

# Financial Results for the Second 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/>)  
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## 1. Consolidated Financial Highlights for the Interim Period Ended September 2010 (From April 1, 2010 to September 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)	%
Six months ended September, 2010	163,918	3.7	32,706	0.5	28,174	(12.6)	18,364	(11.6)
Six months ended September, 2009	158,063	0.7	32,550	3.5	32,239	(1.8)	20,771	(9.7)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Six months ended September, 2010	96.71	—
Six months ended September, 2009	109.38	—

(Note) The percentages represent increases (decreases) 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, 2010	409,083	320,523	78.3	1,686.69
March 31, 2010	425,507	317,139	74.5	1,668.93

(Note) Shareholders' equity : September 30, 2010: 320,290 million yen, March 31, 2010: 316,921 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, 2010	—	16.00	—	16.00	32.00
Fiscal year ending March 31, 2011	—	16.00	—	—	—
Fiscal year ending March 31, 2011 (forecast)	—	—	—	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)
Fiscal year ending March, 2011	326,000	3.2	63,300	0.0	57,200	(10.1)	36,300	(10.9)	191.16

1. Forecast for fiscal year ending March, 2011 which was announced on August 5, 2010 has been revised.

(Assumed exchange rate for fiscal year ending March, 2011: USD1=JPY85, EUR1=JPY113)

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 September 30, 2010		As of March 31, 2010	
	Amount	%	Amount	%
<b>(Assets)</b>				
<b>I Current assets</b>	224,066	54.8%	230,431	54.2%
Cash and deposits	82,074		90,102	
Notes and accounts receivable-trade	74,716		71,798	
Merchandise and finished goods	32,488		34,180	
Work in process	6,118		6,143	
Raw material and supplies	15,367		14,741	
Deferred tax assets	9,077		9,086	
Other	4,952		5,071	
Allowance for doubtful accounts	(728)		(693)	
<b>II Noncurrent assets</b>	185,017	45.2%	195,076	45.8%
1. Property, plant and equipment	113,721	27.8%	114,030	26.8%
Buildings and structures	45,885		45,533	
Machinery, equipment and vehicles	30,788		29,345	
Land	20,195		20,285	
Lease assets	811		665	
Construction in progress	9,910		11,941	
Other	6,129		6,259	
2. Intangible assets	27,805	6.8%	30,129	7.1%
Goodwill	21,043		22,989	
Other	6,762		7,140	
3. Investments and other assets	43,491	10.6%	50,915	11.9%
Investment securities	28,653		38,868	
Deferred tax assets	9,070		6,614	
Other	5,768		5,433	
<b>Total assets</b>	<b>409,083</b>	<b>100.0%</b>	<b>425,507</b>	<b>100.0%</b>

(Millions of yen)

	As of September 30, 2010		As of March 31, 2010	
	Amount	%	Amount	%
<b>(Liabilities)</b>				
<b>I Current liabilities</b>	82,533	20.2%	99,731	23.5%
Notes and accounts payable-trade	28,770		27,367	
Short-term loans payable	10,000		20,000	
Lease obligations	253		219	
Income taxes payable	8,390		12,994	
Deferred tax liabilities	2		7	
Provision for bonuses	5,014		4,898	
Provision for directors' bonuses	80		161	
Notes and accounts payable - facilities	5,547		8,031	
Other	24,474		26,049	
<b>II Noncurrent liabilities</b>	6,026	1.4%	8,636	2.0%
Lease obligations	559		463	
Deferred tax liabilities	512		40	
Provision for retirement benefits	984		4,677	
Provision for directors' retirement benefits	586		658	
Asset retirement obligations	768		—	
Other	2,615		2,795	
<b>Total liabilities</b>	88,560	21.6%	108,367	25.5%
<b>(Net assets)</b>				
<b>I Shareholders' equity</b>	352,950	86.3%	337,633	79.3%
Capital stock	38,716		38,716	
Capital surplus	59,030		59,030	
Retained earnings	332,029		316,703	
Treasury stock	(76,825)		(76,817)	
<b>II Valuation and translation adjustments</b>	(32,660)	(8.0%)	(20,711)	(4.9%)
Valuation difference on available-for-sale securities	(2,073)		2,335	
Foreign currency translation adjustment	(30,586)		(23,046)	
<b>III Minority interests</b>	232	0.1%	218	0.1%
<b>Total net assets</b>	320,523	78.4%	317,139	74.5%
<b>Total liabilities and net assets</b>	409,083	100.0%	425,507	100.0%

## (2) Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2009		Six months ended September 30, 2010			
	Amount	%	Amount	%		
<b>I Net sales</b>		158,063	100.0%		163,918	100.0%
<b>II Cost of sales</b>		74,795	47.3%		78,319	47.8%
<b>Gross profit</b>		83,268	52.7%		85,599	52.2%
<b>III Selling, general and administrative expenses</b>		50,717	32.1%		52,893	32.2%
<b>Operating income</b>		32,550	20.6%		32,706	20.0%
<b>IV Non-operating income</b>						
Interest income	249				130	
Dividends income	114				229	
Royalty income	73				66	
Equity in earnings of affiliates	41				66	
Other	437	915	0.6%	278	771	0.4%
<b>V Non-operating expenses</b>						
Interest expenses	85				47	
Sales discounts	287				279	
Foreign exchange losses	755				4,570	
Loss on disposal of inventories	41				154	
Other	57	1,227	0.8%	252	5,304	3.2%
<b>Ordinary income</b>		32,239	20.4%		28,174	17.2%
<b>VI Extraordinary income</b>						
Gain on sales of noncurrent assets	0				6	
Reversal of allowance for doubtful accounts	42				—	
Gain on contribution of securities to retirement benefit trust	—	42	0.0%	494	500	0.3%
<b>VII Extraordinary losses</b>						
Loss on disposal of noncurrent assets	52				259	
Valuation loss of marketable securities	—				19	
Directors' retirement benefit	—	52	0.0%	15	295	0.2%
<b>Income before income taxes</b>		32,229	20.4%		28,379	17.3%
Income taxes-current	11,191				9,412	
Income taxes-deferred	242	11,433	7.3%	561	9,973	6.1%
<b>Income before minority interest</b>		—	—		18,406	11.2%
Minority interests in income		24	0.0%		42	0.0%
<b>Net income for the period</b>		20,771	13.1%		18,364	11.2%

