

May 11, 2011

Company name: Terumo Corporation
Representative: Yutaro Shintaku, President
Code No.: 4543, TSE Section 1
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Corporate Communication / IR Dept.

Notice Concerning the Renewal of a Policy for
Large-scale Acquisitions of Terumo Shares (Takeover Defense Measures)

In the Board of Directors held on April 30, 2008, Terumo Corporation decided upon the Company's basic policy regarding those who control decisions on the Company's financial and business policies. Giving consideration to this policy, the Company also decided upon introduction of policy for large-scale acquisitions of the Company's shares (hereinafter referred to as the "Current Plan") as a means to prevent decisions on the Company's financial and business policies from being controlled by an inappropriate party. The Current Plan was approved by shareholders in the 93rd Annual General Meeting of Shareholders held on June 27, 2008.

The effective period of the Current Plan is until the conclusion of the final Annual General Meeting of Shareholders in the business year ending no more than three years from the time of the conclusion of the 93rd Annual General Meeting of Shareholders. Based on consideration of recent trends in debate on takeover defense measures including amendments of the law since the Current Plan was implemented and the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry, the Company reaffirmed that the current policy should be maintained in the Board of Directors held on May 11, 2011, and passed a resolution to make revisions to the Current Plan required by amendments to the law (the revised plan is hereinafter referred to as the "Plan") and renew the Current Plan in the form of the Plan as a means to prevent decisions on the Company's financial and business policies from being controlled by an inappropriate party.

This English translation has been prepared for general reference purposes. The Company is not responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text of the press release dated as of May 11, 2011.

1. Management and Performance of the Company

(1) Measures to improve the corporate value of the Company and the shared interests of shareholders

(i) Corporate philosophy and basic stance of management

Since Terumo was founded in 1921, the Company has maintained a basic corporate stance to improve its corporate value and the shared interests of shareholders. The Company made strides in the advancement and safety of medical treatment as a company that leads the Japanese medical device industry under the banner of the Company's corporate philosophy "Contributing to Society through Healthcare." At

present, Terumo has established the Company's brand and business both in Japan and outside Japan, and the Company supplies high-quality medical devices to over 160 countries worldwide.

(ii) Increasing Corporate Value through the New Management System

For 40 years after Terumo was founded, the Company grew as a specialized manufacturer of glass thermometers. In the 1960s, the Company expanded its scope of business, providing medical institutions with a wide range of advanced products such as the first disposable syringes produced in Japan, blood bags, intravenous solutions in soft plastic bags, artificial organs and interventional catheters. In the late 1990s, the Company leveraged methods such as M&A to become more globalized and actively supplement its technologies. Such growth resulted in net sales increasing from approximately 160 billion yen in fiscal 1998 to 328.2 billion yen in fiscal 2010, while operating income also more than doubled.

Last year, the Company established the long-term target of achieving net sales in excess of 1 trillion yen within the next ten years in order to pursue more dramatic growth in addition to the stable and sustained growth it has achieved to date.

The global medical device market is currently approaching an unprecedented period of change as emerging countries such as China and India rapidly establish medical infrastructure to keep pace with their economic development, developed countries such as Europe and the United States implement healthcare reforms aimed at improving the efficiency and quality of healthcare, and Japan moves to position medical care and nursing care as a priority industry in the country's growth strategy. This transforming global medical device market holds abundant growth opportunities, and it is not an overstatement to say that there are opportunities for growth in all of the Company's businesses and regions. Terumo believes it is important to aggressively tackle the challenges presented by new business opportunities while utilizing its strengths such as advanced technologies and global network. With this in mind, the Company will adopt the three following strategies to achieve the Company's long-term goal of 1 trillion yen in net sales.

