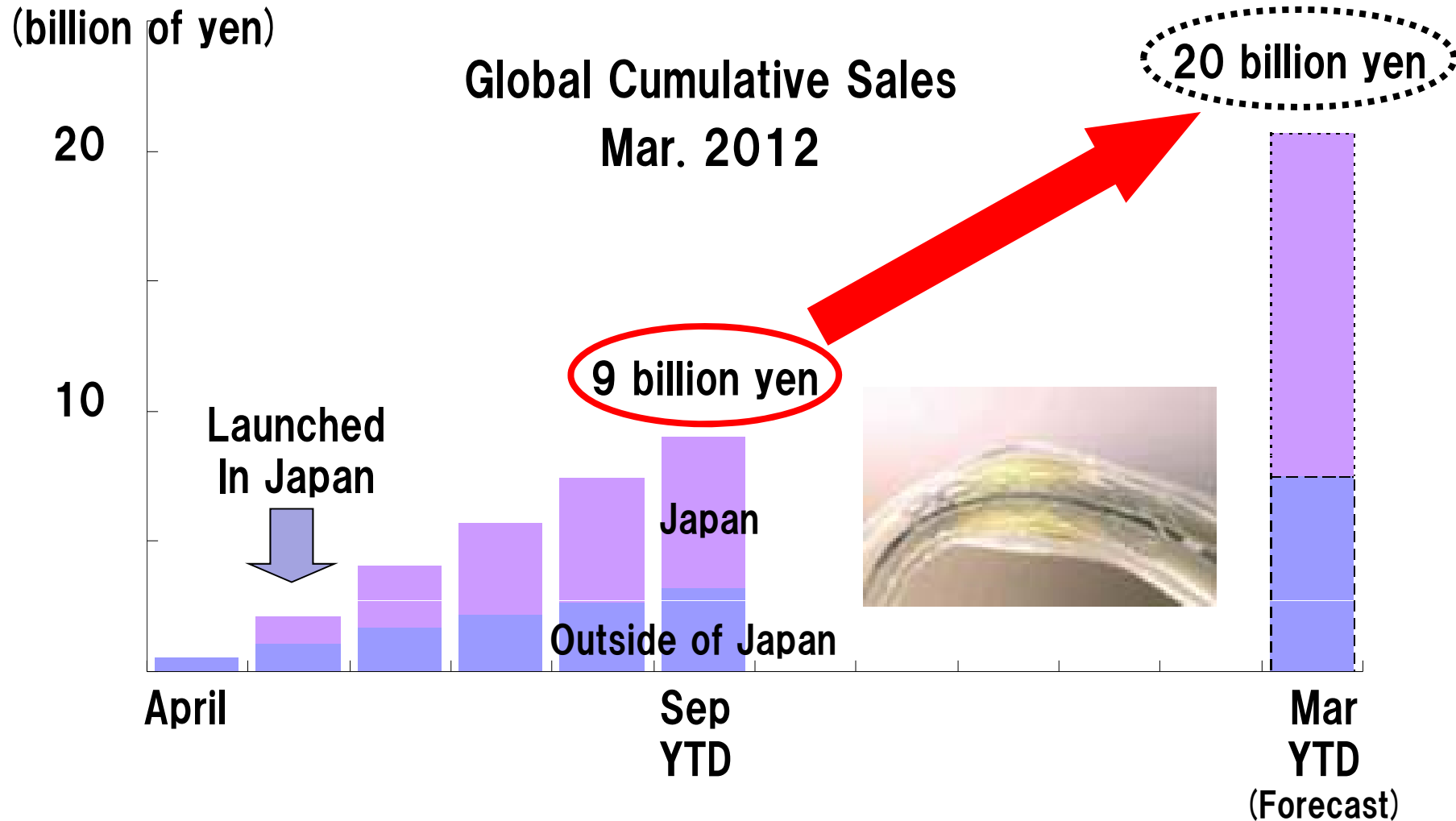
(billion of yen)

