

1st Quarter Financial Results for FYE 3/2007 (Consolidated)

July 24, 2006

Name of listed company: TERUMO CORPORATION

Exchange where listed: TSE

(URL <http://www.terumo.com/>)

Location of headquarters (prefecture):

Company code number: 4543

Tokyo

Representative:

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1. Consolidated Financial Highlights for the three months ended June 2006 - Unaudited (From April 1, 2006 to June 30, 2006)

(1) Consolidated financial results

(Note: The amounts shown below ignore values of less than a million yen)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Three months ended June, 2006	64,319	9.5	13,460	11.8	13,453	9.1	8,045	4.8
Three months ended June, 2005	58,721	7.3	12,044	24.2	12,334	26.8	7,673	31.6
Year ended March, 2006	247,048		48,251		48,934		32,457	

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Three months ended June, 2006	39.63	-
Three months ended June, 2005	38.69	-
Year ended March, 2006	160.45	-

* The percentages shown next to net sales, operating income, ordinary income and net income represent year-on-year changes.

(2) Consolidated financial position

	Total assets	Stockholders' equity	Equity ratio	Book value per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
June 30, 2006	346,905	275,147	79.3	1,355.24
June 30, 2005	308,255	224,755	72.9	1,133.30
March 31, 2006	354,648	273,309	77.1	1,345.52

(3) Consolidated statements of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of the period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Three months ended June, 2006	5,761	(3,500)	(3,612)	46,620
Three months ended June, 2005	4,835	(4,016)	(4,265)	54,199
Year ended March, 2006	43,380	(54,391)	370	47,963

(4) Changes in scope of consolidation and in application of the equity method

Consolidation (new) : 2 (elimination): None

Equity method (new) : None (elimination): None

(5) All financial results for the consolidated financial period from April 1, 2006 to June 30, 2006 are not audited by independent auditors.

2. Consolidated forecasts for the year ending March 2007 (From April 1, 2006 to March 31, 2007)

	Net sales	Operating income	Ordinary income	Net income
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Half year ended September, 2006	127,800	26,500	26,500	16,300
Year ended March, 2007	267,000	54,700	54,200	33,700

(N.B.) Estimated net income per share (full year): 165.99 yen

(Computing basis: the balance of shares as of the end of this 1st quarter after deduction of Treasury stock)

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	June 30, 2005		June 30, 2006		March 31, 2006	
	Amount	%	Amount	%	Amount	%
I.Current Assets	156,813	50.9	160,535	46.3	165,486	46.7
Cash on cash equivalents	54,199		46,620		47,963	
Trade receivable notes/accounts	57,892		60,370		63,024	
Inventories	36,161		42,545		40,941	
Other current assets	8,559		10,998		13,556	
II.Fixed Assets	151,442	49.1	186,370	53.7	189,161	53.3
1. Tangible fixed assets	107,947	35.0	110,236	31.8	109,837	31.0
Building and structures	41,652		42,867		42,591	
Machinery and transportation equipment	28,736		29,174		28,401	
Land	21,697		20,257		20,384	
Construction in progress	8,811		10,675		10,697	
Other tangible assets	7,048		7,261		7,762	
2. Intangible fixed assets	22,848	7.4	41,120	11.8	41,972	11.8
3. Investments and other assets	20,647	6.7	35,013	10.1	37,351	10.5
Investment in securities	10,123		28,878		32,162	
Other investments and other assets	10,523		6,135		5,188	
Total Assets	308,255	100.0	346,905	100.0	354,648	100.0

Current Liabilities	61,761	20.0	56,721	16.4	66,876	18.9
Trade payable notes/accounts	21,444		22,538		23,858	
Short-term bank loans	11,911		3,181		3,975	
Other current liabilities	28,405		31,002		39,043	
Long-term Liabilities	21,699	7.1	15,035	4.3	14,412	4.0
Reserve for retirement allowance	19,283		11,844		12,171	
Other long-term liabilities	2,415		3,191		2,240	
Total Liabilities	83,461	27.1	71,757	20.7	81,288	22.9
Minority Interests	38	0.0	-	-	49	0.0
Common stock	-	-	38,716	11.2	-	-
Capital surplus	-	-	59,030	17.0	-	-
Retained earnings	-	-	188,462	54.3	-	-
Treasury stock	-	-	(13,455)	(3.9)	-	-
Total Stockholders' Equity	-	-	272,754	78.6	-	-
Other Securities Valuation Difference	-	-	5,436	1.6	-	-
Translation Adjustments	-	-	(3,089)	(0.9)	-	-
Total Valuation and Translation Adjustments	-	-	2,347	0.7	-	-
Minority Interests	-	-	46	0.0	-	-
Total Net Assets	-	-	275,147	79.3	-	-
Total Liabilities and Net Assets	-	-	346,905	100.0	-	-
Common stock	38,716	12.6	-	-	38,716	10.9
Capital surplus	52,103	16.9	-	-	59,030	16.6
Retained earnings	160,638	52.1	-	-	183,391	51.7
Other Securities Valuation Difference	1,948	0.6	-	-	7,367	2.1
Translation Adjustments	(7,155)	(2.3)	-	-	(1,747)	(0.4)
Treasury stock	(21,496)	(7.0)	-	-	(13,449)	(3.8)
Total Stockholders' Equity	224,755	72.9	-	-	273,309	77.1
Total Liabilities, Minority Interests and Stockholders' Equity	308,255	100.0	-	-	354,648	100.0

(2) Consolidated Statement of Income

(Millions of yen)

