Half Year Financial Results for FYE 3/2008 (Consolidated)

October 29, 2007



Name of listed company :TERUMO CORPORATION Exchange where listed: TSE (URL http://www.terumo.com/)

Company code number : 4543

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

Filing date of semi annual financial statements :December 27, 2007 Payment date of cash dividends :December 10, 2007

1. Consolidated Financial Highlights for the interim period ended September 2007

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

(1) Consolidated financial results	(Note: The amounts shown below ignore values of less than a million yen)
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	Net sales		Operating inco	me	Ordinary income		
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	
September 2007	150,835	13.7	33,531	17.1	33,953	16.9	
September 2006	132,669	10.7	28,636	14.5	29,057	14.8	
March 2007	276,439	-	58,455	-	58,025	-	

	Net income		Net income per share	Net income per share, fully diluted	
	(Millions of yen)	%	(Yen)	(Yen)	
September 2007	22,931	24.4	115.85	-	
September 2006	18,430	13.0	90.78	-	
March 2007	37,232	-	185.00	-	

⁽Note) 1. Equity in earnings of unconsolidated companies:

September 2007: 20 million yen, September 2006: 85 million yen, March 2007: 135 million yen

(2) Consolidated financial position

(Note: The amounts shown below ignore values of less than a million y	yen)
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	Total assets	Net assets	Capital asset ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
September 2007	418,099	298,981	71.5	1,522.74
September 2006	368,385	289,466	78.6	1,425.53
March 2007	367,147	289,248	78.8	1,454.71

(3) Consolidated statements of cash flows

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

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Cash flows from operating activities		Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents the end of the period		
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)		
September 2007	33,454	(13,867)	19,191	82,236		
September 2006	20,865	(9,326)	(4,976)	54,708		
March 2007	43,123	(19,917)	(28,637)	43,049		

2.Dividends

		Cash dividends per share							
	at 1st half end	at 1st half end at fiscal half end							
	(Yen)	(Yen)	(Yen)						
FY2006	12.00	16.00	28.00						
FY2007	14.00		28.00						
FY 2007 (forecast)		14.00	26.00						

3. Consolidated forecast 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)	
Year ended March, 2008	305,000	65,000	65,000	42,000	

(N.B.) Estimated earnings per share (full year): 213.07 yen

^{2.} The Percentages shown next to net sales, operating profit, ordinary profit and net income represent year-on-year changes.

4.Others

(1) Siginificant change in scope of consolidation :None

(2)Change in accounting policies

①Changes due to changes in accounting standard :Yes ②Other changes :None

(3) Number of shares issued

①Number of shares issued at end of the period (including treasury stocks)

:September 2007: 210,876,260 shares, September 2006: 210,876,260 shares

March 2007: 210,876,260 shares

2Number of treasury shares at end of the period

:September 2007 14,593,322 shares, September 2006 7,853,545 shares March 2007 12,087,654 shares

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.

5. Semiannual Financial Statements

(1) Consolidated Balance Sheet

	1	1			(Millions of yen)		
	Interim year ended		Interim year en	ded	Year ended		
	September 2006		September 2007		March 2007		
	(As of September 3	0, 2006)	(As of September 3	0, 2007)	(As of March 31,	2007)	
	Amount		Amount		Amount		
(Assets)		%		%		%	
I Current Assets	177,622	48.2%	215,597	51.6%	171,576	46.7%	
Cash on hand and in banks	55,407		85,138		44,536		
Trade notes/accounts receivable	66,969		70,765		70,049		
Inventories	43,697		48,159		45,631		
Deferred income taxes - current	8,508		7,340		7,519		
Other current assets	3,945		5,113		4,733		
Allowance for doubtful accounts	(905)		(919)		(894)		
II Fixed Assets	190,762	51.8%	202,501	48.4%	195,570	53.3%	
Tangible fixed assets	112,637	30.6%	115,893	27.7%	115,643	31.5%	
Buildings and structures	43,190		46,165		45,092		
Machinery and transportation equipment	30,569		36,249		32,004		
Land	20,334		20,308		20,296		
Construction in progress	11,294		6,226		11,493		
Other tangible fixed assets	7,248		6,942		6,756		
2. Intangible fixed assets	41,370	11.2%	39,348	9.4%	40,524	11.1%	
Goodwill	35,598		34,039		35,046		
Other intangible fixed assets	5,771		5,308		5,477		
3. Investments and other fixed assets	36,754	10.0%	47,259	11.3%	39,402	10.7%	
Investments in securities	31,618		43,268		34,802		
Deferred income taxes - noncurrent	2,640		1,461		1,920		
Other assets	2,495		2,529		2,679		
Total Assets	368,385	100.0%	418,099	100.0%	367,147	100.0%	

