



TERUMO CORPORATION
3rd quarter Financial Results for FYE/ Mar.2006

January 24, 2006

Summary

- **3rd Quarter target achieved**

- **Uncertainties in 4th Quarter**

*Impact from the revision in the NHI prices Apr 2006

- **Well prepared for the future**

Continued growth for the future

&

To a stronger business structure

Financial Highlights

(billions of yen)

	Dec. 2004	Dec.2005	Growth
Net Sales	171.5	183.6	7.0%
Gross Profit	92.4 (53.8%)	100.1 (54.5%)	8.4%
SGA Expenses	56.2 (32.7%)	61.4 (33.4%)	9.3%
Operating Income	36.2 (21.1%)	38.7 (21.1%)	7.0%
Ordinary Income	36.1	39.3	8.8%
Net Income	22.0	25.0	13.6%

Exchange rates

1US\$ = 109yen

112yen

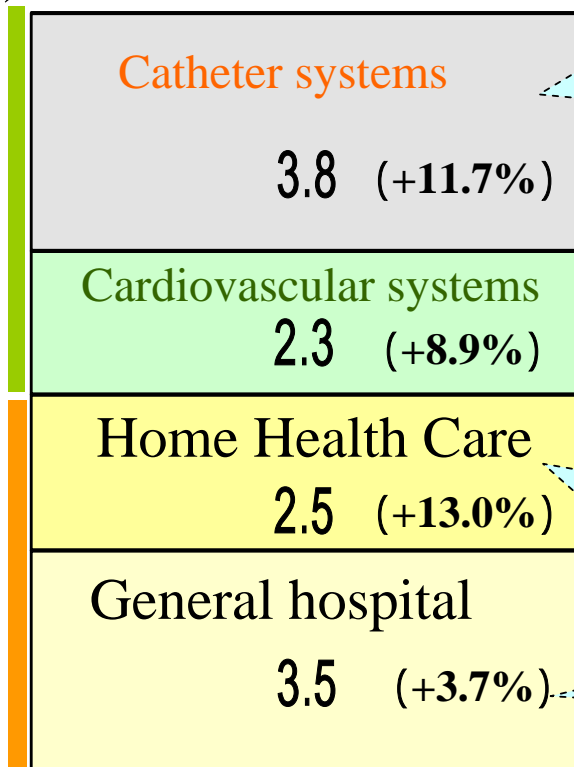
1EUR= 135yen

137yen

12.1 billion yen increase in Net Sales / by Segment

Key factors

(billions of yen)



PTCA/ Stent

0.9 (+11%)

Angiographic catheters

1.7 (+9%)

Blood Glucose Monitor

1.6 (+26%)

Blood Pressure Monitor

0.5 (+27%)

