

2nd Quarter Financial Results for FYE Mar. 2009 (Consolidated)



October 30, 2008
Exchange where listed: TSE

Name of listed company : **TERUMO CORPORATION**
(URL <http://www.terumo.com/>)
Company code number : 4543
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2nd Qtr. financial statement will be submitted on : November 13, 2008
Dividends will be paid from : December 8, 2008

1. Consolidated financial highlights for the interim period ended September 2008 (From April 1, 2008 to September 30, 2008)

(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,2008	157,011	-	31,457	-	32,837	-	22,991	-
Six months ended September,2007	150,835	13.7	33,531	17.1	33,953	16.9	22,931	24.4

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Six months ended September,2008	118.56	-
Six months ended September,2007	115.85	-

(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, 2008	384,704	303,933	79.0	1,566.77
March 31, 2008	410,918	288,867	70.3	1,489.10

(Note) Shareholders' equity : September 30, 2008: 303,833 million yen, March 31, 2008: 288,780 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 31,2008	-	14.00	-	18.00	32.00
Fiscal year ending March 31,2009	-	16.00	-	-	-
Fiscal year ending March 31,2009 (forecast)	-	-	-	16.00	32.00

(Note) Revise of dividends forecast : None

3. Consolidated forecast for the year ending March 2009 (From April 1, 2008 to March 31, 2009)

	Net sales		Operating income		Ordinary income		Net income		Dividends per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Fiscal year ending March, 2009	310,000	1.2	62,000	(7.4)	61,000	(5.0)	40,000	(7.8)	206.26

(Note) Revise of consolidated forecast : Yes

(Assumed exchange rate in 2nd half of FY2008: 1US\$=95yen, 1Euro=125yen)

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

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2008		As of March 31, 2008	
	Amount	%	Amount	%
(Assets)				
I Current Assets	185,620	48.3%	218,072	53.1%
Cash on hand and in banks	49,026		87,343	
Trade notes/accounts receivable	70,235		69,048	
Merchandise and finished goods	32,028		29,647	
Work in process	6,417		5,735	
Raw material and supplies	15,303		13,356	
Deferred income taxes - current	7,531		8,998	
Other current assets	5,863		4,744	
Allowance for doubtful accounts	(785)		(801)	
II Fixed Assets	199,083	51.7%	192,846	46.9%
1. Tangible fixed assets	115,022	29.9%	112,744	27.4%
Buildings and structures	43,562		44,121	
Machinery and transportation equipment	34,322		35,602	
Land	20,374		20,404	
Construction in progress	9,909		6,412	
Other tangible fixed assets	6,854		6,202	
2. Intangible fixed assets	33,967	8.8%	35,125	8.6%
Goodwill	29,015		30,202	
Other intangible fixed assets	4,951		4,922	
3. Investments and other fixed assets	50,093	13.0%	44,976	10.9%
Investments in securities	36,167		40,527	
Deferred income taxes - noncurrent	6,809		1,878	
Other assets	7,115		2,570	
Total Assets	384,704	100.0%	410,918	100.0%

(Millions of yen)

	As of September 30, 2008		As of March 31, 2008	
	Amount	%	Amount	%
(Liabilities)				
I Current Liabilities	73,026	19.0%	114,457	27.9%
Trade notes/accounts payable	27,873		27,245	
Short-term bank loans	240		35,000	
Accrued income taxes	10,330		17,802	
Reserve for employees bonuses	4,619		4,782	
Reserve for directors bonuses	94		189	
Deferred income taxes - current	197		197	
Notes and accounts payable on equipment	6,865		5,646	
Other current liabilities	22,805		23,593	
II Long-term Liabilities	7,744	2.0%	7,593	1.8%
Deferred income taxes - noncurrent	10		36	
Reserve for retirement allowance	4,177		4,263	
Reserve for retirement benefits for directors and corporate auditors	659		728	
Other long-term liabilities	2,895		2,565	
Total Liabilities	80,770	21.0%	122,051	29.7%
(Net Assets)				
I Shareholders' Equity	310,457	80.7%	291,624	71.0%
Capital stock	38,716		38,716	
Capital surplus	59,030		59,030	
Retained earnings	271,536		252,667	
Treasury stock	(58,826)		(58,790)	
II Evaluation Difference and Foreign Currency Exchange Adjustments	(6,623)	(1.7%)	(2,843)	(0.7%)
Evaluation difference of investment securities	2,786		5,026	
Foreign currency translation adjustments	(9,410)		(7,869)	
III Minority Interests	99	0.0%	87	0.0%
Total Net Assets	303,933	79.0%	288,867	70.3%
Total Liabilities and Net Assets	384,704	100.0%	410,918	100.0%