	1	i			(IVIIIIO	ns of yen
	Interim year ended		Interim year en	ded	Year ended	I
	September 2006		September 2007		March 2007	
	(As of September 3	0, 2006)	(As of September 3	0, 2007)	(As of March 31,	2007)
	Amount		Amount		Amount	
(Liabilities)		%		%		%
I Current Liabilities	64,000	17.4%	105,419	25.2%	65,891	17.9%
Trade notes/accounts payable	22,713		25,281		25,725	
Short-term bank loans	1,886		35,230		236	
Accrued Income taxes	10,656		14,522		8,694	
Reserve for employees bonuses	4,402		4,549		4,433	
Reserve for directors bonuses	-		82		169	
Notes and accounts payable on equipment	5,192		4,727		5,906	
Other current liabilities	19,148		21,024		20,726	
II Long-term Liabilities	14,918	4.0%	13,699	3.3%	12,007	3.3%
Long-term debt	-		427		436	
Deferred income taxes - noncurrent	107		3,501		1,651	
Reserve for retirement allowance	11,677		5,787		6,506	
Reserve for retirement benefits for directors and corporate auditors	728		728		728	
Other long-term liabilities	2,404		3,254		2,683	
Total Liabilities	78,919	21.4%	119,118	28.5%	77,899	21.2%
(Net assets)						
I Shareholders' equity	283,127	76.9%	286,631	68.6%	279,507	76.1%
Capital stock	38,716		38,716		38,716	
Capital surplus	59,030		59,030		59,030	
Retained earnings	198,848		234,965		215,213	
Treasury stock	(13,468)		(46,080)		(33,453)	
Evaluation difference and foreign currency exchange adjustments	6,287	1.7%	12,256	2.9%	9,672	2.7%
Evaluation difference of investment securities	7,058	1.7 70	11,386	2.570	8,947	2.1 /
Gain/Loss on deferred hedge	(0)				-	
Foreign currency translation adjustments	(770)		870		725	
III Minority interests	51	0.0%	93	0.0%	68	0.0%
Total net assets	289,466	78.6%	298,981	71.5%	289,248	78.8%
Total liabilities,net assets	368,385	100.0%	418,099	100.0%	367,147	100.0%

(2) Consolidated Statement of Income

		1							(IVIIIIC	ns of yen)
		Int	erim year en	ded	Interim year ended			Year ended		
		S	eptember 20	06	September 2007		March 2007		7 I	
		Am	nount		An	nount		An	nount	<u> </u>
				%			%			%
I	Net sales		132,669	100.0%		150,835	100.0%		276,439	100.0%
II	Cost of sales		59,418	44.8%		67,981	45.1%		123,112	44.5%
	Gross Profit on Sales		73,250	55.2%		82,854	54.9%		153,326	55.5%
Ш	Selling, General and Administrative Expenses		44,613	33.6%		49,322	32.7%		94,871	34.3%
	Operating Profit		28,636	21.6%		33,531	22.2%		58,455	21.2%
IV	Non-operating Income									
	Interest income	284			572			719		
	Dividend income	163			238			261		
	Royalties	46			46			53		
	Foreign exchange profit	365			-			628		
	Equity in earnings of unconsolidated companies	85			20			135		
	Other non-operating income	301	1,246	0.9%	370	1,247	0.8%	708	2,506	0.9%
٧	Non-operating Expenses									
	Interest expenses	87			111			165		
	Sales discount	180			249			451		
	Foreign exchange losses	-			137			-		
	Loss on disposal of inventories	128			108			1,241		
	Other non-operating expenses	429	826	0.6%	218	826	0.5%	1,077	2,936	1.1%
	Ordinary Profit		29,057	21.9%		33,953	22.5%		58,025	21.0%
VI	Extraordinary Profit									
	Gain on sales of fixed assets	42			1			43		
	Reversal of allowance for doubtful accounts	22			11			-		
	Gain on relating to acquisition of newly affiliated company	-	65	0.0%	1,059	1,073	0.7%	-	43	0.0%
VII	Extraordinary Losses									
	Loss on disposal of fixed assets	57			131			195		
	Loss on restructuring in overseas	-			-			60		
	Directors' retirement fee	12			-			12		
	Provision of allowance for retirement benefits for directors and corporate auditors.	728	798	0.6%	-	131	0.1%	728	996	0.4%
	Income Before Taxes		28,324	21.3%		34,895	23.1%		57,072	20.6%
	Corporate, Inhabitant and Enterprise Taxes	9,385			11,156			17,002		
	Deferred Taxes (reduction)	504	9,890	7.4%	788	11,945	7.9%	2,821	19,824	7.1%
	Minority Interest Income (loss) of consolidated companies		2	0.0%		18	0.0%		16	0.0%
	Net Income for the Period		18,430	13.9%		22,931	15.2%		37,232	13.5%

