



TERUMO CORPORATION

1st Quarter Financial Results for FYE/ Mar.2007

July 24, 2006

Financial Highlights

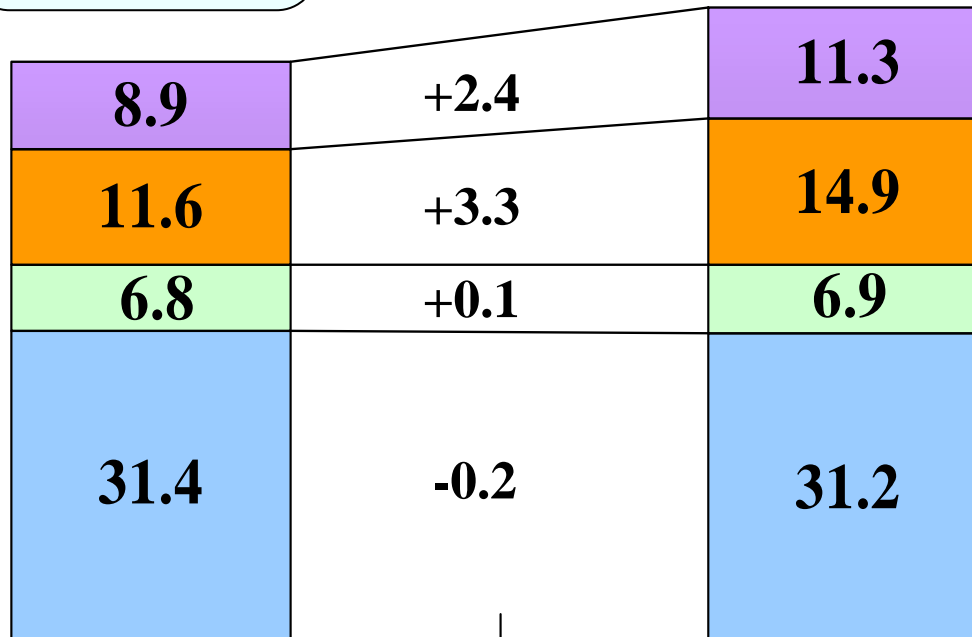
(billions of JPY)

	Jun. 2005	Jun.2006	Growth
Net Sales	58.7	64.3	9.5%
Gross Profit	31.9 (54.3%)	35.9 (55.7%)	12.6%
SGA Expenses	19.8 (33.7%)	22.4 (34.8%)	13.1%
Operating Income	12.0 (20.6%)	13.5 (20.9%)	11.8%
Ordinary Income	12.3 (21.0%)	13.5 (20.9%)	9.1%
Net Income	7.7	8.0	4.8%

Average exchange rates 1US\$ = 108 JPY 115 JPY
1EUR = 135 JPY 144 JPY

Net Sales by Segment

(billions of yen)



