



TERUMO CORPORATION

Half Year Financial Results for FYE/ Mar. 2008

Sales and Profits Enjoyed Double-digit Growth

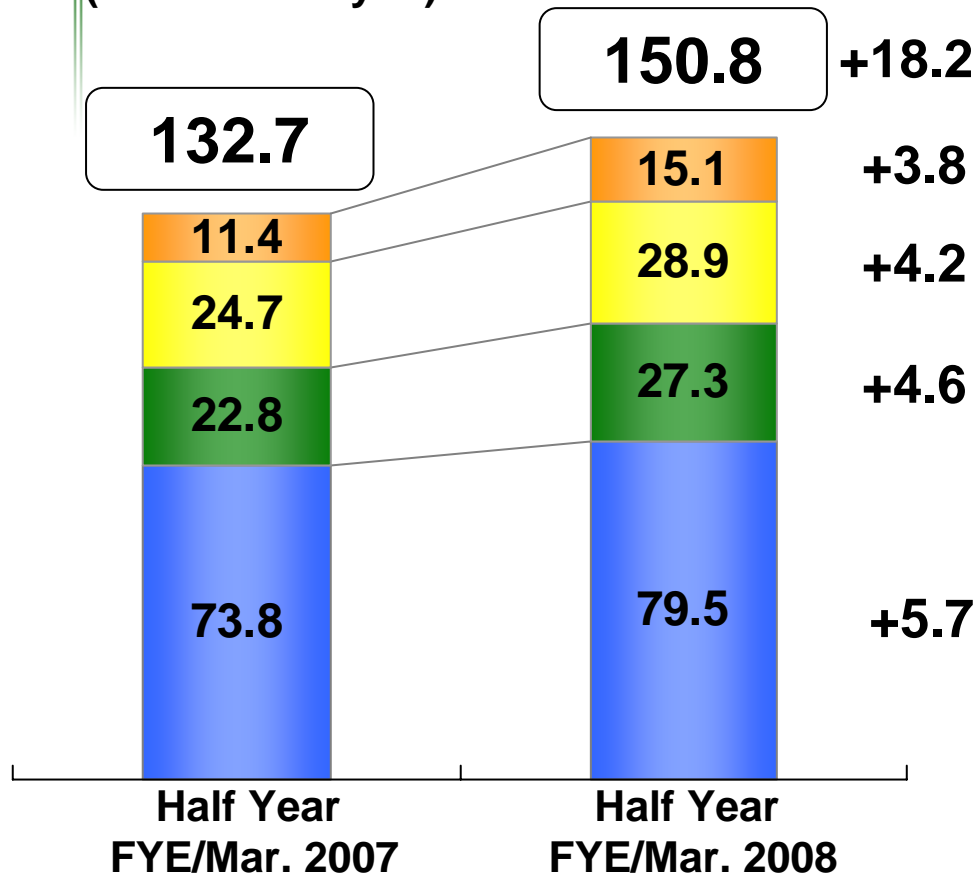
(Unit: Billion yen)

	Half Year FYE/Mar. 2007	Half Year FYE/Mar. 2008	Rate of change
Net Sales	132.7	150.8	14%
Gross Profit (%)	73.3 (55.2%)	82.9 (54.9%)	13%
S.G.A Expenses (%)	44.6 (33.6%)	49.3 (32.7%)	11%
Operating Income (%)	28.6 (21.6%)	33.5 (22.2%)	17%
Ordinary Income (%)	29.1 (21.9%)	34.0 (22.5%)	17%
Net Income (%)	18.4	22.9	24%

Average	US\$	115 yen	119 yen	3.5% yen depreciation
Exchange rate	EUR	146 yen	162 yen	11.2% yen depreciation

Net Sales (by Region)

(Unit: Billion yen)



Sales Outside of Japan Rate
 44% (2007) 47% (2008)

Growth Rate
 Growth rate 13.7% (10.3%)

Asia & Others 33.0% (23.8%)

Americas 16.8% (13.3%)

Europe 20.0% (8.8%)

