

**Third Quarter Financial Results
for the Fiscal Year
Ending March 31, 2010**

**Terumo Corporation
January 28, 2010**

Financial Results

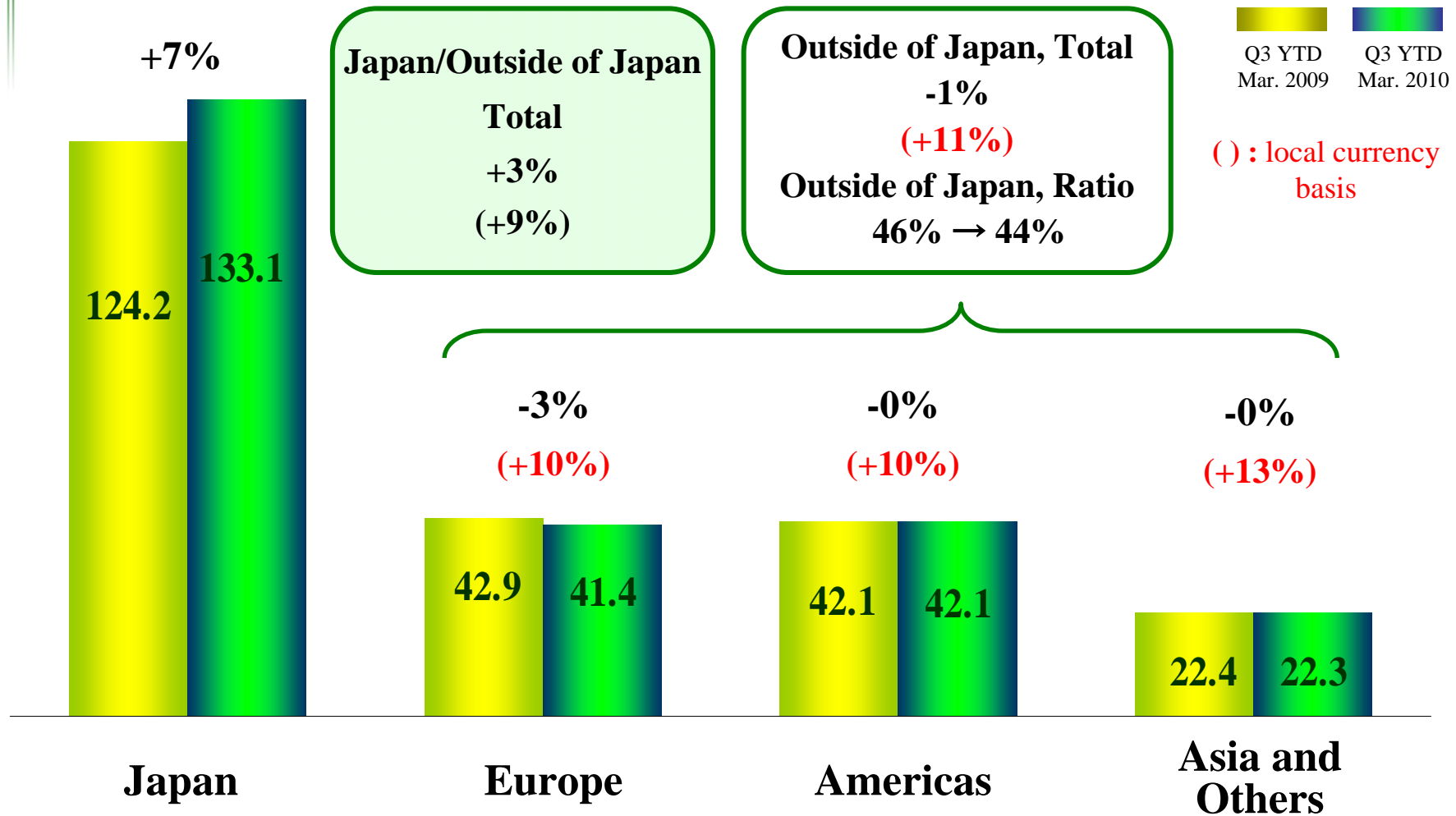
(Unit: Billion yen)

	Q3 YTD FYE Mar. 2009	Q3 YTD FYE Mar. 2010	YoY
Net Sales	231.5	238.9	3%
Gross Profit	123.4(53.3%)	126.1(52.8%)	2%
SG&A Expenses	77.9(33.6%)	76.1(31.9%)	-2%
Operating Income	45.5(19.7%)	50.0(20.9%)	10%
Ordinary Income	42.7(18.5%)	50.4(21.1%)	18%
Net Income	28.7(12.4%)	31.9(13.3%)	11%

Average exchange rate 1US\$ 103 yen 94 yen } Impact on Net Sales
 1EUR 151 yen 133 yen } -6%

Sales (by Region)

(Unit: Billion yen)