(2) Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2008		
	Amount	%	
I Net Sales		157,011	100.0%
II Cost of Sales		72,729	46.3%
Gross Profit on Sales		84,282	53.7%
III Selling, General and Administrative Expenses		52,824	33.7%
Operating Profit		31,457	20.0%
IV Non-operating Income			
Interest income	689		
Dividend income	251		
Royalty income	62		
Exchange gain	615		
Equity in profit of affiliated companies	29		
Other non-operating income	617	2,265	1.4%
V Non-operating Expenses			
Interest expenses	125		
Sales discount	271		
Loss on disposal of inventories	151		
Other non-operating expenses	336	885	0.5%
Ordinary Profit		32,837	20.9%
VI Extraordinary Profit			
Gain on sales of fixed assets	3		
Gain on sales of securities	80	83	0.1%
VII Extraordinary Losses			
Loss on disposal of fixed assets	134	134	0.1%
Income Before Taxes		32,787	20.9%
Corporate, Inhabitant and Enterprise Taxes	10,202		
Deferred Taxes (reduction)	(424)	9,777	6.3%
Minority Interest Income (loss) of consolidated companies		18	0.0%
Net Income for the Period		22,991	14.6%

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended
	September 30, 2008
	Amount
I Cash Flows from Operating Activities	
Income Before Taxes	32,787
Depreciation and amortization	8,534
Amortization of goodwill	980
Equity in profit of affiliated companies	(29)
Increase(decrease) in reserve for retirement allowance	(114)
Increase(decrease) in reserve for retirement benefits for directors and corporate auditors	(68)
Increase(decrease) in allowance for doubtful accounts	15
Increase(decrease) in reserve for directors bonuses	(94)
Interest and dividend income	(941)
Interest expenses	125
Exchange gain (loss)	(83)
Loss on disposal of fixed assets	134
Gain on sales of fixed assets	(3)
Gain on sales of securities	(80)
Decrease(increase) in trade receivables	(1,234)
Decrease(increase) in inventories	(5,005)
Increase(decrease) in trade payables	1,329
Others	(6,555)
Sub-total	29,696
Interest and dividends received	1,092
Interest paid	(200)
Income taxes paid	(17,422)
Cash Flows from Operating Activities	13,165
II Cash Flows from Investing Activities	
Payments for time deposits with maturities exceeding 3 months	(1,973)
refund of cash in bank	1,831
Capital expenditure	(8,548)
Proceeds from sales of tangible fixed assets	3
Payments for acquisition of intangible fixed assets	(463)
Acquisition of investment in securities	(1)
Proceeds from sale of marketable securities	580
Expense relating to acquisition of newly consolidated subsidiary	(3,286)
Cash Flows from Investing Activities	(11,857)
III Cash Flows from financing Activities	
Increase(decrease) in short-term bank loan	(35,040)
Buyback of treasury stock	(35)
Dividends paid	(3,490)
Cash Flows from Financing Activities	(38,566)
IV Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,117)
V Change in Cash and Cash Equivalents	(38,375)
VI Cash and Cash Equivalents at Beginning of Period	85,377
VII Cash and Cash Equivalents at End of Period	47,001