(3) Statement of changes in net assets

(Millions of yen)

					(Millions of yen)				
Interim year ended September 2006		Shareholders' equity							
Geptember 2000	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 the interium accounting period									
Delivery of dividends			(2,842)		(2,842)				
Directors' bonuses			(132)		(132)				
Net income for the period			18,430		18,430				
Acquisition of treasury stock				(19)	(19)				
Changes of items other than capital stock (net)									
Total changes during the interium accounting period		-	15,456	(19)	15,437				
Ending of period	38,716	59,030	198,848	(13,468)	283,127				

	Evaluation diffe	Evaluation difference and foreign currency exchange adjustments				
	Evaluation difference of investment securities	Gain/Loss on deferred hedge	Foreign currency translation adjustments		Minority interests	Net assets total
Beginning of period	7,367	-	(1,747)	5,619	49	273,359
Changes during the interium accounting period						
Delivery of dividends						(2,842)
Directors' bonuses						(132)
Net income for the period						18,430
Acquisition of treasury stock						(19)
Changes of items other than capital stock (net)	(308)	(0)	977	668	1	669
Total changes during the interium accounting period	(308)	(0)	977	668	1	16,106
Ending of period	7,058	(0)	(770)	6,287	51	289,466

Interim year ended September 2007	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 interium accounting period					
Delivery of dividends			(3,180)		(3,180)
Net income for the period			22,931		22,931
Acquisition of treasury stock				(12,627)	(12,627)
Changes of items other than capital stock (net)					
Total changes during the interium accounting period	-	-	19,751	(12,627)	7,123
Ending of period	38,716	59,030	234,965	(46,080)	286,631

	Evaluation differe	Evaluation difference and foreign currency exchange adjustments			
	Evaluation difference of investment securities	Foreign currency translation adjustments	Evaluation difference and foreign currency exchange adjustments total	Minority interests	Net assets total
Beginning of period	8,947	725	9,672	68	289,248
Changes during the interium accounting period					
Delivery of dividends					(3,180)
Net income for the period					22,931
Acquisition of treasury stock					(12,627)
Changes of items other than capital stock (net)	2,439	144	2,584	24	2,609
Total changes during the interium accounting period	2,439	144	2,584	24	9,732
Ending of period	11,386	870	12,256	93	298,981

Year ended March 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 the accounting period						
Delivery of dividends			(5,278)		(5,278)	
Directors' bonuses			(132)		(132)	
Net income for the period			37,232		37,232	
Acquisition of treasury stock				(20,004)	(20,004)	
Changes of items other than capital stock (net)						
Total changes during the accounting period	-	-	31,821	(20,004)	11,817	
Ending of period	38,716	59,030	215,213	(33,453)	279,507	

	Evaluation differe	Evaluation difference and foreign currency exchange adjustments			
	Evaluation difference of investment securities	Foreign currency translation adjustments		Minority interests	Net assets total
Beginning of period	7,367	(1,747)	5,619	49	273,359
Changes during the accounting period					
Delivery of dividends					(5,278)
Directors' bonuses					(132)
Net income for the period					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 the accounting period	1,580	2,472	4,052	18	15,888
Ending of period	8,947	725	9,672	68	289,248

