

Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2012



October 27, 2011
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 September 2011 (From April 1, 2011 to September 30, 2011)

(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)	%
Six months ended September, 2011	190,718	16.3	34,632	5.9	31,291	11.1	17,712	(3.5)
Six months ended September, 2010	163,918	3.7	32,706	0.5	28,174	(12.6)	18,364	(11.6)

(Notes) Comprehensive income: September 2011: (5,222)million yen (-%) September 2010: 6,427million yen (-%)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Six months ended September, 2011	93.28	—
Six months ended September, 2010	96.71	—

(Note) Percentage represents 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 September 30, 2011	681,809	326,812	47.9	1,719.91
As at March 31, 2011	420,037	335,456	79.8	1,765.32

(Note) Shareholders' equity : September 30, 2011: 326,577 million yen, March 31, 2011: 335,202 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, 2011	—	16.00	—	18.00	34.00
Year ending March 31, 2012	—	17.00	—	—	—
Year ending March 31, 2012 (forecast)	—	—	—	17.00	34.00

(Note) Revise of dividends forecast : None

3. Consolidated forecast for the year ending March 2012 (From April 1, 2011 to March 31, 2012)

	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, 2012	383,000	16.7	62,600	(0.0)	58,000	1.9	32,500	0.5	171.16

- Forecast for fiscal year ending March, 2012 which was announced on July 28, 2011 has been revised.
(Assumed exchange rate for fiscal year ending March, 2012: USD1=JPY77, EUR1=JPY108)
The above mentioned ratio of consolidated financial results and consolidated forecast are growth against past year.
- 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, 2011		As at September 30, 2011	
	Amount	%	Amount	%
(Assets)				
I Current assets	236,510	56.3%	258,156	37.9%
Cash and deposits	83,794		95,061	
Notes and accounts receivable-trade	76,480		80,684	
Merchandise and finished goods	36,152		41,630	
Work in process	5,869		5,816	
Raw material and supplies	15,651		18,020	
Deferred tax assets	7,797		11,019	
Derivatives	6,084		174	
Other	5,406		6,697	
Allowance for doubtful accounts	(726)		(949)	
II Noncurrent assets	183,527	43.7%	423,652	62.1%
1. Property, plant and equipment	113,059	26.9%	124,980	18.3%
Buildings and structures	45,052		46,457	
Machinery, equipment and vehicles	29,861		34,609	
Land	20,227		21,173	
Lease assets	950		1,116	
Construction in progress	10,442		14,597	
Other	6,524		7,025	
2. Intangible assets	26,728	6.4%	257,237	37.7%
Goodwill	20,191		133,050	
Customer relationship	—		80,390	
Other	6,537		43,796	
3. Investments and other assets	43,739	10.4%	41,435	6.1%
Investment securities	28,895		28,644	
Deferred tax assets	8,136		7,153	
Other	6,706		5,637	
Total assets	420,037	100.0%	681,809	100.0%

(Millions of yen)

	As at March 31, 2011		As at September 30, 2011	
	Amount	%	Amount	%
(Liabilities)				
I Current liabilities	78,846	18.8%	306,547	45.0%
Notes and accounts payable-trade	30,711		30,928	
Short-term loans payable	—		220,000	
Lease obligations	294		337	
Income taxes payable	6,297		10,337	
Deferred tax liabilities	123		152	
Provision for bonuses	5,001		5,221	
Provision for directors' bonuses	145		72	
Provision for loss on disaster	351		43	
Notes and accounts payable - facilities	5,749		7,493	
Asset retirement obligations	560		1,400	
Other	29,611		30,560	
II Noncurrent liabilities	5,734	1.3%	48,449	7.1%
Lease obligations	636		756	
Deferred tax liabilities	378		41,862	
Provision for retirement benefits	1,082		1,089	
Provision for directors' retirement benefits	586		202	
Asset retirement obligations	991		152	
Other	2,060		4,386	
Total liabilities	84,581	20.1%	354,996	52.1%
(Net assets)				
I Shareholders' equity	363,832	86.6%	378,122	55.5%
Capital stock	38,716		38,716	
Capital surplus	59,030		59,030	
Retained earnings	342,965		357,260	
Treasury stock	(76,879)		(76,884)	
II Accumulated other comprehensive income	(28,630)	(6.8%)	(51,545)	(7.6%)
Valuation difference on available-for-sale securities	(1,919)		(1,407)	
Deferred gains or losses on hedges	3,611		1	
Foreign currency translation adjustment	(30,322)		(50,139)	
III Minority interests	254	0.1%	234	0.0%
Total net assets	335,456	79.9%	326,812	47.9%
Total liabilities and net assets	420,037	100.0%	681,809	100.0%

