

2nd Quarter Financial Results for FYE Mar. 2010



October 29, 2009
Exchange where listed: TSE

Name of listed company : **TERUMO CORPORATION**
(URL <http://www.terumo.com/>)
Company code number : 4543
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Dividends will be paid from : December 8, 2009

1. Consolidated financial highlights for the interim period ended September 2009 (From April 1, 2009 to September 30, 2009)

(1) Consolidated financial results

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Six months ended September,2009	158,063	0.7	32,550	3.5	32,239	(1.8)	20,771	(9.7)
Six months ended September,2008	157,011	—	31,457	—	32,837	—	22,991	—

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Six months ended September,2009	109.38	—
Six months ended September,2008	118.56	—

(Note) Percentage represent increase (decrease) from the corresponding period in the prior fiscal year.

The amounts shown above ignore values of less than a million yen.

(2) Consolidated financial position

	Total assets	Net assets	Capital asset ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
September 30, 2009	398,253	298,316	74.9	1,570.37
March 31, 2009	379,064	278,166	73.4	1,464.27

(Note) Shareholders' equity : September 30, 2009: 298,208 million yen, March 31, 2009: 278,062 million yen.

The amounts shown above ignore values of less than a million yen.

2. Dividends

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 31,2009	—	16.00	—	16.00	32.00
Fiscal year ending March 31,2010	—	16.00	—	—	—
Fiscal year ending March 31,2010 (forecast)	—	—	—	16.00	32.00

(Note) Revise of dividends forecast : None

3. Consolidated forecast for the year ending March 2010 (From April 1, 2009 to March 31, 2010)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Fiscal year ending March, 2010	315,000	4.0	63,000	16.6	61,000	16.0	40,000	8.5	210.64

(Note) Revise of consolidated forecast : Yes

(Assumed exchange rate in 2nd half of FY2009: 1US\$=85yen, 1Euro=130yen / Assumed exchange rate of FY2009: 1US\$=90yen, 1Euro=132yen)

Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.

- Forecast for fiscal year ending March, 2010 which was announced on May 13, 2009 has been revised upwardly
- Among the information that Terumo discloses, forecasts of financial performance on future projections contain potential risks and uncertainty since these are forecasts on projections made by Terumo based on limited information available at the moment of disclosure. Accordingly, it should be noted that actual results may differ from those forecasts on projections due to various factors. Factors affecting to actual results include, but are not limited to, changes in economic conditions surrounding Terumo, fluctuations of foreign exchange rates, and state of competition.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2009		As of March 31, 2009	
	Amount	%	Amount	%
(Assets)				
I Current assets	209,563	52.6%	193,658	51.1%
Cash and deposits	70,194		57,073	
Notes and accounts receivable-trade	71,946		66,865	
Merchandise and finished goods	32,369		33,272	
Work in process	5,896		6,373	
Raw material and supplies	15,917		14,945	
Deferred tax assets	9,681		9,687	
Other	4,260		6,173	
Allowance for doubtful accounts	(701)		(733)	
II Noncurrent assets	188,689	47.4%	185,406	48.9%
1. Property, plant and equipment	112,147	28.2%	111,064	29.3%
Buildings and structures	40,863		41,545	
Machinery, equipment and vehicles	31,748		33,067	
Land	20,236		20,303	
Lease assets	638		548	
Construction in progress	11,732		8,584	
Other	6,927		7,015	
2. Intangible assets	30,612	7.7%	32,747	8.6%
Goodwill	23,529		26,823	
Other	7,083		5,923	
3. Investments and other assets	45,929	11.5%	41,593	11.0%
Investment securities	31,827		23,686	
Deferred tax assets	7,981		11,528	
Other	6,121		6,378	
Total Assets	398,253	100.0%	379,064	100.0%

(Millions of yen)