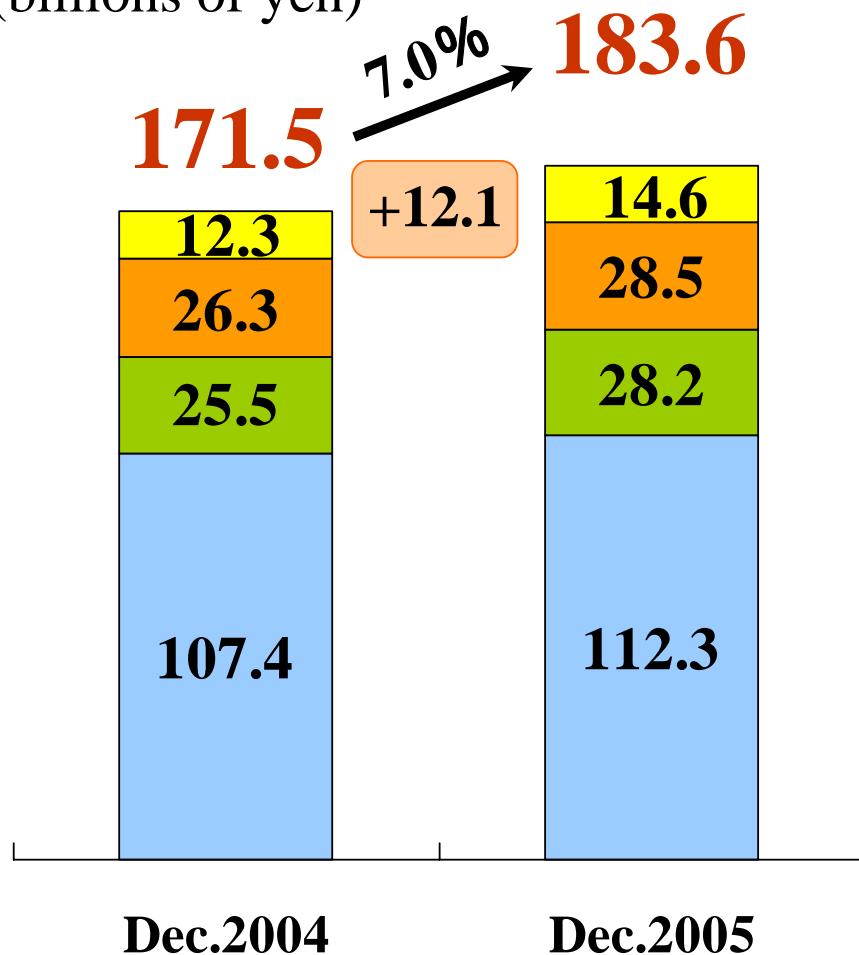
Infusion products

0.9 (+10%)

Dec. 2005

Net Sales by Region

(billions of yen)



Total	+7.0%	(+6.0%)
Asia	+19.3%	(+14.8%)
Americas	+8.3%	(+5.0%)
Europe	+10.4%	(+8.7%)
Japan	+4.5%	
Outside of Japan total		
	+11.2%	(+8.3%)



Exclude ForEx impact

Variance Analysis of Gross Margin

Improvement +0.7pt (53.8% 54.5%)

Positives

+1.6pt

Improved product mix

+1.3pt

Economy of scale (Production increase)

