

April 30, 2008

Company name: Terumo Corporation
Representative: Akira Takahashi, President
Code No.: 4543, TSE Section 1
Inquiries: Shoji Hatano, General Manager,
Corporate Communication / IR Dept.
(TEL 03-3217-6550)

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

In a Board Meeting 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 "Plan") as stated below as a means to prevent decisions on the Company's financial and business policies from being controlled by an inappropriate party. The Plan will be adopted on the condition of approval from shareholders in the 93rd general shareholders' meeting to be held on June 27, 2008.

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 April 30, 2008.

1. Management and Performance of the Company

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

(i) Corporate philosophy and basic stance of management

Since the Company was founded in 1921, we have maintained a basic corporate stance to improve the corporate value of the Company and the common interests of shareholders. We made strides in the advancement and safety of medical treatment as a company that leads the Japanese medical equipment industry under the banner of Terumo's corporate philosophy "contributing to society through health care." At present, we have established our brand and business both in Japan and outside Japan, and we supply high-quality medical devices to over 160 countries worldwide.

(ii) Realization of business growth and improved shareholder value

Terumo advanced as a specialized manufacturer of glass thermometers for 40 years since its foundation, and in the 1960s it entered into the field of disposable medical devices, expanding the scope of the Company's business. Meanwhile, from the late 1980s, the Company struggled due to the consequences of heavy investments in outside Japan production, and net loss reached 7.7 billion yen in the fiscal year ended in March 1992.

Facing this serious condition, in 1995, the current management team was established and launched the new business organization and fundamental management reforms were implemented.

The management has gone through reformation of its corporate culture under the slogan of “management oriented by associates”, and made a variety of efforts such as starting mid-long term enhancement of human resources. We focused on strengthening balance sheet, establishing a business platform for future growth, and promoting global management in order to improve the Company’s corporate value.

The effective and swift implementation of these measures has resulted in sustained growth of net sales and significant improvements to profit. In the fiscal year ended March 2008, consolidated net sales and operating income reached levels that were 3 times and 5 times respectively compared with those for the fiscal year ended in March 1995, and the operating margin increased significantly from 12.4% to 21.8%. In addition, market capitalization increased dramatically from 140 billion yen at the end of March 1995 to more than 1 trillion yen at the end of March 2008, which led to substantial growth in shareholder value.

(iii) Basic policy of the new mid-term management plan

In the previous mid-term management plan that ended at the end of March 2008, net sales were 306.4 billion yen and operating income was 66.9 billion yen, far exceeding the initial targets of 300 billion yen and 65 billion yen respectively. In the new mid-term management plan titled “Phoenix 2010 – Challenge for Dramatic Leap” beginning in April 2008, the Company has set a high target of net sales to be 400 billion yen and operating profit to be 85 billion yen three years later in the year ending in March 2011 and to make further net sales growth aiming at 500 billion yen in the year ending in March 2013. The strategic efforts in the new mid-term management plan are summarized as follows.

The first is the enhancement of business expandability by promoting an in-house company system. Through restructuring of operating companies into “General hospital,” “Cardiac & Vascular,” “Blood Transfusion” and “Consumer Health-care,” the capabilities of each operation will be improved, while overall corporate capability will be strengthened by promoting synergies between each operating companies. The second is innovation for providing customer value. Terumo will engage in R&D to promote the wide-scale deployment of innovative new products such as DuraHeart, a left ventricular assist system and Nobori, a drug eluting stent system, while making advances in core technologies of fusion between drugs and devices such as prefilled syringes. The third is the promotion and acceleration of global expansion. Our global business will be led by the newly organized International Business Department. We will also actively invest in emerging countries and attempt to expand our business with speed. As a result, we aim to increase the ratio of outside Japan sales to over 50 percent within the next three years.

We focus on these three years of the new mid-term management plan as an important period achieving our long-term goal to become a “company with a sense of global presence”. The entire company will continue to work together to strengthen our position as a leading company of Japanese medical equipment industry, to expand our market share and improve brand recognition outside Japan as well, and to maximize the corporate value of the Company and the common interests of shareholders.