	As of September 30, 2009		As of March 31, 2009	
	Amount	%	Amount	%
(Liabilities)				
I Current liabilities	92,212	23.2%	93,700	24.7%
Notes and accounts payable-trade	26,039		27,812	
Short-term loans payable	20,000		25,190	
Lease obligations	187		161	
Income taxes payable	10,866		6,022	
Deferred tax liabilities	301		173	
Provision for bonuses	5,024		4,758	
Provision for directors' bonuses	94		172	
Notes and accounts payable - facilities	6,404		5,605	
Other	23,294		23,804	
II Noncurrent liabilities	7,724	1.9%	7,196	1.9%
Lease obligations	473		409	
Deferred tax liabilities	23		103	
Provision for retirement benefits	4,269		3,691	
Provision for directors' retirement benefits	658		659	
Other	2,299		2,331	
Total Liabilities	99,937	25.1%	100,897	26.6%
(Net Assets)				
I Shareholders' Equity	320,733	80.5%	303,005	80.0%
Capital stock	38,716		38,716	
Capital surplus	59,030		59,030	
Retained earnings	299,791		282,058	
Treasury stock	(76,805)		(76,800)	
II Valuation and translation adjustments	(22,524)	(5.6%)	(24,942)	(6.6%)
Valuation difference on available-for-sale securities	(191)		(5,118)	
Foreign currency translation adjustment	(22,333)		(19,823)	
III Minority interests	107	0.0%	104	0.0%
Total Net assets	298,316	74.9%	278,166	73.4%
Total Liabilities and Net Assets	398,253	100.0%	379,064	100.0%

(2) Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2008		Six months ended September 30, 2009		Changes				
	Amount	%	Amount	%	Amount	%			
I Net sales	157,011	100.0%	158,063	100.0%	1,052	0.7%			
II Cost of sales	72,729	46.3%	74,795	47.3%	2,066	2.8%			
Gross profit	84,282	53.7%	83,268	52.7%	(1,013)	(1.2%)			
III Selling, general and administrative expenses	52,824	33.7%	50,717	32.1%	(2,106)	(4.0%)			
Operating income	31,457	20.0%	32,550	20.6%	1,093	3.5%			
IV Non-operating income									
Interest income	689		249		(440)				
Dividends income	251		114		(137)				
Royalty income	62		73		11				
Foreign exchange gains	615		—		(615)				
Equity in earnings of affiliates	29		41		11				
Other	617	2,265	1.4%	437	915	0.6%	(180)	(1,350)	(59.6%)
V Non-operating expenses									
Interest expenses	125		85		(40)				
Sales discounts	271		287		15				
Foreign exchange losses	—		755		755				
Loss on disposal of inventories	151		41		(110)				
Other	336	885	0.5%	57	1,227	0.8%	(278)	341	38.6%
Ordinary income	32,837	20.9%	32,239	20.4%	(598)	(1.8%)			
VI Extraordinary income									
Gain on sales of noncurrent assets	3		0		(2)				
Gain on sales of investment securities	80		—		(80)				
Reversal of allowance for doubtful accounts	—	83	0.1%	42	42	0.0%	42	(40)	(48.8%)
VII Extraordinary loss									
Loss on disposal of noncurrent assets	134	134	0.1%	52	52	0.0%	(81)	(81)	(61.0%)
Income before income taxes	32,787	20.9%	32,229	20.4%	(557)	(1.7%)			
Income taxes-current	10,202		11,191		989				
Income taxes-deferred	(424)	9,777	6.3%	242	11,433	7.3%	667	1,656	16.9%
Minority interests in income	18	0.0%	24	0.0%	6	34.9%			
Net income for the period	22,991	14.6%	20,771	13.1%	(2,220)	(9.7%)			

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended	Six months ended
	September 30, 2008	September 30, 2009
	Amount	Amount
I Net cash provided by (used in) operating activities		
Income before income taxes	32,787	32,229
Depreciation and amortization	8,534	8,605
Amortization of goodwill	980	854
Equity in (earnings) losses of affiliates	(29)	(41)
Increase (decrease) in provision for retirement benefits	(114)	622
Increase(decrease) in reserve for retirement benefits for directors and corporate auditors	(68)	(1)
Increase (decrease) in allowance for doubtful accounts	15	(24)
Increase (decrease) in provision for directors' bonuses	(94)	(77)
Interest and dividends income	(941)	(363)
Interest expenses	125	85
Foreign exchange losses (gains)	(83)	705
Loss (gain) on disposal of noncurrent assets	134	52
Loss (gain) on sales of noncurrent assets	(3)	(0)
Loss (gain) on sales of short-term and long term investment securities	(80)	—
Decrease (increase) in notes and accounts receivable-trade	(1,234)	(5,554)
Decrease (increase) in inventories	(5,005)	(281)
Increase (decrease) in notes and accounts payable-trade	1,329	(1,749)
Other, net	(6,555)	3,029
Sub-total	29,696	38,089
Interest and dividends income received	1,092	523
Interest expenses paid	(200)	(89)
Income taxes paid	(17,422)	(6,589)
Net cash provided by (used in) operating activities	13,165	31,934
II Net cash provided by (used in) investment activities		
Payments into time deposits	(1,973)	(12,896)
Proceeds from withdrawal of time deposits	1,831	6,383
Purchase of property, plant and equipment	(8,548)	(9,023)
Proceeds from sales of property, plant and equipment	3	2
Purchase of intangible assets	(463)	(444)
Purchase of investment securities	(1)	(107)
Capital gain from redemption of marketable securities	—	100
Proceeds from sales of investment securities	580	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(3,286)	—
Net cash provided by (used in) investment activities	(11,857)	(15,986)
III Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(35,040)	(5,190)
Repayments of finance lease obligations	—	(98)
Purchase of treasury stock	(35)	(4)
Cash dividends paid	(3,490)	(3,038)
Net cash provided by (used in) financing activities	(38,566)	(8,331)
IV Effect of exchange rate change on cash and cash equivalents	(1,117)	(555)
V Net increase (decrease) in cash and cash equivalents	(38,375)	7,061
VI Cash and Cash Equivalents at Beginning of Period	85,377	55,067
VII Cash and Cash Equivalents at End of Period	47,001	62,128