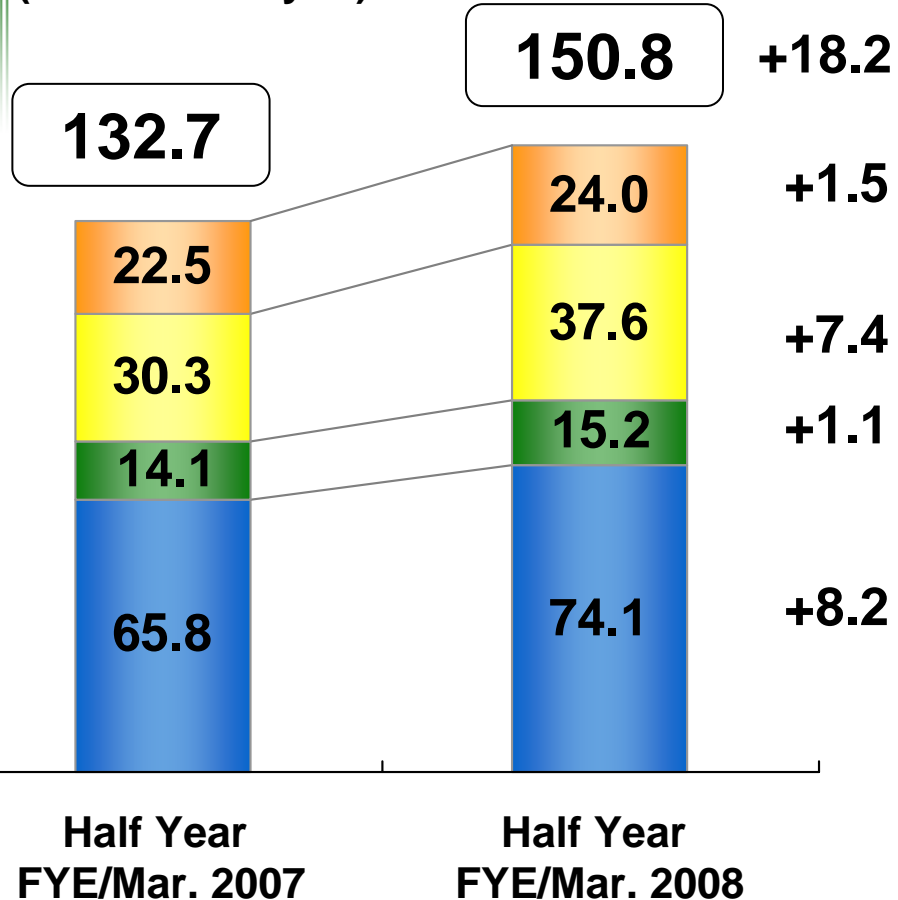
Outside of Japan 21.2% (13.6%)

Japan 7.7%

↑
 Excluding impact of foreign exchange

Net Sales (by Product Group)

(Unit: Billion yen)

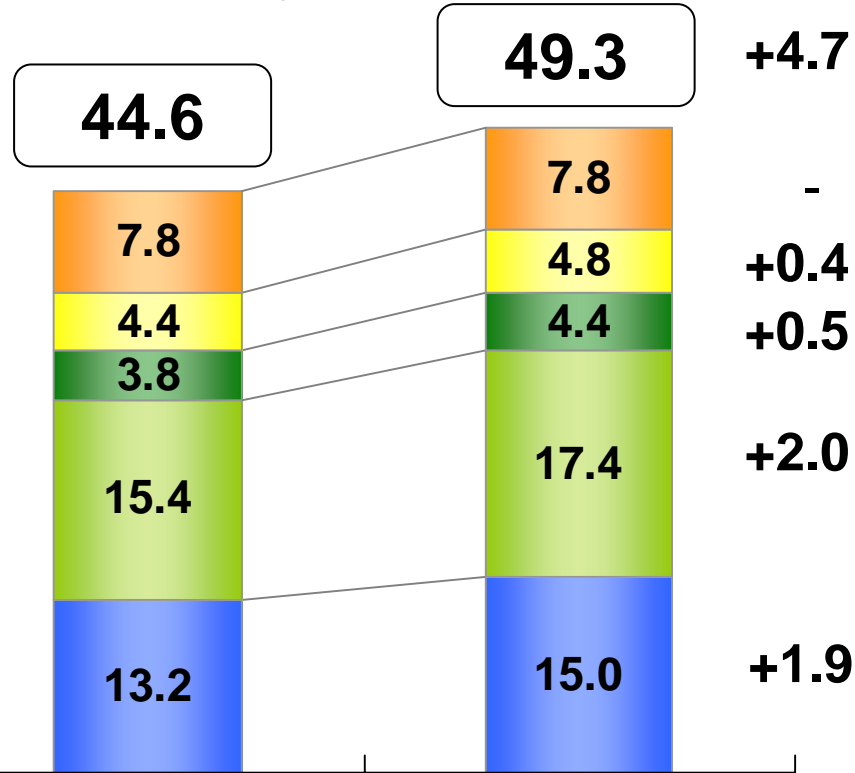


Growth Rate

Growth rate	13.7%
CV & Vascular grafts	6.5%
Interventional products	24.3%
Home health care products	8.0%
General hospital products	12.5%

S.G.A Expenses

(Unit: Billion yen)



(% in change)

- R&D (+0.2%)
- Sales promotion and advertising (+8.0%)
- Logistics (+13.6%)
- Personnel (+12.8%)
- Others (+14.0%)

Half Year
FYE/Mar. 2007

Half Year
FYE/Mar. 2008

S.G.A Expenses Rate
33.6% **32.7%**

▲ 0.9pt

Upward Revision

(Unit: Billion yen)

	FYE/Mar. 2007	FYE/Mar. 2008	Rate of change
Net Sales	276.4	305.0	10%
Operating Income (%)	58.5 (21.2%)	65.0 (21.3%)	11%
Ordinary Income (%)	58.0 (21.0%)	65.0 (21.3%)	12%
Net Income (%)	37.2	42.0	13%

Average Exchange Rate

US\$	117 yen	115 yen	1.9% yen appreciation
EUR	150 yen	159 yen	5.8% yen depreciation