(2) Strengthening of corporate governance

Terumo recognizes the enhancement of corporate governance as an important management issue. We believe the effort to be an essential mechanism for improving the corporate value of the Company and the common interests of shareholders. In order to clarify the responsibilities of management to shareholders, the term of directors has been made one year, and we are striving for fair and transparent management through the appointment of three highly independent outside directors (of a total of 13 directors) and two outside auditors (of a total of four auditors). We have also established an Advisory Board made up of four experts and a Compensation and Nominating Committee as inquiry organization for the board of directors.

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

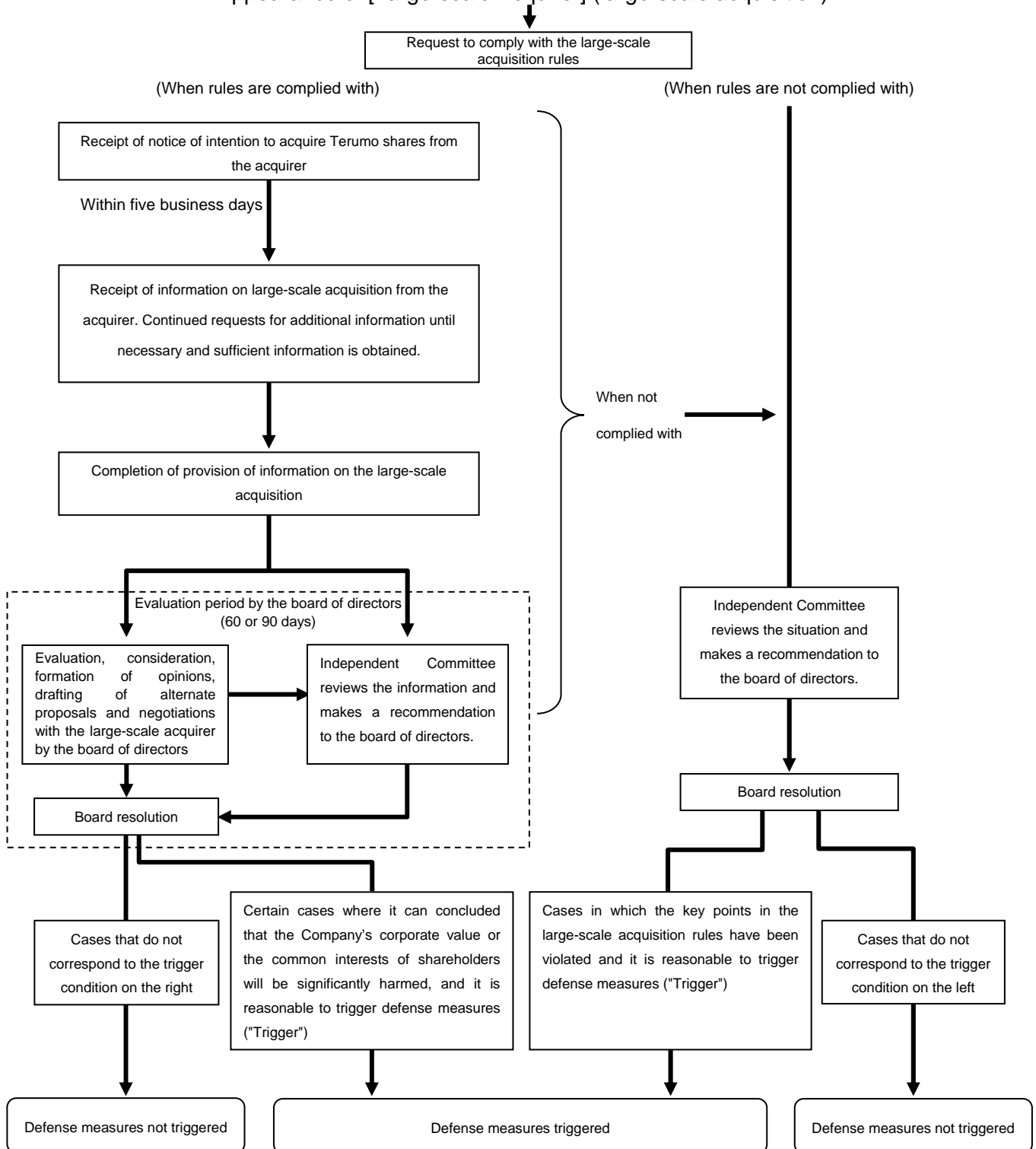
Item	Overview
Type of Plan	Advanced-warning Type
Objectives of the Plan	<p>To request acquirers to provide necessary information on large-scale acquisitions in advance and to secure the time required to consider and examine the information.</p> <p>* At present the Terumo board of directors is not aware of any indications of specific large-scale acquisitions of the Company's shares.</p>
Conditions of Implementation	The Plan will be submitted for shareholder resolution at the general shareholders' meeting to be held on June 27, 2008.
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 common 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>
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.

