

Note: This document is an abridged translation of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 4543)  
June 6, 2011  
TERUMO CORPORATION  
44-1, Hatagaya 2-chome, Shibuya-ku, Tokyo, Japan

To Our Shareholders:

### **Notice of Convocation of the 96<sup>th</sup> Annual General Meeting of Shareholders**

We would like to express our deepest sympathies to those who are affected by the Great East Japan Earthquake.

This is to inform you of the 96<sup>th</sup> Annual General Meeting of Shareholders to be held as described below.

If you are unable to attend the meeting in person, please review the attached Reference Documents for the Annual General Meeting of Shareholders and exercise your voting rights in writing (by mail) or electronically (via the Internet) by 5:45 P.M. on Tuesday, June 28, 2011.

[Exercise of voting rights in writing (by mail)]

On the enclosed voting form, please indicate whether you are for or against each proposal and send the form to us.

[Exercise of voting rights electronically (via the Internet)]

Please refer to “Exercise of Voting Rights via the Internet” on page 3 and exercise your voting rights.

In the event of having voted both by mail and via the Internet, the vote exercised via the Internet shall prevail. In the event of having voted multiple times via the Internet or both by PC and by mobile phone, the last vote exercised shall prevail.

Sincerely yours,

Yutaro Shintaku  
Representative Director

## **Description**

- 1. Date and Time:** Wednesday, June 29, 2011, at 10:00 A.M.  
**2. Place:** Sapia Hall, Tokyo Station Conference  
5th Floor, Sapia Tower  
7-12, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

**3. Agenda of the Meeting**  
**Matters to report:**

1. Operations Report, Consolidated Financial Statements, and Audit Report concerning Consolidated Financial Statements by Accounting Auditor and the Board of Corporate Auditors for the 96<sup>th</sup> Term (from April 1, 2010, to March 31, 2011)
2. Financial Statements for the 96<sup>th</sup> Term (from April 1, 2010, to March 31, 2011)

**Matters for approval:**

- Proposal 1: Appropriation of Surplus  
Proposal 2: Election of 14 Directors  
Proposal 3: Election of 1 Substitute Corporate Auditor  
Proposal 4: Payment of Bonuses to Directors  
Proposal 5: Renewal of Policy for Large-scale Acquisitions of the Company's Shares (Takeover Defense Measures)

## Exercise of Voting Rights via the Internet

If you intend to exercise your voting rights via the Internet, please read the following before doing so.

### 1. Website for exercising voting rights

(1) To exercise voting rights via the Internet, please visit the website designated by the Company (<http://www.evotest.jp/>). (This online service is not in operation from 2 a.m. to 5 a.m.) The aforementioned website detects whether you are connecting by PC or mobile phone (i-mode, EZweb, or Yahoo! Keitai service) and automatically directs you to the voting rights exercise site specific to your Internet usage environment.

\* i-mode, EZweb, and Yahoo! are trademarks or registered trademarks of NTT DOCOMO, Inc., KDDI CORPORATION and Yahoo! Inc. (U.S.A.), respectively.

(2) You may not be able to vote through the website depending on your Internet usage environment.

(3) If you exercise your voting right through a mobile phone, please use either i-mode, EZweb, or Yahoo! Keitai service. Please note that, for security reasons, the voting system only supports a model with the encryption (SSL) communication function and the capability of sending the mobile phone information.

(4) Online votes will be accepted until 5:45 P.M. on June 28 (Tuesday), 2011. However, the Company recommends that you vote earlier than this time.

### 2. Procedure for exercising voting rights

Please log in to the designated site (<http://www.evotest.jp/>) using the login ID and provisional password on the voting form and enter your vote for each proposal as the directions on the screen guide you.

### 3. Online Access Cost

Any connection fees to providers or telephone charges, etc. for accessing the voting rights exercise site shall be borne by the shareholders. In exercising voting rights via mobile phone website, any access charges such as packet communication charges and mobile phone charges assessed by mobile phone service providers shall be also borne by the shareholders.

### 4. Inquiries regarding the site for exercising voting rights

Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk)

Tel: 0120-173-027 (9 A.M. to 9 P.M.; toll-free; within Japan only)

## Consolidated Balance Sheet

(As of March 31, 2011)

(Unit: million yen)