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 Home Health Care products	2,593	143
Corporate expenses	-	(6,085)
Total	157,011	31,457

(Note) Main products belonging to each product segment

Product segments	Main products
General hospital products	
Disposable medical devices and Medical electronics	Syringes, Needles, Solution Administrative sets, I.V.catheters, Blood collection tubes, Electronic medical equipments, etc.
Pharmaceuticals	I.V.solutions, Prefilled syringes, Nutritional products, etc.
CAPD products	Dialysis solutions, etc.
Diabetes care products (Hospital)	Blood glucose monitors, etc.
Home parenteral nutrition and oxygen	Home infusion systems, Home oxygen systems, etc.
Cardiac and Vascular products	
Interventional systems	Angiographic catheters, PTCA catheters, Coronary stents, Cerebral aneurysm coils, etc.
Cardiovascular systems	Oxygenators, Roller pumps, Blood tubing sets, etc.
Vascular grafts	Artificial vascular grafts
Blood transfusion products	Blood bags, Medical electronic equipments for blood collection, 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	-	(37,090)	(6,663)
Total	157,011	-	31,457

(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.

Reference information :

Consolidated Financial Statements of the previous year

1. Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2007	
	Amount	%
Net sales	150,835	100.0%
Cost of sales	67,981	45.1%
Gross profit	82,854	54.9%
Selling, general and administrative expenses	49,322	32.7%
Operating income	33,531	22.2%
Non-operating income / expenses	421	
Ordinary income	33,953	22.5%
Extraordinary income / expenses	941	
Income before taxes	34,895	23.1%
Corporate, inhabitant and enterprise taxes	11,945	
Minority interests	18	
Net income for the period	22,931	15.2%

2. Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2007
Cash flows from operating activities	33,454
Cash flows from investing activities	(13,867)
Cash flows from financing activities	19,191
Effect of exchange rate changes on cash and cash equivalents	409
Change in cash and cash equivalents	39,187
Cash and cash equivalents at beginning of period	43,049
Cash and cash equivalents at end of period	82,236

3. Segment Information

(1) Sales results by product segments

(Millions of yen)

	Six months ended September 30, 2007	
	Amount	%
Disposable medical equipments	42,030	27.9%
Pharmaceuticals	20,559	13.6%
Blood transfusion systems	11,460	7.6%
General hospital products	74,050	49.1%
Catheter systems	37,629	24.9%
Cardiovascular systems	19,014	12.6%
Vascular grafts	4,950	3.3%
Cardiac & vascular products	61,595	40.8%
CAPD systems	3,609	2.4%
Diabetes care products	6,977	4.6%
Other products	4,602	3.1%
Home health care products	15,189	10.1%
Total	150,835	100.0%

(Note) Main products belonging to each product segment

Product segments	Main products
Disposable medical equipment	Syringes, Needles, Solution Administrative sets, I.V.catheters, Blood collection tubes, Electronic medical devices, etc.
Pharmaceuticals	I.V.solutions, Prefilled syringes, Nutritional products, etc.
Blood transfusion systems	Blood bags, Blood transfusion administrative sets, Medical electronic devices for blood collection, etc.
Catheter systems	PTCA dilation catheters, Coronary stents, Guide wires, Angiographic catheters, Cerebral aneurysm coils, etc.
Cardiovascular systems	Roller pumps, Hollow fiber oxygenators, Blood circuits, etc.
Vascular grafts	Artificial vascular grafts
CAPD systems	Dialysis solutions, etc.
Diabetes care products	Blood glucose monitors, etc.
Other products	Home oxygen systems, Digital Thermometers, Electronic sphygmomanometers, etc.

(2) Sales results by regions

(Millions of yen)

	Six months ended September, 2007	
	Amount	%
Japan	79,517	52.7%
Europe	27,310	18.1%
America	28,859	19.1%
Asia and Others	15,148	10.1%
Total	150,835	100.0%