



Financial Results for FYE 3/2007 (Consolidated)

April 26, 2007

Name of listed company: TERUMO CORPORATION

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

Company code number: 4543

Representative:

Akira Takahashi, President

Please address all communications to:

Kunio Kimishima, General Manager, Corporate Communication Dept.

Adoption of U.S. accounting standards [Yes/No]: No

Exchange where listed: TSE

Location of headquarters (prefecture):

Tokyo

Phone: +81 / 3-3217 - 6550

1. Consolidated Financial Highlights for the year ended March 2007

(From April 1, 2006 to March 31, 2007)

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

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Year ended March, 2007	276,439	11.9	58,455	21.1	58,025	18.6
Year ended March, 2006	247,048	7.4	48,251	2.4	48,934	3.8

	Net income		Net income per share	Net income per share, fully diluted	Net income per stockholders' equity	Ordinary income per total assets	Operating income per Net sales
	(Millions of yen)	%	(Yen)	(Yen)	%	%	%
Year ended March, 2007	37,232	14.7	185.00	-	13.2	16.1	21.2
Year ended March, 2006	32,457	19.6	160.45	-	13.2	14.7	19.5

(Notes) 1. Investment income for equity method:

March 2007: 135 million yen March 2006: 177 million yen

2. Changes in accounting policies: Yes

3. 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	Net assets	Equity ratio	Book value per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
March 31, 2007	367,147	289,248	78.8	1,454.71
March 31, 2006	354,648	273,309	77.1	1,345.52

(Notes) 1. Number of shares outstanding at end of period (consolidated):

March 2007: 198,788,606 shares March 2006: 203,027,519 shares

(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 period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Year ended March, 2007	43,123	(19,917)	(28,637)	43,049
Year ended March, 2006	43,380	(54,391)	370	47,963

(4) Scope of consolidation and in application of the equity method

Consolidated subsidiaries: 41 Nonconsolidated subsidiaries accounted for under equity method: 2

Affiliated companies accounted for under equity method: 1

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

Consolidation (new): 3 (elimination): None

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

2. Consolidated forecasts for the year ending March 2008 (From April 1, 2007 to March 31, 2008)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Half year ended September, 2007	145,000	9.3	31,400	9.6	31,400	8.0	20,200	9.7
Year ended March, 2008	300,000	8.5	64,000	9.5	64,000	10.3	41,200	10.7

(N.B.) Estimated earnings per share (full year): 207.26 yen

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.

3. Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	March 31, 2006		March 31, 2007		Changes	
	Amount		Amount			
(Assets)		%		%		%
I Current assets	165,486	46.7%	171,576	46.7%	6,089	3.7%
Cash and cash equivalents	47,963		44,536		(3,426)	
Trade receivable notes/accounts	63,940		70,049		6,109	
Inventories	40,941		45,631		4,689	
Deferred taxes assets - short	8,604		7,519		(1,085)	
Other current assets	4,952		4,733		(218)	
Allowance for doubtful debts	(915)		(894)		21	
II Fixed assets	189,161	53.3%	195,570	53.3%	6,409	3.4%
1. Tangible assets	109,837	31.0%	115,643	31.5%	5,806	5.3%
Buildings and structures	42,591		45,092		2,501	
Machinery and transportation equipment	28,401		32,004		3,602	
Land	20,384		20,296		(88)	
Construction in progress	10,697		11,493		795	
Other tangible assets	7,762		6,756		(1,005)	
2. Intangible assets	41,972	11.8%	40,524	11.1%	(1,448)	(3.5%)
Goodwill	23,770		-		(23,770)	
Consolidation goodwill	12,411		-		(12,411)	
Goodwill	-		35,046		35,046	
Other intangible assets	5,790		5,477		(312)	
3. Investments and other assets	37,351	10.5%	39,402	10.7%	2,051	5.5%
Investment in securities	32,162		34,802		2,640	
Deferred tax assets - long	2,830		1,920		(909)	
Other investments and other assets	2,358		2,679		320	
Total assets	354,648	100.0%	367,147	100.0%	12,498	3.5%