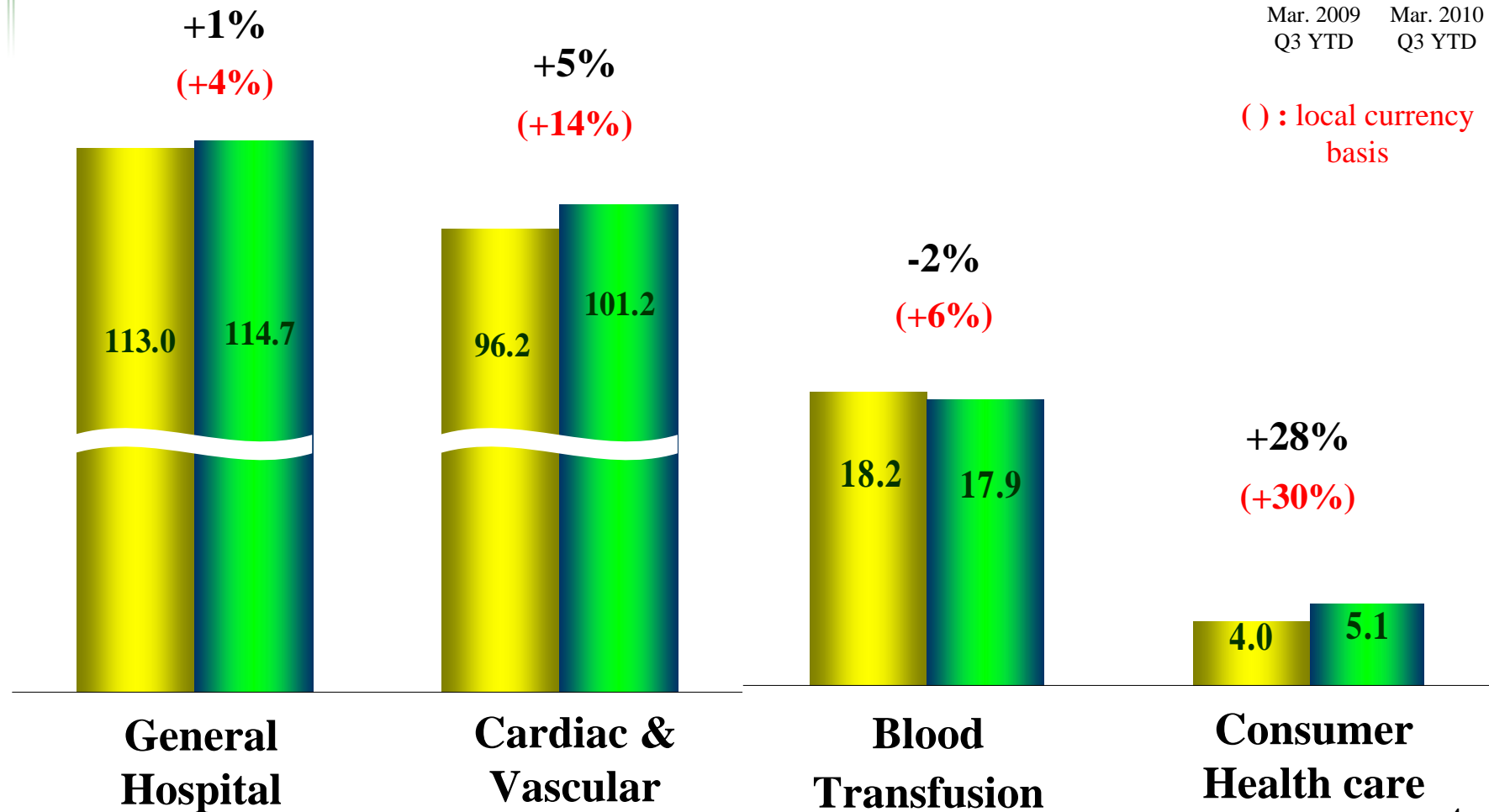


Sales (by Product Group)

(Unit: Billion yen)