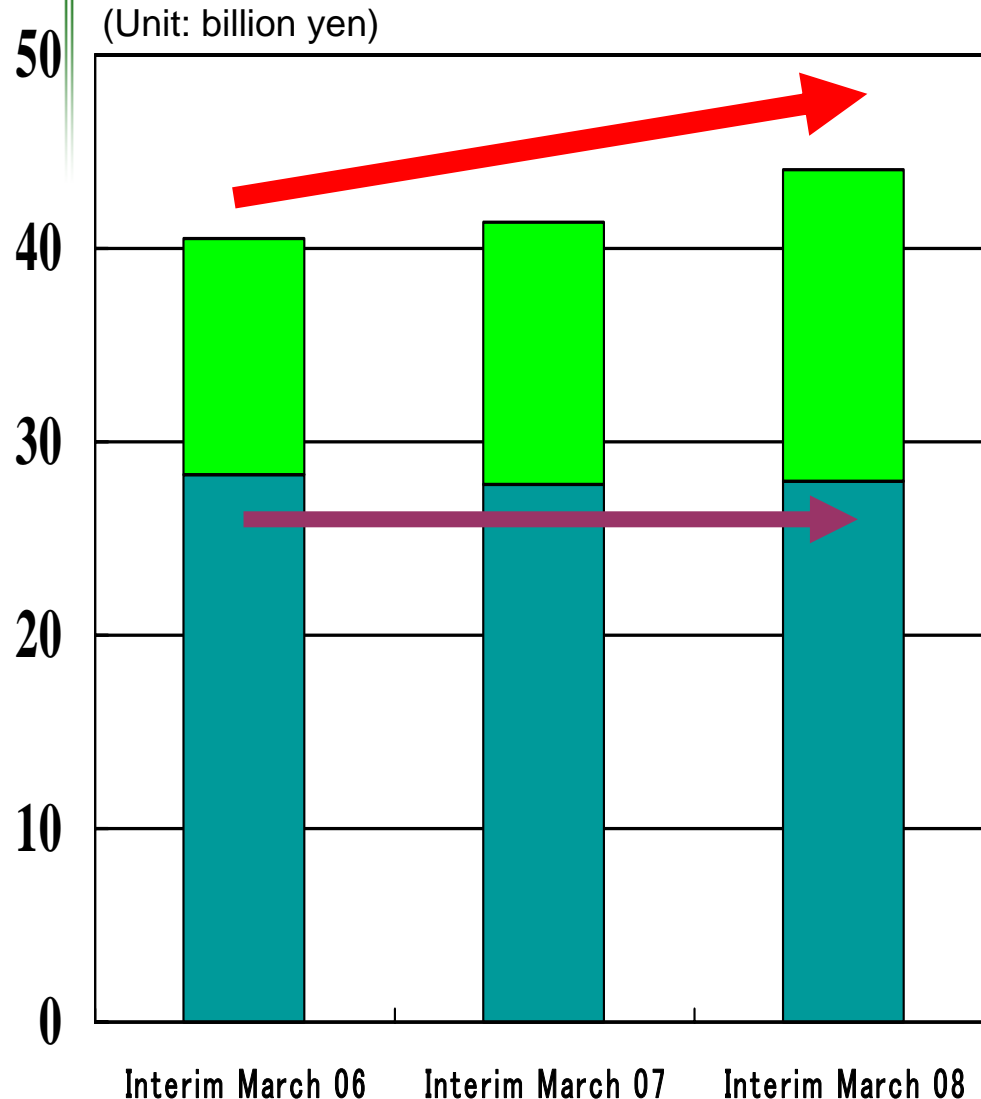


Topics

“About domestic and overseas performance”

