



Financial Results for FYE 3/2006 (Consolidated)

April 26, 2006

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:
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Kunio Kimishima, General Manager, Corporate Communication Dept.
Date of Board of Directors' meeting for approval of financial results: April 26, 2006
Adoption of U.S. accounting standards [Yes/No]: No

1. Consolidated Financial Highlights for the year ended March 2006 (From April 1, 2005 to March 31, 2006)

(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, 2006	247,048	7.4	48,251	2.4	48,934	3.8
Year ended March, 2005	230,003	6.9	47,107	28.5	47,125	33.5

	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)	%	%	%
Year ended March, 2006	32,457	19.6	160.45	-	13.2	14.7	19.8
Year ended March, 2005	27,134	37.1	136.03	-	13.1	15.5	20.5

(Notes) 1. Investment income for equity method:

March 2006: 177 million yen March 2005: 187 million yen

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

March 2006: 201,459,940 shares March 2005: 198,327,244 shares

3. Changes in accounting policies: No

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, 2006	354,648	273,309	77.1	1,345.52
March 31, 2005	312,455	219,872	70.4	1,107.88

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

March 2006: 203,027,519 shares March 2005: 198,320,825 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, 2006	43,380	(54,391)	370	47,963
Year ended March, 2005	43,725	(15,636)	(12,343)	57,557

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

Consolidated subsidiaries: 38 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): 4 (elimination): 1

Equity method (new): 1 (elimination): None

2. Consolidated forecasts for the year ending March 2007 (From April 1, 2006 to March 31, 2007)

	Net sales	Operating income	Ordinary income	Net income
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Half year ended September, 2006	127,800	26,500	26,500	16,300
Year ended March, 2007	267,000	54,700	54,200	33,700

(N.B.) Estimated earnings per share (full year): 165.34 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, 2005		March 31, 2006		Changes	
	Amount	%	Amount	%		%
(Assets)						
I Current assets	161,504	51.7%	165,486	46.7%	3,982	2.5%
Cash and cash equivalents	57,557		47,963		(9,594)	
Trade receivable notes/accounts	60,809		63,940		3,130	
Inventories	34,781		40,941		6,159	
Deferred taxes assets - short	5,955		8,604		2,648	
Other current assets	3,386		4,952		1,565	
Allowance for doubtful debts	(987)		(915)		71	
II Fixed assets	150,951	48.3%	189,161	53.3%	38,210	25.3%
1. Tangible assets	107,042	34.3%	109,837	31.0%	2,795	2.6%
Buildings and structures	42,084		42,591		506	
Machinery and transportation equipment	28,743		28,401		(342)	
Land	21,802		20,384		(1,417)	
Construction in progress	7,406		10,697		3,291	
Other tangible assets	7,005		7,762		756	
2. Intangible assets	22,920	7.3%	41,972	11.8%	19,051	83.1%
Goodwill	5,266		23,770		18,504	
Consolidation goodwill	13,210		12,411		(799)	
Other intangible assets	4,443		5,790		1,346	
3. Investments and other assets	20,987	6.7%	37,351	10.5%	16,363	78.0%
Investment in securities	10,151		32,162		22,010	
Deferred tax assets - long	8,379		2,830		(5,549)	
Other investments and other assets	2,455		2,358		(97)	
Total assets	312,455	100.0%	354,648	100.0%	42,193	13.5%

(Millions of yen)

	March 31, 2005		March 31, 2006		Changes	
	Amount	%	Amount	%		%
(Liabilities)						
I Current liabilities	70,652	22.6%	66,876	18.9%	(3,776)	(5.3%)
Trade payable notes/accounts	21,810		23,858		2,047	
Short-term bank loans	8,539		3,975		(4,564)	
Current portion of long-term bank loans	5,322				(5,322)	
Income tax payable	10,413		11,398		984	
Reserve for employees bonuses	4,526		4,324		(202)	
Notes/accounts payable for machinery & equipment	3,780		4,819		1,038	
Other current liabilities	16,259		18,500		2,241	
II Fixed liabilities	21,897	7.0%	14,412	4.0%	(7,484)	(34.2%)
Deferred tax liabilities - long	475		90		(384)	
Reserve for retirement allowances	19,386		12,171		(7,214)	
Other fixed liabilities	2,035		2,150		114	
Total liabilities	92,550	29.6%	81,288	22.9%	(11,261)	(12.2%)
(Minority interests)						
Minority interests	32	0.0%	49	0.0%	17	53.4%
(Stockholders' equity)						
I Capital stock	38,716		38,716			
II Legal capital surplus	52,103		59,030		6,926	
III Retained earnings	155,501		183,391		27,889	
IV Other securities valuation difference	1,875		7,367		5,491	
V Translation adjustments	(6,832)		(1,747)		5,084	
VI Treasury stock	(21,492)		(13,449)		8,043	
Total stockholders' equity	219,872	70.4%	273,309	77.1%	53,436	24.3%
Total liabilities, minority interests and stockholders' equity	312,455	100.0%	354,648	100.0%	42,193	13.5%