The first is the challenge of meeting new medical needs associated with the expansion of the global market. Specifically, this involves "Value added drug delivery devices catered for biomedicine", "Global diabetes management business", "Transfusion as a basic healthcare infrastructure", "Further expansion of the minimally invasive procedures", and "Growth of Left Ventricular Assist Device driven by destination therapy". These five growth opportunities show great promise for sustained growth. Moreover, they are growth opportunities in which the Company has an advantage due to the technology and expertise it has already accumulated. The Company will fully utilize its global network and personnel to develop business in these growth opportunities. In addition to internal growth, the Company will also accelerate the speed of implementation with a flexible strategy that also looks to external growth through alliances and acquisitions.

The second strategy is the acceleration of business development in emerging countries. In particular, China, India, other Asian countries and Brazil are the markets the Company should strategically focus upon in the future. In these regions, Terumo will strengthen strategies and management systems closely linked to the local markets to ensure the Company is able to respond to their unique market characteristics and rapid changes in the environment.

The third strategy is the strengthening of the Company's domestic operating base. Medical front-line in Japan are currently being engulfed by a wave of change and are faced with a multitude of issues. For example, medical care and nursing care for the elderly are serious issues faced by the people of Japan, and the market is expected to expand in this area in the future. The Company will strengthen its approach emphasizing customers and front-line, and seek out growth opportunities in its domestic business by providing solutions that are useful for advancing medicine and improving QOL (quality of life).

The new 3-year Mid-term Plan starting in April 2011 was established as a specific measure aimed at the realization of the above long-term growth strategies. This 3-year plan has been positioned as the first step toward 1 trillion yen in net sales, and along with CaridianBCT, which was acquired on April 13, 2011, the Company will aim to realize growth that puts it on the path of growth toward 1 trillion yen in net sales. Moreover, while actively investing for growth, the Company aims to further expand earnings and improve its earning capacity by accelerating of companywide globalization including not only sales, but also production. (Please refer to the presentation scheduled on May 18, 2011 for details on the new Mid-term Plan.)

Terumo sees these significant changes in the environment as growth opportunities, and by ensuring the implementation of growth strategies, the Company is confident that it will be able to reach our goal of 1 trillion yen in net sales within ten years, and that continuing to fulfill its responsibility to healthcare not only in Japan but throughout the entire world will contribute to the improvement of the Company's corporate value and the shared interests of shareholders.

(2) The Company's social mission

As a leading medical device company, Terumo has contributed to society through healthcare by building relationships of trust with medical front-line over many years. The Company's corporate philosophy has been "Contributing to Society through Healthcare" since it was founded, and the Company has a strong commitment to fulfilling its social responsibilities. In actual medical front-line, the supply of products cannot be impeded for even one day. Terumo believes that it is the Company's social responsibility to provide a stable supply of advanced products in high quality and aggressively challenge to resolve social issues surrounding healthcare. Based on this approach, the Company will continue to play a vital role in the world's medical care delivery system by supplying products and ensuring their quality.

The possibility of severe effects on the lives and health of the people in society occurring if any problems arise in the supply or quality of the Company's products due to an inappropriate takeover cannot be denied. Stable management that maintains and improves trust the Company has obtained from society, medical front-line over the years while avoiding such situation also improves the Company's corporate value and the shared interests of shareholders.

(3) Strengthening of corporate governance

Terumo recognizes the enhancement of corporate governance as an important management issue. The Company believes the effort to be an essential mechanism for improving its corporate value and the shared interests of shareholders. In order to clarify the responsibilities of directors and ensure the Company has the optimal management structure for agile responses to changes in the business environment, the term of directors has been made one year, and the Company are striving for fair and transparent management through the appointment of three independent directors (of a total of 15 directors) and two external corporate auditors (of a total of four auditors). Furthermore, with the objective of increasing transparency and objectivity of management, the Company has established a "Compensation and Nominating Committee" including independent directors to consider recommendations of director candidates, evaluation directors' performance and proposals for compensation. Furthermore, the Company has established an "Advisory Board" made up of external experts for the purpose of providing general management advice, and meetings are held with the management to exchange opinions once every two months.

