

TERUMO CORPORATION

Financial Results for FYE Mar.2005

Business Plan For New Medium term FY2005 - 2007

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Financial Highlights

(billions of yen)

	Mar.2004	Mar.2005	Growth
Net Sales	215.2	230.0	7%
Gross Profit	110.3 (51.3%)	123.8 (53.8%)	12%
SGA Expenses	73.6 (34.3%)	76.7 (33.3%)	4%
Operating Income	36.7 (17.0%)	47.1 (20.5%)	29%
Ordinary Income	35.3 (16.4%)	47.1 (20.5%)	33%
Net Income	19.8	27.1	37%

Increase in Net Sales by Segment

(billions of yen)

14.8

Products with Major Gains

**Cardiac &
Vascular**

10.0

Catheter systems

7.1
(+19%)

PTCA/ Stent **4.0**
+55%

Cardiovascular systems

2.9
(+9%)

Prefilled syringes **1.8**
+30%

General hospital &
Home Health Care

4.8
(+3%)

Diabetes care products **1.2**
+18%

Infusion/ Syringe pumps **1.1**
+24%

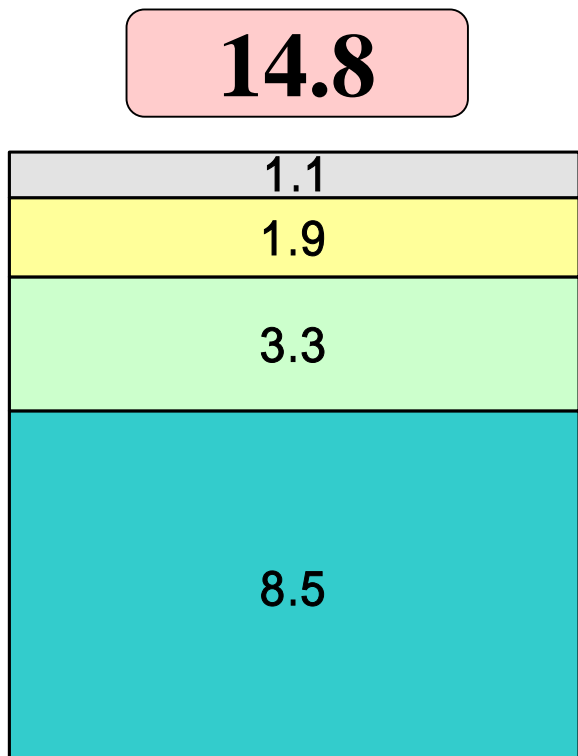
**General
Hospital &
Home Health
Care**

4.8

Mar. 2005

Increase in Net Sales by Region

(billions of yen)



Mar. 2005

Overseas total +7.8% (+9.7%)

□ Asia (+7.2%)	(+ 10.0%)
■ USA (+5.6%)	(+10.6%)
■ Europe (+10.6%)	(+8.5%)
■ Japan (+6.3%)	

Excluding impact of
exchange rate fluctuations

Average exchange rate

	Mar. 2004	Mar. 2005
US\$	113 yen	108 yen
EUR	133 yen	135 yen

Variance Analysis of Gross Margin

Improvement +2.5pt (51.3% 53.8%)