	Three months ended June 30, 2005		Three months ended June 30, 2006		Year ended March 31, 2006	
	Amount	%	Amount	%	Amount	%
Net sales	58,721	100.0	64,319	100.0	247,048	100.0
Cost of sales	26,861	45.7	28,447	44.3	111,377	45.1
Gross profit	31,860	54.3	35,872	55.7	135,670	54.9
Selling, general and administrative expenses	19,816	33.7	22,412	34.8	87,419	35.4
Operating income	12,044	20.6	13,460	20.9	48,251	19.5
Non-operating income / expenses	290		(6)		683	
Ordinary income	12,334	21.0	13,453	20.9	48,934	19.8
Extraordinary income / expenses	(3)		(678)		2,653	
Income before taxes	12,331	21.0	12,775	19.9	51,588	20.9
Corporate, inhabitant and enterprise taxes	4,658		4,729		19,131	
Net income for the period	7,673	13.1	8,045	12.5	32,457	13.1

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2005		Three months ended June 30, 2006		Year ended March 31, 2006	
	Cash flows from operating activities	4,835		5,761		43,380
Cash flows from investing activities	(4,016)		(3,500)		(54,391)	
Cash flows from financing activities	(4,265)		(3,612)		370	
Effect of exchange rate changes on cash and cash equivalents	88		8		1,046	
Change in cash and cash equivalents	(3,358)		(1,343)		(9,594)	
Cash and cash equivalents, beginning of year	57,557		47,963		57,557	
Cash and cash equivalents, end of period	54,199		46,620		47,963	

(4)Notes

Relating to balance sheet

(Millions of yen)

	June 30, 2005	June 30, 2006	March 31, 2006
Accumulated depreciation of tangible assets	175,741	187,922	186,091

Relating to statement of income

Main items among selling, general and administrative expenses

(Millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2006	Year ended March 31, 2006
R&D expenditure	3,470	3,826	18,024

Main items among extraordinary income / expenses

(Millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2006	Year ended March 31, 2006
Gain on sales of property, plant and equipment	46	22	71
Gain on contribution of securities to retirement benefit trust	-	-	4,966
Gain on reversal of allowance for bad debts	37	43	25
Gain on sales of trade receivables written off	-	-	156
Loss on disposal of property, plant and equipment	27	4	661
Loss on sales and impairment of golf memberships	-	-	6
Loss on restructuring in subsidiaries	-	-	196
Loss on restructuring in overseas operation	-	-	575
Compensation for retired directors	59	12	59
Expense for acquisition of newly consolidated subsidiary	-	-	473
Impairment loss on property, plant and equipment	-	-	592
Provision for retirement benefits for directors and corporate auditors	-	728	-

3. Segment Information

(1) Sales results by product segment

(Millions of yen)

	Three months ended June 30, 2005		Three months ended June 30, 2006		Year ended March 31, 2006	
	Amount	%	Amount	%	Amount	%
Disposable medical equipment	18,211	31.0%	18,094	28.1%	77,155	31.2%
Pharmaceuticals	9,022	15.4%	8,733	13.6%	35,814	14.5%
Blood transfusion systems	4,103	7.0%	4,340	6.8%	16,913	6.9%
General hospital products	31,337	53.4%	31,168	48.5%	129,883	52.6%
Catheter systems	11,643	19.8%	14,954	23.3%	49,226	19.9%
Cardiovascular systems	7,293	12.4%	8,933	13.9%	32,279	13.1%
Vascular grafts	1,610	2.8%	2,394	3.7%	7,424	3.0%
Cardiac & Vascular products	20,548	35.0%	26,282	40.9%	88,930	36.0%
CAPD systems	1,954	3.3%	1,808	2.8%	7,738	3.1%
Diabetes care products	2,341	4.0%	2,852	4.4%	10,026	4.1%
Other products	2,540	4.3%	2,208	3.4%	10,469	4.2%
Home health care products	6,836	11.6%	6,868	10.6%	28,234	11.4%
Total	58,721	100.0%	64,319	100.0%	247,048	100.0%

Note 1) Main Products belonging to each product segment

Product segment	Main Products
Disposable medical equipment	Syringes, Needles, Solution Administration sets, I.V.catheters, Blood collection tubes, Electronic medical devices, etc.
Pharmaceuticals	I.V.solution, Prefilled syringes, Nutritional products, etc.
Blood transfusion systems	Blood bags, Blood transfusion administration sets, medical electronic devices for blood collection, etc.
Catheter systems	PTCA dilation catheters, Coronary stents, Guide wires, Angiographic catheters, Cerebral aneurysm coils, etc.
Cardiovascular systems	Roller pumps, Hollow fiber oxygenators, Blood circuits, etc.
Vascular grafts	Artificial vascular grafts
CAPD systems	Dialysis solution, etc.
Diabetes care products	Blood glucose monitors, etc.
Other products	Home oxygen systems, Home nutritional products, Digital Thermometers, Electronic sphygmomanometers, etc.

(2) Sales results by region

(Millions of yen)

	Three months ended June 30, 2005		Three months ended June 30, 2006		Year ended March 31, 2006	
	Amount	%	Amount	%	Amount	%
Japan	35,769	60.9%	35,405	55.1%	149,386	60.5%
Europe	9,373	16.0%	11,478	17.8%	39,587	16.0%
America	8,681	14.8%	11,777	18.3%	38,617	15.6%
Asia and Others	4,896	8.3%	5,657	8.8%	19,457	7.9%
Total	58,721	100.0%	64,319	100.0%	247,048	100.0%