Assets	Liabilities and Net Assets
<b>Assets</b>	<b>Liabilities</b>
<b>Current Assets</b> <b>236,510</b>	<b>Current Liabilities</b> <b>78,846</b>
Cash and deposits 83,794	Notes and accounts payable - trade 30,711
Notes and accounts receivable - trade 76,480	Lease obligations 294
Merchandise and finished goods 36,152	Income taxes payable 6,297
Work in process 5,869	Differed tax liabilities 123
Raw materials and supplies 15,651	Provision for bonuses 5,001
Deferred tax assets 7,797	Provision for directors' bonuses 145
Derivatives 6,084	Provision for loss on disaster 351
Other 5,406	Notes and accounts payable - facilities 5,749
Allowance for doubtful accounts (726)	Asset retirement obligations 560
<b>Noncurrent Assets</b> <b>183,527</b>	Other 29,611
<b>Property, Plant and Equipment</b> <b>113,059</b>	<b>Noncurrent Liabilities</b> <b>5,734</b>
Buildings and structures 45,052	Lease obligations 636
Machinery, equipment and vehicles 29,861	Deferred tax liabilities 378
Land 20,227	Provision for retirement benefits 1,082
Lease assets 950	Provision for directors' retirement 586
Construction in progress 10,442	benefits 991
Other 6,524	Asset retirement obligations 2,060
<b>Intangible Assets</b> <b>26,728</b>	<b>Total Liabilities</b> <b>84,581</b>
Goodwill 20,191	<b>Net Assets</b>
Other 6,537	<b>Shareholders' Equity</b> <b>363,832</b>
<b>Investments and Other Assets</b> <b>43,739</b>	<b>Capital Stock</b> <b>38,716</b>
Investment securities 28,895	<b>Capital Surplus</b> <b>59,030</b>
Deferred tax assets 8,136	<b>Retained Earnings</b> <b>342,965</b>
Other 6,706	<b>Treasury Stock</b> <b>(76,879)</b>
	<b>Accumulated Other Comprehensive Income</b> <b>(28,630)</b>
	Valuation difference on available-for-sale securities (1,919)
	Deferred gains or losses on hedges 3,611
	Foreign currency translation adjustment (30,322)
	<b>Minority Interests</b> <b>254</b>
	<b>Total Net Assets</b> <b>335,456</b>
<b>Total Assets</b> <b>420,037</b>	<b>Total Liabilities and Net Assets</b> <b>420,037</b>

## Consolidated Statement of Income

(From April 1, 2010 to March 31, 2011)

(Unit: million yen)

Item	Amount
<b>Net Sales</b>	<b>328,214</b>
<b>Cost of Sales</b>	<b>157,416</b>
<b>Gross Profit</b>	<b>170,798</b>
Selling, general and administrative expenses	108,191
<b>Operating Income</b>	<b>62,606</b>
<b>Non-operating Income</b>	<b>1,590</b>
Interest income	269
Dividends income	458
Royalty income	142
Equity in earnings of affiliates	81
Other	638
<b>Non-operating Expenses</b>	<b>7,293</b>
Interest expenses	54
Sales discounts	573
Foreign exchange losses	4,428
Loss on disposal of inventories	654
Other	1,583
<b>Ordinary Income</b>	<b>56,903</b>
<b>Extraordinary Income</b>	<b>505</b>
Gain on sales of noncurrent assets	10
Reversal of allowance for doubtful accounts	0
Gain on contribution of securities to retirement benefit trust	494
<b>Extraordinary Loss</b>	<b>5,848</b>
Loss on disposal of noncurrent assets	2,257
Loss on valuation of investment securities	19
Loss on disaster	555
Directors' retirement benefits	15
Settlement package	3,000
<b>Income before Income Taxes</b>	<b>51,560</b>
Income taxes - current	18,992
Income taxes - deferred	164
Income before minority interests	32,403
Minority interests in income	64
<b>Net Income</b>	<b>32,338</b>

## Consolidated Statement of Changes in Net Assets

(From April 1, 2010 to March 31, 2011)

(Unit: million yen)

Shareholders' equity	
Capital stock	
Balance at the end of previous period	38,716
Changes of items during the period	
Total changes of items during the period	<u>          -</u>
Balance at the end of current period	<u>38,716</u>
Capital surplus	
Balance at the end of previous period	59,030
Changes of items during the period	
Total changes of items during the period	<u>          -</u>
Balance at the end of current period	<u>59,030</u>
Retained earnings	
Balance at the end of previous period	316,703
Changes of items during the period	
Dividends from surplus	(6,076)
Net income	<u>32,338</u>
Total changes of items during the period	<u>26,262</u>
Balance at the end of current period	<u>342,965</u>
Treasury stock	
Balance at the end of previous period	(76,817)
Changes of items during the period	
Purchase of treasury stock	<u>(62)</u>
Total changes of items during the period	<u>(62)</u>
Balance at the end of current period	<u>(76,879)</u>
Total shareholders' equity	
Balance at the end of previous period	337,633
Changes of items during the period	
Dividends from surplus	(6,076)
Net income	32,338
Purchase of treasury stock	<u>(62)</u>
Total changes of items during the period	<u>26,199</u>
Balance at the end of current period	<u>363,832</u>
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	
Balance at the end of previous period	2,335
Changes of items during the period	
Net changes of items other than shareholders' equity	<u>(4,255)</u>
Total changes of items during the period	<u>(4,255)</u>
Balance at the end of current period	<u>(1,919)</u>