+0.3pt

Negatives

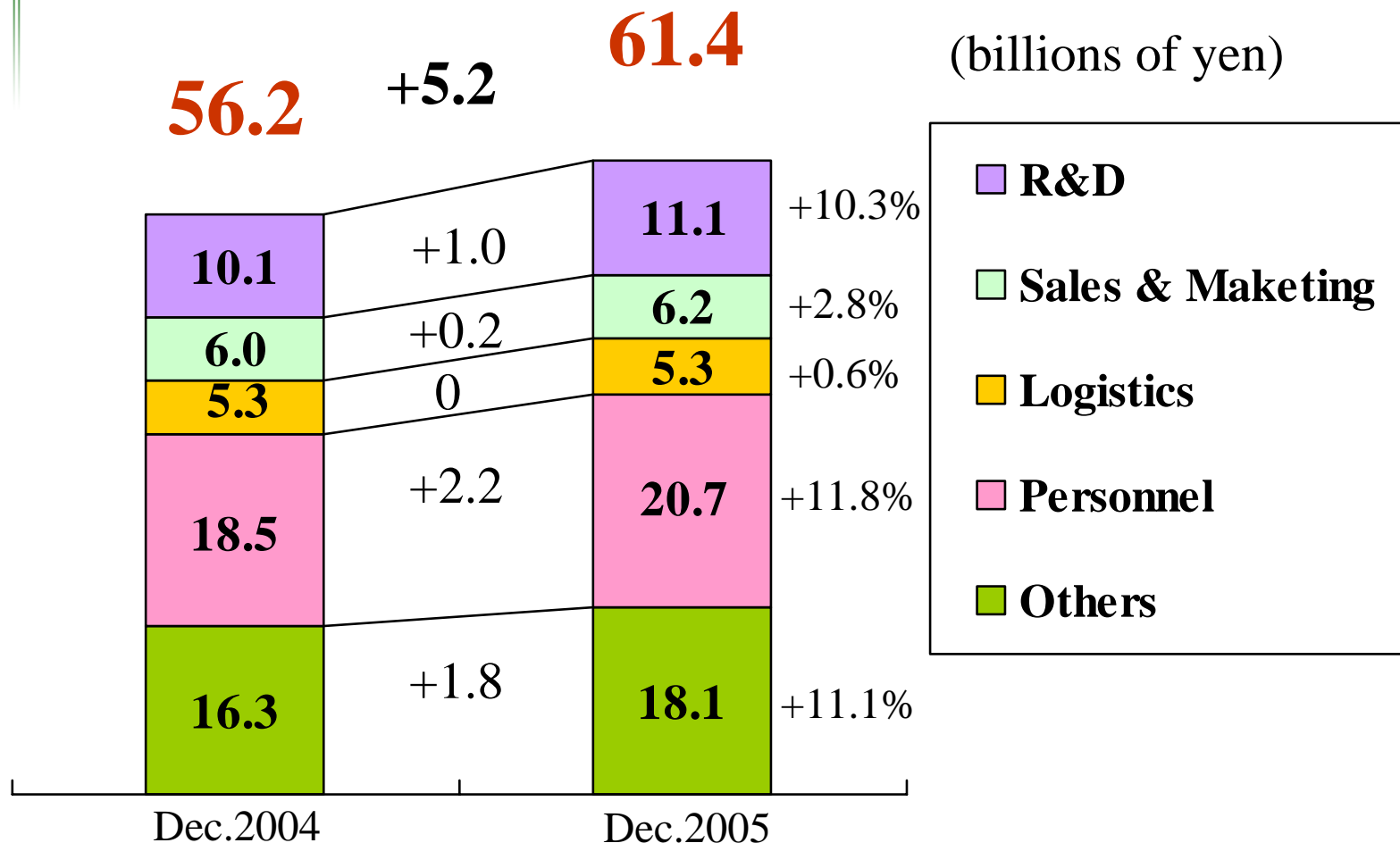
-0.9pt

Price decline

-0.9pt

SGA Expenses

(billions of yen)



Mar. 2006 Estimate

(billions of yen)

	Mar. 2005	Mar. 2006	Growth
Net Sales	230.0	244.0	6%
Gross profit	123.8 (53.8%)	132.3 (54.2%)	7%
SGA Expenses	76.7 (33.3%)	82.3 (33.7%)	7%
Operating Income	47.1 (20.5%)	50.0 (20.5%)	6%
Ordinary Income	47.1 (20.5%)	50.0 (20.5%)	6%
Net Income	27.1	31.8	17%

Exchange rates	FY2004	FY2005
	1US\$ = 108yen	113yen 5% depreciation of yen
	1Euro = 135yen	137yen 2% depreciation of yen

Influence of revision on NHI prices

	(Current)	(Previous)
Revision rate of NHI prices	-3.16%	0%
- Medical & Technical fees	-1.36%	+1.0%
- Medical devices	-0.2%	-0.1%
- Pharmaceuticals	-1.6%	-0.89%

- **The impact on our consolidated net sales is expected to be about 3%**
- **For reference : The impact on our consolidated net sales due to the previous revision was 2.1%.**

Start direct sales in U.S.A Apr 2006

34% market share in US Guidewire
(52% in Radiology segment)

- Building sales force on schedule (50 people)
- Both sales and profit expected to grow in FY2006
- Diagnostic & Access Products



Introducer kit



Guidewire
“Glidewire”

Developing Products for global markets

“NOBORI”

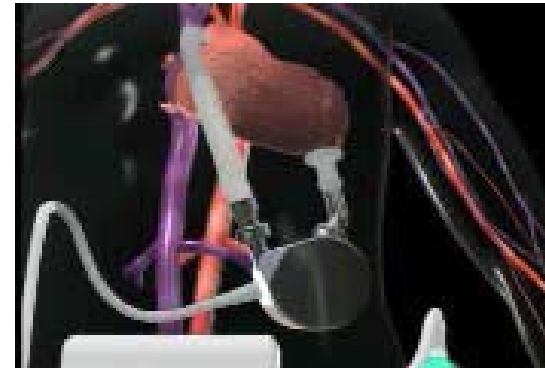
Drug eluting stent



- **Launch in 1st half FY2006 in Europe**
- **Will announce clinical trial results at TCT in Oct. 2006**

“DuraHeart”