Item	Overview
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 implementation 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 general shareholders' meeting 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 general shareholders' meeting. ◆ 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 general shareholders' meeting and in the general shareholders' meeting.

(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 implemented.

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
September 2000	Visiting scholar at the Asia-Pacific Research Center, Stanford University
September 2001	Vice Chairman of Nissan Motor Co., Ltd.
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. (currently held)

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

Tetsuo Seki

[Profile]

April 1963	Joined Yawata Iron & Steel Co., Ltd. (now Nippon Steel Corporation; hereinafter referred to as "NSC")
June 1993	Director of NSC
April 1997	Managing Director of NSC
April 2000	Representative Director and Vice President of NSC
June 2003	Advisor to NSC
June 2004	Senior Corporate Auditor of NSC (currently held)
June 2006	Independent Director of Terumo (currently held)
March 2007	Independent Director of Sapporo Holdings, Ltd. (currently held)
June 2007	Independent Director of Tokyo Financial Exchange Inc. (currently held)
September 2007	Independent Director of Japan Post Holdings Co., Ltd. (currently held)
October 2007	Chairperson of the Japan Corporate Auditors Association (currently held)

- * Tetsuo Seki is an independent director as stipulated in Article 2.15 of the Company Law.
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 1989	Managing Director of MOL
June 1991	Representative Director and Senior Managing Executive Officer 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
June 2003	Honorary Advisor of MOL
April 2007	Corporate Advisor of MOL (currently held)

* Masaharu Ikuta is an independent director candidate as stipulated in Article 2.15 of the Company Law, and is scheduled to be nominated and appointed in the ordinary general shareholders' meeting.

He does not have any special interests in the Company.

Fumio Sugizaki

[Profile]

April 1968	Joined Nissan Motor Co., Ltd.
June 1998	Director of Unisia Jecs Corporation (hereinafter referred to as "Unisia Jecs"; now Hitachi, Ltd.)
June 1999	Managing Director of Unisia Jecs
June 2002	Senior Managing Director of Unisia Jecs
June 2003	External Corporate Auditor of Terumo (currently held)
May 2005	External Corporate Auditor of Sohken Homes Co., Ltd. (currently held)

* Fumio Sugizaki is an external corporate auditor as stipulated in Article 2.16 of the Company Law.

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-Honeywell Co., Ltd
December 1992	Managing Director of Yamatake-Honeywell Co., Ltd
June 1998	Director and Vice President of Yamatake
June 2002	Representative Director and Executive Vice President of Yamatake
June 2006	External Corporate Auditor of Kimmon Manufacturing Co., Ltd. (currently held)
June 2006	External Corporate Auditor of Terumo (currently held)

* Nobuyuki Takai is an external corporate auditor as stipulated in Article 2.16 of the Company Law.

He does not have any special interests in the Company.