Domestic

DPC-related products driving general hospital product business



<DPC-related products>

Safety products

General IV solution



<Plugs to prevent infection>



<General I.V. solution>

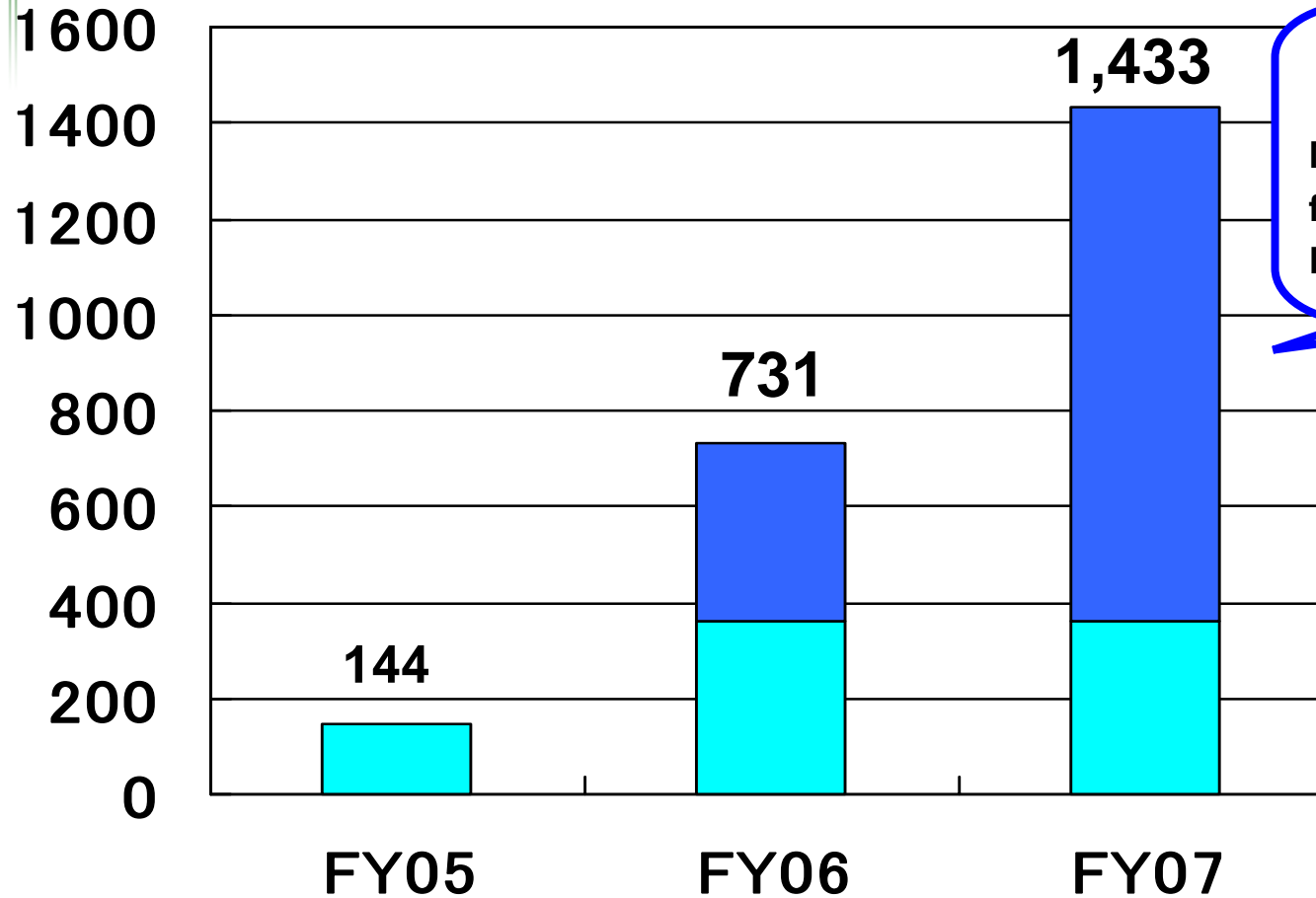
DPC: A fixed per-day reimbursement system based on the case-mix classification in Japan

8

※ Domestic sales of general hospital products (excluding blood transfusion business)

Further increase in DPC-introduced hospitals

(Hospitals)



April 2008
Most hospitals preparing for DPC will become DPC-introduced

■ Already DPC-Introduced Hospitals ■ Preparing for DPC Hospitals 9

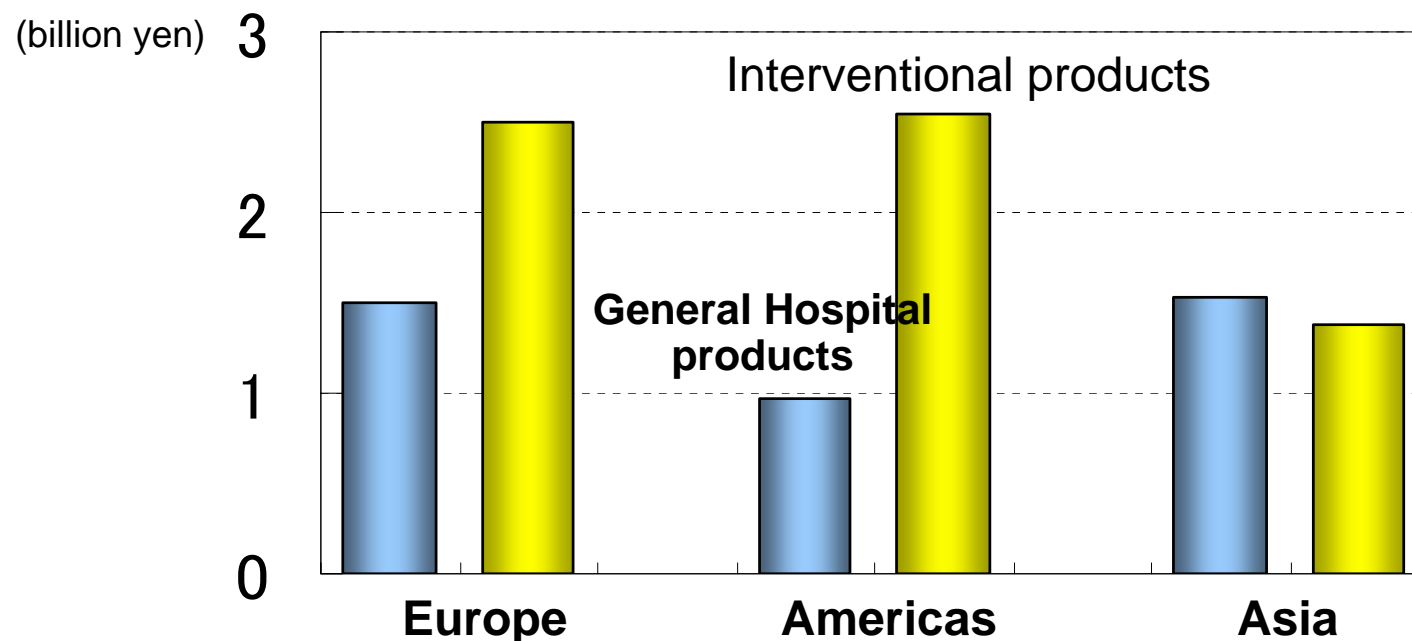
Both interventional and general hospital products showed growth