Mar. 2009 Q3 YTD
Mar. 2010 Q3 YTD

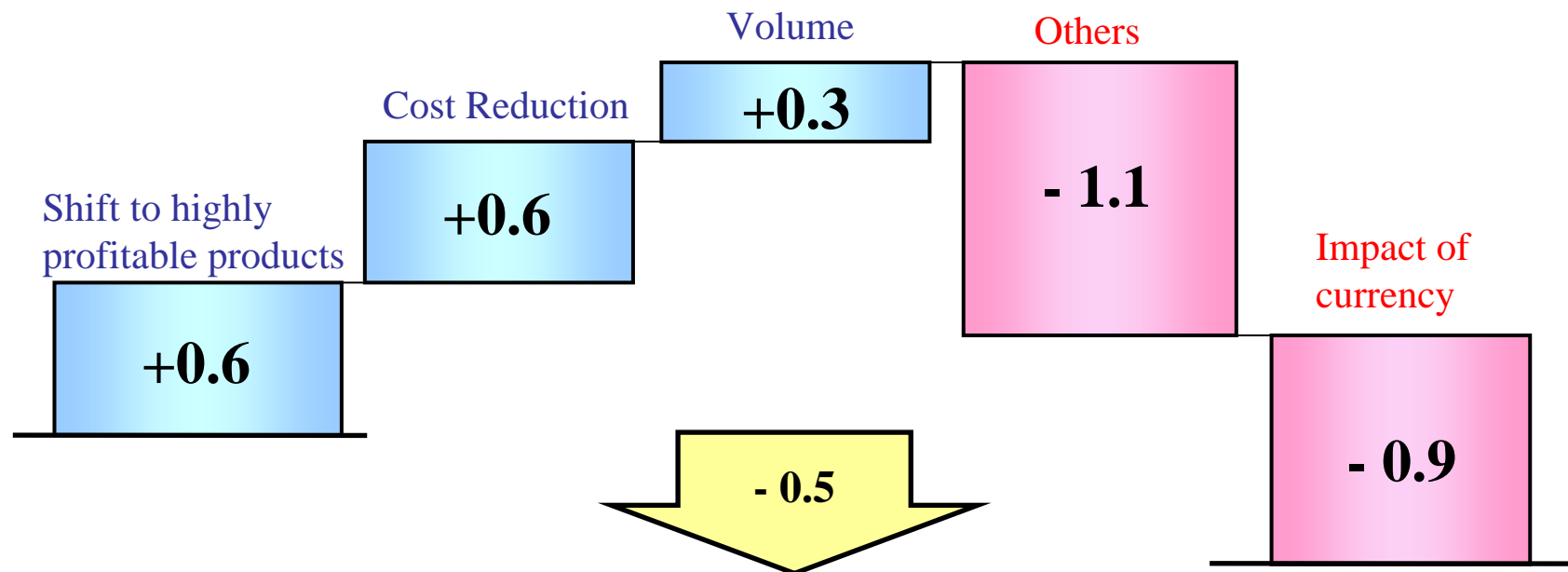
() : local currency basis



Gross Margin Change Factors

Factors in the increase year-on-year: + 1.5 pt

Factors in the decrease year-on-year: -2.0 pt



FYE Mar. 2009
Q3YTD 53.3%

1US\$ 103yen
 1EUR 151yen

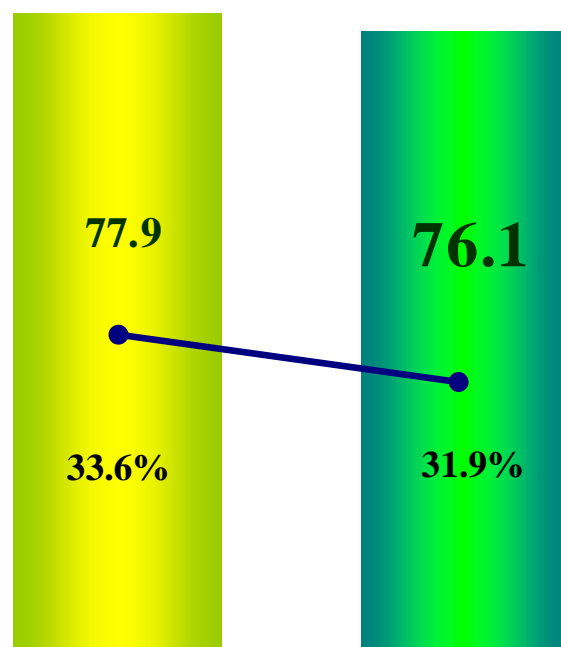


FYE Mar. 2010
Q3YTD 52.8%

94yen
 133yen

SG&A, R&D Expenses

(Unit: Billion yen)



FYE Mar. 2009
Q3YTD

FYE Mar. 2010
Q3YTD

	Q3YTD FYE Mar. 2009	Q3YTD FYE Mar. 2010	Change	YoY
Salaries & wages	28.4	28.5	+0.1	0%
Sales promotion	8.2	8.0	-0.2	-2%
Logistical costs	7.0	6.7	-0.3	-4%
Depreciation & amortization	3.9	3.8	-0.1	-3%
Others	18.2	16.5	-1.7	-10%
SG&A Sub Total	65.8	63.4	-2.4	-4%
R&D Expenses	12.2	12.6	+0.4	4%
SG&A TOTAL	77.9	76.1	-1.8	-2%

Forecast for this Fiscal Year is on Hold

(Unit: Billion yen)

	FYE/Mar.2010 Q3YTD Result	FYE/Mar.2010 Forecast
Net Sales	238.9	315.0
Operating Income	50.0(20.9%)	63.0(20.0%)
Ordinary Income	50.4(21.1%)	61.0(19.4%)
Net Income	31.9(13.3%)	40.0(12.7%)

