

# Financial Results for the First Quarter of Fiscal Year Ending March 31, 2011



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Exchange where listed: TSE

**Name of listed company** : **TERUMO CORPORATION**  
(URL <http://www.terumo.com/>)  
**Company code number** : 4543  
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## 1. Consolidated financial highlights for the interim period ended June 2010 (From April 1, 2010 to June 30, 2010)

### (1) Consolidated financial results

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
<b>Three months ended June, 2010</b>	81,234	4.9	15,946	(3.2)	12,554	(25.9)	8,792	(18.7)
<b>Three months ended June, 2009</b>	77,467	(0.4)	16,476	1.4	16,934	(10.2)	10,812	(22.9)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
<b>Three months ended June, 2010</b>	46.30	—
<b>Three months ended June, 2009</b>	56.94	—

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

The amount 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)
<b>Jun 30, 2010</b>	395,894	311,807	78.7	1,640.88
<b>Mar 31, 2010</b>	425,507	317,139	74.5	1,668.93

(Note) Shareholders' equity : June 30, 2010: 311,593 million yen, March 31, 2010: 316,921 million yen.

The amount 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)
<b>Fiscal year ended March 31, 2010</b>	—	16.00	—	16.00	32.00
<b>Fiscal year ending March 31, 2011</b>	—	—	—	—	—
<b>Fiscal year ending March 31, 2011 (forecast)</b>	—	16.00	—	16.00	32.00

(Note) Revise of dividends forecast : None

## 3. Consolidated forecast for the year ending March 2011 (From April 1, 2010 to March 31, 2011)

	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)
<b>Interim year ending September, 2010</b>	164,000	3.8	32,600	0.2	32,500	0.8	20,800	0.1	109.53
<b>Fiscal year ending March, 2011</b>	333,000	5.4	65,200	3.0	65,000	2.2	41,500	1.9	218.54

1. Forecast for fiscal year ending March, 2011 which was announced on May 12, 2010 has not been revised

(Assumed exchange rate for fiscal year ending March, 2011: USD1=JPY90, EUR1=JPY120)

2. 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 June 30, 2010		As of March 31, 2010	
	Amount	%	Amount	%
<b>(Assets)</b>				
<b>I Current assets</b>	209,271	52.9%	230,431	54.2%
Cash and deposits	73,725		90,102	
Notes and accounts receivable-trade	70,278		71,798	
Merchandise and finished goods	31,877		34,180	
Work in process	6,109		6,143	
Raw material and supplies	14,849		14,741	
Deferred tax assets	7,510		9,086	
Other	5,642		5,071	
Allowance for doubtful accounts	(721)		(693)	
<b>II Noncurrent assets</b>	186,622	47.1%	195,076	45.8%
1. Property, plant and equipment	114,458	28.9%	114,030	26.8%
Buildings and structures	46,520		45,533	
Machinery, equipment and vehicles	30,402		29,345	
Land	20,214		20,285	
Lease assets	706		665	
Construction in progress	10,200		11,941	
Other	6,413		6,259	
2. Intangible assets	29,095	7.3%	30,129	7.1%
Goodwill	21,985		22,989	
Other	7,109		7,140	
3. Investments and other assets	43,069	10.9%	50,915	11.9%
Investment securities	28,152		38,868	
Deferred tax assets	9,727		6,614	
Other	5,189		5,433	
<b>Total assets</b>	<b>395,894</b>	<b>100.0%</b>	<b>425,507</b>	<b>100.0%</b>

(Millions of yen)

	As of June 30, 2010		As of March 31, 2010	
	Amount	%	Amount	%
<b>(Liabilities)</b>				
<b>I Current liabilities</b>	78,205	19.7%	99,731	23.5%
Notes and accounts payable-trade	27,967		27,367	
Short-term loans payable	10,000		20,000	
Lease obligations	228		219	
Income taxes payable	3,848		12,994	
Deferred tax liabilities	-		7	
Provision for bonuses	2,537		4,898	
Provision for directors' bonuses	40		161	
Notes and accounts payable - facilities	9,351		8,031	
Other	24,231		26,049	
<b>II Noncurrent liabilities</b>	5,881	1.5%	8,636	2.0%
Lease obligations	465		463	
Deferred tax liabilities	9		40	
Provision for retirement benefits	1,367		4,677	
Provision for directors' retirement benefits	586		658	
Asset retirement obligations	767		-	
Other	2,684		2,795	
<b>Total liabilities</b>	84,086	21.2%	108,367	25.5%
<b>(Net assets)</b>				
<b>I Shareholders' equity</b>	343,385	86.7%	337,633	79.3%
Capital stock	38,716		38,716	
Capital surplus	59,030		59,030	
Retained earnings	322,457		316,703	
Treasury stock	(76,819)		(76,817)	
<b>II Valuation and translation adjustments</b>	(31,791)	(8.0%)	(20,711)	(4.9%)
Valuation difference on available-for-sale securities	(2,363)		2,335	
Foreign currency translation adjustment	(29,428)		(23,046)	
<b>III Minority interests</b>	214	0.1%	218	0.1%
<b>Total net assets</b>	311,807	78.8%	317,139	74.5%
<b>Total liabilities and net assets</b>	395,894	100.0%	425,507	100.0%