(2) Consolidated Statements of Income

(Millions of yen)

	For six months ended September 30, 2010		For six months ended September 30, 2011			
	Amount	%	Amount	%		
I Net sales		163,918	100.0%	190,718	100.0%	
II Cost of sales		78,319	47.8%	87,541	45.9%	
Gross profit		85,599	52.2%	103,177	54.1%	
III Selling, general and administrative expenses		52,893	32.2%	68,544	35.9%	
Operating income		32,706	20.0%	34,632	18.2%	
IV Non-operating income						
Interest income	130			164		
Dividends income	229			239		
Royalty income	66			67		
Equity in earnings of affiliates	66			39		
Other	278	771	0.4%	575	1,087	0.5%
V Non-operating expenses						
Interest expenses	47			352		
Sales discounts	279			296		
Foreign exchange losses	4,570			2,988		
Loss on disposal of inventories	154			472		
Other	252	5,304	3.2%	317	4,428	2.3%
Ordinary income		28,174	17.2%	31,291	16.4%	
VI Extraordinary income						
Gain on sales of noncurrent assets	6			14		
Reversal of provision for loss on disaster	—			156		
Gain on contribution of securities to retirement benefit trust	494			—		
Subsidy income	—	500	0.3%	227	398	0.2%
VII Extraordinary expenses						
Loss on disposal of noncurrent assets	259			52		
Loss on valuation of investment securities	19			1,112		
Directors' retirement benefit	15			—		
Loss on sales of golf memberships	—	295	0.2%	5	1,170	0.6%
Income before income taxes		28,379	17.3%	30,519	16.0%	
Income taxes-current	9,412			13,747		
Income taxes-deferred	561	9,973	6.1%	(965)	12,782	6.7%
Income before minority interests		18,406	11.2%	17,737	9.3%	
Minority interests in income		42	0.0%	24	0.0%	
Net income		18,364	11.2%	17,712	9.3%	

(3) Consolidated statement of comprehensive income

(Millions of yen)

	For six months ended September 30, 2010		For six months ended September 30, 2011	
		Amount		Amount
I Income before minority interests		18,406		17,737
II Other comprehensive income securities				
Valuation difference on available-for-sale securities	(4,409)		512	
Deferred gains or losses on hedges	—		(3,610)	
Foreign currency translation adjustments	(7,566)		(19,861)	
Share of other comprehensive income of associates accounted for using equity method	(2)	(11,979)	(0)	(22,959)
Comprehensive income		6,427		(5,222)
Attributable to:				
Shareholders of Terumo Corporation		6,412		(5,202)
Minority interests		14		(19)

5. Segment Information

[Reportable Segments]

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

(Millions of yen)

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

Notes:

- 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.
- Segment income (loss) is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(2) The Second Quarter of Fiscal Year Ending March 31, 2012

(Millions of yen)

	For six months ended September 30, 2011						
	General Hospital business	Cardiac & Vascular business	Blood Management business	Consumer Healthcare business	Subtotal	Adjustment	Total
Sales and operating income:							
Sales to customer	73,992	79,237	35,293	2,195	190,718	—	190,718
Internal sales	—	—	—	—	—	—	—
Sales total	73,992	79,237	35,293	2,195	190,718	—	190,718
Segment income (loss)	14,324	18,010	2,042	(67)	34,309	323	34,632

Notes:

- The 323 million yen adjustment to segment profit is the sum of the (1,113) million yen for Inventories and the 1,436 million yen for others.
- Segment income (loss) is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.
- From the first quarter of fiscal year ending March 31, 2012, the name of reportable segment has been changed from Blood Transfusion business to Blood Management business.

(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
Cardiac and 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.
Consumer Healthcare business	
	Digital thermometers, Blood pressure monitors, Blood glucose monitors (OTC), etc.

(Supplementary Information)

[Geographic segments]

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

(Millions of yen)

	For six months ended September 30, 2010					
	Japan	Overseas Total	Europe	Americas	Asia and others	Total
Sales	89,475	74,443	26,492	30,631	17,319	163,918
Operating income	20,155	12,551	5,020	3,964	3,565	32,706

(2) The Second Quarter of Fiscal Year Ending March 31, 2012

(Millions of yen)

	For six months ended September 30, 2011					
	Japan	Overseas Total	Europe	Americas	Asia and others	Total
Sales	91,679	99,039	28,125	52,477	18,435	190,718
Operating income	17,427	17,205	4,738	8,860	3,606	34,632