Mar. 2012	Impact Projected May 11		Modified Projection Jul 28	1H Results	2H Forecast
Net Sales	-10	➔	-7	-4	-3

Estimating that the impact will not exceed the projection on Jul 28

Strong Performance: Nobori™

On track toward 20 billion yen of global sales



Improving Quality System to Reinforce CV Business

- Observations about quality system process at Terumo CVS' s Ann Arbor plant were raised by FDA
- Mar. 2011, Terumo CVS agreed to a consent decree w/ FDA regarding quality system improvements
- Under the agreement, a work plan to resolve the observations was created by Terumo CVS (Approved by FDA, Sep. 2011)

† Further voluntary quality system improvement

(billion of yen)

Impact on operating income Mar. 2012	Projection for fiscal year	1H Results	2H Forecast
Additional cost	3.4	0.8	2.6

Impacts on Forecast for Mar. 2012

(Against original forecast for Mar. 2012)

- **Net Sales:** **-7.0 billion yen**
 - **Newly assumed exchange rate for 2H** **-7.0 billion yen**
(US\$ 80 yen → 75 yen, EUR 113 yen → 103 yen)

- **Operating income:** **-4.4 billion yen**
 - **Newly assumed exchange rate for 2H** **-2.3 billion yen**
 - **Improving quality system of CV business** **-3.4 billion yen**
 - **Promoting efficiency and expense control** **+1.3 billion yen**

Forecast for Mar. 2012

New exchange rate & investment for quality system are incorporated

(billion of yen)

	Original Forecast	Revised Forecast	Revision
Net Sales	390.0	383.0	-7.0
Operating Income	67.0 (17.2%)	62.6 (16.3%)	-4.4
Ordinary Income	65.0 (16.7%)	58.0 (15.1%)	-7.0
Net Income	38.5 (9.9%)	32.5 (8.5%)	-6.0

Excl. Amortization of Goodwill	Operating Income	74.6 (19.1%)	70.0 (18.3%)
	Net Income	46.1 (11.8%)	39.9 (10.4%)

Average exchange rate	2H	Mar. 2012	2H	Mar. 2012
	US\$ 80 yen	80 yen	US\$ 75 yen	77 yen
	EUR 113 yen	113 yen	EUR 103 yen	108 yen



Reference

Consolidated 1H Results (Pro-forma comparison)

Increase in sales & income even at Pro-forma comparison

(billion of yen)

	Corresponding period of last yr Pro-forma basis *1	1H Mar. 2012	YoY%
Net Sales	187.4	190.7	+2%
Gross Profit	100.4 (53.6%)	103.1 (54.1%)	+3%
SG&A Expenses	68.1 (36.3%)	68.5 (35.9%)	+1%
Operating Income	32.3 (17.3%)	34.6 (18.2%)	+7%

Average Exchange Rate

US\$ 89 yen

80 yen

EUR 114 yen

114 yen

*1 Including BCT and Harvest

1H Results to 1H Forecast

(billion of yen)

	<u>1H Forecast</u>	<u>1H Results</u>	<u>Variance</u>	<u>Impact of foreign exchange</u>
Net Sales	191.0	190.7	-0.3	+0.2
Operating Income	32.7 (17.1%)	34.6 (18.2%)	+1.9	+0.1
Ordinary Income	31.5 (16.5%)	31.3 (16.4%)	-0.2	
Net Income	18.5 (9.7%)	17.7 (9.3%)	-0.8	

Average exchange rate

(US\$)	80 yen	80 yen
(EUR)	113 yen	114 yen

1H Results to Mar. 2012 Forecast

(billion of yen)