	March 31, 2006		March 31, 2007		Changes	
	Amount	%	Amount	%		%
(Liabilities)						
I Current Liabilities	66,876	18.9%	65,891	17.9%	(985)	(1.5%)
Trade notes/accounts payable	23,858		25,725		1,867	
Short-term bank loans	3,975		236		(3,738)	
Accrued Income taxes	11,398		8,694		(2,704)	
Reserve for employees bonuses	4,324		4,433		109	
Reserve for directors bonuses	-		169		169	
Notes and accounts payable on equipment	4,819		5,906		1,087	
Other current liabilities	18,500		20,726		2,225	
II Long-term Liabilities	14,412	4.0%	12,007	3.3%	(2,404)	(16.7%)
Long-term bank loans	-		436		436	
Deferred tax liabilities-long	90		1,651		1,561	
Reserve for retirement allowance	12,171		6,506		(5,665)	
Reserve for retirement benefits for directors and corporate auditors	-		728		728	
Other long-term liabilities	2,150		2,683		533	
Total Liabilities	81,288	22.9%	77,899	21.2%	(3,389)	(4.2%)
(Minority interests)						
Minority interests	49	0.0%	-	-	-	-
(Stockholders' equity)						
I Capital stock	38,716	10.9%	-	-	-	-
II Capital surplus	59,030	16.6%	-	-	-	-
III Retained earnings	183,391	51.7%	-	-	-	-
IV Evaluation difference of investment securities	7,367	2.1%	-	-	-	-
V Foreign currency translation adjustments	(1,747)	(0.4%)	-	-	-	-
VI Treasury stock	(13,449)	(3.8%)	-	-	-	-
Total Stockholders' Equity	273,309	77.1%	-	-	-	-
Total Liabilities, minority interests and stockholders' equity	354,648	100.0%	-	-	-	-
(Net assets)						
I Shareholders' equity	-	-	279,507	76.1%	-	-
Capital stock	-		38,716		-	-
Capital surplus	-		59,030		-	-
Retained earnings	-		215,213		-	-
Treasury stock	-		(33,453)		-	-
II Evaluation difference and foreign currency exchange adjustments	-	-	9,672	2.7%	-	-
Evaluation difference of investment securities	-		8,947		-	-
Foreign currency translation adjustments	-		725		-	-
III Minority interests	-	-	68	0.0%	-	-
Total net assets	-	-	289,248	78.8%	-	-
Total liabilities, net assets	-	-	367,147	100.0%	-	-

(2) Consolidated Statement of Income

(Millions of yen)

	Year ended		Year ended		Changes		
	March 31, 2006		March 31, 2007				
	Amount		Amount				
		%		%			%
I Net sales	247,048	100.0%	276,439	100.0%	29,390	11.9%	
II Cost of sales	111,377	45.1%	123,112	44.5%	11,734	10.5%	
Gross Profit on Sales	135,670	54.9%	153,326	55.5%	17,656	13.0%	
III Selling, General and Administrative Expenses	87,419	35.4%	94,871	34.3%	7,452	8.5%	
Operating Profit	48,251	19.5%	58,455	21.2%	10,203	21.1%	
IV Non-operating Income							
Interest income	368		719		350		
Dividend income	170		261		90		
Royalties	79		53		(26)		
Foreign exchange profit	836		628		(208)		
Equity in earnings of unconsolidated companies	177		135		(42)		
Other non-operating income	731	2,365	1.0%	708	2,506	0.9%	(23) 141 6.0%
V Non-operating Expenses							
Interest expenses	286		165		(121)		
Sales discount	393		451		58		
Loss on retirement benefit in the overseas subsidiary	163		-		(163)		
Loss on disposal of inventories	198		1,241		1043		
Other non-operating expenses	640	1,682	0.7%	1,077	2,936	1.1%	437 1,254 74.6%
Ordinary Profit	48,934	19.8%	58,025	21.0%	9,090	18.6%	
VI Extraordinary Profit							
Gain on sales of fixed assets	71		43		(27)		
Gain on contribution of securities to retirement benefit trust	4,966		-		(4966)		
Reversal of allowance for doubtful accounts	25		-		(25)		
Gain on sales of receivables written off	156	5,219	2.1%	-	43	0.0%	(156) (5,176) (99.2)
VII Extraordinary Losses							
Loss on disposal of fixed assets	661		195		(466)		
Loss on sales of golf membership deposits	6		-		(6)		
Loss on liquidation of the subsidiary	196		-		(196)		
Loss on restructuring in the subsidiary	575		60		(514)		
Directors' retirement fee	59		12		(47)		
Provision of allowance for retirement benefits for directors and corporate auditors	-		728		728		
Expense relating to acquisition of newly consolidated subsidiary	473		-		(473)		
Impairment loss	592	2,566	1.0%	-	996	0.4%	(592) (1,570) (61.2)
Income Before Taxes	51,588	20.9%	57,072	20.6%	5,484	10.6%	
Corporate, Inhabitant and Enterprise Taxes	20,197		17,002		(3,194)		
Deferred Taxes (reduction)	(1,079)	19,117	7.8%	2,821	19,824	7.1%	3,901 706 3.7%
Minority Interest Income (loss) of consolidated companies	13	0.0%	16	0.0%	2	18.3%	
Net Income for the Period	32,457	13.1%	37,232	13.5%	4,775	14.7%	