(Unit: million yen)

Deferred gains or losses on hedges	
Balance at the end of previous period	—
Changes of items during the period	
Net changes of items other than shareholders' equity	3,611
Total changes of items during the period	3,611
Balance at the end of current period	3,611
Foreign currency translation adjustment	
Balance at the end of previous period	(23,046)
Changes of items during the period	
Net changes of items other than shareholders' equity	(7,275)
Total changes of items during the period	(7,275)
Balance at the end of current period	(30,322)
Total accumulated other comprehensive income	
Balance at the end of previous period	(20,711)
Changes of items during the period	
Net changes of items other than shareholders' equity	(7,919)
Total changes of items during the period	(7,919)
Balance at the end of current period	(28,630)
Minority interests	
Balance at the end of previous period	218
Changes of items during the period	
Net changes of items other than shareholders' equity	36
Total changes of items during the period	36
Balance at the end of current period	254
Total net assets	
Balance at the end of previous period	317,139
Changes of items during the period	
Dividends from surplus	(6,076)
Net income	32,338
Purchase of treasury stock	(62)
Net changes of items other than shareholders' equity	(7,882)
Total changes of items during the period	18,316
Balance at the end of current period	335,456

## Reference Documents for the Annual General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

It is proposed that surplus be appropriated as follows:

#### Matters concerning term-end dividends

With regard to the dividends payable at the end of the term, it has been decided that the dividends be distributed based on the principle of ensuring stable dividend payments to shareholders while maintaining necessary internal reserves in order to reinforce and strengthen the Company's operating foundation in the current difficult business climate and to prepare for future business development.

As a result, it is proposed that ¥18 be paid out per share, made up of ¥16 ordinary dividends and ¥2 commemorative dividends to celebrate the 90<sup>th</sup> anniversary of the Company's foundation, as described below. Subsequently, the annual dividends for the term, including the interim dividends of ¥16, shall increase by ¥2 from the previous term to ¥34 per share.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

¥18 per common share of the Company

(including ¥2 commemorative dividends to celebrate the 90<sup>th</sup> anniversary of the Company's foundation)

Total amount of dividends: ¥3,417,864,012

(3) Effective date of dividends of surplus

June 30, 2011

## Proposal 2: Election of 14 Directors

The term of office of all of the 15 current directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Therefore, the Company requests the approval of shareholders for the election of 14 directors.

The candidates for director are as follows:

	Name	Position
1	Koji Nakao	Chairman and Representative Director (present)
2	Yutaro Shintaku	President and Representative Director (present)
3	Hiroshi Matsumura	Director and Executive Vice President (present)
4	Takayoshi Mimura	Director and Senior Managing Executive Officer (present)
5	Akira Oguma	Director and Managing Executive Officer (present)
6	Shogo Ninomiya	Director and Senior Executive Officer (present)
7	Kenji Sekine	Director and Senior Executive Officer (present)
8	Hideo Arase	Director and Senior Executive Officer (present)
9	Kuniko Shoji	Director and Senior Executive Officer (present)
10	Toshiaki Takagi	Director and Senior Executive Officer (present)
11	Akira Takahashi	Director and Corporate Advisor (present)
12	Takeshi Isayama	Independent Director (present) Senior Advisor, Carlyle Japan L.L.C. (present)
13	Masaharu Ikuta	Independent Director (present) Senior Counselor, Mitsui O.S.K. Lines, Ltd.(present)
14	Tadao Kakizoe	Independent Director (present) President of Japan Cancer Society (present)

- Notes:
1. No special conflict of interest exists between candidates and the Company.
  2. Mr. Takeshi Isayama, Mr. Masaharu Ikuta, and Mr. Tadao Kakizoe are candidates for independent director.
  3. Reasons for the selection of candidates for independent director
    - (1) Mr. Takeshi Isayama has been selected as a candidate for independent director, as the Company hopes to utilize his extensive knowledge and experience stemming from his career as commissioner of the Patent Office and as a corporate manager in the management of the Company.
    - (2) Mr. Masaharu Ikuta has been selected as a candidate for independent director, as the Company hopes to utilize his extensive experience as a corporate manager and his broad insight in the management of the Company.
    - (3) Mr. Tadao Kakizoe has been selected as a candidate for independent director as the Company hopes to utilize his expert knowledge and experience, such as his research achievement in the area of cancer treatment, in the management of the Company.
  4. Reasons for believing that the candidate will be able to appropriately execute his duties as independent director even though he has no experience in company management  
Mr. Tadao Kakizoe, though he has no experience in company management, has acquired a wealth of experience and broad insight from serving in a medical practice for many years and executing his duties as President Emeritus of National Cancer Center. Therefore the Company believes that he will be able to appropriately execute his duties as independent director.
  5. Number of years of service as independent director
    - (1) Mr. Takeshi Isayama will have served as independent director for six years at the conclusion