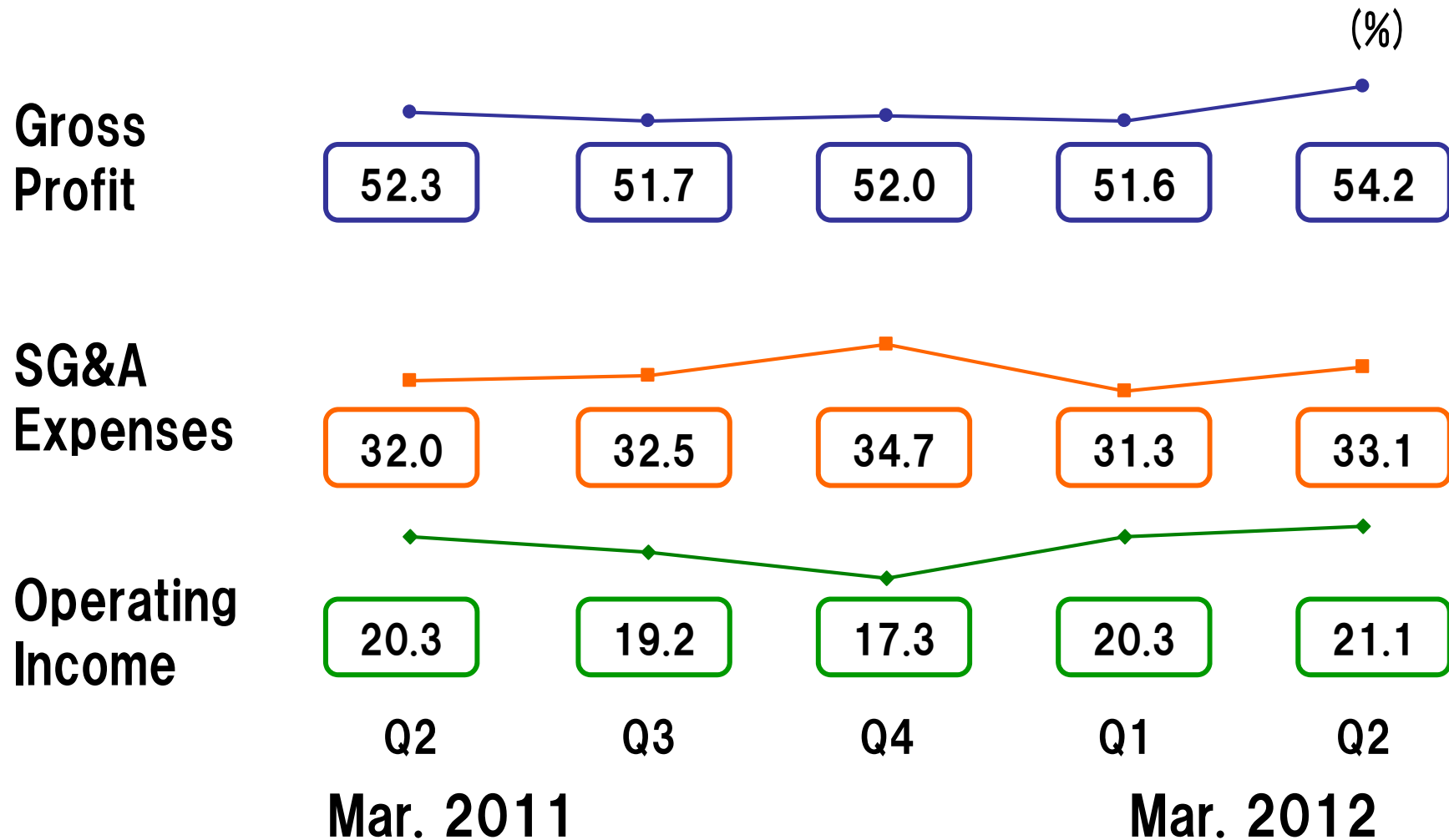
	<u>Forecast</u> <u>Mar. 2012</u>	<u>1H</u> <u>Results</u>	<u>Progress</u>
Net Sales	383.0	190.7	50%
Operating Income	62.6 (16.3%)	34.6 (18.2%)	55%
Ordinary Income	58.0 (15.1%)	31.3 (16.4%)	54%
Net Income	32.5 (8.5%)	17.7 (9.3%)	54%