(4) Consolidated Statements of Cash Flows

1				(Millions of yen
		Interim year ended	Interim year ended	Year ended
		September 2006	September 2007	March 2007
Ca	sh flows from operating activities			
	come before taxes	28,324	34,895	57,072
	epreciation and amortization	6,952	8,100	14,340
	mortization of goodwill	590	591	1,173
	quity in earnings of unconsolidated companies	(85)	(20)	(135)
	crease(decrease) in retirement allowance	(494)	(718)	(669)
	crease(decrease) in allowance for doubtful accounts	(27)	15	(53)
	crease(decrease) in reserve for directors bonuses	(21)	(86)	169
	terest and dividend income	(447)	(810)	(980)
	terest expenses	87	111	165
	preign exchange losses (gains)	140	220	560
		57	131	195
	oss on disposal of tangible fixed assets			
	ain on sales of tangible fixed assets	(42)	(1)	(43)
	ayment Cash contribution of securities to retirement benefits	-	(4.050)	(5,000)
	ain on relating to acquisition of newly affiliated company	(0.054)	(1,059)	(4.474)
	ecrease(increase) in accounts receivable	(2,351)	(259)	(4,471)
	ecrease(increase) in inventories	(2,274)	(2,277)	(3,080)
	crease(decrease) in accounts payable	(1,605)	(962)	665
	irectors' bonuses	(132)	-	(132)
_	thers	1,926	40	2,206
	ototal	30,618	37,909	61,982
	terest and dividend received	546	889	1,116
	terest paid	(87)	(41)	(165)
	come taxes paid	(10,213)	(5,303)	(19,810)
Ca	sh flows from operating activities	20,865	33,454	43,123
II Ca	sh flows from investing activities			
Pa	ayments into time deposits	(698)	(2,777)	(1,487)
Pı	roceeds from time deposits	-	1,364	-
Pa	ayments for acquisition of tangible assets	(8,641)	(8,958)	(17,202)
Pı	roceeds from sales of tangible assets	141	1	191
Pa	ayments for acquisition of intangible assets	(126)	(238)	(447)
Pa	ayments for acquisition security investments	(1)	(4,259)	(2)
R	edemption of security investments	-	1,000	-
Pı	roceeds from Assignment of goodwill	-	-	40
Pa	ayments for Assignment of goodwill	-	-	(799)
Pa	ayments for acquisition of newly consolidated subsidiary	-	-	(209)
Ca	sh flows from investing activities	(9,326)	(13,867)	(19,917)
III Ca	sh flows from financing activities			
In	crease(decrease) in short-term debt	(2,114)	35,000	(3,787)
	crease of long-term debt	(=,)	-	432
	uyback of treasury stock	(19)	(12,627)	(20,004)
	ividends paid	(2,842)	(3,180)	(5,278)
	sh flows from financing activities	(4,976)	19,191	(28,637)
	ect of Exchange Rate Changes on Cash and	(1,010)	.0,101	(20,001)
	sh Equivalents	182	409	516
	ange in Cash and Cash Equivalents	6,744	39,187	(4,914)
	sh and Cash Equivalents, Beginning of period	47,963	43,049	47,963
	sh and Cash Equivalents, End of period	54,708	82,236	43,049

Notes:

Relating to balance sheet

I Accumulated depreciation of tangible assets

(Millions of yen)

	Interim year ended	Interim year ended	Year ended
	September 2006	September 2007	March 2007
	(As of September 30, 2006)	(As of September 30, 2007)	(As of March 31, 2007)
Accumulated depreciation of tangible assets	191,436	200,467	196,452

II Matured bills at the end of the period

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

(Millions of yen)

	Interim year ended	Interim year ended	Year ended
	September 2006	September 2007	March 2007
	(As of September 30, 2006)	(As of September 30, 2007)	(As of March 31, 2007)
Trade notes receivable	694	416	415

Relating to statement of income

I Main items among selling, general and administrative expenses

(Millions of yen)

	Interim year ended September 2006	Interim year ended September 2007	Year ended March 2007
Promotion and Advertisement fee	4,428	4,782	10,236
Transportation and Packaging cost	3,845	4,368	7,997
Salaries	11,100	12,245	22,074
Provision for bonuses	2,006	2,653	4,755
Pension	742	775	1,611
Depreciation	1,438	1,669	3,027

II R&D expenditure

	Interim year ended	Interim year ended	Year ended
	September 2006	September 2007	March 2007
R&D expenditure	7,771	7,783	16,792

III Itemized statement of Gain on sales and Loss on disposal of assets

Gains on sales of fixed assets (Millions of yen)

	Interim year ended	Interim year ended	Year ended
	September 2006	September 2007	March 2007
Land	33	-	33
Machinery and transportation equipment	8	1	9
Other tangible fixed assets	-	0	0
Total Gains on sales of fixed assets	42	1	43