(2) Consolidated Statement of Income

(Millions of yen)

	Year ended March 31, 2005		Year ended March 31, 2006		Changes				
	Amount	%	Amount	%			%		
I Net sales	230,003	100.0%	247,048	100.0%	17,045		7.4%		
II Cost of sales	106,238	46.2%	111,377	45.1%	5,139		4.8%		
Gross profit	123,764	53.8%	135,670	54.9%	11,905		9.6%		
III Selling, general and administrative expenses	76,657	33.3%	87,419	35.4%	10,762		14.0%		
Operating income	47,107	20.5%	48,251	19.5%	1,143		2.4%		
IV Non-operating income									
Interest income	248		368		120				
Dividend income	100		170		70				
Royalty income	19		79		60				
Exchange profit	286		836		550				
Investment income for equity method	187		177		(9)				
Other non-operating income	874	1,716	0.7%	731	2,365	1.0%	(142)	649	37.8%
V Non-operating expense									
Interest expense	326		286		(39)				
Sales discount	360		393		33				
Loss on retirement benefit in the overseas subsidiary	-		163		163				
Loss on disposal of inventories	263		198		(65)				
Other non-operating expense	747	1,698	0.7%	640	1,682	0.7%	(107)	(16)	(0.9%)
Ordinary income	47,125	20.5%	48,934	19.8%	1,809		3.8%		
VI Extraordinary income									
Gain on sales of fixed assets	3		71		67				
Gain on contribution of securities to retirement benefit trust	-		4,966		4,966				
Gain on reversal of allowance for bad debts	3		25		22				
Gain on sales of trade receivables written off	-		156		156				
Gain on reversal of loss on restructuring in overseas operation	537	544	0.2%	-	5,219	2.1%	(537)	4,675	858.2%
VII Extraordinary expense									
Loss on disposal and impairment of fixed assets	229		661		432				
Loss on sales and impairment of golf membership	10		6		(4)				
Loss on liquidation of the subsidiary	-		196		196				
Loss on restructuring in overseas operation	-		575		575				
Compensation to retired directors	162		59		(102)				
Amortization of consolidated goodwill	2,179		-		(2,179)				
Expense relating to acquisition of newly consolidated subsidiary	-		473		473				
Impairment loss	1,434	4,016	1.7%	592	2,566	1.0%	(842)	(1,450)	(36.1%)
Income before taxes and minority interests	43,653	19.0%	51,588	20.9%	7,935		18.2%		
Corporate, inhabitant and enterprise taxes	17,371		20,197		2,825				
Taxes effects of timing differences	(857)		(1,079)		(221)				
Minority interest in incurrence of subsidiaries	5		13		8				
Net income for the period	27,134	11.8%	32,457	13.1%	5,322		19.6%		

(3) Consolidated Appropriation of Retained Earnings

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006	changes
(Capital Surplus)			
I Consolidated capital surplus, beginning of period	52,103	52,103	-
II Capital surplus, end of period	52,103	59,030	6,926
(Retained Earnings)			
I Consolidated retained earnings, beginning of period	131,880	155,501	23,621
II Increase in retained earnings	27,134	32,457	5,322
Net income for the period	27,134	32,457	
III Decrease in retained earnings	3,513	4,567	1,054
Dividends - total	3,372	4,410	
Directors' bonuses	126	140	
Statutory auditors' bonuses	15	17	
IV Retained earnings, end of period	155,501	183,391	27,889