Positive

+3.8p

Production increase

+2.1p

Shift to higher-profit products

+1.0p

Cost reduction

+0.5p

Shift to Asian production

+0.2p

Negative

-1.3p

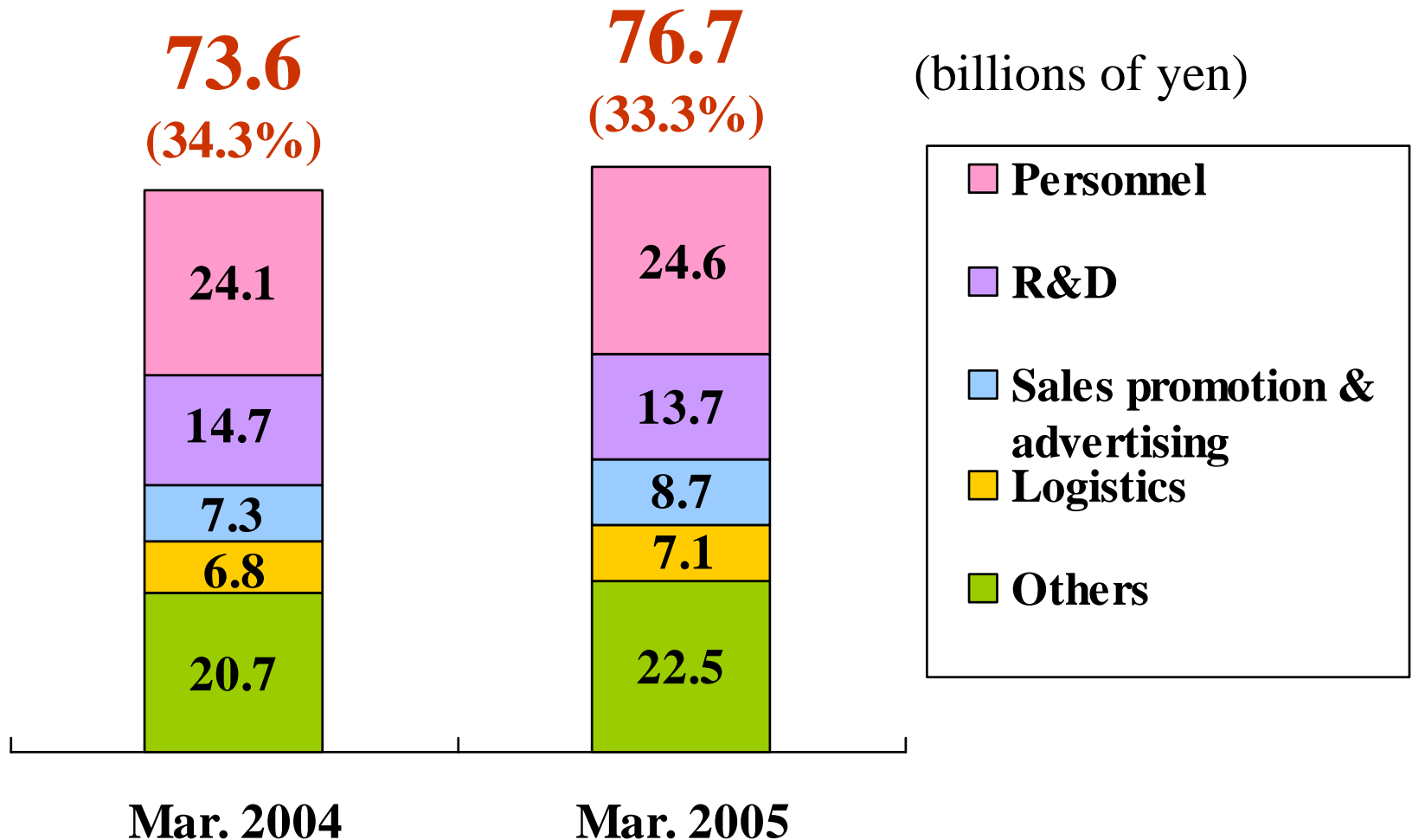
NHI price reduction

-1.0p

Price decline

-0.3p

SGA Expenses



STeP UP 2007



Solution

1. Evolution of existing business
(Total system)

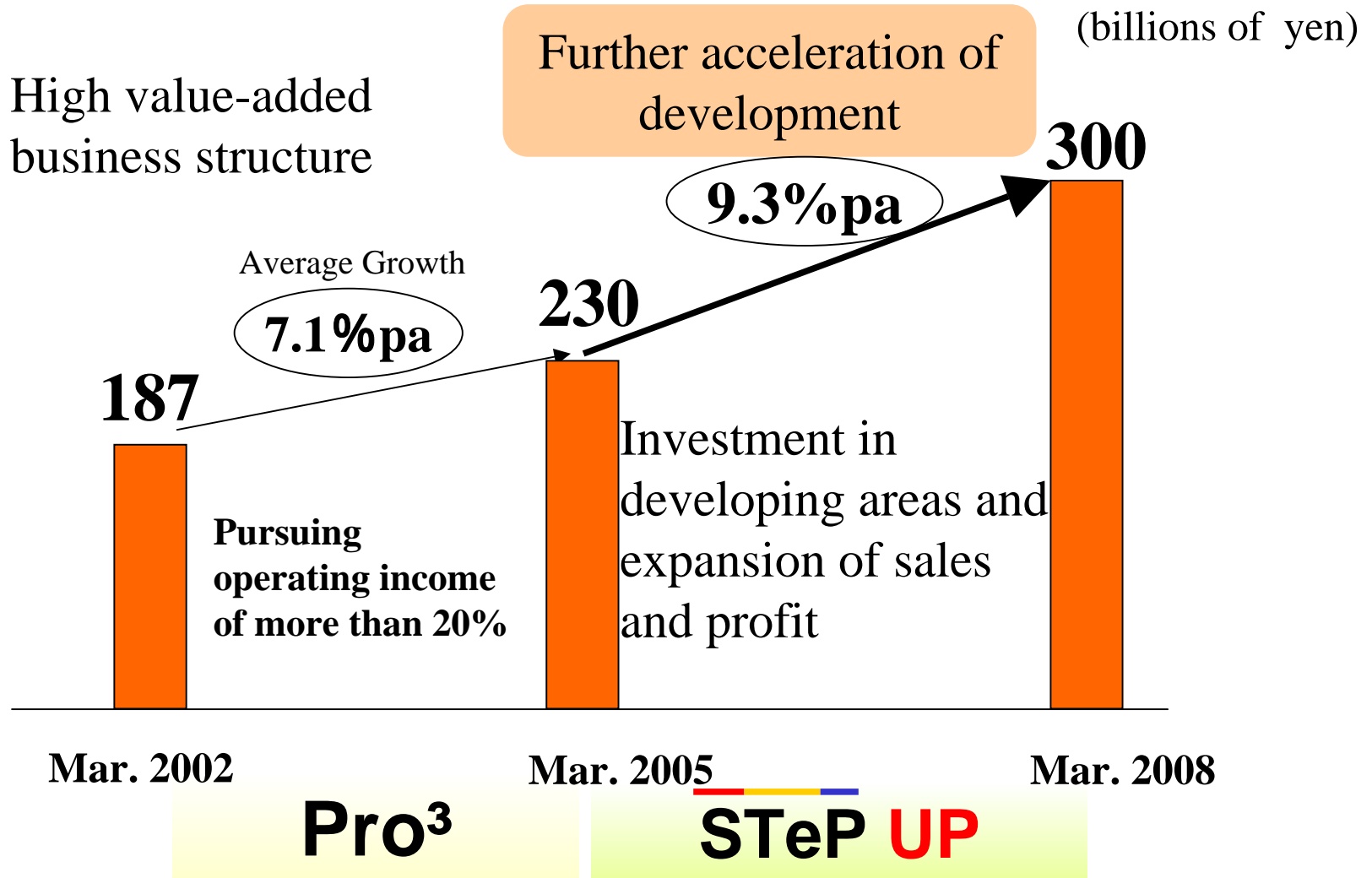
Technology

2. Development of new treatment system
(New products)

Professional

3. Development of in-house company
system

TO “STeP UP 2007” from Pro³



Concept of “STeP UP 2007”

