
PURPOSEFUL EXCELLENCE

TERUMO CORPORATION

ANNUAL REPORT 2009

FOR THE YEAR ENDED MARCH 31, 2009

TERUMO'S GROWTH STRATEGIES: RESPONDING TO THE WORLD'S MEDICAL NEEDS

- The world's population is increasing, led by emerging and developing nations
 - The number of people living in emerging and developing nations is set to grow from 5.5 billion in 2010 to 6.5 billion in 2020.
- In developing nations, the number of senior citizens is increasing further
 - In Japan the number of senior citizens (aged 65 or older) is set to reach 36 million, or 29% of the population, in 2020.
 - Going forward, more countries will find that senior citizens account for 20% or more of their populations—e.g. Italy and Germany.
- The number of people dying from heart disease worldwide will rise from 17.1 million in 2004 to 23.4 million in 2030
- The burden of medical costs borne by each working member of Japan's population will escalate from ¥390,000 per year in 2006 to ¥790,000 in 2025

References: United Nations: *World Population Prospects: The 2006 Revision*
 National Institute of Population and Social Security Research: *Population Projections for Japan* (estimates as of December 2006)
 World Health Statistics 2008
 Estimates of National Medical Care Expenditure, 2006
 Summary of the Ministry of Health, Labour and Welfare's Draft Policy on Structural Reform of the Medical System

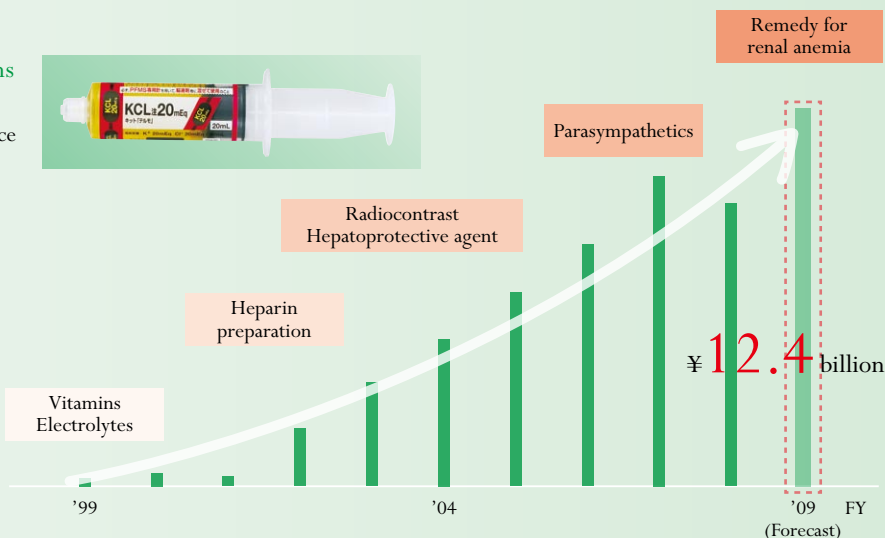
Bringing Better Medical Treatment to the World... Healthcare Economy is What is Required

Prefilled Syringes Reduce the Risk of Medical Accidents or Infection

Medical accidents and infection do more than just harm the patient; they also dramatically reduce the efficiency of treatment and lead to higher medical costs. Prefilled syringes contribute to reductions in overall medical costs—the fact that medication is inserted in the syringe beforehand makes it possible to avoid medication mix-ups or contamination during syringe filling.

Terumo's Prefilled Syringe Operations

Terumo first introduced plastic prefilled syringes to the Japanese market in 1999. Since then, the Company has expanded the lineup, growing the business into a new pillar of domestic operations.



Caution Regarding Forward-Looking Statements

Among the Annual Report 2009, 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.

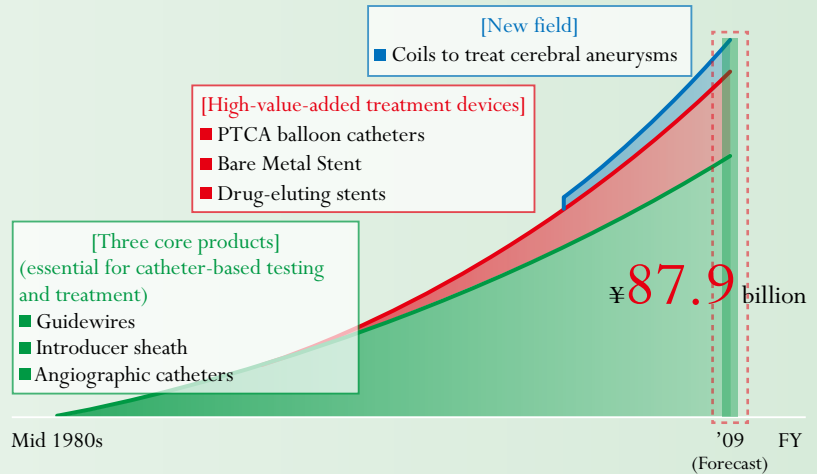
Interventional Treatment: State-of-the-Art Medical Technology for a Rapid Recovery

Interventional treatment involves using a thin tube called a catheter to diagnose and treat disease inside blood vessels. Interventional treatment has evolved to treat angina, or cardiac infarction by widening blocked coronary arteries to restore the blood flow. The treatment is distinguished by the fact that it can cure a disease leaving only a minimal incision, so hospital stays are relatively short and treatment is highly effective. Accordingly, interventional treatment has extended beyond cardiology to be applied for a variety of fields in recent years.