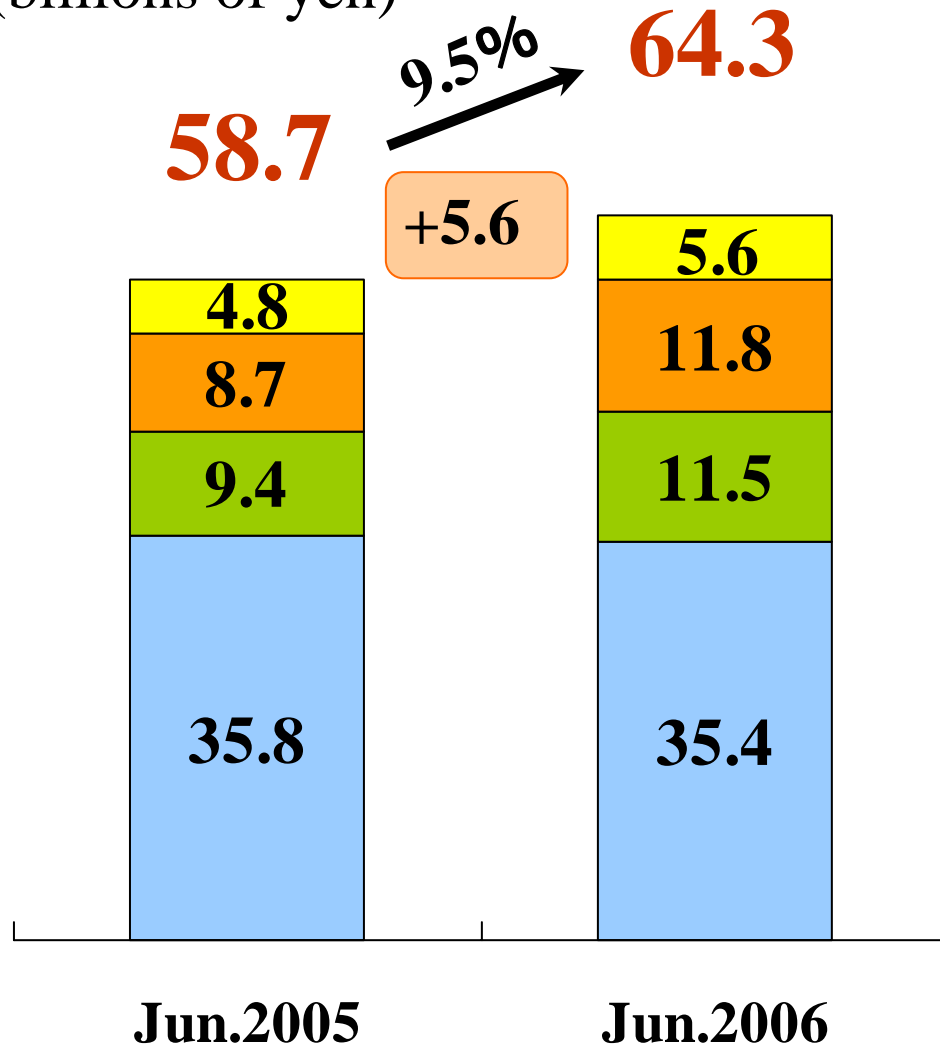
- Cardiovascular systems (+27.2%)
- Catheter Systems (+28.4%)
- Home Health Care (+0.5%)
- General hospital (-0.5%)

Jun 2005

Jun 2006

Net Sales by Region

(billions of yen)



Total	+9.5%	(+7.1%)
Asia	+15.5%	(+ 8.7%)
Americas	+35.7%	(+29.4%)
Europe	+22.5%	(+16.4%)
Japan	-1.0%	
<hr/>		
Outside of Japan total	+26%	(+19.7%)



Exclude ForEx impact

Variance Analysis of Gross Margin

Improvement +1.4pt (54.3% ⇒ 55.7%)

Positives

+1.8pt

Improved product mix

+1.7pt

Economy of scale (Production increase)