Terumo's strength

High quality

**On-site
development
capability**

**A wide variety of
core technologies**

- **Solution
(Total system)**
- **Technology
(New products)**

Creation of people-friendly
medical treatment

Effective treatment

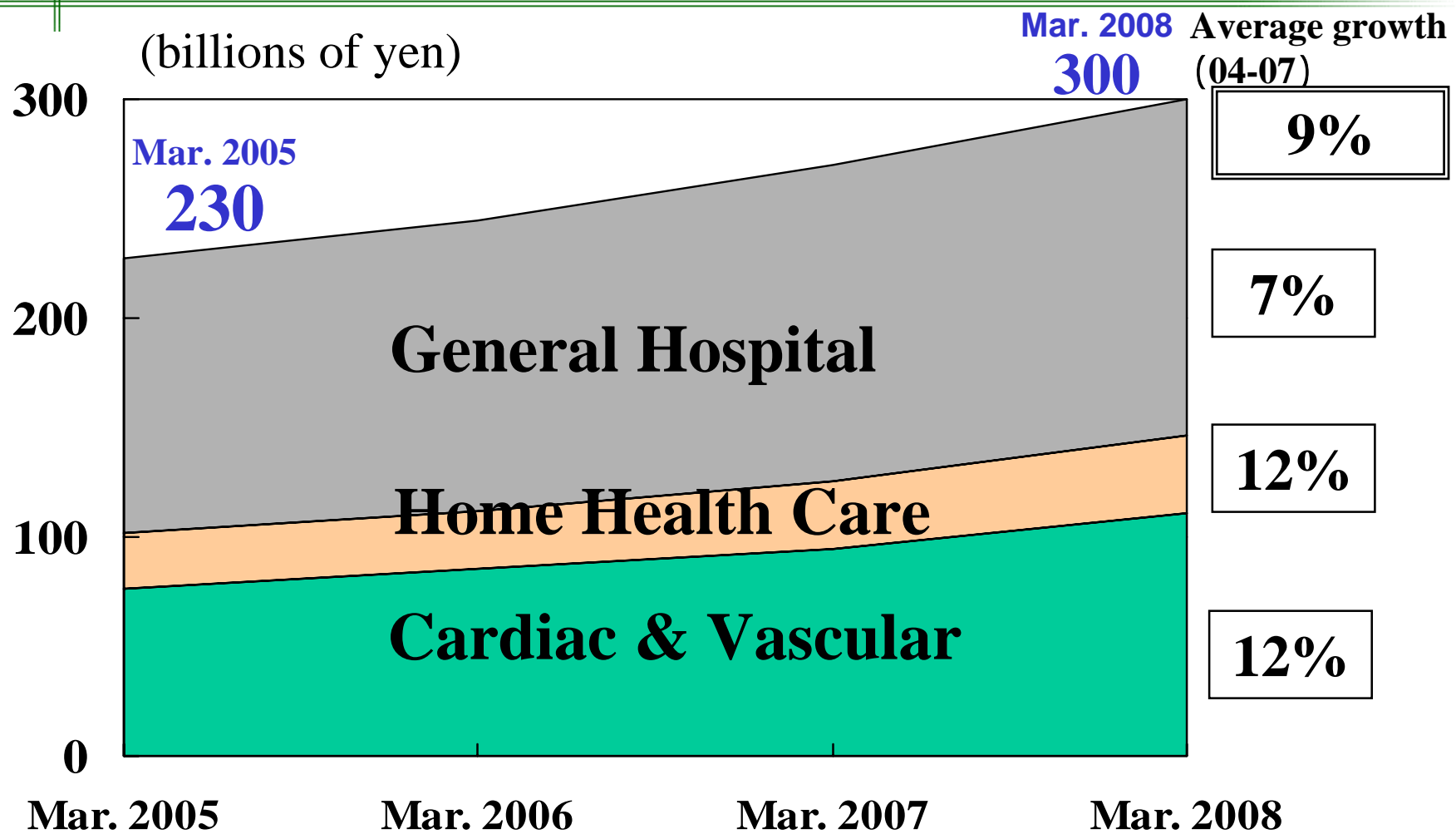
Medico-economics

Peace of mind and safety

Less pain

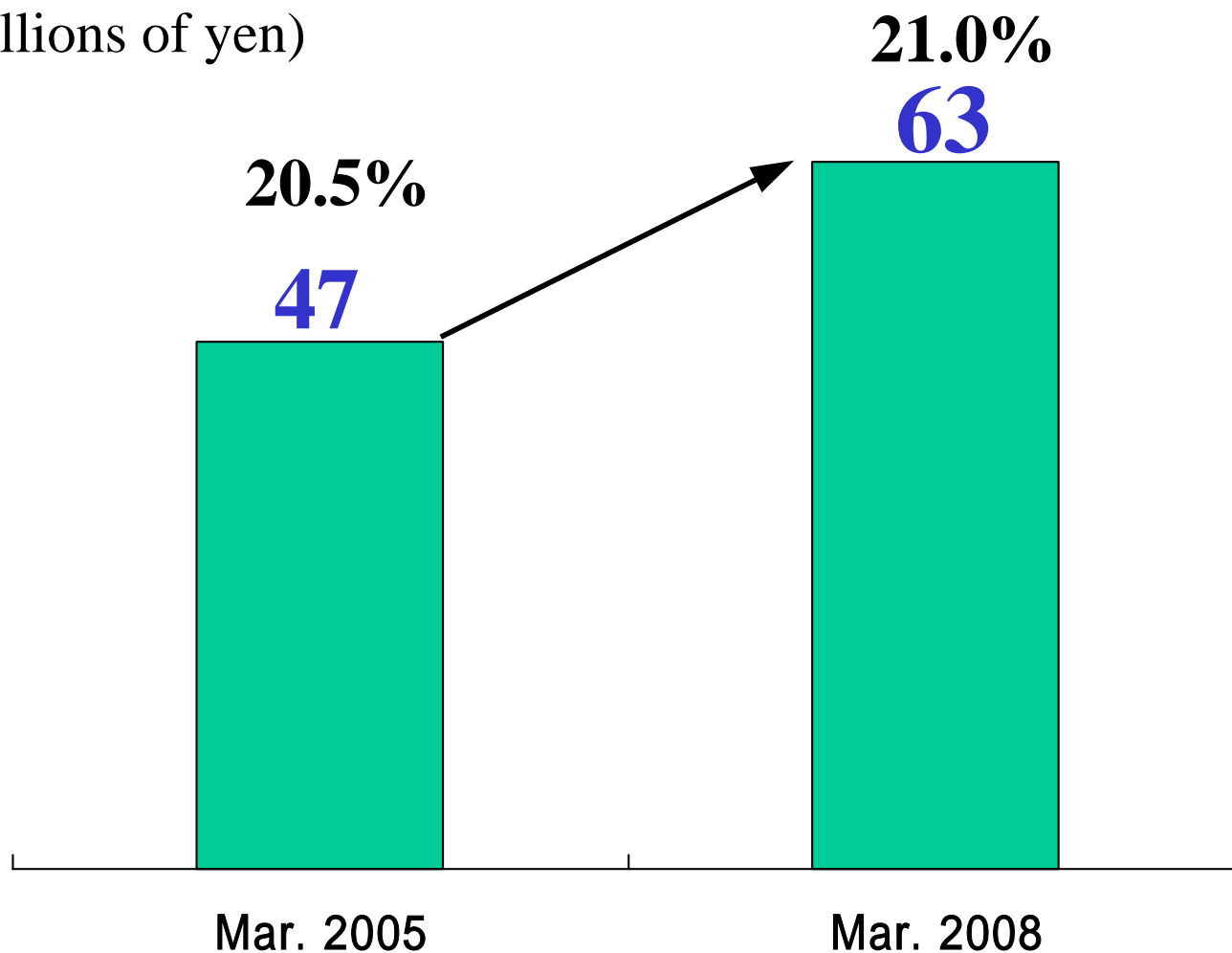
Existing market

Increase 9% pa Sales in “STeP UP”



Operating income increase 10% pa in “STeP UP”