2. Overview of the Policy for Large-scale Acquisitions of Terumo Shares

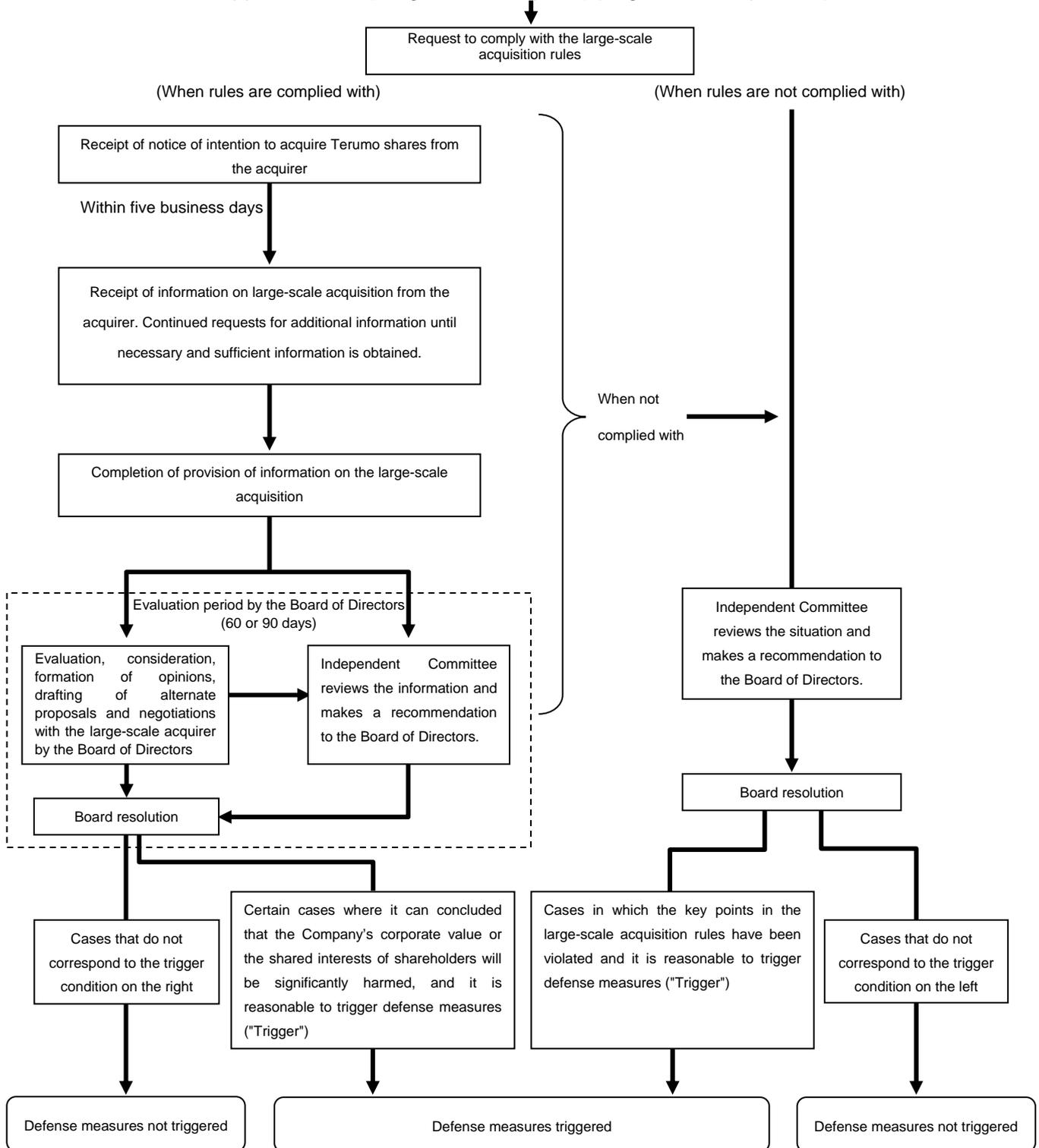
Item	Overview
Type of Plan	Advanced-warning Type
Objectives of the Plan	<p>To request acquirers to provide necessary information on large-scale acquisitions in advance and to secure the time required to consider and examine the information.</p> <p>* At present the Board of Directors is not aware of any indications of specific large-scale acquisitions of the Company's shares.</p>
Conditions of Renewal	The Plan will be submitted for shareholder resolution at the 96th Annual General Meeting of Shareholders to be held on June 29, 2011.
Basic conditions of trigger	<ul style="list-style-type: none"> ◆ Cases in which the acquisition will result in owning 20% or more of the outstanding Terumo shares, and the acquirer does not comply with the large-scale acquisition rules set forth in the Plan ◆ Cases in which, although the large-scale acquisition rules have been complied with, it can be reasonably concluded that the Company's corporate value or the shared interests of shareholders will be significantly harmed due to actions such as greenmail or a coercive two-tier tender offer. <p style="text-align: right;">etc.</p>
Overview of procedures based on large-scale acquisition rules	<ol style="list-style-type: none"> 1. Submission of a notice of intention to acquire Terumo shares by the large-scale acquirer. 2. Request for the large-scale acquirer to provide information (Objective, method and details of the large-scale acquisition, etc.) 3. Evaluation, consideration, formation of opinions, drafting of alternate proposals and negotiations with the large-scale acquirer by the Board of Directors based on 1 and 2. 4. The large-scale acquisition should only take place once the evaluation period by the Board of Directors described in 3 has passed. <p>* See the flow chart in Attachment 1 for an overview of the process.</p>