Average exchange rate

(US\$)	77 yen	80 yen
(EUR)	108 yen	114 yen

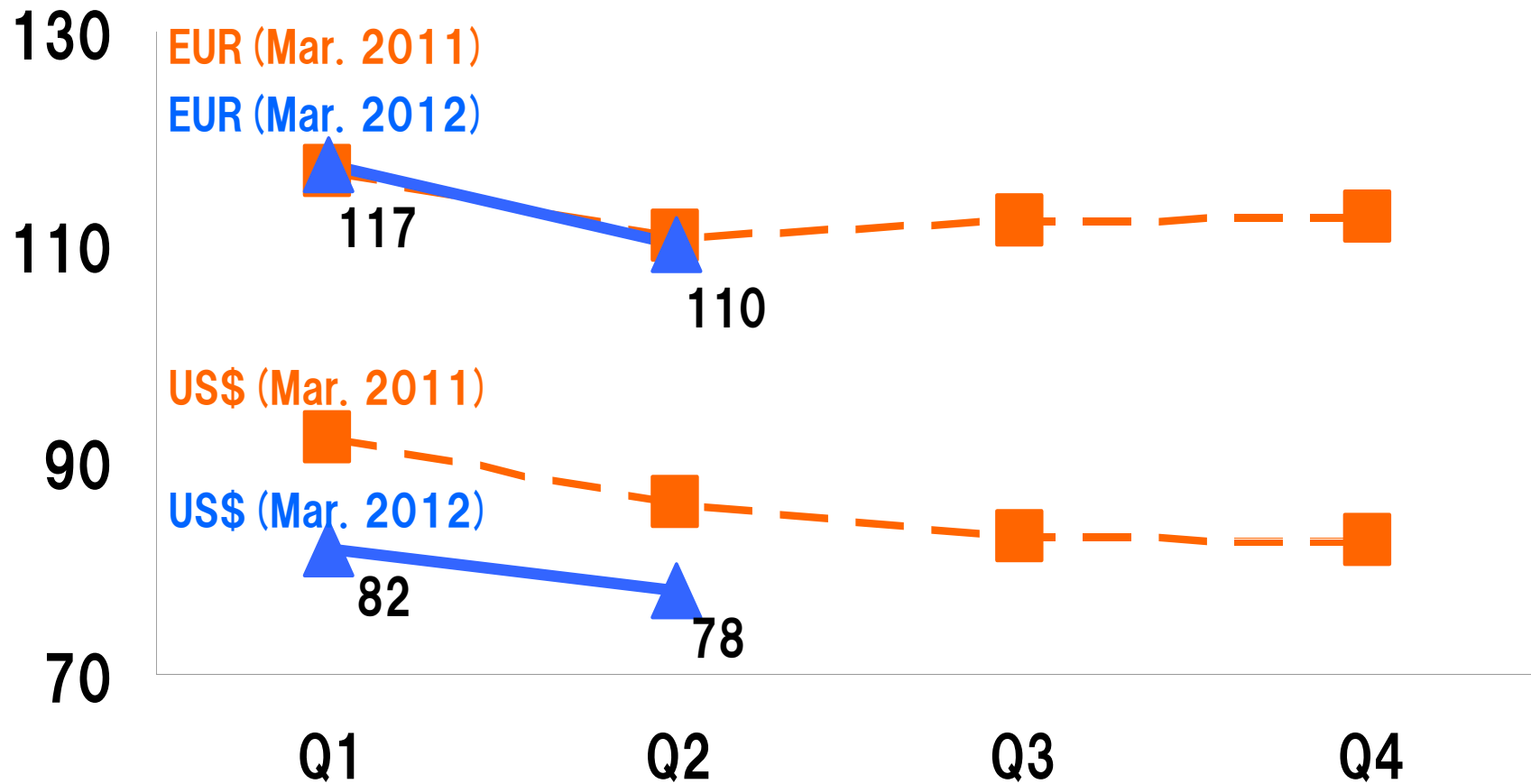
Excluding
BCT & Harvest

Gross Profit, SG&A Expenses, Operating Income



(Quarterly: 3 months)

Changes of Quarterly Average Exchange Rates



(Quarterly: 3 months)

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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.