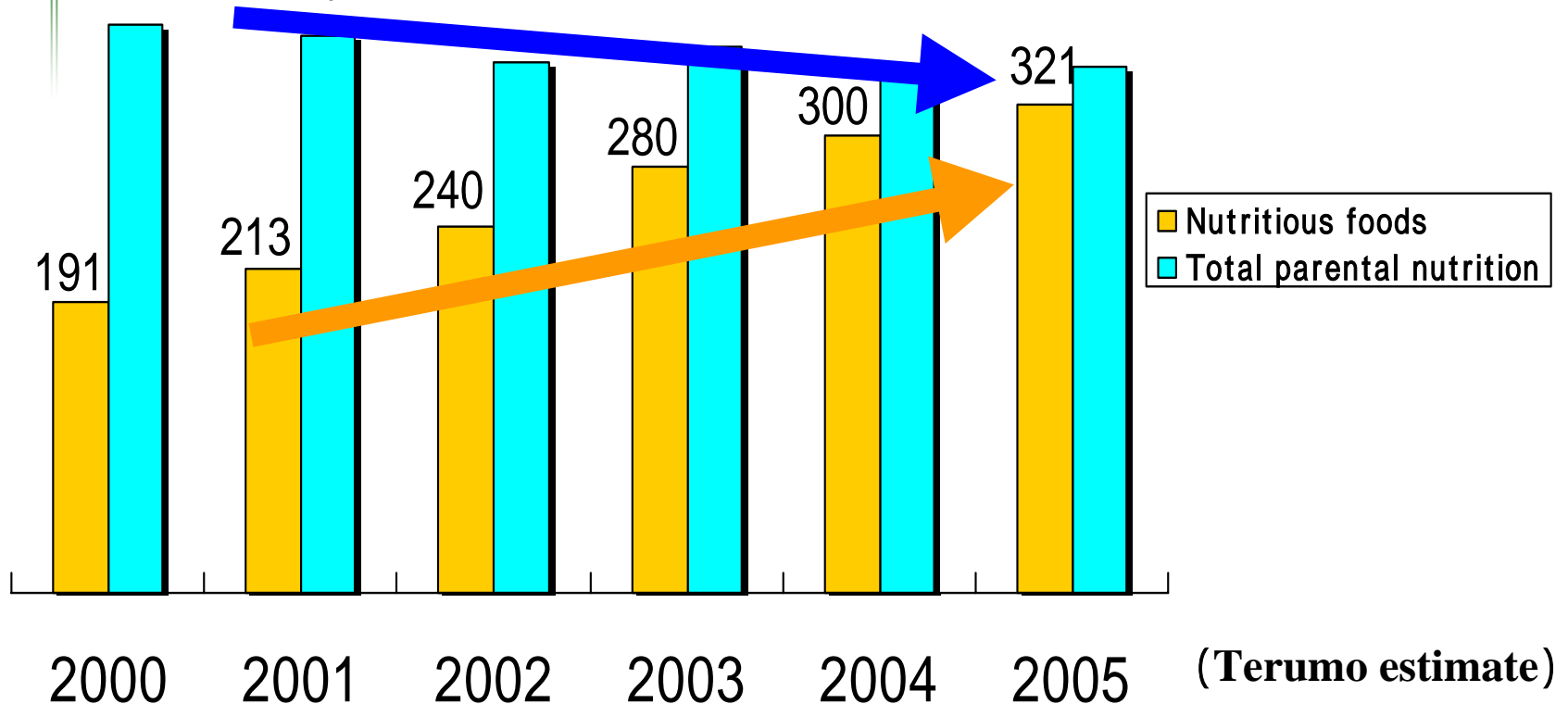
Left ventricular assist systems



- **Expect to obtain CE Mark, end of FY2005**

Nutritious foods market is growing

(billions of yen)



[Reform of medical-care system]

The fee for food served will be paid on a per-meal, rather than a per-day, basis from Apr 2006.
 Patients over 70 to bear food and lodging expenses for long-term hospitalization from Oct 2006.