5. Segment Information

(1) Business Segments

(Millions of yen)

	Six months ended September 30, 2008	
	Amount	
	Sales	Operating income
General hospital products	75,219	16,115
Cardiac & Vascular products	66,611	19,157
Blood transfusion products	12,586	2,125
Consumer Health Care products	2,593	143
Corporate expenses	—	(6,085)
Total	157,011	31,457

(Millions of yen)

	Six months ended September 30, 2009	
	Amount	
	Sales	Operating income
General hospital products	75,191	17,339
Cardiac & Vascular products	67,412	19,411
Blood transfusion products	11,791	1,652
Consumer Health Care products	3,668	574
Corporate expenses	—	(6,426)
Total	158,063	32,550

(Note) Main products belonging to each product segment

Product segments	Main products
General hospital products	
Disposable medical devices and Medical electronics	Syringes, Needles, Solution sets, I.V.catheters, Blood collection tubes, Electronic medical equipments, etc.
Pharmaceuticals	I.V.solutions, Prefilled syringes, Nutritious foods, etc.
CAPD products	Dialysis solutions, etc.
Diabetes care products	Blood glucose monitors, etc.
Home parenteral nutrition and oxygen	Home parenteral nutrition, Home oxygen systems, etc.
Cardiac and Vascular products	
Interventional systems	Angiographic catheters, PTCA catheters, Coronary stents, Neuro Interventional coils, etc.
Cardiovascular systems	Oxygenators, Roller pumps, Blood tubing sets, etc.
Vascular grafts	Artificial vascular grafts
Blood transfusion products	Blood bags, Automated blood processing products, etc.
Consumer health care products	Digital Thermometers, Blood pressure monitors, Blood glucose monitors (OTC), etc.

(2) Geographic segments

(Millions of yen)

	Six months ended September 30, 2008		
	Amount		
	Sales to customer	Internal sales	Operating income
Japan	81,355	24,643	28,225
Europe	30,736	1,814	4,271
Americas	28,941	3,394	1,521
Asia and others	15,977	7,237	4,102
Corporate expenses / eliminations	—	(37,090)	(6,663)
Total	157,011	—	31,457

(Millions of yen)

	Six months ended September 30, 2009		
	Amount		
	Sales to customer	Internal sales	Operating income
Japan	87,784	23,516	29,889
Europe	27,216	2,236	4,064
Americas	28,137	2,835	1,684
Asia and others	14,924	7,674	4,374
Corporate expenses / eliminations	—	(36,263)	(7,461)
Total	158,063	—	32,550

(3) Sales results by regions

(Millions of yen)

	Six months ended September 30, 2008	
	Amount	%
Japan	81,330	51.8%
Europe	30,736	19.6%
Americas	28,941	18.4%
Asia and others	16,002	10.2%
Total	157,011	100.0%

(Note) Sales in 'Asia and others' includes direct sales from Japan.

(Millions of yen)

	Six months ended September 30, 2009	
	Amount	%
Japan	87,774	55.5%
Europe	27,216	17.2%
Americas	28,137	17.8%
Asia and others	14,934	9.5%
Total	158,063	100.0%

(Note) Sales in 'Asia and others' includes direct sales from Japan.