+0.1pt

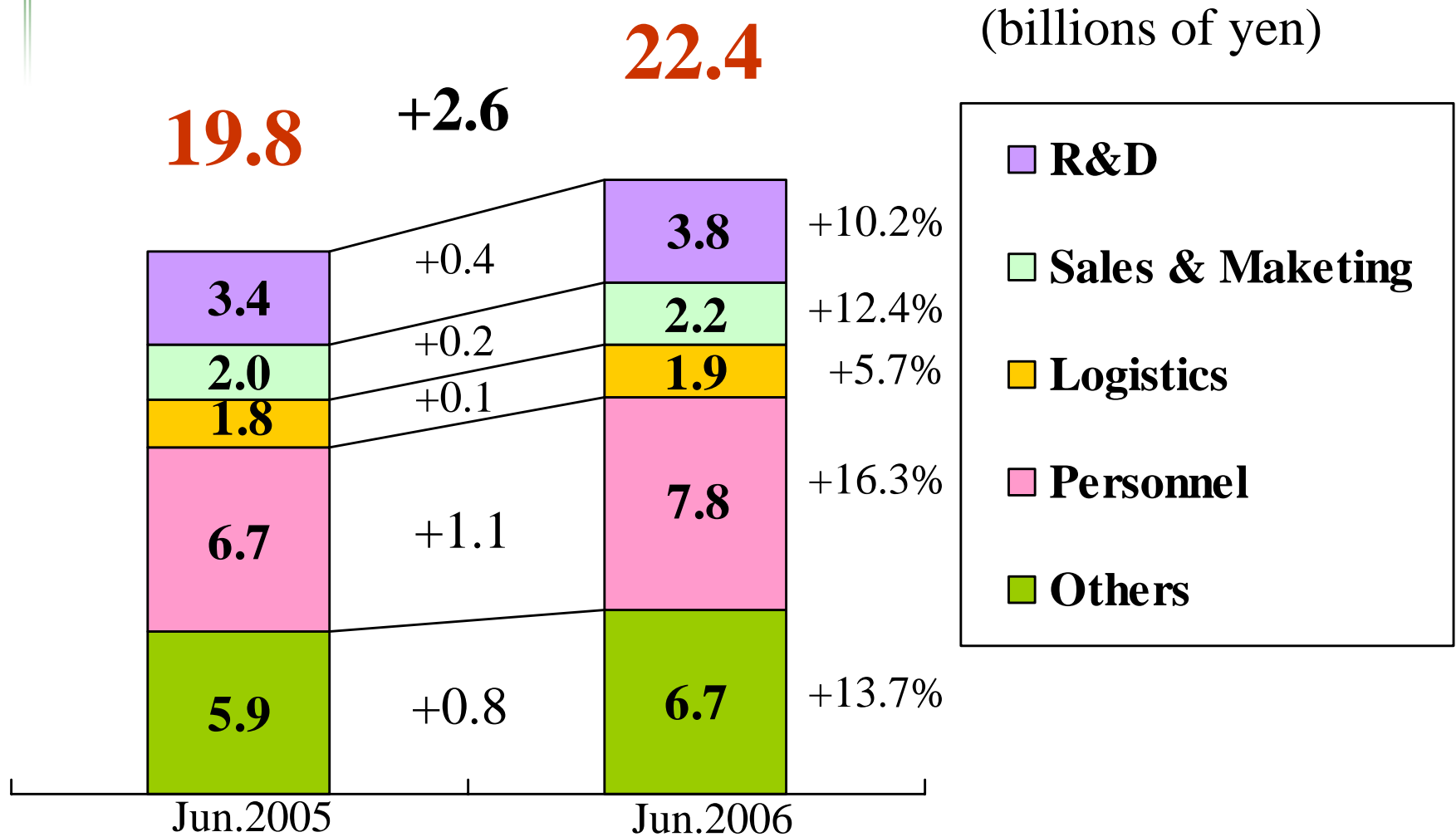
Negatives

-0.4pt

Price decline

-0.4pt

SGA Expenses



Mar. 2007 Estimate

(billions of JPY)

	Sep. 2006	Mar. 2007
Net Sales	127.8	267.0
Operating Income	26.5 (20.7%)	54.7 (20.5%)
Ordinary Income	26.5 (20.7%)	54.2 (20.3%)
Net Income	16.3	33.7

Exchange rates

1US\$ = 110 JPY

1Euro= 135JPY



About Terumo's Product Development

Four Directions for Growth

New treatments

- DuraHeart
- Anaconda
- MicroVention Coils

Fusion of drug and device

- Pre-filled syringes
- Amigrand

Terumo

Preventive medicine endeavors

- Blood glucose monitors
- Blood pressure monitors

Systemization and services

- Training program
- Solution pack

To support growth in the four directions

Terumo's Bio Access Technology

<Bio Access Technology>

Precision
plastic
processing

Metal
working

Micro
polishing

- Injection needle
- Syringes
- Guidewires
- Catheters
- Introducer kits

Polymer
technology

Coating
technology

"People-friendly"
concepts of
development

- No pain
- Easy to use
- No mistake
- Prompt action
- Patient QOL
- Medical economy

New
treatments

Drug and
device

Preventive
medicine

Systemization
& service

(1)

Bio Access & Pharmaceutical Know-how

Pharmaceutical Know-how

Bio Access Technology

- **Enhancement of new treatments**
- **Fusion of drug and device**

"Amigrand"

Pharmaceutical Know-how

- All-in-one design & stability
- Matching with the container
- Production technology