Expanding lineup of Nutritious Foods

Market of Nutrition foods : 30 billion yen

Tubal / Versatile
15 billion yen



F2

Oral / Pathological
2 billion yen



TEZON



RENAWELL



IMMUN



TAPION

Oral / Versatile
13 billion yen



TERUMEAL



**TERUMEAL
SOFT**



**TERUMEAL
PG SOFT**

Japan Strategies

Launched Contrast Media, Jan 2006

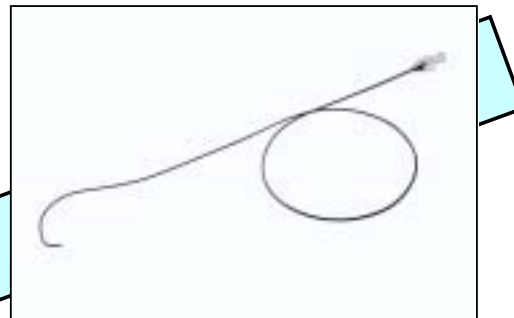
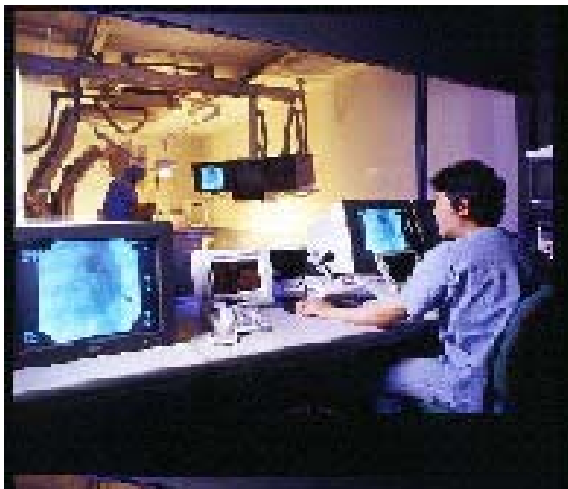
Sales : 0.3 billion yen in FY05

Acquired distribution right from Guerbet

MRI contrast medium "Magnescope Syringe"

Vascular and urinary tract contrast medium "Hexabrix 320"

Lymph and uterine tube contrast medium "Lipiodol Ultra Fluid"

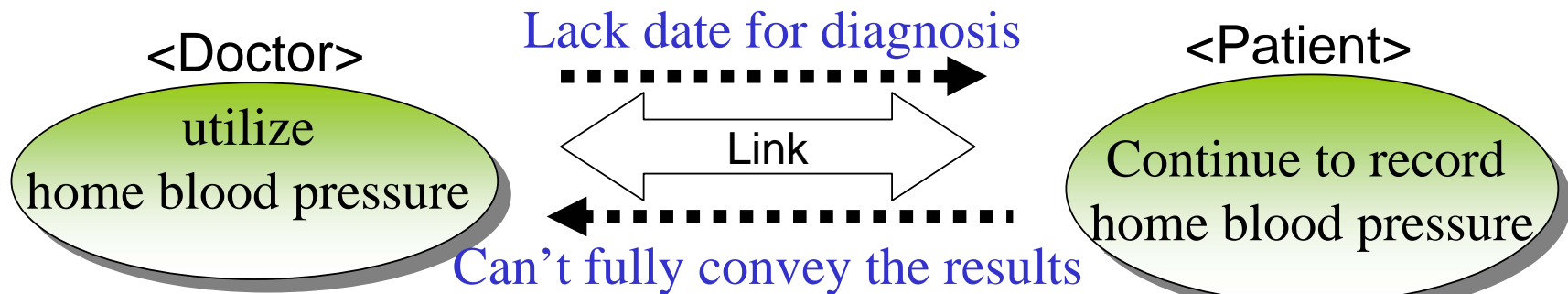


Contrast study with catheter

Healthcare Business - New Approach (1) -

Home Blood Pressure Monitors Gaining Attention For Disease Prevention

Strong performance in “Armin-memo,” an blood pressure monitors that links “medical care” and the “household” at home



ARMIN-MEMO
(Launched in Nov 2005)

Healthcare Business - New Approach (2) -

Introduction of “WOMAN ” an advanced thermometer **dedicated to improving women’s health**

Commercialization by female development team

To develop “WOMAN ” as a product brand

“WOMAN ”

A collective brand name for products that track women’s hormonal balance, etc. by measuring the basal body temperature.



Home Medical Care Business

Government promotes home medical care

- Terminal medical care (enhancement of NHI points for terminal care)
- New establishment of clinics to assist home medical care

Home Infusion Therapy

- (1) Terumo has approx. 70% share of HIT market.
- (2) Focus on hospitals
ex : Assistance in training inpatients, etc



Home oxygen therapy

- (1) Shifting from rental to lease agreement
- (2) Continue to launch new concentrators
- (3) Building a 140-rep sales force



Oxygen concentrator “KOHARU”
(Miniaturization/energy saving)

“NanoPass 33” – Needle with reduced pain

NanoPass



Diameter of tip: 0.2mm
Double taper processing



Diameter of tip: 0.22mm
Only outside is tapered



Company A

Diameter of tip: 0.25mm
Straight type



Company B



Japan's premier, Mr. Koizumi tried the needle.

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