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

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
	Amount	Amount
<b>I Net cash provided by (used in) operating activities</b>		
Income before income taxes	32,229	28,379
Depreciation and amortization	8,605	8,709
Amortization of goodwill	854	803
Equity in (earnings) losses of affiliates	(41)	(66)
Increase (decrease) in provision for retirement benefits	622	(3,146)
Increase(decrease) in reserve for retirement benefits for directors and corporate auditors	(1)	(72)
Increase (decrease) in allowance for doubtful accounts	(24)	54
Increase (decrease) in provision for directors' bonuses	(77)	(80)
Interest and dividends income	(363)	(359)
Interest expenses	85	47
Foreign exchange losses (gains)	705	2,931
Loss (gain) on disposal of noncurrent assets	52	259
Loss (gain) on sales of noncurrent assets	(0)	(6)
Loss (gain) on sales of short-term and long term investment securities	—	19
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	(5,554)	(5,129)
Decrease (increase) in inventories	(281)	(1,259)
Increase (decrease) in notes and accounts payable-trade	(1,749)	1,605
Other, net	3,029	(364)
<b>Sub-total</b>	<b>38,089</b>	<b>35,031</b>
Interest and dividends income received	523	517
Interest expenses paid	(89)	(52)
Income taxes paid	(6,589)	(14,260)
<b>Net cash provided by (used in) operating activities</b>	<b>31,934</b>	<b>21,235</b>
<b>II Net cash provided by (used in) investment activities</b>		
Payments into time deposits	(12,896)	(1,715)
Proceeds from withdrawal of time deposits	6,383	3,788
Purchase of property, plant and equipment	(9,023)	(11,733)
Proceeds from sales of property, plant and equipment	2	12
Purchase of intangible assets	(444)	(517)
Purchase of investment securities	(107)	(10)
Capital gain from redemption of marketable securities	100	—
<b>Net cash provided by (used in) investment activities</b>	<b>(15,986)</b>	<b>(10,175)</b>
<b>III Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	(5,190)	(10,000)
Repayments of finance lease obligations	(98)	(119)
Purchase of treasury stock	(4)	(8)
Cash dividends paid	(3,038)	(3,038)
<b>Net cash provided by (used in) financing activities</b>	<b>(8,331)</b>	<b>(13,165)</b>
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	<b>(555)</b>	<b>(3,490)</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>7,061</b>	<b>(5,596)</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>62,128</b>	<b>79,281</b>

## 5. Segment Information

### [Business Segments]

(1) The Second Quarter of Fiscal Year Ending March 31, 2011 (Millions of yen)

	Six months ended September 30, 2010		
	Amount		
	Sales to customer	Internal sales	Segment profit
General Hospital business	77,302	—	13,968
Cardiac & Vascular business	71,782	—	18,507
Blood Transfusion business	12,472	—	1,471
Consumer Healthcare business	2,089	—	(850)
Subtotal	163,647	—	33,097
Adjustment	271	—	(391)
Total	163,918	—	32,706

- Notes:
1. The (391) million yen adjustment to segment profit is the sum of the (508) million yen for Inventories and the 117 million yen for others.
  2. Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

### (Additional Information)

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.

(2) The Second Quarter of Fiscal Year Ended March 31, 2010 (Millions of yen)

	Six months ended September 30, 2009		
	Amount		
	Sales to customer	Internal sales	Segment profit
General Hospital business	75,144	—	14,112
Cardiac & Vascular business	67,464	—	17,342
Blood Transfusion business	11,819	—	1,224
Consumer Healthcare business	3,681	—	463
Subtotal	158,109	—	33,143
Adjustment	(45)	—	(593)
Total	158,063	—	32,550

Notes: This table is to provide a comparative information to the table shown in (1).

(Note) Main products belonging to each business segment

Business segments	Main products
<b>General Hospital business</b>	
Disposable medical devices and Medical electronics	Syringes, Needles, Blood collection tubes, Solution sets, I.V.catheters, Infusion pumps, Syringe pumps, 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]

(1) The Second Quarter of Fiscal Year Ending March 31, 2011

(Millions of yen)

	Six months ended September 30, 2010		
	Amount		
	Sales to customer	Internal sales	Operating income
Japan	89,475	27,599	29,490
Europe	26,492	2,116	3,641
Americas	30,631	2,992	2,743
Asia and others	17,319	8,034	4,230
Subtotal	163,918	40,743	40,105
Corporate expenses / eliminations	—	(40,743)	(7,399)
Total	163,918	—	32,706

(2) The Second Quarter of Fiscal Year Ended March 31, 2010

(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
Subtotal	158,063	36,263	40,012
Corporate expenses / eliminations	—	(36,263)	(7,461)
Total	158,063	—	32,550