



April 26, 2005

Financial Results for FYE 3/2005 (Consolidated)

Name of listed company: TERUMO CORPORATION
(URL: <http://www.terumo.com/>)
Company code number: 4543

Exchange where listed: TSE
Location of headquarters (prefecture):
Tokyo

Representative:

Akira Takahashi, President and C.O.O.

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Date of Board of Directors' meeting for approval of financial results: April 26, 2005

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

1. Consolidated Financial Highlights for the year ended March 2005 (From April 1, 2004 to March 31, 2005)

(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, 2005	230,003	6.9	47,107	28.5	47,125	33.5
Year ended March, 2004	215,195	7.3	36,652	17.1	35,304	17.4

	Net income		Net income per share		Net income per share, fully diluted		Net income per stockholders' equity	Ordinary income per total assets	Ordinary income per Net sales
	(Millions of yen)	%	(Yen)	(Yen)	(Yen)	(Yen)	%	%	%
Year ended March, 2005	27,134	37.1	136.03	-	-	-	13.1	15.5	20.5
Year ended March, 2004	19,792	9.0	98.45	-	-	-	10.4	12.1	16.4

(Notes) 1. Investment income for equity method:

March 2005: 187 million yen March 2004: 211 million yen

2. Average number of shares during period (consolidated):

March 2005: 198,327,244 shares March 2004: 199,595,974 shares

3. Changes in accounting policies: Yes

4. The Percentages shown next to net sales, operating profit, ordinary profit 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)
March 31, 2005	312,455	219,872	70.4	1,107.88
March 31, 2004	293,866	195,075	66.4	982.62

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

March 2004: 198,320,825 shares March 2004: 198,382,952 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, 2005	43,725	(15,636)	(12,343)	57,557
Year ended March, 2004	41,496	(11,639)	(19,215)	41,533

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

Consolidated subsidiaries: 35

Affiliated companies accounted for under equity method: 1

Nonconsolidated subsidiaries accounted for under equity method: 1

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

Consolidation (new): 2

Equity method (new): None

(elimination): None

(elimination): 2

2. Consolidated forecasts for the year ending March 2006 (From April 1, 2005 to March 31, 2006)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	
Half year ended September, 2005	117,200	23,100	23,000	14,300				
Year ended March, 2006	244,000	49,000	48,800	30,500				

(N.B.) Estimated earnings per share (full year): 153.00 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, 2004		March 31, 2005		Changes	
	Amount	%	Amount	%		%
(Assets)		%		%		%
I Current assets	142,559	48.5%	161,504	51.7%	18,944	13.3%
Cash and cash equivalents	41,533		57,557		16,024	
Trade receivable notes/accounts	58,211		60,809		2,598	
Inventories	33,587		34,781		1,193	
Deferred taxes assets - short	5,713		5,955		242	
Other current assets	4,536		3,386		(1,149)	
Allowance for doubtful debts	(1,022)		(987)		34	
II Fixed assets	151,306	51.5%	150,951	48.3%	(355)	(0.2%)
1. Tangible assets	109,415	37.2%	107,042	34.3%	(2,372)	(2.2%)
Buildings and structures	44,552		42,084		(2,468)	
Machinery and transportation equipment	30,836		28,743		(2,092)	
Land	23,173		21,802		(1,371)	
Construction in progress	4,065		7,406		3,341	
Other tangible assets	6,787		7,005		218	
2. Intangible assets	21,344	7.3%	22,920	7.3%	1,576	7.4%
Goodwill	4,061		5,266		1,205	
Consolidation goodwill	14,009		13,210		(799)	
Other intangible assets	3,273		4,443		1,170	
3. Investments and other assets	20,546	7.0%	20,987	6.7%	440	2.1%
Investment in securities	10,501		10,151		(349)	
Deferred tax assets - long	7,559		8,379		820	
Other investments and other assets	2,486		2,455		(30)	
Total assets	293,866	100.0%	312,455	100.0%	18,588	6.3%

(Millions of yen)

