

3rd Quarter Financial Results for FYE 3/2007 (Consolidated)

January 29, 2007

Name of listed company: TERUMO CORPORATION

Exchange where listed: TSE

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

Location of headquarters (prefecture): Tokyo

Company code number: 4543

Representative:

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1. Consolidated Financial Highlights for the nine months ended December 2006 - Unaudited (From April 1, 2006 to December 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		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Nine months ended December, 2006	205,148	11.7	45,228	16.9	46,254	17.7	29,543	18.0
Nine months ended December, 2005	183,593	7.0	38,701	7.0	39,303	8.8	25,047	13.6
Year ended March, 2006	247,048		48,251		48,934		32,457	

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Nine months ended December, 2006	146.20	-
Nine months ended December, 2005	124.65	-
Year ended March, 2006	160.45	-

* 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	Net assets	Capital asset ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
December 31, 2006	356,615	279,830	78.5	1,407.38
December 31, 2005	347,003	265,966	76.7	1,309.99
March 31, 2006	354,648	273,309	77.1	1,345.52

(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)
Nine months ended December, 2006	28,839	(12,427)	(28,365)	36,695
Nine months ended December, 2005	23,236	(25,283)	2,258	58,588
Year ended March, 2006	43,380	(54,391)	370	47,963

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

Consolidation (new) : 2 (elimination): None

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

(5) All financial results for the consolidated financial period from April 1, 2006 to December 31, 2006 are not audited by independent auditors.

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)
Year ended March, 2007	273,000	57,500	57,500	37,000

(N.B.) Estimated net income per share (full year): 186.13 yen

(Computing basis: the balance of shares as of the end of this 3rd 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.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	December 31, 2005		December 31, 2006		March 31, 2006	
	Amount	%	Amount	%	Amount	%
Current Assets	174,832	50.4	163,283	45.8	165,486	46.7
Cash and cash equivalents	58,588		36,935		47,963	
Trade receivable notes/accounts	65,110		70,244		63,024	
Inventories	39,595		44,211		40,941	
Other current assets	11,537		11,891		13,556	
Fixed Assets	172,171	49.6	193,332	54.2	189,161	53.3
Tangible fixed assets	108,313	31.2	114,864	32.2	109,837	31.0
Building and structures	42,931		44,944		42,591	
Machinery and transportation equipment	28,222		30,572		28,401	
Land	20,369		20,300		20,384	
Construction in progress	9,159		11,718		10,697	
Other tangible assets	7,629		7,328		7,762	
Intangible fixed assets	21,674	6.2	41,116	11.5	41,972	11.8
Investments and other assets	42,183	12.2	37,350	10.5	37,351	10.5
Investment in securities	35,919		33,173		32,162	
Other investments and other assets	6,264		4,177		5,188	
Total Assets	347,003	100.0	356,615	100.0	354,648	100.0

Current Liabilities	59,420	17.1	61,891	17.3	66,876	18.9
Trade payable notes/accounts	23,370		24,081		23,858	
Short-term bank loans	5,858		476		3,975	
Other current liabilities	30,191		37,333		39,043	
Long-term Liabilities	21,568	6.2	14,893	4.2	14,412	4.0
Long-term bank loans	-		440		-	
Reserve for retirement allowance	19,355		11,361		12,171	
Other long-term liabilities	2,212		3,091		2,240	
Total Liabilities	80,988	23.3	76,785	21.5	81,288	22.9
Minority Interests	48	0.0	-	-	49	0.0
Common stock	-	-	38,716	10.9	-	-
Capital surplus	-	-	59,030	16.6	-	-
Retained earnings	-	-	207,524	58.2	-	-
Treasury stock	-	-	(33,443)	(9.4)	-	-
Total Stockholders' Equity	-	-	271,828	76.3	-	-
Other Securities Valuation Difference	-	-	7,983	2.2	-	-
Gain / Loss on deferred hedge	-	-	(2)	(0.0)	-	-
Translation Adjustments	-	-	(36)	(0.0)	-	-
Total Valuation and Translation Adjustments	-	-	7,945	2.2	-	-
Minority Interests	-	-	56	0.0	-	-
Total Net Assets	-	-	279,830	78.5	-	-
Total Liabilities and Net Assets	-	-	356,615	100.0	-	-
Common stock	38,716	11.2	-	-	38,716	10.9
Capital surplus	59,030	17.0	-	-	59,030	16.6
Retained earnings	175,981	50.7	-	-	183,391	51.7
Other Securities Valuation Difference	8,370	2.4	-	-	7,367	2.1
Translation Adjustments	(2,690)	(0.8)	-	-	(1,747)	(0.4)
Treasury stock	(13,442)	(3.8)	-	-	(13,449)	(3.8)
Total Stockholders' Equity	265,966	76.7	-	-	273,309	77.1
Total Liabilities, Minority Interests and Stockholders' Equity	347,003	100.0	-	-	354,648	100.0