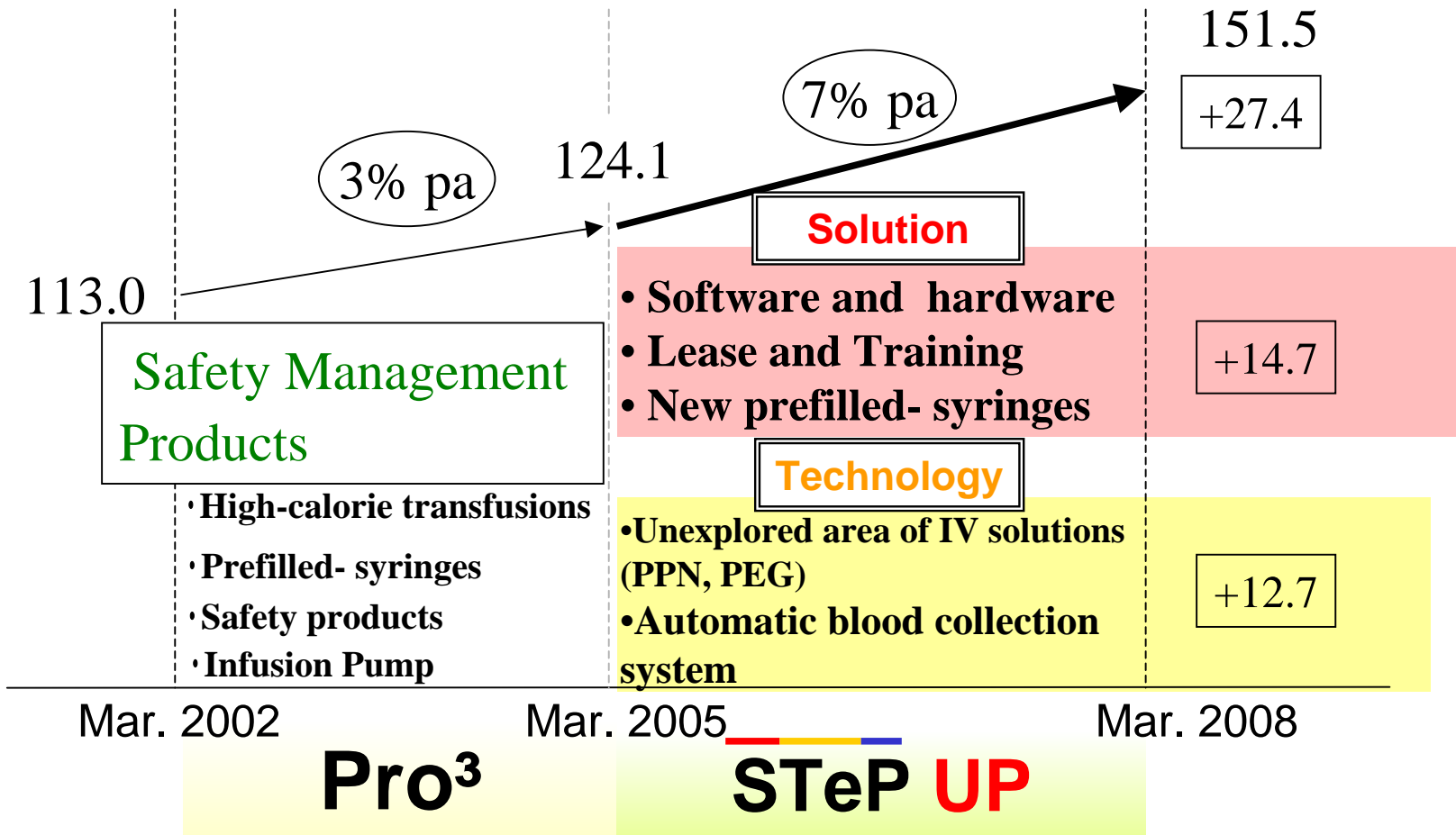
(billions of yen)