Bio Access Technology

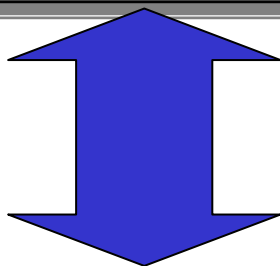
Amigrand



Launched in June 2006
(Sales target 2006: 1 billion yen)

Nanocapsule Technology

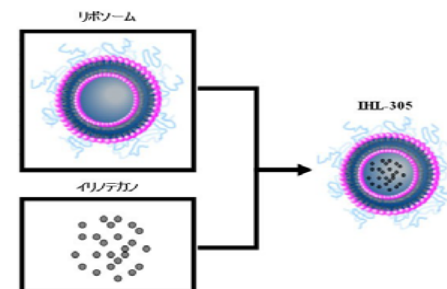
**Alliance with
pharmaceutical companies**



**Terumo's Bio Access &
Pharmaceutical Know-how**

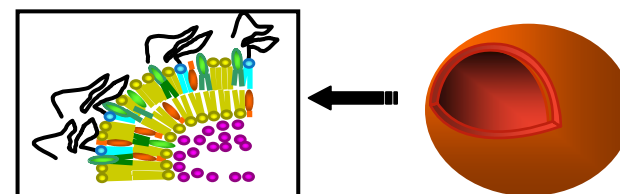
- PEG coating technology
- Liposome formulation technology
- Particle sizing technology

Anticancer liposome



**Yakult Honsha Co.Ltd.
to implement Phase I in USA**

Artificial red blood cell (NRC)



Japan: Clinical trials to start in FY 2007

Drug Eluting Stent

Engineering Platform from Biosensors

- New compound "BiolimusA9"
- Biodegradable polymer
- Stent design

**Toward the development
of next generation DES**

Terumo's Bio Access Technology & Pharmaceutical Know-how

- Coating & polymer technology
- Micro processing technology
- Pharmaceutical production technology

Current Status of DES “Nobori”

Europe:

➤ **In the process of application to obtain the CE Mark**

→ **CE Mark expected within Fiscal 2006**

➤ **In clinical trials for safety and efficacy data**

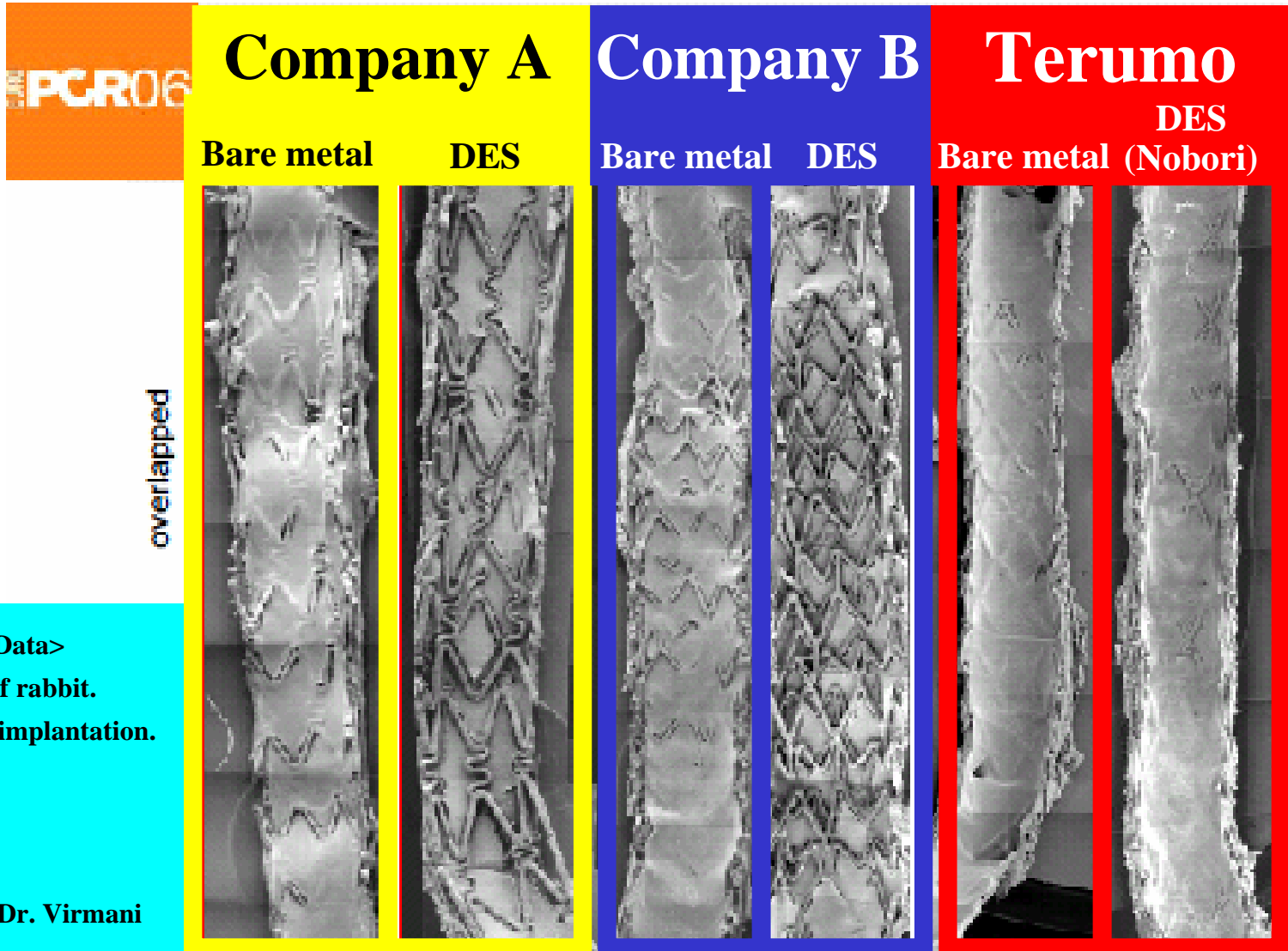
→ **Implemented for 155 out of 360 cases (As of June 30)**