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
I Operating activities		
Income before taxes and minority interests	43,653	51,588
Depreciation and amortization	14,781	14,381
Impairment loss	1,434	592
Amortization of consolidation goodwill	2,978	799
Investment income for equity method	(187)	(177)
Increase (decrease) in reserve for retirement allowance	(199)	(7,214)
Increase (decrease) in allowance for doubtful debts	(54)	(90)
Interest and dividend income	(349)	(539)
Interest expenses	326	286
Exchange loss (gain)	(14)	664
Loss on disposal and impairment of fixed assets	229	661
Gain on sales of fixed assets	(3)	(71)
Loss on sales and impairment of golf membership	10	6
Expense relating to acquisition of newly consolidated subsidiary	-	473
Gain on contribution of securities to retirement benefit trust	-	(4,966)
Transfer of securities to retirement benefit trust	-	7,110
Decrease (increase) in trade receivable notes/accounts	(1,782)	(1,752)
Decrease (increase) in inventories	(634)	(4,923)
Increase (decrease) in trade payable notes/accounts	239	1,461
Directors' bonuses	(141)	(157)
Others	1,386	3,323
Subtotal	61,671	61,455
Interest and dividend income received	534	787
Interest expenses paid	(326)	(293)
Income tax and others paid	(18,154)	(18,569)
Total operating activities	43,725	43,380
II Investing activities		
Payments for acquisition of tangible assets	(10,998)	(14,248)
Proceeds from sales of tangible assets	3	987
Payments for acquisition of intangible assets	(1,822)	(1,278)
Payments for acquisition security investments	(102)	(15,000)
Proceeds from sales of security investments	-	1
Payments for assignment of goodwill	(955)	(918)
Acquisition of shares in consolidated subsidiary	(1,761)	(23,460)
Payments for acquisition of newly consolidated subsidiary	-	(473)
Total investing activities	(15,636)	(54,391)
III Financing activities		
Increase (decrease) in short-term debts	(7,962)	(4,848)
Repayment of long-term debts	(860)	(5,339)
Proceeds from treasury stock	-	14,998
Buyback of treasury stock	(147)	(29)
Dividend paid	(3,372)	(4,410)
Total financing activities	(12,343)	370
IV Effect of exchange rate changes on cash and cash equivalents	279	1,046
V Increase (decrease) in cash and cash equivalents	16,024	(9,594)
VI Cash and cash equivalents, beginning of period	41,533	57,557
VII Cash and cash equivalents, end of period	57,557	47,963

(5)Notes

Relating to balance sheet

(Millions of yen)

	March 31, 2005	March 31, 2006
Accumulated depreciation of tangible assets	172,700	186,091

Relating to statement of income

Main items among selling, general and administrative expenses

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2006
Sales promotion and advertisement	8,247	9,077
Logistics and packaging	7,096	7,431
Salaries and wages	16,271	19,254
Allowance for bonus	4,026	3,896
Pension	1,740	1,835
R&D expenditure	13,739	18,024
Depreciation and Amortization	2,568	2,828

4. Segment Information

(1) Sales results by product segment

(Millions of yen)

	Year ended March 31, 2005		Year ended March 31, 2006	
	Amount	%	Amount	%
Disposable medical equipment	73,491	31.9%	77,155	31.2%
Pharmaceuticals	34,903	15.2%	35,814	14.5%
Blood transfusion system	15,672	6.8%	16,913	6.9%
General hospital products	124,068	53.9%	129,883	52.6%
Catheter system	44,845	19.5%	49,226	19.9%
Cardiovascular system	29,866	13.0%	32,279	13.1%
Vascular grafts	6,214	2.7%	7,424	3.0%
Catheter and Cardiovascular system	80,926	35.2%	88,930	36.0%
CAPD system	8,015	3.5%	7,738	3.1%
Diabetes care products	7,799	3.4%	10,026	4.1%
Other products	9,193	4.0%	10,469	4.2%
Home health care products	25,008	10.9%	28,234	11.4%
Total	230,003	100.0%	247,048	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, 2005		Year ended March 31, 2006	
	Amount	%	Amount	%
Japan	143,355	62.3%	149,386	60.5%
Europe	34,763	15.1%	39,587	16.0%
America	35,771	15.6%	38,617	15.6%
Others	16,112	7.0%	19,457	7.9%
Total	230,003	100.0%	247,048	100.0%