Average exchange rate	1US \$ 94 yen	92 yen
	1EUR 133 yen	132 yen

Q4 forecast rate

1US \$	85 yen
1EUR	130 yen



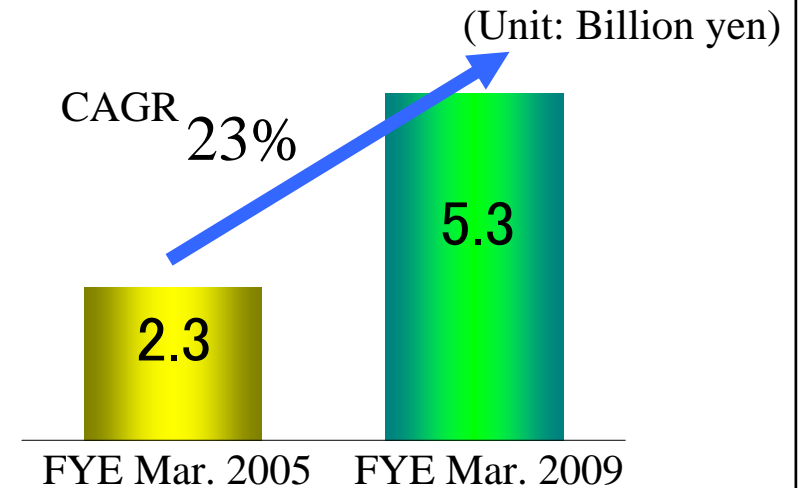
Topics

- Business expansion in growing fields
 - Nutritious food market
 - Cerebral aneurysm treatment
- Other topics

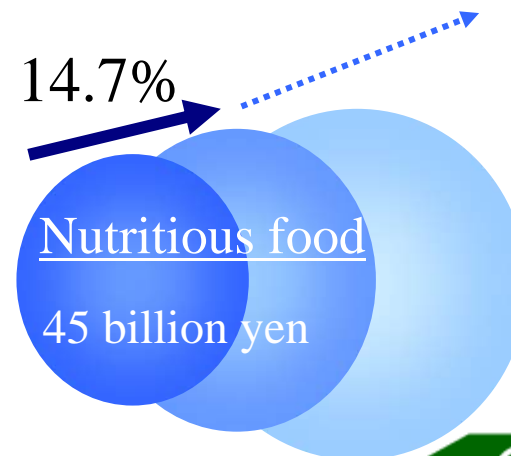
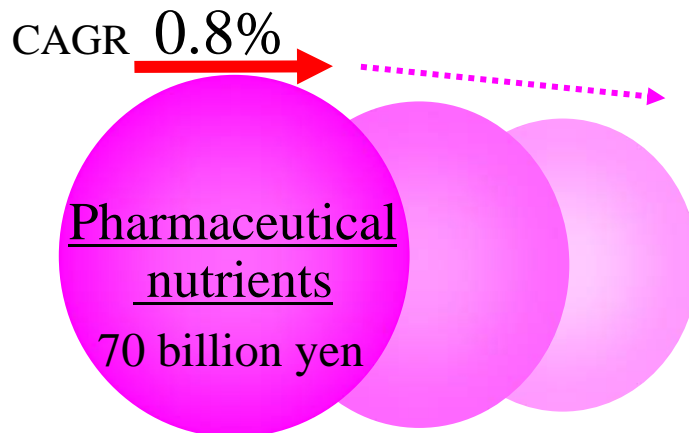
Nutritious Food is a Prospective Growing Market