→ **Implantations scheduled to end by the fall of 2006**

➤ **Interim report at TCT in October 2006**



Effects of DES on vascular endothelial cells



<Comparison Data>

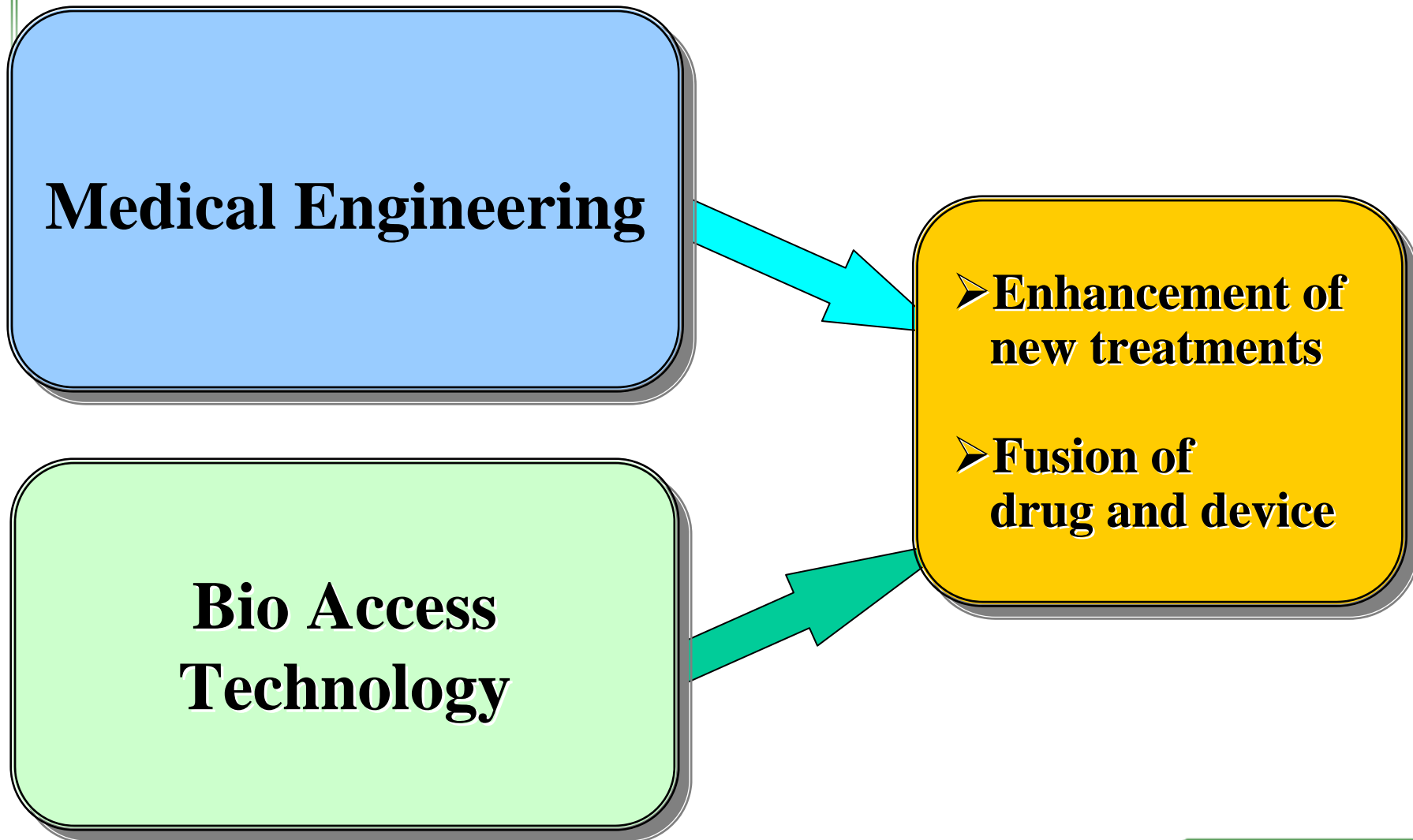
- Iliac artery of rabbit.
- 28 days after implantation.

Source:

EuroPCR06

Presented by Dr. Virmani

Bio Access & Medical Engineering



Left ventricular assist system

Medical Engineering

- Precision control
- Measurement of vital reaction
- Downsizing

Bio Access Technology

**The world's first
rotary blood pump with a
magnetically levitated
impeller**

(Terumo Estimates)

Enhancement of QOL

Current Status of “DuraHeart”

Europe:

- **In clinical trials for additional data**
- **CE Mark expected in the 4th quarter, FY2006**

USA:

- **Application planned in FY2007**

Combination of Diabetes Care Business

**“Medisafe Mini”
Blood Glucose
Monitoring Device**



Bio Access Technology

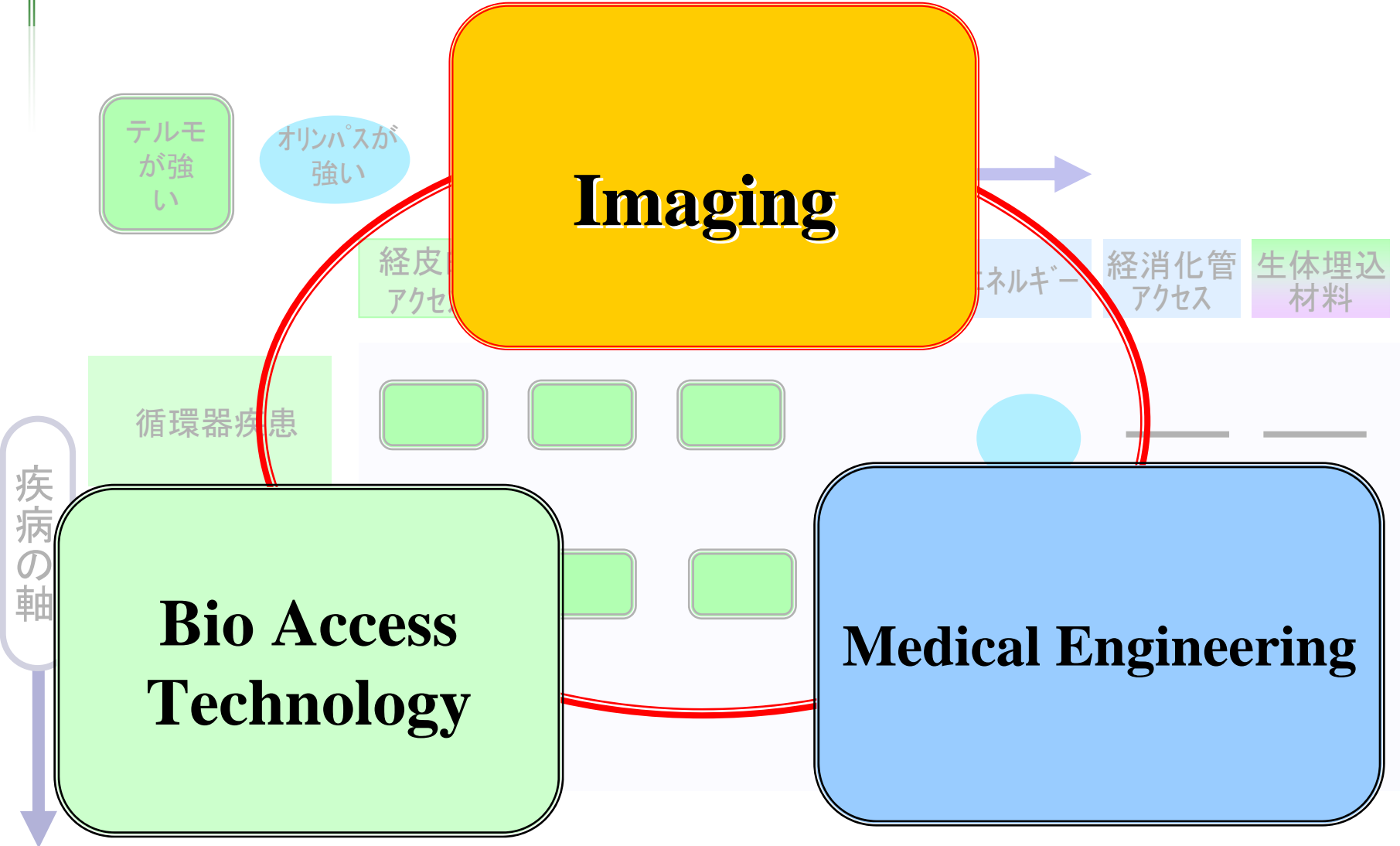
**“Finetouch”
Lancing Device for Blood
Glucose Monitoring**



**“NanoPass”
The thinnest needle in the world
(Terumo Estimates)**

Medical Engineering

Development Synergy with Olympus

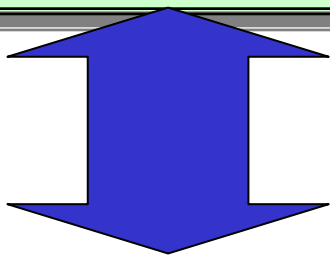


Topic (1)

MicroVention Coils

Acquisition of MicroVention, Inc.

- Full-fledged entry into the cerebral endovascular treatment
- Strengthen presence in the U.S.
- Cutting-edge swelling coated coils



Impacts upon Terumo

- Expansion of the cerebral delivery-related devices
- Acquisition of new technological seeds from USA

coated coils



bare coils

Europe, USA and Asia:

- Both bare coils and coated coils in sales

Japan:

- Started sales of bare coils in June.

Topic (2)

Successful Start of Direct Marketing & Sales in the U.S.

➤ Focus on succeeding accounts

- Glidewire

- Introducer kit

➤ Expanding product pipeline



The global standard guidewire
"Glidewire"



Interventional Business in the U.S.

➤ Both sales and profit to increase in FY2006

Directions of Terumo's Product Development

Realizing the Vision

Four Directions for Growth

Synergy Effects

**Bio access
Technology**

- Terumo's unique technology
- M&A
- Alliances

- New treatment
- Drug & device
- Preventive medicine
- Systemization & services

**Toward
people-friendly
medical treatments**