

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



January 31, 2013
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 December 2012 (From April 1, 2012 to December 31, 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)	%
Nine months ended December, 2012	295,749	2.4	42,628	(14.5)	40,453	(12.7)	24,707	12.5
Nine months ended December, 2011	288,914	18.3	49,875	3.7	46,319	8.0	21,962	(20.1)

(Notes) Comprehensive income: December 2012: 40,856million yen (-%) December 2011: 376million yen (-%)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Nine months ended December, 2012	130.12	—
Nine months ended December, 2011	115.67	—

(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 December 31, 2012	715,084	385,033	53.8	2,026.25
As at March 31, 2012	692,520	352,537	50.9	1,855.25

(Note) Shareholders' equity : December 31, 2012: 384,739 million yen, March 31, 2012: 352,272 million yen.

2. Dividends

	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended March 31, 2012	—	17.00	—	22.00	39.00
Year ending March 31, 2013	—	22.00	—	—	—
Year ending March 31, 2013 (forecast)	—	—	—	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)
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 October 30, 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.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As at March 31, 2012		As at December 31, 2012	
	Amount	%	Amount	%
(Assets)				
I Current assets	256,867	37.1%	262,879	36.8%
Cash and deposits	78,767		72,706	
Notes and accounts receivable-trade	91,800		92,862	
Inventories	69,280		79,993	
Deferred tax assets	9,707		10,146	
Derivatives	9		4	
Other	8,543		8,377	
Allowance for doubtful accounts	(1,240)		(1,212)	
II Noncurrent assets	435,652	62.9%	452,152	63.2%
1. Property, plant and equipment	131,754	19.0%	139,582	19.5%
Buildings and structures	47,108		47,825	
Machinery, equipment and vehicles	38,431		44,617	
Land	21,298		21,653	
Lease assets	1,447		1,682	
Construction in progress	15,243		14,721	
Other	8,225		9,081	
2. Intangible assets	270,790	39.1%	275,600	38.5%
Goodwill	138,809		139,523	
Customer relationships	83,758		84,663	
Other	48,222		51,413	
3. Investments and other assets	33,106	4.8%	36,969	5.2%
Investment securities	20,387		21,857	
Deferred tax assets	6,996		7,391	
Other	5,722		7,720	
III Deferred assets	—	—	52	0.0%
Total assets	692,520	100.0%	715,084	100.0%

(Millions of yen)

	As at March 31, 2012		As at December 31, 2012	
	Amount	%	Amount	%
(Liabilities)				
I Current liabilities	157,997	22.8%	115,317	16.2%
Notes and accounts payable-trade	33,920		34,806	
Short-term loans payable	60,000		24,298	
Lease obligations	423		557	
Income taxes payable	11,840		6,514	
Deferred tax liabilities	23		36	
Provision for bonuses	5,048		2,601	
Provision for directors' bonuses	127		95	
Notes and accounts payable - facilities	7,027		5,952	
Asset retirement obligations	840		420	
Other	38,747		40,034	
II Noncurrent liabilities	181,984	26.3%	214,732	30.0%
Bonds payable	80,000		80,000	
Long-term loans payable	50,000		79,870	
Lease obligations	999		1,133	
Deferred tax liabilities	44,736		45,722	
Provision for retirement benefits	1,538		1,577	
Provision for directors' retirement benefits	202		198	
Asset retirement obligations	153		155	
Other	4,354		6,075	
Total liabilities	339,982	49.1%	330,050	46.2%
I Shareholders' equity	381,345	55.1%	397,694	55.6%
Capital stock	38,716		38,716	
Capital surplus	52,103		52,103	
Retained earnings	290,529		306,881	
Treasury stock	(3)		(7)	
II Accumulated other comprehensive income	(29,073)	(4.2%)	(12,954)	(1.8%)
Valuation difference on available-for-sale securities	(51)		1,626	
Deferred gains or losses on hedges	1		(36)	
Foreign currency translation adjustment	(29,023)		(14,544)	
III Minority interests	264	0.0%	294	0.0%
Total net assets	352,537	50.9%	385,033	53.8%
Total liabilities and net assets	692,520	100.0%	715,084	100.0%