(3) Consolidated Appropriation of Retained Earnings

(Millions of yen)

	Year ended March 31, 2006
(Capital Surplus)	
I Consolidated capital surplus, beginning of period	52,103
II Increases in Capital surplus	6,926
Gain on sales of treasury stocks	6,926
III Capital surplus, end of period	59,030
(Retained Earnings)	
I Consolidated retained earnings, beginning of period	155,501
II Increases in consolidated retained earnings	32,457
Net income for the period	32,457
III Deductions from retained earnings	4,567
Dividends - total	4,410
Directors' bonuses	140
Statutory auditors' bonuses	17
IV Retained earnings, end of period	183,391

(4) Statement of changes in net assets

(Millions of yen)

	Shareholders' equity				Shareholders' equity total
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Beginning of period	38,716	59,030	183,391	(13,449)	267,689
Changes during this fiscal accounting period					
New issue of stock					
Delivery of dividends			(5,278)		(5,278)
Directors' bonuses			(132)		(132)
Interim net income			37,232		37,232
Acquisition of treasury stock				(20,004)	(20,004)
Changes of items other than capital stock (net)					
Total changes during this fiscal accounting period	-	-	31,821	(20,004)	11,817
Ending of period	38,716	59,030	215,213	(33,453)	279,507

	Evaluation difference and foreign currency exchange adjustments			Minority interests	Net assets total
	Evaluation difference of investment securities	Foreign currency translation adjustments	Evaluation difference and foreign currency exchange adjustments total		
Beginning of period	7,367	(1,747)	5,619	49	273,359
Changes during this fiscal accounting period					
New issue of stock					
Delivery of dividends					(5,278)
Directors' bonuses					(132)
Interim net income					37,232
Acquisition of treasury stock					(20,004)
Changes of items other than capital stock (net)	1,580	2,472	4,052	18	4,071
Total changes during this fiscal accounting period	1,580	2,472	4,052	18	15,888
Ending of period	8,947	725	9,672	68	289,248

	Year ended March 31, 2006	Year ended March 31, 2007
I Cash flows from operating activities		
Net income	51,588	57,072
Depreciation and amortization	14,381	14,340
Impairment loss	592	-
Amortization of consolidated adjustments	799	-
Amortization of goodwill	-	1,173
Investment income for equity method	(177)	(135)
Increase(decrease) in reserve for retirement allowance	(7,214)	(669)
Increase(decrease) in allowance for retirement benefits for directors	-	728
Increase(decrease) in allowance for bad debt	(90)	(53)
Increase(decrease) in reserve for directors bonuses	-	169
Interest income and dividend income	(539)	(980)
Interest expenses	286	165
Exchange profit	664	560
Loss on disposal of fixed assets	661	195
Gain on sales of fixed assets	(71)	(43)
Loss on sales and impairment of golf membership	6	-
Expense related to acquisition of new consolidated subsidiary	473	-
Gain on contribution of securities to retirement benefit trust	(4,966)	-
Transfer of securities to retirement benefit trust	7,110	-
Payment Cash contribution of securities to retirement benefits	-	(5,000)
Decrease(increase) in trade receivable	(1,752)	(4,471)
Decrease(increase) in inventories	(4,923)	(3,080)
Increase(decrease) in trade payable	1,461	665
Bonus for the board members	(157)	(132)
Others	3,323	1,478
Subtotal	61,455	61,982
Gain of loss interests and dividends	787	1,116
Interest paid	(293)	(165)
Corporate tax paid	(18,569)	(19,810)
Cash flow provided by operating activities	43,380	43,123
II Cash flows from investing activities		
Payment for making fixed-term deposits	-	(1,487)
Capital expenditure	(14,248)	(17,202)
Proceeds from sales of tangible assets	987	191
Capital expenditure for intangible assets	(1,278)	(447)
Payments for purchase of marketable securities	(15,000)	(2)
Proceeds from sales of marketable investments	1	-
Proceeds from Assignment of goodwill	-	40
Payments for Assignment of goodwill	(918)	(799)
Payment for acquisition newry consolidated company	(23,460)	(209)
Payments related to acquisition of newry consolidated subsidiary	(473)	-
Net cash used in investing activities	(54,391)	(19,917)
III Cash flows from financing activities		
Increase(decrease) in short-term debt	(4,848)	(3,787)
Increase due to long-term debt	-	432
Decrease due to repayment of long-term debt	(5,339)	-
Increase due to sell treasury stock	14,998	-
Buyback of treasury stock	(29)	(20,004)
Dividends paid	(4,410)	(5,278)
Net cash used in financing activities	370	(28,637)
IV Effect of exchange rate changes	1,046	516
V Net increase(decrease) in cash and cash equivalents	(9,594)	(4,914)
VI Cash and cash equivalents at beginning of period	57,557	47,963
VII Cash and cash equivalents at end of period	47,963	43,049

