

# 1st Quarter Financial Results for FYE 3/2006 (Consolidated)

July 20, 2005

Name of listed company: TERUMO CORPORATION

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

Company code number: 4543

Representative:

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Exchange where listed: TSE

Location of headquarters (prefecture):

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## 1. Consolidated Financial Highlights for the three months ended June 2005 - Unaudited

(From April 1, 2005 to June 30, 2005)

### (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, 2005	58,721	7.3	12,044	24.2	12,334	26.8	7,673	31.6
Three months ended June, 2004	54,747	7.7	9,697	25.4	9,730	15.5	5,832	29.8
Year ended March, 2005	230,003		47,107		47,125		27,134	

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Three months ended June, 2005	38.69	-
Three months ended June, 2004	29.41	-
Year ended March, 2005	136.03	-

\* 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, 2005	308,255	224,755	72.9	1,133.30
June 30, 2004	287,912	199,757	69.4	1,007.20
March 31, 2005	312,455	219,872	70.4	1,107.88

### (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, 2005	4,835	(4,016)	(4,265)	54,199
Three months ended June, 2004	4,267	(2,671)	(2,474)	40,831
Year ended March, 2005	43,725	(15,636)	(12,343)	57,557

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

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

(5) All financial results for the consolidated financial period from April 1, 2005 to June 30, 2005 are not audited by independent auditors.

## 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)
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 net income per share (full year): 153.00 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, 2004		June 30, 2005		Increase / Decrease		March 31, 2005	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Current Assets</b>	<b>137,326</b>	<b>47.7</b>	<b>156,813</b>	<b>50.9</b>	<b>19,486</b>	<b>14.2</b>	<b>161,504</b>	<b>51.7</b>
Cash on hand and in banks	40,831		54,199		13,368		57,557	
Trade notes/ accounts receivable	55,149		57,892		2,742		59,822	
Inventories	33,932		36,161		2,228		34,781	
Other current assets	7,412		8,559		1,147		9,342	
<b>Fixed Assets</b>	<b>150,586</b>	<b>52.3</b>	<b>151,442</b>	<b>49.1</b>	<b>856</b>	<b>0.6</b>	<b>150,951</b>	<b>48.3</b>
Tangible fixed assets	108,677		107,947		(730)		107,042	
Intangible fixed assets	21,198		22,848		1,650		22,920	
Investments and other fixed assets	20,710		20,647		(63)		20,987	
<b>Total Assets</b>	<b>287,912</b>	<b>100.0</b>	<b>308,255</b>	<b>100.0</b>	<b>20,343</b>	<b>7.1</b>	<b>312,455</b>	<b>100.0</b>
<b>Current Liabilities</b>	<b>61,147</b>	<b>21.2</b>	<b>61,761</b>	<b>20.0</b>	<b>614</b>	<b>1.0</b>	<b>70,652</b>	<b>22.6</b>
Trade notes/accounts payable	19,899		21,444		1,544		21,810	
Short-term bank loans	17,147		11,911		(5,235)		13,861	
Other current liabilities	24,100		28,405		4,305		34,980	
<b>Long-term Liabilities</b>	<b>26,980</b>	<b>9.4</b>	<b>21,699</b>	<b>7.1</b>	<b>(5,280)</b>	<b>(19.6)</b>	<b>21,897</b>	<b>7.0</b>
Long-term bank loans	5,000		-		(5,000)		-	
Reserve for retirement allowance	19,457		19,283		(173)		19,386	
Other long-term liabilities	2,522		2,415		(106)		2,510	
<b>Total Liabilities</b>	<b>88,127</b>	<b>30.6</b>	<b>83,461</b>	<b>27.1</b>	<b>(4,666)</b>	<b>(5.3)</b>	<b>92,550</b>	<b>29.6</b>
<b>Minority interests</b>	<b>26</b>	<b>0.0</b>	<b>38</b>	<b>0.0</b>	<b>12</b>	<b>45.8</b>	<b>32</b>	<b>0.0</b>
Capital stock and capital surplus	90,820		90,820		-		90,820	
Retained earnings	135,786		160,638		24,851		155,501	
Evaluation difference of investment securities	2,123		1,948		(174)		1,875	
Foreign currency translation adjustments	(7,505)		(7,155)		350		(6,832)	
Treasury stock	(21,467)		(21,496)		(29)		(21,492)	
<b>Total Stockholders' Equity</b>	<b>199,757</b>	<b>69.4</b>	<b>224,755</b>	<b>72.9</b>	<b>24,997</b>	<b>12.5</b>	<b>219,872</b>	<b>70.4</b>
<b>Total Liabilities, minority interests and stockholders' equity</b>	<b>287,912</b>	<b>100.0</b>	<b>308,255</b>	<b>100.0</b>	<b>20,343</b>	<b>7.1</b>	<b>312,455</b>	<b>100.0</b>

## (2) Consolidated Statement of Income

(Millions of yen)