(2) Consolidated Statements of Income

(Millions of yen)

	For nine months ended December 31, 2011			For nine months ended December 31, 2012		
	Amount		%	Amount		%
I Net sales		288,914	100.0%		295,749	100.0%
II Cost of sales		134,924	46.7%		142,261	48.1%
Gross profit		153,989	53.3%		153,487	51.9%
III Selling, general and administrative expenses		104,114	36.0%		110,859	37.5%
Operating income		49,875	17.3%		42,628	14.4%
IV Non-operating income						
Interest income	225			221		
Dividends income	289			191		
Royalty income	115			87		
Equity in earnings of affiliates	67			134		
Foreign exchange gains	—			15		
Other	818	1,515	0.5%	575	1,225	0.4%
V Non-operating expenses						
Interest expenses	536			948		
Sales discounts	446			447		
Foreign exchange losses	2,837			—		
Loss on disposal of inventories	788			560		
Other	462	5,071	1.8%	1,443	3,399	1.1%
Ordinary income		46,319	16.0%		40,453	13.7%
VI Extraordinary income						
Gain on sales of noncurrent assets	13			47		
Reversal of allowance for doubtful accounts	0			—		
Reversal of provision for loss on disaster	156			—		
Subsidy income	227	397	0.2%	875	922	0.3%
VII Extraordinary expenses						
Loss on disposal of noncurrent assets	75			451		
Loss on sales of investment securities	1,562			—		
Loss on valuation of investment securities	7,754			—		
Loss on sales of golf memberships	5			—		
Loss on valuation of golf club membership	—			3		
Environmental expenses	—	9,396	3.3%	390	845	0.3%
Income before income taxes		37,320	12.9%		40,530	13.7%
Income taxes-current	13,049			17,564		
Income taxes-deferred	2,269	15,319	5.3%	(1,773)	15,790	5.3%
Income before minority interests		22,000	7.6%		24,739	8.4%
Minority interests in income		38	0.0%		32	0.0%
Net income		21,962	7.6%		24,707	8.4%

(3) Consolidated statement of comprehensive income

(Millions of yen)

	For nine months ended December 31, 2011		For nine months ended December 31, 2012	
	Amount		Amount	
I Income before minority interests		22,000		24,739
II Other comprehensive income securities				
Valuation difference on available-for-sale securities	(986)		1,678	
Deferred gains or losses on hedges	(3,611)		(38)	
Foreign currency translation adjustments	(17,026)		14,476	
Share of other comprehensive income of associates accounted for using equity method	0	(21,624)	1	16,116
Comprehensive income		376		40,856
Attributable to:				
Shareholders of Terumo Corporation		411		40,826
Minority interests		(35)		29

5. Segment Information

[Reportable Segments]

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

(Millions of yen)

	For nine months ended December 31, 2011					
	General Hospital Business	Cardiac & Vascular Business	Blood Management Business	Subtotal	Adjustment	Total
Sales and operating income:						
Sales to customer	117,015	118,672	53,226	288,914	—	288,914
Internal sales	—	—	—	—	—	—
Sales total	117,015	118,672	53,226	288,914	—	288,914
Segment income (loss)	22,208	24,934	2,520	49,663	211	49,875

Notes:

- The 211 million yen adjustment to segment profit is the sum of the (866) million yen for inventories and the 1,078 million yen for others.
- Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

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

(Millions of yen)

	For nine months ended December 31, 2012					
	General Hospital Business	Cardiac & Vascular Business	Blood Management Business	Subtotal	Adjustment	Total
Sales and operating income:						
Sales to customer	119,791	122,305	53,652	295,749	—	295,749
Internal sales	—	—	—	—	—	—
Sales total	119,791	122,305	53,652	295,749	—	295,749
Segment income (loss)	18,651	19,530	1,880	40,061	2,566	42,628

Notes:

- The 2,566 million yen adjustment to segment profit is the sum of the 570 million yen for inventories and the 1,995 million yen for others.
- 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 third 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	Oxygenators, 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.