(6)Notes

Relating to balance sheet

(Millions of yen)		
	March 31, 2006	March 31, 2007
Accumulated depreciation of tangible assets	186,091	196,452

Ending balance of investment in securities to nonconsolidated subsidiaries and related companies

(Millions of yen)		
	March 31,2006	March 31,2007
Investment in securities	353	344

Matured bills as of March 31 2007

The last day of this accounting period was a holiday of banking institutions, and the bills reaching maturity on Mar 31 2007, mentioned below, are included in the ending balance of this interim accounting period.

(Millions of yen)		
	March 31,2006	March 31,2007
Trade notes receivable	-	415

March 31,2006		
number of common stock issued	common stock	210,876,260
number of treasury stock	common stock	7,848,741

Relating to statement of income

I Main items among selling, general and administrative expenses

(Millions of yen)		
	March 31,2006	March 31,2007
Promotion and Advertisement fee	9,077	10,236
Transportation and Packaging cost	7,431	7,997
Salaries	19,254	22,074
Provision for bonuses	3,896	4,755
Pension	1,835	1,611
R&D expenditure	18,024	16,792
Depreciation	2,828	3,027
Provision of the reserve for directors' bonuses	-	169

II R&D expenditure

18,024	16,792
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III Itemized statement of Gain on sales and Loss on disposal of assets

Gains on sales of fixed assets

(Millions of yen)		
	March 31,2006	March 31,2007
Land	60	33
Machinery and transportation equipment	10	9
Other tangible fixed assets	0	0
Total Gains on sales of fixed assets	71	43

Loss on disposal of fixed assets

(Millions of yen)		
	March 31,2006	March 31,2007
Land	323	12
Buildings and structures	114	18
Machinery and transportation equipment	170	68
Other tangible fixed assets	53	95
Total Loss on disposal of fixed assets	661	195

IV Impairment loss

(Millions of yen)		
	March 31,2006	March 31,2007
Location	Ashigara kami county ,	-
Application	Unused immovable property	-
Assortment	Land	-
Amount	592	-

Relating to statement of cash flows

Reconciliation of cash and cash equivalents on the annual consolidated balance sheet.

(Millions of yen)

	March 31,2006	March 31,2007
Cash on hand and in banks	47,963	44,536
Time deposits, bonds and other with original maturity exceeding a three-month period	-	(1,487)
Cash and cash equivalents	47,963	43,049

Assets and liabilities of the newly consolidated company at the acquisition date, the acquisition price and the net disbursement

	(Millions of yen)	
	Year ended March 31, 2006	Year ended March 31, 2007
	Microvention.INC	Salymed. LTDA
Current assets	1,648	467
Fixed assets	4,675	3
Goodwill	18,746	(58)
Current liabilities	(945)	(93)
Fixed liabilities	-	(18)
Acquisition price	24,125	300
Cash and cash equivalent	(664)	(90)
Net disbursement	23,460	209

Increase of assets and liabilities from the acquisition of operation

	(Millions of yen)	
	Year ended March 31, 2006	Year ended March 31, 2007
Current assets	-	286
Fixed assets	-	100
Goodwill	221	411
Other intangible assets	19	-
Assets total	240	799
Acquisition price	240	799