Summary

General Hospital products

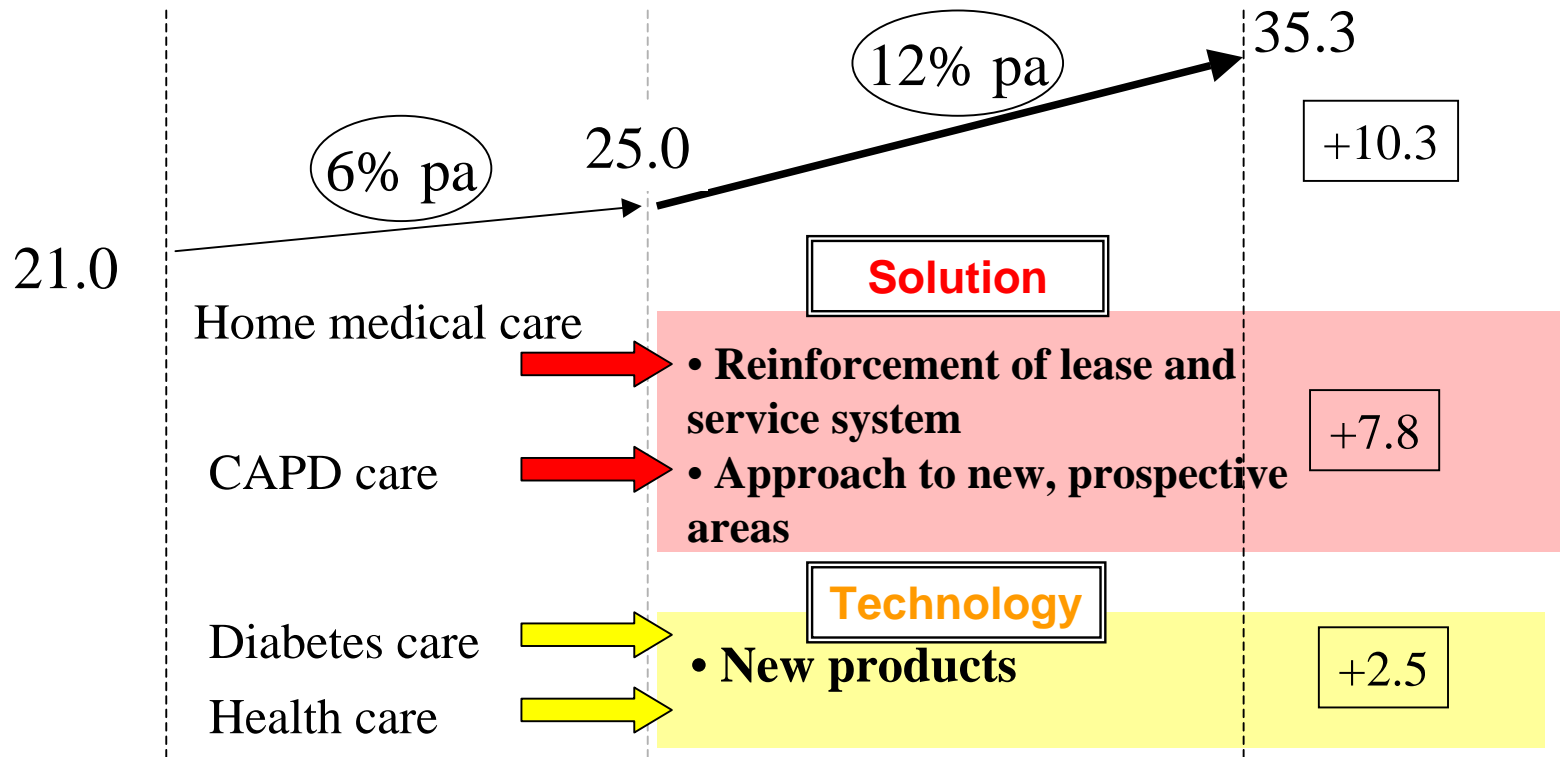
(billions of yen)



Summary

Home Health Care products

(billions of yen)



