

Financial Results for the First Quarter of Fiscal Year Ending March 31, 2013



July 31, 2012
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 2012 (From April 1, 2012 to June 30, 2012)

(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)	%
Three months ended June, 2012	95,867	0.2	15,481	(10.9)	12,981	(23.0)	8,159	(16.5)
Three months ended June, 2011	95,630	17.7	17,378	9.0	16,868	34.4	9,772	11.1

(Notes) Comprehensive income: June 2012: (6,081) million yen (-%) June 2011: 5,914 million yen (-%)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Three months ended June, 2012	42.97	—
Three months ended June, 2011	51.46	—

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

(2) Consolidated financial position (Note: The amounts shown below ignore values of less than a million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
As at June 30, 2012	654,818	342,278	52.2	1,801.36
As at March 31, 2012	692,520	352,537	50.9	1,855.25

(Note) Shareholders' equity : June 30, 2012: 342,040 million yen, March 31, 2012: 352,272 million yen.

2. Dividends

	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	total
Year ended March 31, 2012	(Yen) —	(Yen) 17.00	(Yen) —	(Yen) 22.00	(Yen) 39.00
Year ending March 31, 2013	—	—	—	—	—
Year ending March 31, 2013 (forecast)	—	22.00	—	22.00	44.00

(Note) Revise of dividends forecast : None

3. Consolidated forecast for the year ending March 2013 (From April 1, 2012 to March 31, 2013)

	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)
Half year ending September, 2012	195,000	2.2	28,500	(17.7)	27,500	(12.1)	16,000	(9.7)	84.26
Year ending March, 2013	410,000	6.0	60,000	(4.8)	58,000	(2.0)	34,000	40.7	179.06

- Forecast for fiscal year ending March, 2013 which was announced on May 10, 2012 has not been revised.
(Assumed exchange rate for fiscal year ending March, 2013: USD1=JPY80, EUR1=JPY105)
- 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.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As at March 31, 2012		As at June 30, 2012	
	Amount	%	Amount	%
(Assets)				
I Current assets	256,867	37.1%	232,815	35.6%
Cash and deposits	78,767		62,693	
Notes and accounts receivable-trade	91,800		83,418	
Inventories	69,280		71,556	
Deferred tax assets	9,707		7,571	
Derivatives	9		77	
Other	8,543		8,519	
Allowance for doubtful accounts	(1,240)		(1,022)	
II Noncurrent assets	435,652	62.9%	421,989	64.4%
1. Property, plant and equipment	131,754	19.0%	131,308	20.0%
Buildings and structures	47,108		47,602	
Machinery, equipment and vehicles	38,431		38,396	
Land	21,298		21,515	
Lease assets	1,447		1,473	
Construction in progress	15,243		13,808	
Other	8,225		8,512	
2. Intangible assets	270,790	39.1%	259,218	39.6%
Goodwill	138,809		132,350	
Customer Relationship	83,758		79,677	
Other	48,222		47,191	
3. Investments and other assets	33,106	4.8%	31,461	4.8%
Investment securities	20,387		18,901	
Deferred tax assets	6,996		7,054	
Other	5,722		5,505	
III Deferred assets	—	—	13	0.0%
Total assets	692,520	100.0%	654,818	100.0%

(Millions of yen)

	As at March 31, 2012		As at June 30, 2012	
	Amount	%	Amount	%
(Liabilities)				
I Current liabilities	157,997	22.8%	105,644	16.1%
Notes and accounts payable-trade	33,920		33,483	
Short-term loans payable	60,000		25,209	
Lease obligations	423		439	
Income taxes payable	11,840		4,037	
Deferred tax liabilities	23		32	
Provision for bonuses	5,048		2,510	
Provision for directors' bonuses	127		31	
Notes and accounts payable - facilities	7,027		5,722	
Asset retirement obligations	840		420	
Other	38,747		33,754	
II Noncurrent liabilities	181,984	26.3%	206,895	31.6%
Bonds payable	80,000		80,000	
Long-term loans payable	50,000		76,568	
Lease obligations	999		1,042	
Deferred tax liabilities	44,736		42,459	
Provision for retirement benefits	1,538		1,681	
Provision for directors' retirement benefits	202		199	
Asset retirement obligations	153		154	
Other	4,354		4,789	
Total liabilities	339,982	49.1%	312,540	47.7%
I Shareholders' equity	381,345	55.1%	385,326	58.9%
Capital stock	38,716		38,716	
Capital surplus	52,103		52,103	
Retained earnings	290,529		294,511	
Treasury stock	(3)		(5)	
II Accumulated other comprehensive income	(29,073)	(4.2%)	(43,285)	(6.6%)
Valuation difference on available-for-sale securities	(51)		(1,068)	
Deferred gains or losses on hedges	1		(0)	
Foreign currency translation adjustment	(29,023)		(42,217)	
III Minority interests	264	0.0%	238	0.0%
Total net assets	352,537	50.9%	342,278	52.3%
Total liabilities and net assets	692,520	100.0%	654,818	100.0%

(2) Consolidated Statements of Income

(Millions of yen)