	Three months ended June 30, 2004		Three months ended June 30, 2005		Increase / Decrease		Year ended March 31, 2005	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	54,747	100.0	58,721	100.0	3,974	7.3	230,003	100.0
Cost of sales	26,361	48.2	26,861	45.8	499	1.9	106,238	46.2
Gross profit	28,385	51.8	31,860	54.2	3,474	12.2	123,764	53.8
Selling, general and administrative expenses	18,687	34.1	19,816	33.7	1,128	6.0	76,657	33.3
Operating income	9,697	17.7	12,044	20.5	2,346	24.2	47,107	20.5
Non-operating income / expenses	32		290		257		17	
Ordinary income	9,730	17.8	12,334	21.0	2,604	26.8	47,125	20.5
Extraordinary profit / expenses	(136)		(3)		133		(3,472)	
Income before taxes	9,593	17.5	12,331	21.0	2,738	28.5	43,653	19.0
Corporate, inhabitant and enterprise taxes	3,760		4,658		897		16,518	
Net income for the period	5,832	10.7	7,673	13.1	1,840	31.6	27,134	11.8

## (3) Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2004	Three months ended June 30, 2005	Year ended March 31, 2005
Cash flows from operating activities	4,267	4,835	43,725
Cash flows from investing activities	(2,671)	(4,016)	(15,636)
Cash flows from financing activities	(2,474)	(4,265)	(12,343)
Effect of exchange rate changes on cash and cash equivalents	176	88	279
Change in cash and cash equivalents	(702)	(3,358)	16,024
Cash and cash equivalents, beginning of year	41,533	57,557	41,533
Cash and cash equivalents, end of period	40,831	54,199	57,557

## (4)Notes

Relating to balance sheet

(Millions of yen)

	June 30, 2004	June 30, 2005	March 31, 2005
Accumulated depreciation of tangible assets	172,033	175,741	172,700

Relating to statement of income

## 1. Main items among selling, general and administrative expenses

(Millions of yen)

	Three months ended June 30, 2004	Three months ended June 30, 2005	Year ended March 31, 2005
R&D expenditure	3,558	3,470	13,739

## 2. Main items among extraordinary profit / expenses

(Millions of yen)

	Three months ended June 30, 2004	Three months ended June 30, 2005	Year ended March 31, 2005
Gain on sales of fixed assets	0	46	3
Gain on reversal of allowance for bad debts	44	37	3
Gain on reversal of loss on restructuring in overseas operation	-	-	537
Loss on disposal and impairment of fixed assets	15	27	229
Compensation to retired directors	162	59	162
Amortization of consolidated goodwill	-	-	2,179
Impairment loss	-	-	1,434

### 3. Segment Information

#### (1) Sales results by product segment

(Millions of yen)

	Three months ended June 30, 2004		Three months ended June 30, 2005		Increase / Decrease	
	Amount	%	Amount	%	Amount	%
Disposable medical equipment	17,576	32.1	18,211	31.0	634	3.6
Pharmaceuticals	8,342	15.2	9,022	15.4	679	8.1
Blood transfusion systems	3,965	7.3	4,103	7.0	137	3.5
<b>General hospital products</b>	<b>29,884</b>	<b>54.6</b>	<b>31,337</b>	<b>53.4</b>	<b>1,452</b>	<b>4.9</b>
Catheter systems	10,289	18.8	11,643	19.8	1,354	13.2
Cardiovascular systems	7,216	13.2	7,293	12.4	77	1.1
Vascular grafts	1,602	2.9	1,610	2.8	8	0.5
<b>Cardiac &amp; Vascular products</b>	<b>19,107</b>	<b>34.9</b>	<b>20,548</b>	<b>35.0</b>	<b>1,440</b>	<b>7.5</b>
CAPD systems	2,004	3.7	1,954	3.3	(50)	(2.5)
Diabetes care products	1,746	3.2	2,341	4.0	595	34.1
Other products	2,003	3.6	2,540	4.3	536	26.8
<b>Home health care products</b>	<b>5,754</b>	<b>10.5</b>	<b>6,836</b>	<b>11.6</b>	<b>1,081</b>	<b>18.8</b>
<b>Total</b>	<b>54,747</b>	<b>100.0</b>	<b>58,721</b>	<b>100.0</b>	<b>3,974</b>	<b>7.3</b>

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, 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, 2004		Three months ended June 30, 2005		Increase / Decrease	
	Amount	%	Amount	%	Amount	%
Japan	33,057	60.4	35,769	60.9	2,712	8.2
Europe	8,737	16.0	9,373	16.0	636	7.3
America	8,847	16.1	8,681	14.8	(165)	(1.9)
Others	4,105	7.5	4,896	8.3	791	19.3
<b>Total</b>	<b>54,747</b>	<b>100.0</b>	<b>58,721</b>	<b>100.0</b>	<b>3,974</b>	<b>7.3</b>