A positive sales growth

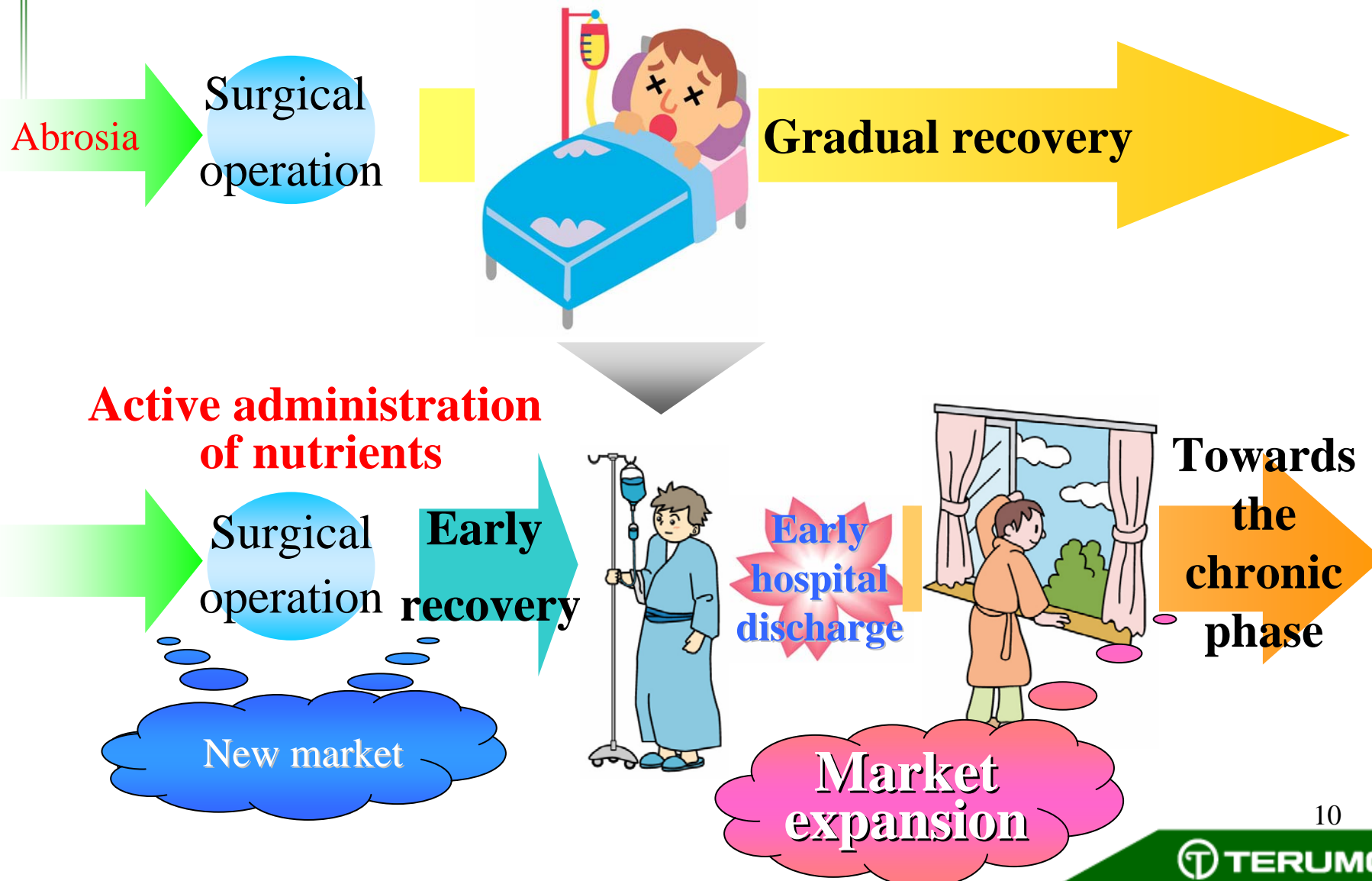
The market will continue to grow and gather attention



Shifting from the pharmaceutical nutrients to nutritious food due to the drug cost reduction



The Paradigm Shift of the Nutritional Management Progresses Towards an Early Recovery and Hospital Discharge

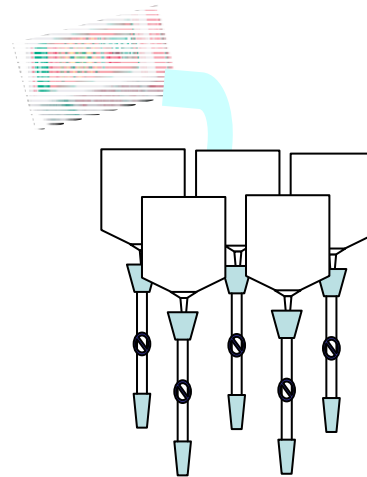


The Medical Practitioners and Patients are Waiting for Better Products

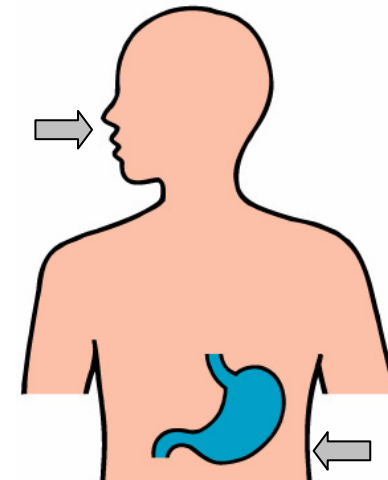
Tube and Bottle feeding



Bags are reused



Preparation is complicated



It can cause the risk of back flow and infection

Oral administration



It doesn't taste good.
Can't drink this much...

Promoting the Product Development in order to Improve the Healthcare Economy

Ready-for-use



Simple & convenient

- Practice improvement
- Infection prevention
- Medical accidents prevention
- Improve the QOL



Jelly type



A thickened type

Prevents the back flow



Small volume with high calorie



Flavored to suit the palate of the elderly people



Granular type

Appetizing, can drink it all

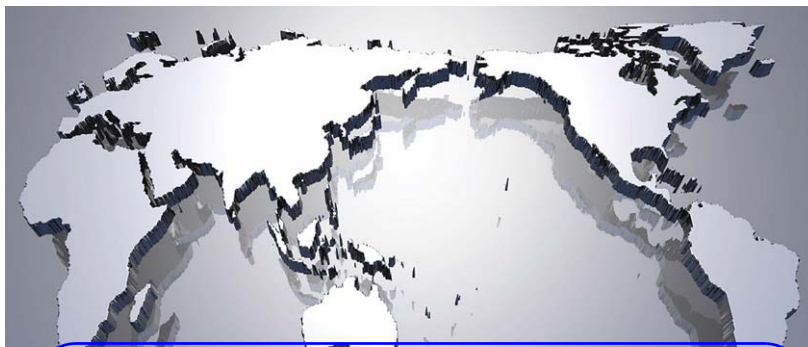
The Coil Treatment of Cerebral Aneurysm Grows