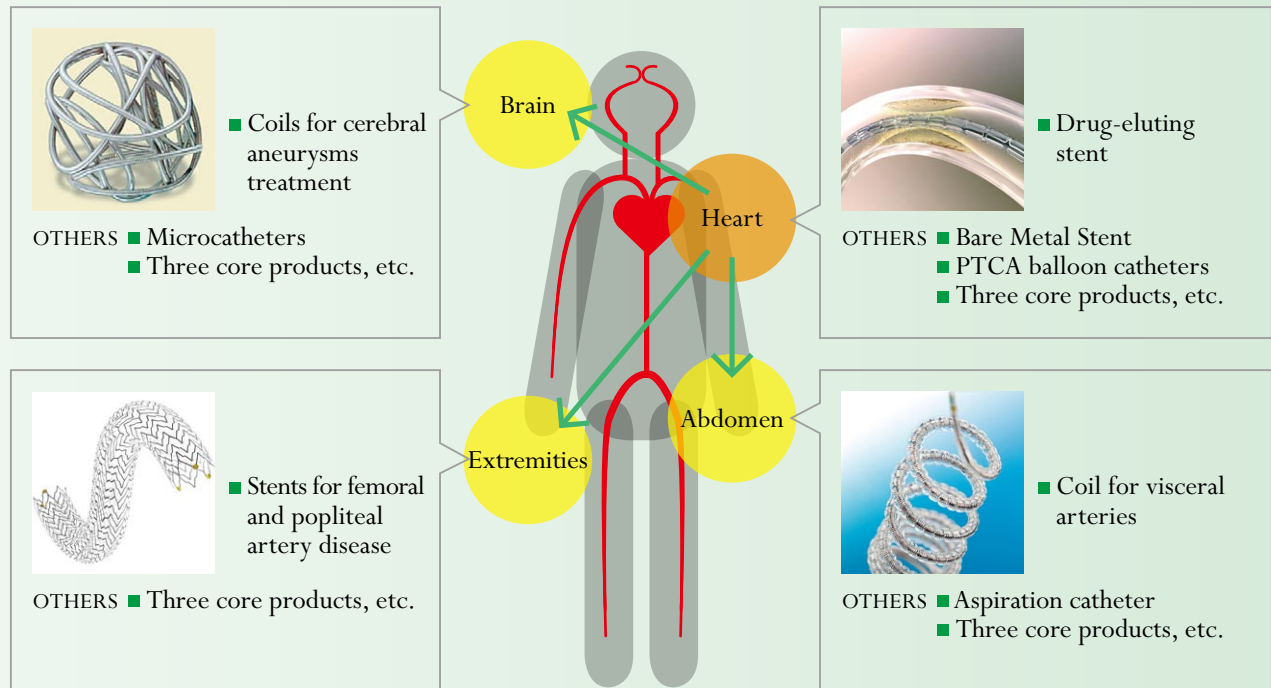
Interventional treatment is a medical technique that meets the worldwide need to offer more advanced treatment to as many people as possible, while holding down the overall health care cost. As such, it is likely to be even more widely used in future.

Terumo's Interventional Product Business

Terumo made its first foray into this business in the mid 1980s when it developed the guidewire, a revolutionary product. Used widely for diagnosis and treatment, the guidewire boasts exceptional ability to navigate blood vessels and is synonymous with Terumo's interventional products. Subsequently, Terumo expanded its lineup to include high-value-added treatment devices, and now the Company has expanded and improved its operations further still to encompass products for treating other parts of the body including the brain and peripheral arteries.



Further expansion into new fields



Note: Three core products include guidewires, introducer sheath and angiographic catheters

CONTENTS

02 A Message from the Chairman

04 Interview with the President

08 Overview by Business Segment

10 Overview by Geographic Segment

11 Research and Development

12 Corporate Governance

15 Directors, Executive Officers and Corporate Auditors

16 Promoting Environmentally Friendly Business Activities

17 Corporate Data

18 Consolidated Ten-Year Summary

20 Management's Discussion and Analysis of Operating Results and Financial Condition

43 Business Risks

44 Investor Information