◆ **Interventional products**

- Strengthened sales force tailored for each region
- Expanding sales areas of PTCA balloons and stents

◆ **General hospital products**

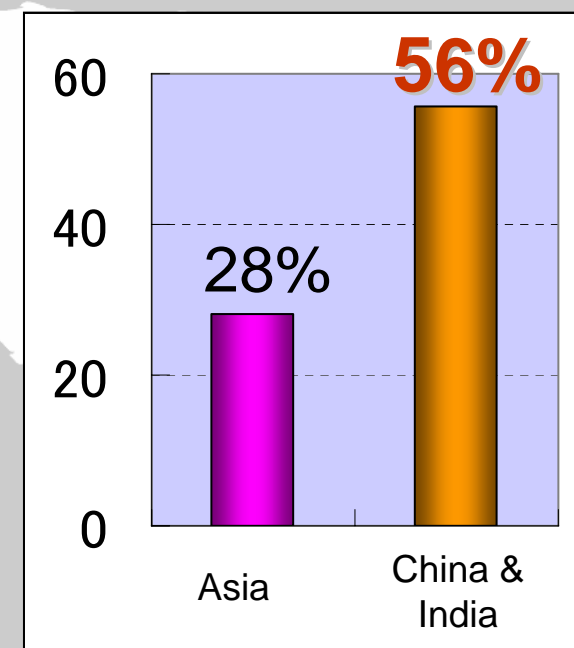
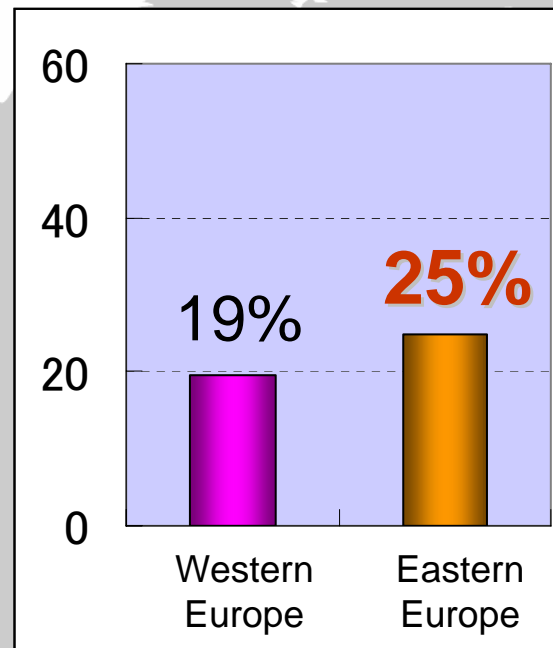
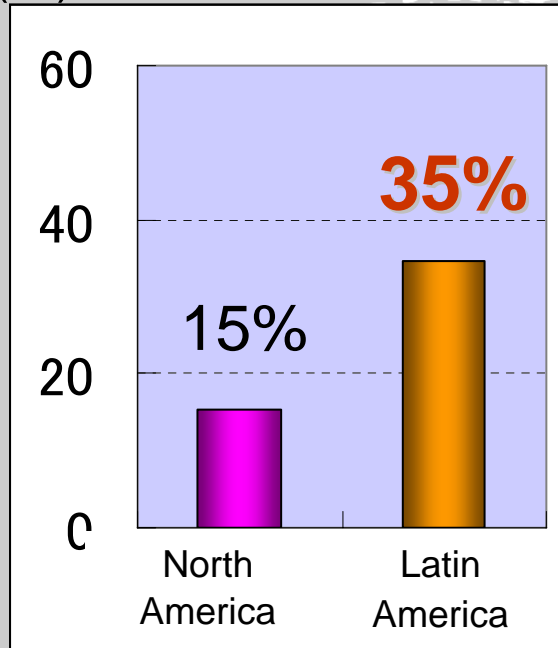
- B2B in Europe & America; Wide range of products in Asia



※Increase/decrease of sales in the first half compared with that of the same period in the previous fiscal year

Business development in emerging countries

(%)



<North and Latin America>

- *Terumo Chile established
- *Started direct sales of interventional products

<Eastern Europe / Russia>

- *Russia representative office opened

<South Africa>

- *Representative office opened

<China/India>

- *Sales power strengthened (China)

※ Increase/decrease rates of sales with that of the same period in the previous fiscal year