## (2) Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2009		Three months ended June 30, 2010			
	Amount	%	Amount	%		
<b>I Net sales</b>		77,467	100.0%		81,234	100.0%
<b>II Cost of sales</b>		35,928	46.4%		38,898	47.9%
<b>Gross profit</b>		41,539	53.6%		42,336	52.1%
<b>III Selling, general and administrative expenses</b>		25,062	32.3%		26,389	32.5%
<b>Operating income</b>		16,476	21.3%		15,946	19.6%
<b>IV Non-operating income</b>						
Interest income	142				67	
Dividends income	42				150	
Royalty income	40				38	
Foreign exchange gains	325				—	
Equity in earnings of affiliates	39				34	
Other	120	711	0.9%	76	367	0.5%
<b>V Non-operating expenses</b>						
Interest expenses	45				28	
Sales discounts	146				144	
Foreign exchange losses	—				3,439	
Loss on disposal of inventories	41				35	
Other	20	253	0.3%	111	3,759	4.6%
<b>Ordinary income</b>		16,934	21.9%		12,554	15.5%
<b>VI Extraordinary income</b>						
Gain on sales of noncurrent assets	0				2	
Reversal of allowance for doubtful accounts	0				0	
Gain on contribution of securities to retirement benefit trust	—	1	0.0%	494	497	0.6%
<b>VII Extraordinary losses</b>						
Loss on disposal of noncurrent assets	2				3	
Directors' retirement benefit	—	2	0.0%	15	19	0.1%
<b>Income before income taxes</b>		16,933	21.9%		13,031	16.0%
Income taxes-current	4,081				2,666	
Income taxes-deferred	2,027	6,108	7.9%	1,552	4,219	5.2%
<b>Income before minority interest</b>		—	—		8,812	10.8%
Minority interests in income		11	0.0%		19	0.0%
<b>Net income for the period</b>		10,812	14.0%		8,792	10.8%

**(3) Consolidated Statements of Cash Flows**

(Millions of yen)

	Three months ended	Three months ended
	June 30, 2009	June 30, 2010
	Amount	Amount
<b>I Net cash provided by (used in) operating activities</b>		
Income before income taxes	16,933	13,031
Depreciation and amortization	4,010	4,132
Amortization of goodwill	471	408
Equity in (earnings) losses of affiliates	(39)	(34)
Increase (decrease) in provision for retirement benefits	392	(3,137)
Increase(decrease) in reserve for retirement benefits for directors and corporate auditors	—	(72)
Increase (decrease) in allowance for doubtful accounts	(31)	50
Increase (decrease) in provision for directors' bonuses	(125)	(121)
Interest and dividends income	(184)	(217)
Interest expenses	45	28
Foreign exchange losses (gains)	13	2,521
Loss (gain) on disposal of noncurrent assets	2	3
Loss (gain) on sales of noncurrent assets	(0)	(2)
Loss (gain) on securities contribution to employees retirement benefits trust	—	(494)
Transfer of securities to retirement benefit trust	—	3,200
Decrease (increase) in notes and accounts receivable-trade	(1,828)	(810)
Decrease (increase) in inventories	(1,269)	112
Increase (decrease) in notes and accounts payable-trade	(1,563)	788
Other, net	64	(3,574)
<b>Sub-total</b>	<b>16,889</b>	<b>15,811</b>
Interest and dividends income received	346	376
Interest expenses paid	(48)	(32)
Income taxes paid	(5,674)	(11,936)
<b>Net cash provided by (used in) operating activities</b>	<b>11,512</b>	<b>4,220</b>
<b>II Net cash provided by (used in) investment activities</b>		
Payments into time deposits	(8,745)	(859)
Proceeds from withdrawal of time deposits	2,239	1,673
Purchase of property, plant and equipment	(4,142)	(3,529)
Proceeds from sales of property, plant and equipment	0	2
Purchase of intangible assets	(264)	(405)
Purchase of investment securities	(106)	(10)
<b>Net cash provided by (used in) investment activities</b>	<b>(11,018)</b>	<b>(3,128)</b>
<b>III Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	(2,100)	(10,000)
Purchase of treasury stock	(2)	(2)
Repayments of finance lease obligations	(47)	(56)
Cash dividends paid	(3,038)	(3,038)
<b>Net cash provided by (used in) financing activities</b>	<b>(5,188)</b>	<b>(13,097)</b>
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	<b>955</b>	<b>(3,349)</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>(3,739)</b>	<b>(15,354)</b>
<b>VI Cash and cash equivalents at beginning of period</b>	<b>55,067</b>	<b>84,877</b>
<b>VII Cash and cash equivalents at end of period</b>	<b>51,328</b>	<b>69,522</b>