Item	Overview
Evaluation period by the Board of Directors	<ul style="list-style-type: none"> ◆ The evaluation period by the Board of Directors is 90 days (60 days in the case of a cash purchase). ◆ If there are unavoidable circumstances leading to a resolution for defense measures not being passed, the evaluation period may be extended by up to 30 days.
Independent Committee	<ul style="list-style-type: none"> ◆ The Committee shall recommend whether to trigger the defense measures against large-scale acquisitions and other issues consulted by the Board of Directors during the evaluation period by the Board of Directors. ◆ The Committee consists of three independent directors and two external corporate auditors that are completely independent of the Company. ◆ No committee members have any special interests in or have any business relationships with the Company. <p>* See Attachment 2 for details on the members of the Independent Committee at the time of the renewal of the Plan.</p>
Trigger procedures	The Board of Directors shall comply with the recommendation from the Independent Committee and finally pass a resolution on the implementation or non-implementation of the defense measures.
Specific details of the defense measures	Gratis allotment of stock acquisition rights is planned as one of the defense measures
Sunset clause	Three years. A resolution of the Annual General Meeting of Shareholders is required for renewal.
Abolition of the Measure	<ul style="list-style-type: none"> ◆ The Plan can be abolished at any time by a resolution of the Board of Directors or the Annual General Meeting of Shareholders. ◆ This is not a dead-hand pill that cannot be prevented even if a majority of the members of the Board of Directors is replaced; nor is it a slow-hand pill that takes time to prevent triggering.
Disclosure of information on trigger conditions, procedures, etc.	The Company plans to perform sufficient disclosure at the appropriate time through press releases, proposal and reference documents for the Annual General Meeting of Shareholders and in the Annual General Meeting of Shareholders.

(Attachment 1)

Flow Chart of Trigger of Large-scale Acquisition Rules

Appearance of [Large-scale Acquirer] (large-scale acquisition)



(Attachment 2)

Names and Profiles of Members of the Independent Committee

The five people below are planned to be the members of the Independent Committee when the Plan is renewed.

Takeshi Isayama

[Profile]

April 1967	Joined the Ministry of International Trade and Industry (hereinafter referred to as "MITI"; now Ministry of Economy, Trade and Industry)
August 1996	Director-General of the International Trade Administration Bureau, MITI
July 1997	Director-General of the Economic and Industrial Policy Bureau, MITI
June 1998	Commissioner of the Japan Patent Office
October 1999	Advisor to Mitsui Marine and Fire Insurance Company, Limited (now Mitsui Sumitomo Insurance Co., Ltd.)
September 2000	Visiting scholar at the Asia Pacific Research Center, Stanford University
September 2001	Vice Chairman of Nissan Motor Co., Ltd.
April 2005	Visiting Professor at Tokyo University of Agriculture and Technology (TUAT) the Graduate School of Technology Management (currently held)
June 2005	Independent Director of Terumo (currently held)
June 2007	Independent Director of Dainippon Screen Mfg. Co., Ltd. (currently held)
October 2007	Chairman of Carlyle Japan L.L.C.
May 2009	Independent Director of Renault s.a.s. (currently held)
July 2010	Senior Advisor to Carlyle Japan L.L.C. (currently held)

