

1st Quarter Financial Results for FYE 3/2008 (Consolidated)

July 25, 2007

Name of listed company: TERUMO CORPORATION

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

Company code number: 4543

Representative:

Akira Takahashi, President

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Exchange where listed: TSE

Location of headquarters (prefecture):

Tokyo



1. Consolidated Financial Highlights for the three months ended June 2007 - Unaudited

(From April 1, 2007 to June 30, 2007)

(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, 2007	75,469	17.3	16,986	26.2	18,595	38.2	13,142	63.4
Three months ended June, 2006	64,319	9.5	13,460	11.8	13,453	9.1	8,045	4.8
Year ended March, 2007	276,439		58,455		58,025		37,232	

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Three months ended June, 2007	66.11	-
Three months ended June, 2006	39.63	-
Year ended March, 2007	185.00	-

* 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	Shareholders' equity	Equity ratio	Book value per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
June 30, 2007	383,819	305,823	79.7	1,537.97
June 30, 2006	346,905	275,147	79.3	1,355.24
March 31, 2007	367,147	289,248	78.8	1,454.71

(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, 2007	11,990	(8,107)	(3,188)	44,380
Three months ended June, 2006	5,761	(3,500)	(3,612)	46,620
Year ended March, 2007	43,123	(19,917)	(28,637)	43,049

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

Consolidation (new) : None (elimination): None

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

(5) All financial results for the consolidated financial period from April 1, 2007 to June 30, 2007 are not audited by independent auditors.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	June 30, 2006		June 30, 2007		March 31, 2007	
	Amount	%	Amount	%	Amount	%
I.Current Assets	160,535	46.3	179,903	46.9	171,576	46.7
Cash and cash equivalents	46,620		47,869		44,536	
Trade receivable notes/accounts	60,370		71,592		69,155	
Inventories	42,545		47,552		45,631	
Other current assets	10,998		12,888		12,253	
II.Fixed Assets	186,370	53.7	203,916	53.1	195,570	53.3
1. Tangible fixed assets	110,236	31.8	115,474	30.1	115,643	31.5
Building and structures	42,867		45,283		45,092	
Machinery and transportation equipment	29,174		33,738		32,004	
Land	20,257		20,373		20,296	
Construction in progress	10,675		9,397		11,493	
Other tangible assets	7,261		6,681		6,756	
2. Intangible fixed assets	41,120	11.8	41,099	10.7	40,524	11.1
3. Investments and other assets	35,013	10.1	47,341	12.3	39,402	10.7
Investment in securities	28,878		42,704		34,802	
Other investments and other assets	6,135		4,637		4,599	
Total Assets	346,905	100.0	383,819	100.0	367,147	100.0

I.Current Liabilities	56,721	16.4	63,271	16.5	65,891	17.9
Trade payable notes/accounts	22,538		25,875		25,725	
Short-term bank loans	3,181		246		236	
Other current liabilities	31,002		37,149		39,929	
II.Long-term Liabilities	15,035	4.3	14,724	3.8	12,007	3.3
Long-term bank loans	-		456		436	
Reserve for retirement allowance	11,844		6,137		6,506	
Other long-term liabilities	3,191		8,131		5,064	
Total Liabilities	71,757	20.7	77,996	20.3	77,899	21.2
I.Shareholders' Equity	272,754	78.6	289,461	75.4	279,507	76.1
Capital stock	38,716		38,716		38,716	
Capital surplus	59,030		59,030		59,030	
Retained earnings	188,462		225,175		215,213	
Treasury stock	(13,455)		(33,461)		(33,453)	
II.Evaluation difference and foreign currency exchange adjustments	2,347	0.7	16,267	4.3	9,672	2.7
Evaluation difference of investment securities	5,436		12,320		8,947	
Foreign currency translation adjustments	(3,089)		3,946		725	
III.Minority Interests	46	0.0	93	0.0	68	0.0
Total Net Assets	275,147	79.3	305,823	79.7	289,248	78.8
Total Liabilities and Net Assets	346,905	100.0	383,819	100.0	367,147	100.0

(2) Consolidated Statement of Income

(Millions of yen)

	Three months ended June 30, 2006		Three months ended June 30, 2007		Year ended March 31, 2007	
	Amount	%	Amount	%	Amount	%
Net sales	64,319	100.0	75,469	100.0	276,439	100.0
Cost of sales	28,447	44.3	33,964	45.0	123,112	44.5
Gross profit	35,872	55.7	41,504	55.0	153,326	55.5
Selling, general and administrative expenses	22,412	34.8	24,518	32.5	94,871	34.3
Operating income	13,460	20.9	16,986	22.5	58,455	21.2
Non-operating income / expenses	(6)		1,609		(429)	
Ordinary income	13,453	20.9	18,595	24.6	58,025	21.0
Extraordinary income / expenses	(678)		1,040		(952)	
Income before taxes	12,775	19.9	19,636	26.0	57,072	20.6
Corporate, inhabitant and enterprise taxes	4,729		6,480		19,824	
Minority interests	0		12		16	
Net income for the period	8,045	12.5	13,142	17.4	37,232	13.5