(Unit: Billion yen)

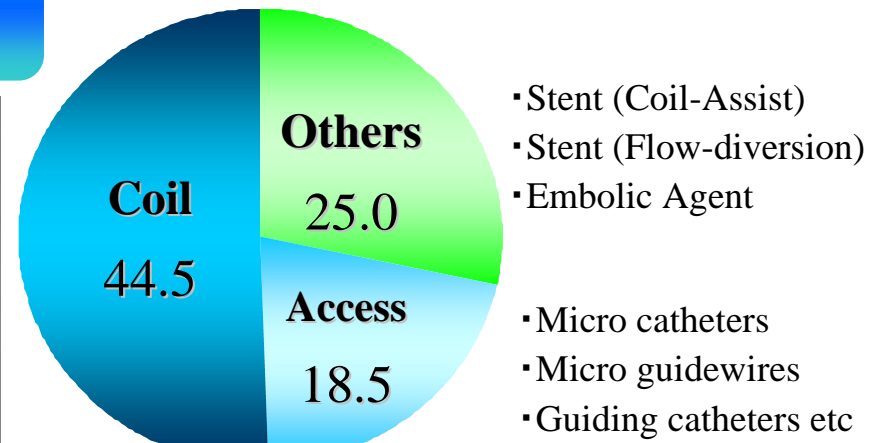
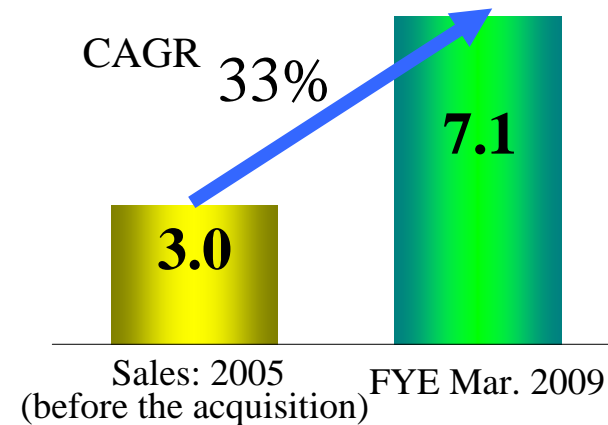
We expanded rapidly after entering the business

※ Entered the market following the acquisition of MicroVension (U.S.) in 2006

The market is growing



**The coil treatment
88,000 cases annually,
Growth rate: 11%**



**Device market
880 (US \$Mil) annually,
Growth rate: 17%**

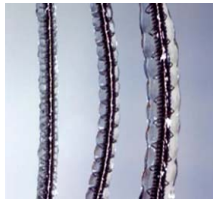
※2008 Results (by Terumo)

Faster Development for Expanding the Business Further

Japan

December 2009
“HydroCoil”

C1 (the additional
charge for the new
function) approved



Launched:

January 8, 2010

Guidewire for
the cerebral vessel
“Traxess”



Launch Planned
for this Q4

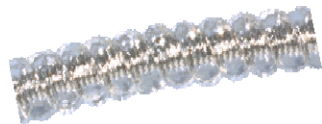
Guiding catheter
for the cerebral
vessel

Improving the product range in Japan

Pursuing synergies of MicroVention & Terumo

“Only One Technology”

MicroVention’s coated
coil



“Improved design

for the cerebral blood vessel”
Terumo’s access devices



**Challenge to
develop new devices**

Newly Launched “Oxygen concentrator for home oxygen therapy” with a Safety Mechanism

The first ever launch
in the world

Equipped with the detection system for prevention against fire



Oxygen concentrator for home oxygen therapy
“O₂ Green IBUKI 5SP”

The Production Expansion in Ashitaka & Fujinomiya Factories



New building of Ashitaka factory

January 20, 2010: Completed



A rendering of the new building of
Fujinomiya factory

January 2010: Construction began

Spring 2012 : Ready for operation

Reference

Financial Results for the Three Months

(Unit: Billion yen)

	Q3 /FYE Mar. 2009	Q3 /FYE Mar. 2010	Rate of change
Net Sales	74.5	80.8	8%
Gross Profit	39.2(52.6%)	42.8(52.9%)	9%
SG&A Expenses	25.1(33.7%)	25.4(31.3%)	1%
Operating Income	14.1(18.9%)	17.4(21.6%)	24%
Ordinary Income	9.9(13.3%)	18.1(22.4%)	83%
Net Income	5.8(7.7%)	11.1(13.7%)	93%