(2) Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2005		Nine months ended December 31, 2006		Year ended March 31, 2006	
	Amount	%	Amount	%	Amount	%
Net sales	183,593	100.0	205,148	100.0	247,048	100.0
Cost of sales	83,475	45.5	91,943	44.8	111,377	45.1
Gross profit	100,118	54.5	113,205	55.2	135,670	54.9
Selling, general and administrative expenses	61,417	33.4	67,976	33.2	87,419	35.4
Operating income	38,701	21.1	45,228	22.0	48,251	19.5
Non-operating income / expenses	602		1,025		683	
Ordinary income	39,303	21.4	46,254	22.5	48,934	19.8
Extraordinary income / expenses	(1,106)		(773)		2,653	
Income before taxes	38,196	20.8	45,480	22.2	51,588	20.9
Corporate, inhabitant and enterprise taxes	13,149		15,936		19,131	
Net income for the period	25,047	13.6	29,543	14.4	32,457	13.1

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Year ended March 31, 2006
Cash flows from operating activities	23,236	28,839	43,380
Cash flows from investing activities	(25,283)	(12,427)	(54,391)
Cash flows from financing activities	2,258	(28,365)	370
Effect of exchange rate changes on cash and cash equivalents	819	684	1,046
Change in cash and cash equivalents	1,030	(11,268)	(9,594)
Cash and cash equivalents, beginning of year	57,557	47,963	57,557
Cash and cash equivalents, end of period	58,588	36,695	47,963

(4) Notes

Relating to balance sheet

(Millions of yen)

	December 31, 2005	December 31, 2006	March 31, 2006
Accumulated depreciation of tangible assets	183,416	195,329	186,091

Relating to statement of income

Main items among selling, general and administrative expenses

(Millions of yen)

	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Year ended March 31, 2006
R&D expenditure	11,124	11,608	18,024

Main items among extraordinary income / expenses

(Millions of yen)

	Nine months ended December 31, 2005	Nine months ended December 31, 2006	Year ended March 31, 2006
Gain on sales of property, plant and equipment	65	43	71
Gain on contribution of securities to retirement benefit trust	-	-	4,966
Gain on reversal of allowance for bad debts	54	-	25
Gain on sales of trade receivables written off	156	-	156
Loss on disposal of property, plant and equipment	536	75	661
Loss on sales and impairment of golf memberships	3	-	6
Loss on restructuring in subsidiaries	190	-	196
Loss on restructuring in overseas operation	-	-	575
Compensation for retired directors	59	12	59
Expense for acquisition of newly consolidated subsidiary	-	-	473
Impairment loss on property, plant and equipment	592	-	592
Provision for retirement benefits for directors and corporate auditors	-	728	-

4. Segment Information

(1) Sales results by product segment

(Millions of yen)

	Nine months ended December 31, 2005		Nine months ended December 31, 2006		Changes	
	Amount	%	Amount	%	Amount	%
Disposable medical equipment	57,239	31.2%	59,096	28.8%	1,856	3.2%
Pharmaceuticals	27,374	14.9%	29,756	14.5%	2,381	8.7%
Blood transfusion systems	12,563	6.8%	14,217	6.9%	1,653	13.2%
General hospital products	97,178	52.9%	103,069	50.2%	5,891	6.1%
Catheter systems	36,638	20.0%	46,531	22.7%	9,892	27.0%
Cardiovascular systems	23,281	12.7%	26,485	12.9%	3,203	13.8%
Vascular grafts	5,189	2.8%	7,207	3.5%	2,017	38.9%
Cardiac & Vascular products	65,109	35.5%	80,223	39.1%	15,114	23.2%
CAPD systems	5,977	3.2%	5,510	2.7%	(467)	(7.8%)
Diabetes care products	7,467	4.1%	9,395	4.6%	1,928	25.8%
Other products	7,861	4.3%	6,949	3.4%	(911)	(11.6%)
Home health care products	21,306	11.6%	21,855	10.7%	549	2.6%
Total	183,593	100.0%	205,148	100.0%	21,554	11.7%

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, 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)

	Nine months ended December 31, 2005		Nine months ended December 31, 2006		Changes	
	Amount	%	Amount	%	Amount	%
Japan	112,284	61.2%	115,275	56.2%	2,990	2.7%
Europe	28,189	15.3%	34,771	17.0%	6,581	23.3%
America	28,505	15.5%	38,029	18.5%	9,524	33.4%
Asia and Others	14,614	8.0%	17,072	8.3%	2,457	16.8%
Total	183,593	100.0%	205,148	100.0%	21,554	11.7%