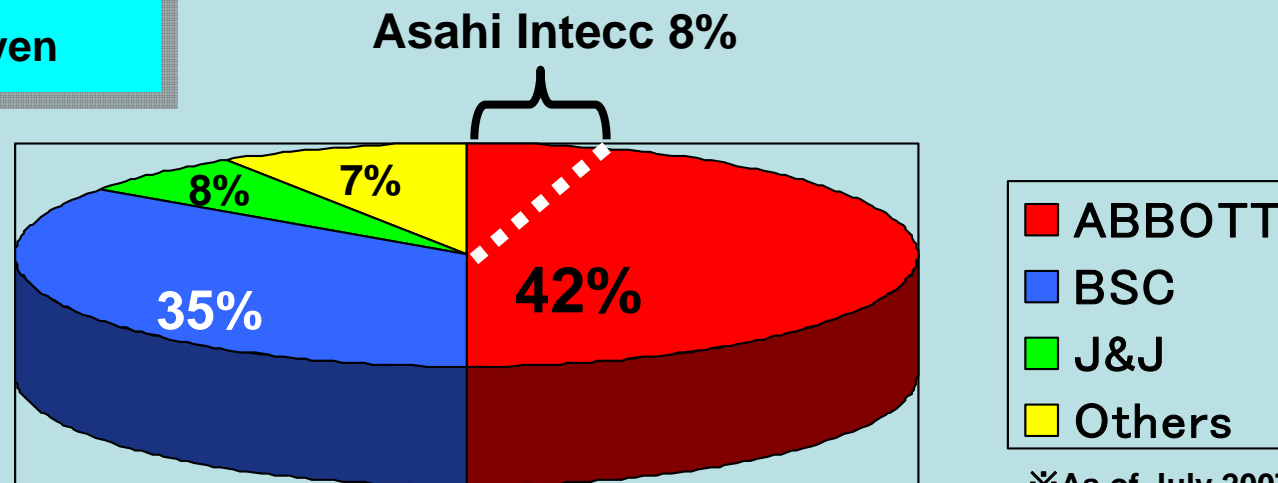
Toward even further growth

Expansion of product line up in America (1)

◆Runthrough NS (guidewire for PTCA)

- Meeting a wide range of doctor's needs
- Launched in July 2007
- Acquired top share in Japan, and targeting to win top position in America

U.S. market scale:
12 billion yen

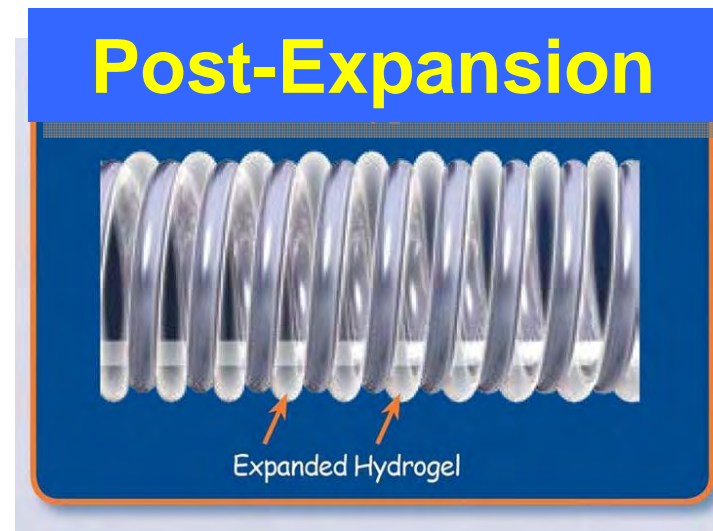
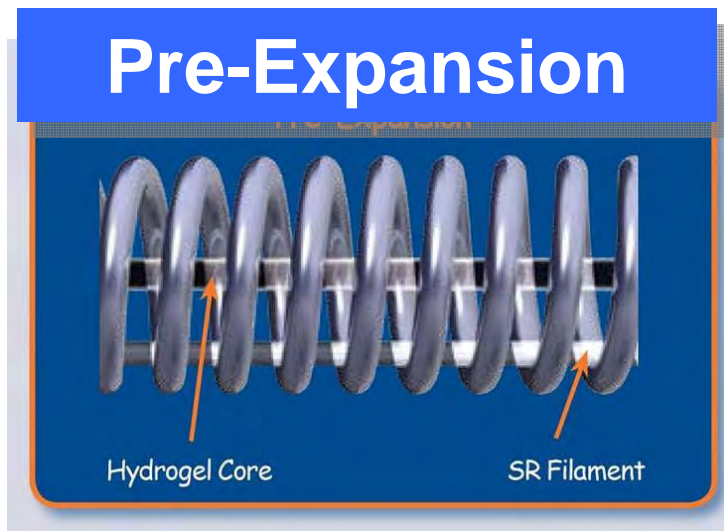


※As of July 2007
(Terumo estimate)

Expansion of product line up in America (2)

◆ **Hydrosoft** (highly flexible swelling coil)

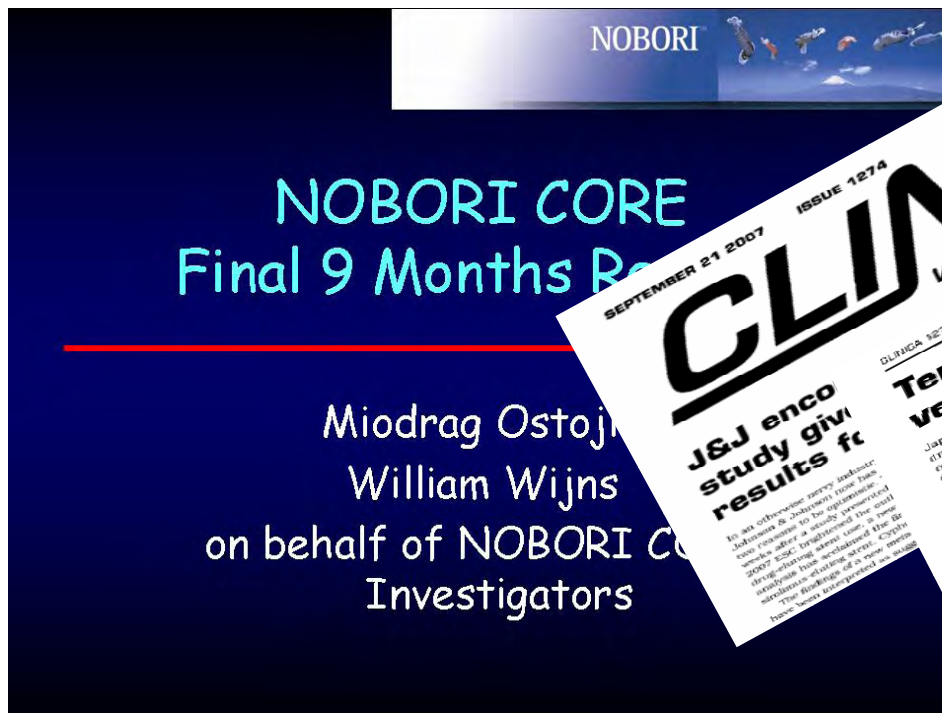
- The first product was launched in August 2007; series to be expanded
- Access devices under development in Japan for strengthening competitive edge with package sales