Average exchange rate	1US\$ 96 yen	} Impact on Net Sales
	1EUR 127 yen	

Income for the Third Quarter FYE Mar. 2010: To the Forecast for the year

(Unit: Billion yen)

	<u>Forecast</u> <u>for the Year</u>	<u>Q3 YTD</u>	<u>Progress rates</u>	<u>Impact of the currency</u>
Net Sales	315.0	238.9	76%	+1.6 (Push up progress rate by a little less than 1 %)
Operating Income	63.0 (20.0%)	50.0 (20.9%)	79%	+0.5 (Push up Progress rate by a little less than 1 %)
Ordinary Income	61.0 (19.4%)	50.4 (21.1%)	83%	
Net Income	40.0 (12.7%)	31.9 (13.3%)	80%	

Exchange Rate	90 yen	94 yen
US\$	132 yen	133 yen
EUR		

Income for the Third Quarter FYE Mar. 2010: To the Forecast for the 2nd Half

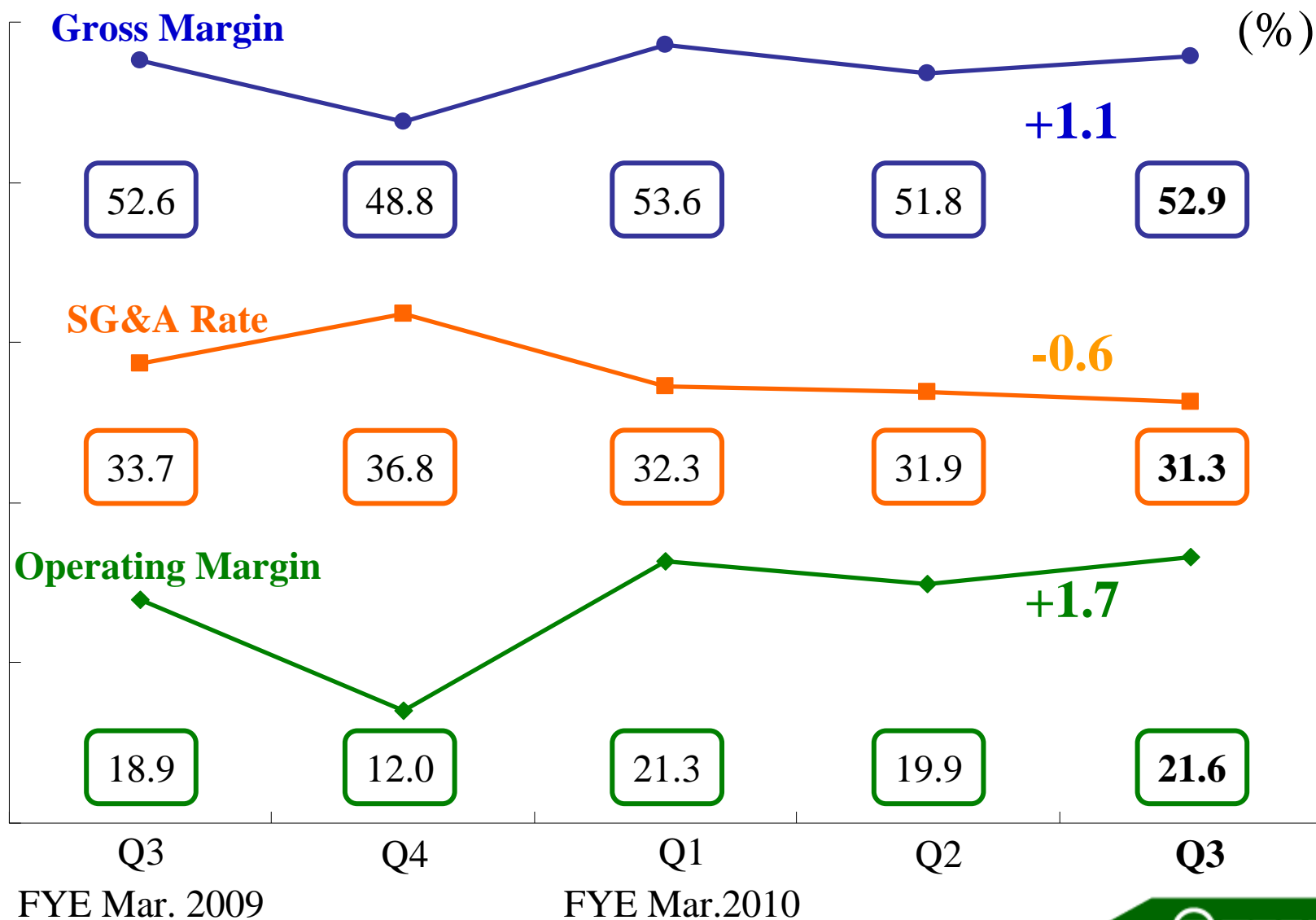
(Unit: Billion yen)