	March 31, 2004		March 31, 2005		Changes	
	Amount	%	Amount	%		%
(Liabilities)						
I Current liabilities	71,188	24.2%	70,652	22.6%	(536)	(0.8%)
Trade payable notes/accounts	20,888		21,810		922	
Short-term bank loans	16,308		8,539		(7,769)	
Current portion of long-term bank loans	634		5,322		4,688	
Income tax payable	11,156		10,413		(742)	
Reserve for employees bonuses	4,155		4,526		371	
Notes/accounts payable for machinery & equipment	2,673		3,780		1,106	
Other current liabilities	15,371		16,259		887	
II Fixed liabilities	27,575	9.4%	21,897	7.0%	(5,677)	(20.6%)
Long-term bank loans	5,528		-		(5,528)	
Deferred tax liabilities - long	408		475		66	
Reserve for retirement allowances	19,586		19,386		(199)	
Other fixed liabilities	2,051		2,035		(16)	
Total liabilities	98,764	33.6%	92,550	29.6%	(6,213)	(6.3%)
(Minority interests)						
Minority interests	26	0.0%	32	0.0%	5	21.7%
(Stockholders' equity)						
I Capital stock	38,716		38,716		-	
II Legal capital surplus	52,103		52,103		-	
III Retained earnings	131,880		155,501		23,621	
IV Other securities valuation difference	1,962		1,875		(86)	
V Translation adjustments	(8,242)		(6,832)		1,410	
VI Treasury stock	(21,344)		(21,492)		(147)	
Total stockholders' equity	195,075	66.4%	219,872	70.4%	24,797	12.7%
Total liabilities, minority interests and stockholders' equity	293,866	100.0%	312,455	100.0%	18,588	6.3%

(2) Consolidated Statement of Income

(Millions of yen)

	Year ended			Year ended			Changes		
	March 31, 2004			March 31, 2005					
	Amount		%	Amount		%			%
I Net sales	215,195		100.0%	230,003		100.0%	14,807		6.9%
II Cost of sales	104,903		48.7%	106,238		46.2%	1,335		1.3%
Gross profit	110,292		51.3%	123,764		53.8%	13,472		12.2%
III Selling, general and administrative expenses	73,639		34.3%	76,657		33.3%	3,017		4.1%
Operating income	36,652		17.0%	47,107		20.5%	10,454		28.5%
IV Non-operating income									
Interest income	141			248			107		
Dividend income	71			100			28		
Royalty income	78			19			(59)		
Exchange profit	-			286			286		
Investment income for equity method	211			187			(23)		
Other non-operating income	603	1,105	0.5%	874	1,716	0.7%	270	610	55.2%
V Non-operating expense									
Interest expense	356			326			(30)		
Sales discount	302			360			57		
Exchange loss	853			-			(853)		
Loss on disposal of inventories	-			263			263		
Other non-operating expense	940	2,453	1.1%	747	1,698	0.7%	(193)	(755)	(30.8%)
Ordinary income	35,304		16.4%	47,125		20.5%	11,820		33.5%
VI Extraordinary income									
Gain on sales of fixed assets	295			3			(291)		
Gain on sales of security investments	24			-			(24)		
Gain on reversal of allowance for bad debts	19			3			(16)		
Gain on reversal of loss on restructuring in overseas operation	-	339	0.2%	537	544	0.2%	537	205	60.5%
VII Extraordinary expense									
Loss on disposal and impairment of fixed assets	640			229			(411)		
Loss on sales of affiliated company stock	4			-			(4)		
Loss on sales and impairment of golf membership	1			10			8		
Loss on restructuring in overseas operation	1,163			-			(1,163)		
Compensation to retired directors	89			162			72		
Amortization of consolidated goodwill	-			2,179			2,179		
Impairment loss	-	1,901	0.9%	1,434	4,016	1.7%	1,434	2,115	111.3%
Income before taxes and minority interests	33,743		15.7%	43,653		19.0%	9,910		29.4%
Corporate, inhabitant and enterprise taxes	12,508			17,371			4,862		
Taxes effects of timing differences	1,473			(857)			(2,331)		
Minority interest in incurrence of subsidiaries	(31)			5			36		
Net income for the period	19,792		9.2%	27,134		11.8%	7,342		37.1%

(3) Consolidated Appropriation of Retained Earnings

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005	changes
(Capital Surplus)			
I Consolidated capital surplus, beginning of period	52,103	52,103	-
II Capital surplus, end of period	52,103	52,103	-
(Retained Earnings)			
I Consolidated retained earnings, beginning of period	114,740	131,880	17,140
II Increase in retained earnings	19,792	27,134	7,342
Net income for the period	19,792	27,134	
III Decrease in retained earnings	2,652	3,513	861
Dividends - total	2,504	3,372	
Directors' bonuses	127	126	
Statutory auditors' bonuses	20	15	
IV Retained earnings, end of period	131,880	155,501	23,621