Clinical trials of new large-scale products expanding (1)

◆ Drug Eluting Stent, "Nobori"

- Clinical trials have started in Japan
- Highly appreciated in the academic world



NOBORI

NOBORI CORE
Final 9 Months Results

Miodrag Ostojic
William Wijns
on behalf of NOBORI Core
Investigators



CLINICA World Medical Technology News

SEPTEMBER 21 2007 ISSUE 1274


ESC 2007 VIENNA

Terumo's Nobori DES might help speed vessel healing, says trial

Japan's Terumo reports that its investigational, new-generation drug-eluting stent (DES) has produced positive results in a comparative trial against one of the most widely used DESs -- Cypher, made by Johnson & Johnson. The trial also helped avoid the problems of late adverse events that have been linked with Cypher's second-generation DESs, the findings suggest. DESs that are coated with late-eluting polymers, such as Cypher, have been linked with late local thrombosis. Coccy, by contrast, has a thin polymer coating that is thought to be more biocompatible and to allow for faster healing of the vessel's wall after the stent is placed. The results from the trial, called NOBORI 2, showed that Terumo's device was associated with a better preservation of endothelial function compared with the best DES currently available. The results were published in the journal *Journal of Interventional Cardiac Electrophysiology* in July 2007. The trial was a prospective, multicenter study with 53 patients in each group. Patients were followed up at 30 days and 12 months. The primary endpoint was the percentage of patients who were free from major adverse cardiac events (MACE) at 12 months. The trial results showed that patients treated with Terumo's device had a significantly lower rate of MACE at 12 months compared with those treated with Cypher. The trial also showed that patients treated with Terumo's device had a significantly higher rate of late adverse events compared with those treated with Cypher. The trial was conducted at several sites in Japan and Europe. The trial was funded by Terumo and Johnson & Johnson. The trial results were presented at the ESC 2007 conference in Vienna, Austria.

European Society of Cardiology 2007

「CLINICA」
September 21 2007



Favorable clinical data at TCT meeting held in America

Excerpts from document published at TCT07 (Phase II 243 cases)

	Nobori	Control group
Number of cases	153	90
Late loss *	0.11mm	0.32mm
Restenosis	0.7%	5.4%
Stent thrombosis	0%	4.4%

* Optimum intima hypertrophy is said to be 0.10 to 0.20mm

Remarks:

- Good results in terms of both effectiveness and safety
- Late loss within optimal range
- Stent thrombosis rate was zero-percent

Clinical trials of new large-scale products expanding (2)

◆ "DuraHeart" (Left Ventricular Assist System)

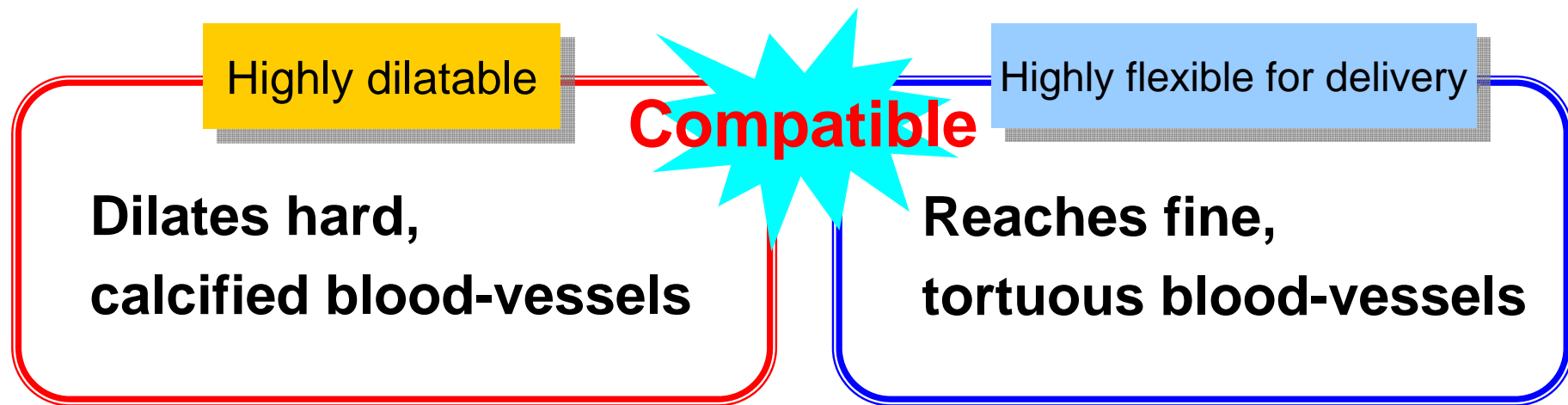
- Clinical trial application in America completed
- Preparing for clinical trials in Japan