Loss on disposal of fixed assets

(Millions of yen)

(Willions of york				
	Interim year ended	Interim year ended	Year ended	
	September 2006	September 2007	March 2007	
Land	-	-	12	
Buildings and structures	12	22	18	
Machinery and transportation equipment	18	86	68	
Other tangible fixed assets	25	22	95	
Total Loss on disposal of fixed assets	57	131	195	

Relating to statement of cash flows

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

	Interim year ended Interim year ended		Year ended
	September 2006	September 2007	March 2007
Cash on hand and in banks	55,407	85,138	44,536
Time deposits, bonds and other with original maturity exceeding a three-month period	(698)	(2,902)	(1,487)
Cash and cash equivalents	54,708	82,236	43,049

Relating to Statement of changes in net assets

I Category and total number of issued stock and treasury stock

				(Thousand)
	Beginning balance	Increase during	Decrease during	Ending balance
		this interim period	this interim period	-
Issued stock : Common stock	210,876	-	-	210,876
Treasury stock : Common stock	12,087	2,505	-	14,593

^{*}Note : The increase of treasury stock is from buyback in the stock market and taking up odd stock.

II Items on dividend

(1) Delivery of dividends

(Decelotics)		`.	Dividend per share		F" .: 1.
(Resolution)	Category of stock	yen)	(yen)	Dividend record date	Effective date
Annual meeting of stockholders held on June 28, 2007	Common stock	3,180	16	March 31,2007	June 29,2007

(2) Dividend recorded in this interim period but effective after the period end

		Dividend	Source of	Dividend per		
(Resolution)	Category of stock	(millions yen)	dividend	share (yen)	Dividend record date	Effective date
			Retained			
Board of directors held on Oct 29, 2007	Common stock	2,747	earnings	14	September 30,2007	December 10,2007

6. Segment Information

(1) Segment (Millions of yen)

	Interim year ended	Interim year ended	
	September 2006	September 2007	Changes
General hospital products			
Sales	65,829	74,050	8,221
Operating income	12,351	15,262	2,911
Operating income ratio	18.8%	20.6%	_
Catheter and Cardiovascular system			
Sales	52,771	61,595	8,823
Operating income	17,777	19,424	1,647
Operating income ratio	33.7%	31.5%	_
Home health care products			
Sales	14,068	15,189	1,120
Operating income	3,834	4,610	776
Operating income ratio	27.3%	30.4%	_

(Note) Corporate expenses are not eliminated.

(2) Sales results by product segment

(Millions of yen)

	Interim year ended September 2006		Interim year ended September 2007		Changes
	Amount %		Amount %		%
Disposable medical equipment	38,233	28.8%	42,030	27.9%	9.9%
Pharmaceuticals	18,363	13.8%	20,559	13.6%	12.0%
Blood transfusion system	9,232	7.0%	11,460	7.6%	24.1%
General hospital products	65,829	49.6%	74,050	49.1%	12.5%
Catheter system	30,277	22.8%	37,629	24.9%	24.3%
Cardiovascular system	17,625	13.3%	19,014	12.6%	7.9%
Vascular grafts	4,868	3.7%	4,950	3.3%	1.7%
Catheter and Cardiovascular system	52,771	39.8%	61,595	40.8%	16.7%
CAPD system	3,637	2.7%	3,609	2.4%	-0.8%
Diabetes care products	5,925	4.5%	6,977	4.6%	17.8%
Other products	4,505	3.4%	4,602	3.1%	2.2%
Home health care products	14,068	10.6%	15,189	10.1%	8.0%
Total	132,669	100.0% 150,835 100.0%		13.7%	

(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, Blood transfusion administration set, medical electronic devices for blood collection, etc.
Catheter system	PTCA dilation catheters, Coronary stent, Guide wire, Angiographic catheters, Coated coil, 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, Digital Thermometers, Electronic sphygmomanometers, etc.

(3) Sales results by region

	Interim year e	Interim year ended		Interim year ended		
	September 2	September 2006		September 2007		
	Amount	Amount %		%	Amount	
Japan	73,828	55.6%	79,517	52.7%	5,689	
Europe	22,750	17.2%	27,310	18.1%	4,559	
America	24,699	18.6%	28,859	19.1%	4,159	
Asia and others	11,390	8.6%	15,148	10.1%	3,757	
Total	132,669	100.0%	150,835	100.0%	18,166	