	For three months ended June 30, 2011			For three months ended June 30, 2012		
	Amount		%	Amount		%
I Net sales		95,630	100.0%		95,867	100.0%
II Cost of sales		44,787	46.8%		44,175	46.1%
Gross profit		50,842	53.2%		51,692	53.9%
III Selling, general and administrative expenses		33,463	35.0%		36,211	37.8%
Operating income		17,378	18.2%		15,481	16.1%
IV Non-operating income						
Interest income	86			64		
Dividends income	154			56		
Royalty income	37			28		
Equity in earnings of affiliates	33			33		
Other	91	402	0.4%	331	514	0.5%
V Non-operating expenses						
Interest expenses	161			263		
Sales discounts	146			154		
Foreign exchange losses	451			2,410		
Loss on disposal of inventories	53			0		
Other	99	913	1.0%	185	3,013	3.1%
Ordinary income		16,868	17.6%		12,981	13.5%
VI Extraordinary income						
Gain on sales of noncurrent assets	12			0		
Reversal of provision for loss on disaster	156			—		
Subsidy income	227	395	0.4%	875	875	0.9%
VII Extraordinary expenses						
Loss on disposal of noncurrent assets	4			81		
Loss on valuation of investment securities	1,112	1,116	1.1%	—	81	0.0%
Income before income taxes		16,147	16.9%		13,776	14.4%
Income taxes-current	5,751			3,991		
Income taxes-deferred	613	6,365	6.7%	1,609	5,600	5.9%
Income before minority interests		9,781	10.2%		8,175	8.5%
Minority interests in income		9	0.0%		16	0.0%
Net income		9,772	10.2%		8,159	8.5%

(3) Consolidated statement of comprehensive income

(Millions of yen)

	For three months ended June 30, 2011		For three months ended June 30, 2012	
	Amount		Amount	
I Income before minority interests		9,781		8,175
II Other comprehensive income securities				
Valuation difference on available-for-sale securities	2,183		(1,016)	
Deferred gains or losses on hedges	(3,612)		(1)	
Foreign currency translation adjustments	(2,437)		(13,237)	
Share of other comprehensive income of associates accounted for using equity method	(0)	(3,867)	(1)	(14,256)
Comprehensive income		5,914		(6,081)
Attributable to:				
Shareholders of Terumo Corporation		5,914		(6,054)
Minority interests		(0)		(26)

6. Segment Information

[Reportable Segments]

(1) The First Quarter of Fiscal Year Ended March 31, 2012

(Millions of yen)

	For three months ended June 30, 2011					
	General Hospital Business	Cardiac & Vascular Business	Blood Management Business	Subtotal	Adjustment	Total
Sales and operating income:						
Sales to customer	37,632	39,955	18,042	95,630	—	95,630
Internal sales	—	—	—	—	—	—
Sales total	37,632	39,955	18,042	95,630	—	95,630
Segment income (loss)	7,813	9,629	1,561	19,004	(1,625)	17,378

Notes:

1. The (1,625) million yen adjustment to segment profit is the sum of the (2,712) million yen for inventories and the 1,086 million yen for others.
2. Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(Additional Information)

From the first quarter of fiscal year ended March 31, 2012, Caridian BCT Holding Corp. is newly added to Terumo group as a consolidating subsidiary with an acquisition of 100% of its shares.

As a unit of reportable segments, the business of BCT is classified as Blood Management Business.

From this effect, goodwill had increased by 124,427 million yen for the first quarter of fiscal year ended March, 31, 2012.

(2) The First Quarter of Fiscal Year Ending March 31, 2013

(Millions of yen)

	For three months ended June 30, 2012					
	General Hospital Business	Cardiac & Vascular Business	Blood Management Business	Subtotal	Adjustment	Total
Sales and operating income:						
Sales to customer	38,182	41,056	16,628	95,867	—	95,867
Internal sales	—	—	—	—	—	—
Sales total	38,182	41,056	16,628	95,867	—	95,867
Segment income (loss)	5,959	6,859	287	13,106	2,374	15,481

Notes:

1. The 2,374 million yen adjustment to segment profit is the sum of the 1,300 million yen for inventories and the 1,073 million yen for others.
2. Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(Additional Information)

From the first quarter of fiscal year ending March 31, 2013, Consumer Healthcare Business has been integrated into General Hospital Business and the reportable segments has been changed from 4 segments to 3 segments, General Hospital Business, Cardiac & Vascular Business, and Blood Management Business. The purpose of this organization change is to correspond with the rapidly and sophisticatedly changing healthcare market and the arising healthcare consciousness, to manage and strongly implement strategies with customer characteristics as center.

The segment information of the first quarter of Fiscal Year Ended March 31, 2012, is disclosed in line with the reportable segments after the organization change.

(Note) Main products belonging to each business segment

Business segments	Main products
General Hospital Business	
Disposable medical devices and Medical electronics	Syringes, Needles, Blood collection tubes, Home parenteral nutrition system, Solution sets, I.V.catheters, Infusion pumps, Syringe pumps, Home oxygen therapy system, etc.
Pharmaceuticals	I.V.solutions, Nutritious food, Prefilled syringes, CAPD systems, etc.
Diabetes care products	Blood glucose monitoring systems
Consumer Healthcare products	Digital thermometers, Blood pressure monitors, Blood glucose monitors (OTC), etc.
Cardiac & Vascular Business	
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
Blood Management Business	
	Blood bags, Automated blood processing, Therapeutic aphaeresis, Cell therapy, etc.