## 5. Segment Information

(1) The First Quarter of Fiscal Year Ended March 31, 2010

### [Business segments]

(Millions of yen)

	Three months ended June 30, 2009	
	Amount	
	Sales	Operating income
General hospital products	36,643	8,607
Cardiac & Vascular products	33,279	9,830
Blood transfusion products	5,651	843
Consumer Healthcare products	1,892	333
Corporate expenses	—	(3,138)
<b>Total</b>	<b>77,467</b>	<b>16,476</b>

(Note) Main products belonging to each product segment

Product segments	Main products
<b>General Hospital products</b>	
Disposable medical devices and Medical electronics	Syringes, Needles, Solution sets, I.V.catheters, Blood collection tubes, Infusion pumps, Syringe pumps, etc.
Pharmaceuticals	I.V.solutions, Prefilled syringes, Nutritious food, etc.
CAPD products	CAPD systems
Diabetes care products	Blood glucose monitoring systems
Home parenteral nutrition and oxygen	Home parenteral nutrition system, Home oxygen therapy system, etc.
<b>Cardiac and Vascular products</b>	
Interventional systems	Angiographic catheters, PTCA balloon catheters, Coronary stents, Neuro interventional coils, etc.
Cardiovascular systems	Oxygenerators, Cardio-pulmonary bypass system, etc.
Vascular grafts	Artificial vascular grafts, Stent grafts
<b>Blood Transfusion products</b>	Blood bags, Automated blood processing, etc.
<b>Consumer Healthcare products</b>	Digital Thermometers, Blood pressure monitors, Blood glucose monitors (OTC), etc.

### [Geographic segments]

(Millions of yen)

	Three months ended June 30, 2009		
	Amount		
	Sales to customer	Internal sales	Operating income
Japan	42,822	11,746	14,374
Europe	13,406	1,150	2,452
Americas	13,711	1,520	883
Asia and others	7,527	3,698	2,099
Corporate expenses / eliminations	—	(18,116)	(3,334)
<b>Total</b>	<b>77,467</b>	<b>—</b>	<b>16,476</b>

### [Sales results by regions]

(Millions of yen)

	Three months ended June 30, 2009	
	Amount	%
Japan	42,820	55.3%
Europe	13,406	17.3%
Americas	13,711	17.7%
Asia and others	7,529	9.7%
<b>Total</b>	<b>77,467</b>	<b>100.0%</b>

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

(2) The First Quarter of Fiscal Year Ending March 31, 2011

Starting in the first quarter of the current fiscal year, the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Accounting Standard Board of Japan (ASBJ) Statement No.17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20, March 21, 2008) have been applied. Therefore, the lists of the segment information for Fiscal Year 2010 are newly reformed as follows:

[Business segments]

(Millions of yen)

	Three months ended June 30, 2010		
	Amount		
	Sales to customer	Internal sales	Segment profit
General Hospital business	37,077	—	6,337
Cardiac & Vascular business	36,447	—	9,598
Blood Transfusion business	6,443	—	813
Consumer Healthcare business	802	—	(373)
Subtotal	80,771	—	16,375
Adjustment	463	—	(429)
Total	81,234	—	15,946

- Notes:
1. The (429) million yen adjustment to segment profit is the sum of the (506) million yen for Inventories and the 77 million yen for others.
  2. Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(Note) Main products belonging to each business segment

Business segments	Main products
<b>General Hospital business</b>	
Disposable medical devices and Medical electronics	Solution sets, I.V.catheters, Infusion pumps, Syringe pumps, Syringes, Needles, Blood collection tubes, Home parenteral nutrition system, Home oxygen therapy system, etc.
Pharmaceuticals	I.V.solutions, Nutritious food, Prefilled syringes, CAPD systems, etc.
Diabetes care products	Blood glucose monitoring systems
<b>Cardiac and Vascular business</b>	
Interventional systems	Angiographic catheters, PTCA balloon catheters, Coronary stents, Neuro interventional coils, etc.
Cardiovascular systems	Oxygenerators, Cardio-pulmonary bypass system, LVA system, etc.
Vascular grafts	Artificial vascular grafts, Stent grafts
<b>Blood Transfusion business</b>	Blood bags, Automated blood processing, etc.
<b>Consumer Healthcare business</b>	Digital Thermometers, Blood pressure monitors, Blood glucose monitors (OTC), etc.

(Supplementary Information)

[Geographic segments]

(Millions of yen)

	Three months ended June 30, 2010		
	Amount		
	Sales to customer	Internal sales	Operating income
Japan	42,548	13,996	13,132
Europe	13,788	988	1,982
Americas	15,782	1,464	1,852
Asia and others	9,114	3,839	2,246
Subtotal	81,234	20,288	19,213
Corporate expenses / eliminations	—	(20,288)	(3,267)
Total	81,234	—	15,946