- of this Annual General Meeting of Shareholders.
- (2) Mr. Masaharu Ikuta will have served as independent director for three years at the conclusion of this Annual General Meeting of Shareholders.
  - (3) Mr. Tadao Kakizoe will have served as independent director for two years at the conclusion of this Annual General Meeting of Shareholders.
6. Liability limitation contracts with independent directors
- In accordance with Article 427, Paragraph 1 of the Corporation Law, the Company has entered into individual contracts with Mr. Takeshi Isayama, Mr. Masaharu Ikuta and Mr. Tadao Kakizoe to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the aforementioned law. If their reappointment is approved, the Company will renew the liability limitation contracts with them. The limited amount of liability under the contract shall be the amount prescribed in Article 425, Paragraph 1 of the Corporation Law.
7. The Company has appointed Mr. Takeshi Isayama, Mr. Masaharu Ikuta and Mr. Tadao Kakizoe as independent director as specified by the Tokyo Stock Exchange and submitted notification of their appointment to the Exchange. If this proposal is approved as its original, the Company shall continue their appointment as independent director.

### **Proposal 3: Election of 1 Substitute Corporate Auditor**

In order to prevent the risk of the number of incumbent corporate auditors falling short of that required by laws and regulations, the Company requests the approval of shareholders for the election of 1 substitute corporate auditor.

The Board of Corporate Auditors has already given consent to the submission of this proposal.

The candidate for substitute corporate auditor is as follows:

Name	Position
Eizaburo Sano	Lawyer (present)

- Notes:
1. No special conflict of interest exists between substitute corporate auditor candidate Mr. Eizaburo Sano and the Company.
  2. Mr. Eizaburo Sano is a candidate for external corporate auditor.
  3. Reasons for the selection of the candidate for substitute external corporate auditor  
Mr. Eizaburo Sano has been selected as a candidate for substitute external corporate auditor because the Company hopes to entrust him with improving its auditing system through application of the legal knowledge that he has gained throughout his long career as a lawyer, on the assumption that he in fact assumes the position of corporate auditor.
  4. Reasons for believing that the candidate will be able to appropriately execute his duties as external corporate auditor even though he has no experience in company management  
Mr. Eizaburo Sano, a lawyer, is well versed in corporate legal practices including corporate governance and has sufficient knowledge to oversee business management. Therefore the Company believes that he will be able to appropriately execute his duties as external corporate auditor.
  5. Liability limitation contracts with substitute external corporate auditor  
Assuming that Mr. Eizaburo Sano does in fact assume the office of external corporate auditor, the Company will enter into a contract with him, in accordance with Article 427, Paragraph 1 of the Corporation Law, with a view to applying the statutory limit with respect to liability under Article 423, Paragraph 1 of the aforementioned law. The limited amount of liability under the contract shall be the amount prescribed in Article 425, Paragraph 1 of the Corporation Law.

### **Proposal 4: Payment of Bonuses to Directors**

In view of the Company's performance for the term, it is proposed that ¥145,000,000 in total be paid to 12 directors (excluding 3 independent directors).

### **Proposal 5: Renewal of Policy for Large-scale Acquisitions of the Company's Shares (Takeover Defense Measures)**

In a meeting of the Board of Directors held on April 30, 2008, the Company resolved to introduce a policy for large-scale acquisitions of the Company's shares (takeover defense measures) (hereinafter "the Current Plan"). The introduction of the Current Plan was approved by shareholders at the 93rd Annual General Meeting of Shareholders held on June 27, 2008. The effective period of the Current Plan is until the conclusion of this Annual General Meeting of Shareholders. At a meeting of the Board of Directors held on May 11, 2011, the Company, as a result of examining the recent trends in debate on takeover defense measures since the introduction of the Current Plan, reaffirmed that the basic policy

regarding those who control decisions on the Company's financial and business policies should be maintained, and it resolved to make revisions to the Current Plan required by amendments to the law as set forth below (the revised plan is hereinafter referred to as the "Plan") and to renew the Current Plan in the form of the Plan on the condition of shareholders' approval at this Annual General Meeting of Shareholders. The Company requests the approval of shareholders for the renewal to the Plan.

For the Plan to take effect, this proposal requires the approval of more than half of the voting rights of shareholders present.

For details of the Plan refer to the Company's news release posted on the Company's website on the following URL.

<Japanese version>

<http://www.terumo.co.jp/press/baishubouei.html>

<English version (translation for general reference purposes)>

[http://www.terumo.co.jp/English/press/policy\\_for\\_acquisitions.html](http://www.terumo.co.jp/English/press/policy_for_acquisitions.html)