New Product in Japan

PTCA balloon catheter **Hiryu**

- ◆ Compatible with different needs, supporting a wide range of different blood-vessels
- ◆ Sales started on October 1, aiming to take the number-one share in the second half



Strengthen the power for growth

(Internal growth & M&A/Alliance)

M&A

- ◆ Stent grafts
- ◆ Vascular grafts
- ◆ Cerebral coils

Internal growth

- ◆ DuraHeart
- ◆ Guidewire
- ◆ DES
- ◆ Risk management medical devices
- ◆ Prefilled syringes
- ◆ Blood glucose monitoring devices

Alliances

- ◆ Olympus
- ◆ Kirin
- ◆ Kawasumi Laboratories, Asahi Kasei, etc.

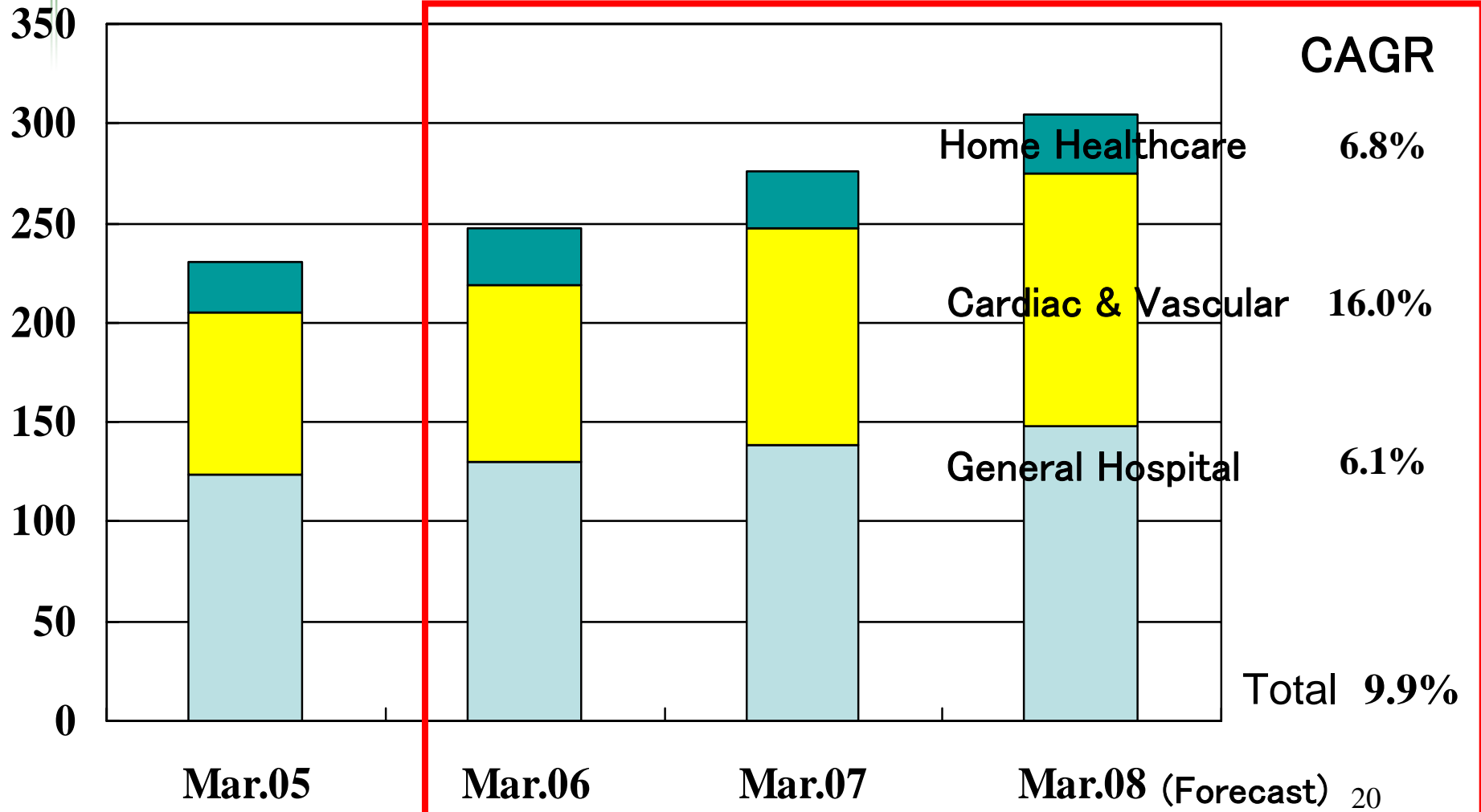


STeP UP 2007

Growth in all business fields

STeP UP

Unit: billion yen





Summary

- ◆ **Achievement of 300 billion yen is near at hand, forecast revised upward**
- ◆ **Unique strategies promoted, taking advantage of domestic changes**
- ◆ **Preparations in full-swing in view of the next mid-term plan**



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