Mar. 2002

Mar. 2005

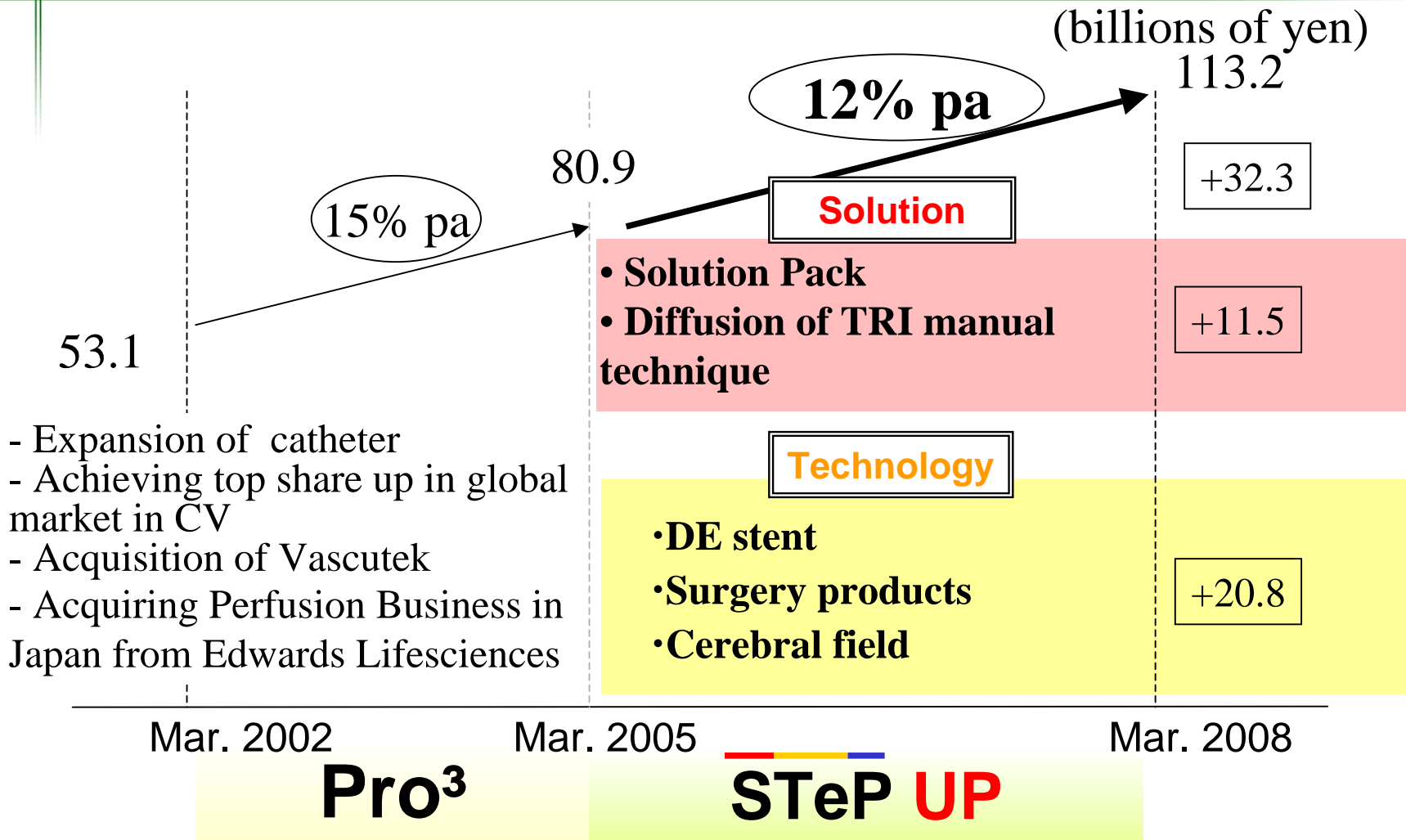
Mar. 2008

Pro³

STeP UP

Summary

Cardiac & Vascular Products



- Expansion of catheter
- Achieving top share up in global market in CV
- Acquisition of Vascutek
- Acquiring Perfusion Business in Japan from Edwards Lifesciences

New products for “STeP UP 2007”

General Hospital : Entry into unexplored market

PPN, PEG, in line filter and automatic blood collection system

Home Health Care : Expansion of Home medical products

Cardiac&Vascular : Expansion of Global products

1. DE stent
2. Surgical products (Anaconda, Dura Heart etc.)
3. New products (Monitor for diagnosing cerebral infarction etc.)