Decrease of assets and liabilities from the transfer of operation

	(Millions of yen)	
	Year ended March 31, 2006	Year ended March 31, 2007
Current assets	-	4
Fixed assets	-	35
Assets total	-	40
Income from the transfer of operation	-	40

Relating to Statement of changes in net assets

I Category and total number of issued stock and treasury stock

(Thousand)

	Beginning balance	Increase during this fiscal period	Decrease during this fiscal period	Ending balance
Issued stock : Common stock	210,876	-	-	210,876
Treasury stock : Common stock	7,848	4,238	-	12,087

Note : The increase of treasury stock is from taking up odd stock.

II Items on dividend
Delivery of dividends

(Resolution)	Category of stock	Dividend (millions yen)	Dividend per share (yen)	Dividend record date	Effective date
Annual meeting of stockholders held on June 29, 2006	Common stock	2,842	14	March 31,2006	June 29,2006
A board of directors held on October 30,2006	Common stock	2,436	12	September 30,2006	December 8,2006

Dividends recorded in this fiscal period but effective in the next period

(Resolution)	Category of stock	Dividend (millions yen)	The original capital of dividend	Dividend per share (yen)	Dividend record date	Effective date
Annual meeting of stockholders held on June 28, 2007	Common stock	3,180	Earned surplus	16	March 31,2007	June 29,2007

4. Segment Information

(1) Segment by business

(Millions of yen)

	Year ended March 31, 2006		Year ended March 31, 2007	
	Amount	%	Amount	%
General hospital products				
Sales	129,883		138,232	
Operating income	25,381		26,496	
Operating income ratio	19.5%		19.2%	
Catheter and Cardiovascular system				
Sales	88,930		109,434	
Operating income	25,923		34,429	
Operating income ratio	29.1%		31.5%	
Home health care products				
Sales	28,234		28,772	
Operating income	7,574		7,901	
Operating income ratio	26.8%		27.5%	

(2) Sales results by product segment

(Millions of yen)

	Year ended March 31, 2006		Year ended March 31, 2007	
	Amount	%	Amount	%
Disposable medical equipment	77,155	31.2%	79,207	28.6%
Pharmaceuticals	35,814	14.5%	38,937	14.1%
Blood transfusion system	16,913	6.9%	20,087	7.3%
General hospital products	129,883	52.6%	138,232	50.0%
Catheter system	49,226	19.9%	63,970	23.1%
Cardiovascular system	32,279	13.1%	35,874	13.0%
Vascular grafts	7,424	3.0%	9,588	3.5%
Catheter and Cardiovascular system	88,930	36.0%	109,434	39.6%
CAPD system	7,738	3.1%	7,216	2.6%
Diabetes care products	10,026	4.1%	12,182	4.4%
Other products	10,469	4.2%	9,374	3.4%
Home health care products	28,234	11.4%	28,772	10.4%
Total	247,048	100.0%	276,439	100.0%

Note) Main Products belonging to each product segment

Product segment	Main Products
Disposable medical equipment	Syringe, Needle, Solution Administration set, I.V.catheter, Blood collection tube, Electronic medical devices, etc.
Pharmaceuticals	I.V.solutions, Prefilled syringe, Nutritional products, etc.
Blood transfusion system	Blood bags, medical electronic devices for blood collection, etc.
Catheter system	PTCA dilation catheters, Coronary stent, Guide wires, Angiographic catheters, Cerebral aneurysm coils, etc.
Cardiovascular system	Roller pump, Hollow fiber oxygenators, Blood circuit, etc.
Artificial vascular grafts	Artificial vascular grafts
CAPD system	Dialysis solution, etc.
Diabetes care products	Blood glucose monitor, etc.
Other products	Home oxygen system, Home nutritional products, Digital Thermometers, Electronic sphygmomanometers, etc.

(3) Sales results by region

(Millions of yen)

	Year ended March 31, 2006		Year ended March 31, 2007	
	Amount	%	Amount	%
Japan	149,386	60.5%	152,466	55.2%
Europe	39,587	16.0%	48,371	17.5%
America	38,617	15.6%	52,741	19.1%
Others	19,457	7.9%	22,859	8.2%
Total	247,048	100.0%	276,439	100.0%