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
I Operating activities		
Income before taxes and minority interests	33,743	43,653
Depreciation and amortization	14,038	14,781
Impairment loss	-	1,434
Amortization of consolidation goodwill	842	2,978
Investment income for equity method	(211)	(187)
Increase (decrease) in reserve for retirement allowance	2,806	(199)
Increase (decrease) in allowance for doubtful debts	77	(54)
Interest and dividend income	(212)	(349)
Interest expenses	356	326
Exchange loss (gain)	393	(14)
Loss on disposal and impairment of fixed assets	640	229
Gain on sales of fixed assets	(295)	(3)
Gain on sales of security investments	(24)	-
Loss on sales of security investments	4	-
Loss on sales and impairment of golf membership	1	10
Decrease (increase) in trade receivable notes/accounts	(1,991)	(1,782)
Decrease (increase) in inventories	370	(634)
Increase (decrease) in trade payable notes/accounts	1,823	239
Directors' bonuses	(147)	(141)
Others	995	1,386
Subtotal	53,211	61,671
Interest and dividend income received	395	534
Interest expenses paid	(360)	(326)
Income tax and others paid	(11,749)	(18,154)
Total operating activities	41,496	43,725
II Investing activities		
Payments for acquisition of tangible assets	(11,455)	(10,998)
Proceeds from sales of tangible assets	796	3
Payments for acquisition of intangible assets	(1,055)	(1,822)
Payments for acquisition security investments	(12)	(102)
Proceeds from sales of security investments	137	-
Payments for assignment of goodwill	-	(955)
Decrease in cash due to a new consolidated company	(49)	(1,761)
Total investing activities	(11,638)	(15,636)
III Financing activities		
Increase (decrease) in short-term debts	(11,310)	(7,962)
Repayment of long-term debts	(508)	(860)
Buyback of treasury stock	(4,891)	(147)
Dividend paid	(2,504)	(3,372)
Total financing activities	(19,215)	(12,343)
IV Effect of exchange rate changes on cash and cash equivalents	(722)	279
V Increase (decrease) in cash and cash equivalents	9,919	16,024
VI Cash and cash equivalents, beginning of period	31,613	41,533
VII Cash and cash equivalents, end of period	41,533	57,557

(5)Notes

Relating to balance sheet

(Millions of yen)

	March 31, 2004	March 31, 2005
Accumulated depreciation of tangible assets	168,503	172,700

Relating to statement of income

Main items among selling, general and administrative expenses

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005
Sales promotion and advertisement	6,791	8,247
Logistics and packaging	6,835	7,096
Salaries and wages	15,081	16,271
Allowance for bonus	3,654	4,026
Pension	2,339	1,740
R&D expenditure	14,699	13,739
Depreciation and Amortization	2,381	2,568

4. Segment Information

(1) Sales results by product segment

(Millions of yen)

	Year ended March 31, 2004		Year ended March 31, 2005	
	Amount	%	Amount	%
Disposable medical equipment	73,293	34.0%	73,491	31.9%
Pharmaceuticals	31,772	14.8%	34,903	15.2%
Blood transfusion system	14,872	6.9%	15,672	6.8%
General hospital products	119,938	55.7%	124,068	53.9%
Catheter system	37,727	17.5%	44,845	19.5%
Cardiovascular system	27,348	12.7%	29,866	13.0%
Vascular grafts	5,890	2.8%	6,214	2.7%
Catheter and Cardiovascular system	70,966	33.0%	80,926	35.2%
CAPD system	8,212	3.8%	8,015	3.5%
Diabetes care products	6,596	3.1%	7,799	3.4%
Other products	9,481	4.4%	9,193	4.0%
Home health care products	24,290	11.3%	25,008	10.9%
Total	215,195	100.0%	230,003	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, Blood transfusion administration set, medical electronic devices for blood collection, etc.
Catheter system	PTCA dilation catheters, Coronary stent, Guide wire, Angiographic catheters, 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.

(2) Sales results by region

(Millions of yen)

	Year ended March 31, 2004		Year ended March 31, 2005	
	Amount	%	Amount	%
Japan	134,849	62.7%	143,355	62.3%
Europe	31,439	14.6%	34,763	15.1%
America	33,875	15.7%	35,771	15.6%
Others	15,030	7.0%	16,112	7.0%
Total	215,195	100.0%	230,003	100.0%