- * Takeshi Isayama is an independent director as stipulated in Article 2.15 of the Companies Act.
He does not have any special interests in the Company.

Masaharu Ikuta

[Profile]

April 1957	Joined Mitsui Steamship Co., Ltd., (now Mitsui O.S.K. Lines, Ltd.; hereinafter referred to as "MOL")
June 1987	Director of MOL
June 1994	Representative Director and President of MOL
June 2000	Representative Director and Chairman of MOL
April 2003	President of the Japan Post Agency
March 2007	Resigned from position as President of the Japan Post Agency
April 2007	Corporate Advisor of MOL
June 2008	Independent Director of Sourcenext Corporation (currently held)
June 2008	Independent Director of Terumo (currently held)
May 2009	Independent Director of Aeon Co., Ltd. (currently held)
February 2010	Senior Counselor of MOL (currently held)

- * Masaharu Ikuta is an independent director as stipulated in Article 2.15 of the Companies Act.
He does not have any special interests in the Company.

Tadao Kakizoe

[Profile]

July 1975	Joined the National Cancer Center (hereinafter referred to as JCC)
January 1992	Director of JCC Hospital
July 1992	Director of JCC Central Hospital
July 2002	Chief Director of JCC
March 2007	Chairman of the Japan Cancer Society (currently held)
April 2007	President Emeritus of JCC
April 2007	Special Professor of St. Luke's College of Nursing Graduate School (currently held)
June 2009	Independent Director of Terumo (currently held)

- * Tadao Kakizoe is an independent director as stipulated in Article 2.15 of the Companies Act.
He does not have any special interests in the Company.

Nobuyuki Takai

[Profile]

April 1964	Joined Fuji Bank, Ltd.
July 1990	Joined Yamatake-Honeywell Co., Ltd (now Yamatake Corporation; hereinafter referred to as "Yamatake")
December 1990	Director of Yamatake
December 1992	Managing Director of Yamatake
June 1998	Director and Vice President of Yamatake
June 2002	Representative Director and Executive Vice President of Yamatake
January 2006	Advisor to Kimmon Manufacturing Co., Ltd.
June 2006	External Corporate Auditor of Kimmon Manufacturing Co., Ltd.
June 2006	Advisor to Yamatake Corporation
June 2006	External Corporate Auditor of Terumo (currently held)

- * Nobuyuki Takai is an external corporate auditor as stipulated in Article 2.16 of the Companies Act.
He does not have any special interests in the Company.

Masasuke Omori

[Profile]

April 1962	Assistant judge
April 1972	Judge
April 1978	Prosecutor and Director of the Civil Affairs Second Division, Ministry of Justice
January 1996	Director-General of the Cabinet Legislation Bureau
April 2000	Visiting Professor at Waseda University
November 2003	Member of the National Public Safety Commission
July 2007	External Corporate Auditor of The Dai-ichi Mutual Life Insurance Company (now The Dai-ichi Life Insurance Company) (currently held)
June 2009	External Corporate Auditor of Terumo (currently held)

- * Masasuke Omori is an external corporate auditor as stipulated in Article 2.16 of the Companies Act.
He does not have any special interests in the Company.

Terumo has notified the Tokyo Stock Exchange of the above five as independent directors / auditors. If Takeshi Isayama, Masaharu Ikuta and Tadao Kakizoe are appointed as independent directors in the 96th Annual General Meeting of Shareholders held on June 29, 2011, they are scheduled to continue serving as independent directors.