Sales of New products Mar. 2008

36 billion yen

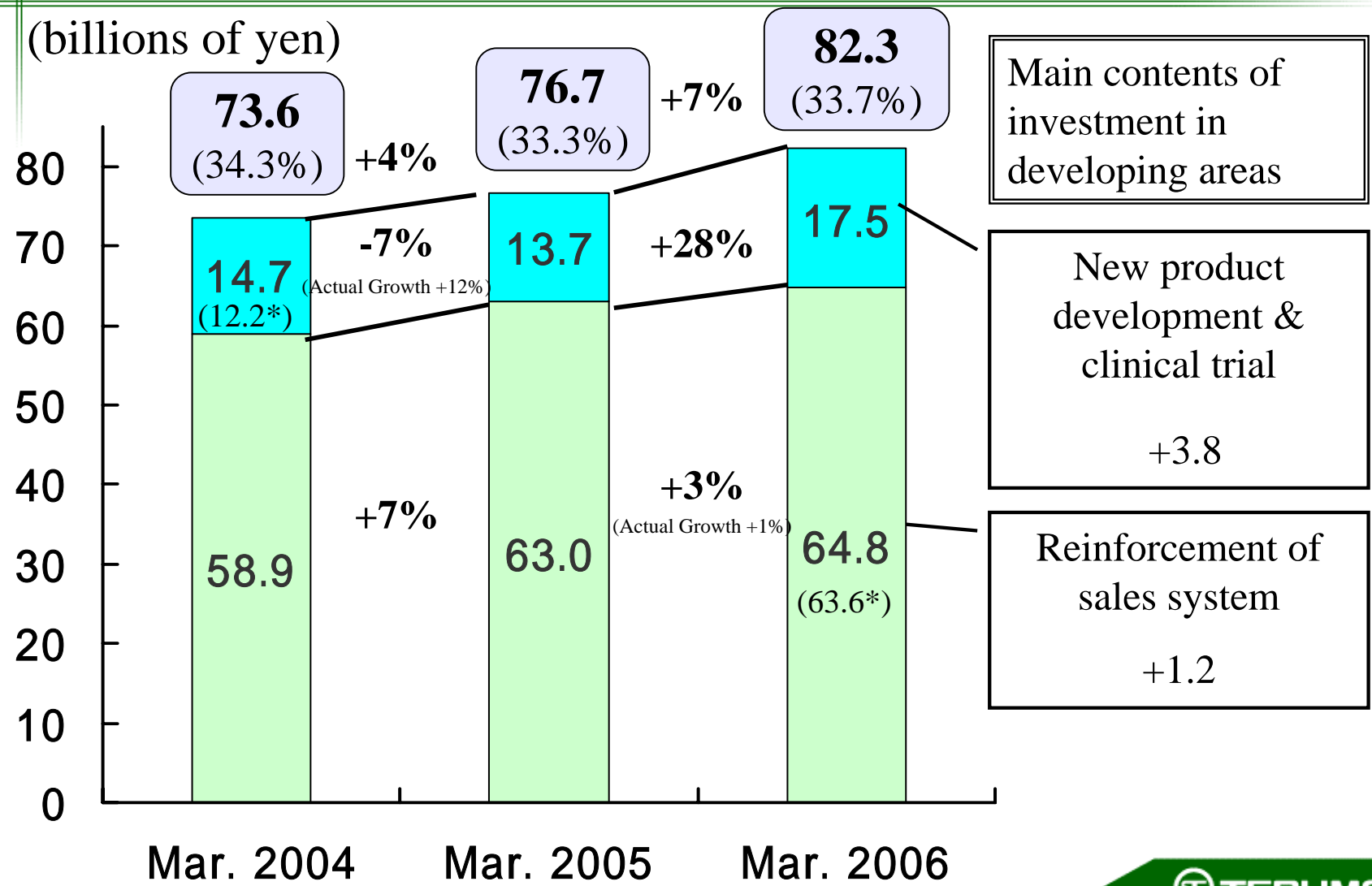
Forecast For Mar. 2006

(billions of yen)

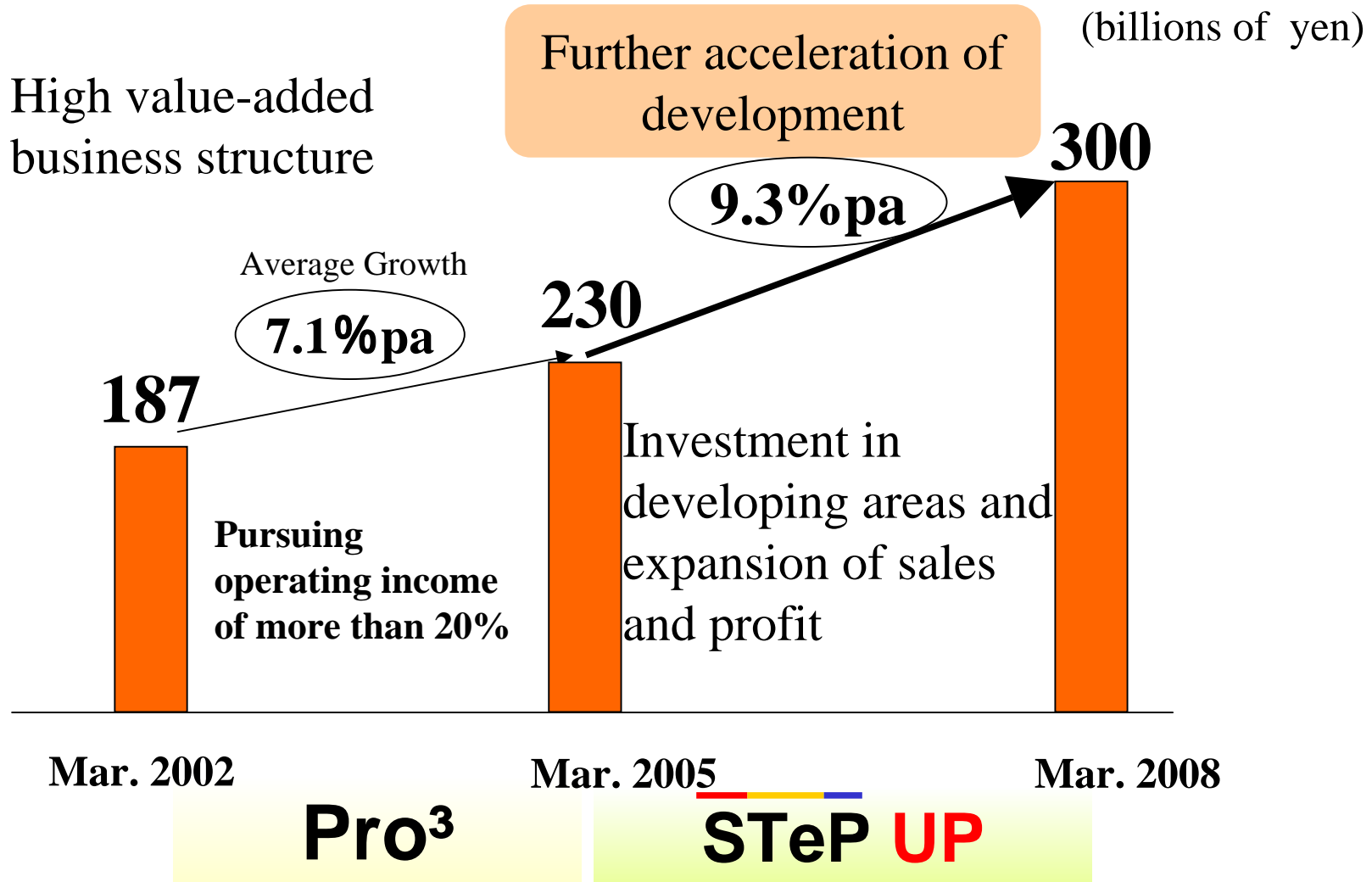
	Mar. 2005	Mar. 2006	Growth
Net Sales	230.0	244.0	6%
Operating Income	47.1 (20.5%)	49.0 (20.1%)	4%
Ordinary Income	47.1	48.8	4%
Net Income	27.1	30.5	12%

Investment for high growth business

5 billion yen



TO “STeP UP 2007” from Pro³



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