	<u>Forecast</u> <u>for the 2nd Half</u>	<u>Q3</u> <u>(Three months)</u>	<u>Progress rates</u>	<u>Impact of the currency</u>
Net Sales	156.9	80.8	51%	+1.6 (Push up progress rate by 1 %)
Operating Income	30.4 (19.4%)	17.4 (21.6%)	57%	+0.5 (Push up progress rate by 2 %)
Ordinary Income	28.8 (18.4%)	18.1 (22.4%)	63%	
Net Income	19.2 (12.2%)	11.1 (13.7%)	58%	

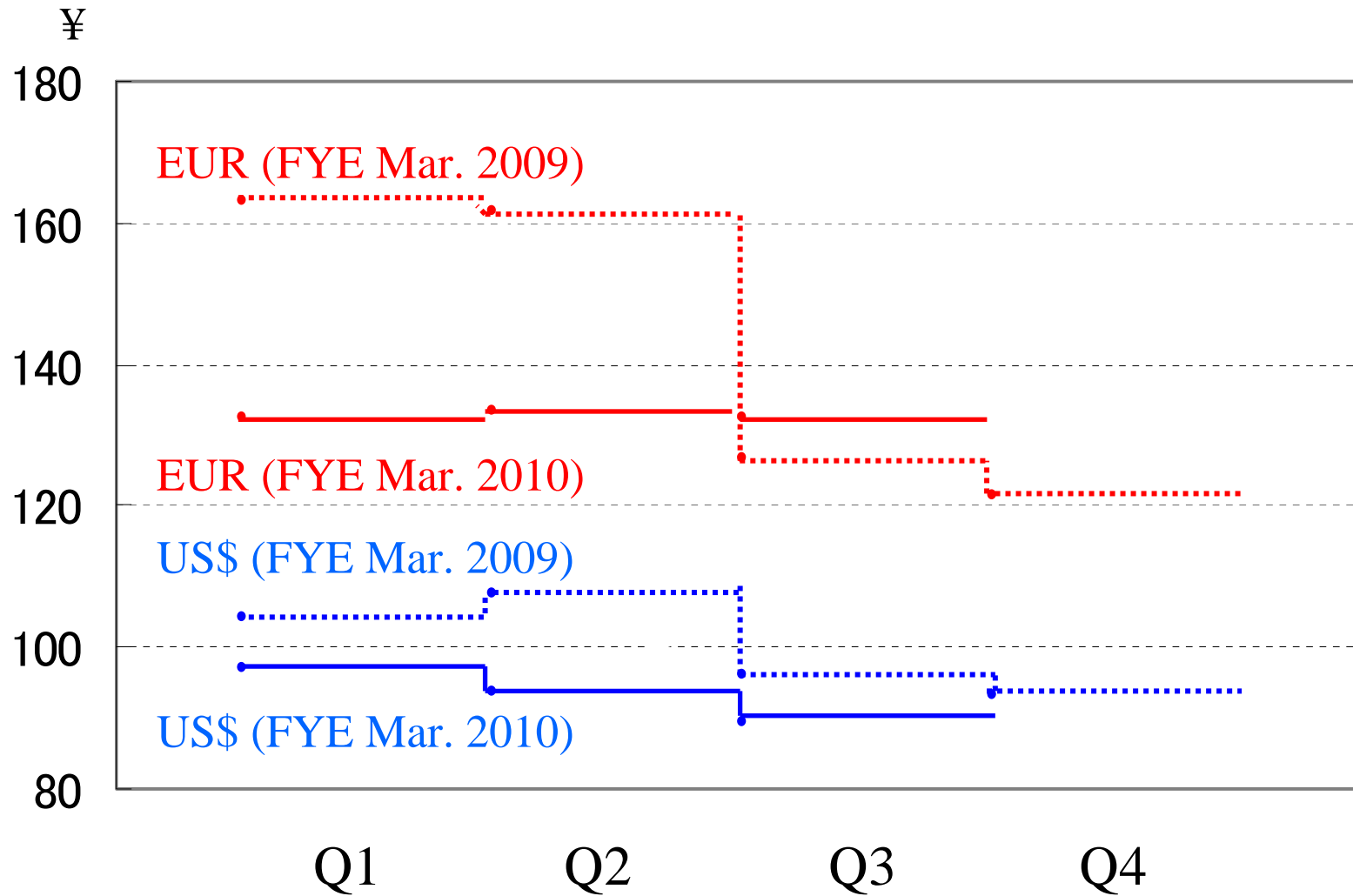
Exchange Rate

US\$	85 yen	90 yen
EUR	130 yen	133 yen

Gross Margin, SG&A Expenses Rates Both Contribute to Operating Margin Recovery



Changes of Quarterly Average Exchange Rates (The Strong Yen Keeps against the US\$ YoY)





IR Contact

TERUMO Corporation

Corporate Communication (IR) Dept.

E-mail: kouhou_terumo01@terumo.co.jp

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 booklet is partly derived from our own independent research.