(3) Statement of changes in net assets

Three-month period ended June 30, 2007 (from April 1, 2007 to June 30, 2007)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity total
Beginning of period	38,716	59,030	215,213	(33,453)	279,507
Changes during this fiscal accounting period					
Cash dividends from retained earnings			(3,180)		(3,180)
Net income for the period			13,142		13,142
Acquisition of treasury stock (Decrease) increase of items during the period except those included in shareholders' equity				(7)	(7)
Total changes during this fiscal accounting period	-	-	9,962	(7)	9,954
Ending of period	38,716	59,030	225,175	(33,461)	289,461

	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	8,947	725	9,672	68	289,248
Changes during this fiscal accounting period					
Cash dividends from retained earnings					(3,180)
Net income for the period					13,142
Acquisition of treasury stock (Decrease) increase of items during the period except those included in shareholders' equity	3,373	3,221	6,594	25	(7)
Total changes during this fiscal accounting period	3,373	3,221	6,594	25	6,620
Ending of period	12,320	3,946	16,267	93	16,574
					305,823

Fiscal year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity total
Beginning of period	38,716	59,030	183,391	(13,449)	267,689
Changes during this fiscal accounting period					
Cash dividends from retained earnings			(5,278)		(5,278)
Directors' bonuses			(132)		(132)
Net income for the period			37,232		37,232
Acquisition of treasury stock (Decrease) increase of items during the period except those included in shareholders' equity				(20,004)	(20,004)
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					
Cash dividends from retained earnings					(5,278)
Directors' bonuses					(132)
Net income for the period					37,232
Acquisition of treasury stock (Decrease) increase of items during the period except those included in shareholders' equity	1,580	2,472	4,052	18	(20,004)
Total changes during this fiscal accounting period	1,580	2,472	4,052	18	4,071
Ending of period	8,947	725	9,672	68	15,888
					289,248

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2007	Year ended March 31, 2007
Cash flows from operating activities	5,761	11,990	43,123
Cash flows from investing activities	(3,500)	(8,107)	(19,917)
Cash flows from financing activities	(3,612)	(3,188)	(28,637)
Effect of exchange rate changes on cash and cash equivalents	8	637	516
Change in cash and cash equivalents	(1,343)	1,331	(4,914)
Cash and cash equivalents, beginning of year	47,963	43,049	47,963
Cash and cash equivalents, end of period	46,620	44,380	43,049

(5)Notes

Relating to balance sheet

(Millions of yen)

	June 30, 2006	June 30, 2007	March 31, 2007
Accumulated depreciation of tangible assets	187,922	200,988	196,452

Relating to statement of income

Main items among selling, general and administrative expenses

(Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2007	Year ended March 31, 2007
R&D expenditure	3,826	3,844	16,792

Main items among extraordinary income / expenses

(Millions of yen)

	Three months ended June 30, 2006	Three months ended June 30, 2007	Year ended March 31, 2007
Gain on sales of property, plant and equipment	22	-	43
Gain on reversal of allowance for bad debts	43	-	-
Gain arising from change in equity accounted interest	-	1,059	-
Loss on disposal of property, plant and equipment	4	18	195
Loss on restructuring in overseas operation	-	-	60
Compensation for retired directors	12	-	12
Provision for retirement benefits for directors and corporate auditors	728	-	728

3. Segment Information

(1) Sales results by product segment

(Millions of yen)

	Three months ended June 30, 2006		Three months ended June 30, 2007		Changes	
	Amount	%	Amount	%	Amount	%
Disposable medical equipment	18,094	28.1%	20,691	27.4%	2,596	14.3%
Pharmaceuticals	8,733	13.6%	10,175	13.5%	1,441	16.5%
Blood transfusion systems	4,340	6.8%	5,850	7.8%	1,510	34.8%
General hospital products	31,168	48.5%	36,716	48.7%	5,548	17.8%
Catheter systems	14,954	23.3%	19,108	25.3%	4,154	27.8%
Cardiovascular systems	8,933	13.9%	9,601	12.7%	668	7.5%
Vascular grafts	2,394	3.7%	2,514	3.3%	119	5.0%
Cardiac & Vascular products	26,282	40.9%	31,224	41.3%	4,941	18.8%
CAPD systems	1,808	2.8%	1,769	2.3%	(39)	(2.2%)
Diabetes care products	2,852	4.4%	3,454	4.6%	602	21.1%
Other products	2,208	3.4%	2,304	3.1%	96	4.4%
Home health care products	6,868	10.6%	7,528	10.0%	659	9.6%
Total	64,319	100.0%	75,469	100.0%	11,149	17.3%

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, 2006		Three months ended June 30, 2007		Changes	
	Amount	%	Amount	%	Amount	%
Japan	35,405	55.1%	39,108	51.8%	3,702	10.5%
Europe	11,478	17.8%	14,271	18.9%	2,792	24.3%
America	11,777	18.3%	14,508	19.2%	2,730	23.2%
Asia and Others	5,657	8.8%	7,582	10.1%	1,924	34.0%
Total	64,319	100.0%	75,469	100.0%	11,149	17.3%