

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



July 28, 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 June 2011 (From April 1, 2011 to June 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)	%
Three months ended June, 2011	95,630	17.7	17,378	9.0	16,868	34.4	9,772	11.1
Three months ended June, 2010	81,234	4.9	15,946	(3.2)	12,554	(25.9)	8,792	(18.7)

(Notes) Comprehensive income: June 2011: 5,914million yen (-%) June 2010: (2,292) million yen (-%)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Three months ended June, 2011	51.46	—
Three months ended June, 2010	46.30	—

(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, 2011	693,587	337,950	48.7	1,778.47
As at March 31, 2011	420,037	335,456	79.8	1,765.32

(Note) Shareholders' equity : June 30, 2011: 337,696 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	—	—	—	—	—
Year ending March 31, 2012 (forecast)	—	17.00	—	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)
Half year ending September, 2011	191,000	16.5	32,700	0.0	31,500	11.8	18,500	0.7	97.43
Year ending March, 2012	390,000	18.8	67,000	7.0	65,000	14.2	38,500	19.1	202.76

- Forecast for fiscal year ending March, 2012 which was announced on May 11, 2011 has been revised (Assumed exchange rate for fiscal year ending March, 2012: USD1=JPY80, EUR1=JPY113)
- 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. Changes in significant subsidiaries during the interim period

New 3 companies: CaridianBCT Holding Corp., CaridianBCT Inc., Gambro, Inc.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As at March 31, 2011		As at June 30, 2011	
	Amount	%	Amount	%
(Assets)				
I Current assets	236,510	56.3%	251,025	36.2%
Cash and deposits	83,794		83,295	
Notes and accounts receivable-trade	76,480		84,125	
Inventories	57,673		66,043	
Deferred tax assets	7,797		10,510	
Derivatives	6,084		—	
Other	5,406		7,997	
Allowance for doubtful accounts	(726)		(946)	
II Noncurrent assets	183,527	43.7%	442,561	63.8%
1. Property, plant and equipment	113,059	26.9%	125,428	18.1%
Buildings and structures	45,052		47,742	
Machinery, equipment and vehicles	29,861		34,959	
Land	20,227		21,279	
Lease assets	950		1,097	
Construction in progress	10,442		13,464	
Other	6,524		6,884	
2. Intangible assets	26,728	6.4%	273,499	39.4%
Goodwill	20,191		141,579	
Other	6,537		131,920	
3. Investments and other assets	43,739	10.4%	43,634	6.3%
Investment securities	28,895		31,452	
Deferred tax assets	8,136		6,375	
Other	6,706		5,806	
Total assets	420,037	100.0%	693,587	100.0%

(Millions of yen)

	As at March 31, 2011		As at June 30, 2011	
	Amount	%	Amount	%
(Liabilities)				
I Current liabilities	78,846	18.8%	302,626	43.6%
Notes and accounts payable-trade	30,711		32,197	
Short-term loans payable	—		220,000	
Lease obligations	294		322	
Income taxes payable	6,297		5,045	
Deferred tax liabilities	123		138	
Provision for bonuses	5,001		2,681	
Provision for directors' bonuses	145		36	
Provision for loss on disaster	351		138	
Notes and accounts payable - facilities	5,749		7,495	
Asset retirement obligations	560		980	
Other	29,611		33,590	
II Noncurrent liabilities	5,734	1.3%	53,010	7.7%
Lease obligations	636		752	
Deferred tax liabilities	378		45,474	
Provision for retirement benefits	1,082		1,146	
Provision for directors' retirement benefits	586		202	
Asset retirement obligations	991		571	
Other	2,060		4,862	
Total liabilities	84,581	20.1%	355,637	51.3%
(Net assets)				
I Shareholders' equity	363,832	86.6%	370,184	53.4%
Capital stock	38,716		38,716	
Capital surplus	59,030		59,030	
Retained earnings	342,965		349,319	
Treasury stock	(76,879)		(76,882)	
II Accumulated other comprehensive income	(28,630)	(6.8%)	(32,487)	(4.7%)
Valuation difference on available-for-sale securities	(1,919)		263	
Deferred gains or losses on hedges	3,611		(0)	
Foreign currency translation adjustment	(30,322)		(32,749)	
III Minority interests	254	0.1%	253	0.0%
Total net assets	335,456	79.9%	337,950	48.7%
Total liabilities and net assets	420,037	100.0%	693,587	100.0%

(2) Consolidated Statements of Income

(Millions of yen)

	For three months ended June 30, 2011		For three months ended June 30, 2010	
	Amount	%	Amount	%
I Net sales	95,630	100.0%	81,234	100.0%
II Cost of sales	44,787	46.8%	38,898	47.9%
Gross profit	50,842	53.2%	42,336	52.1%
III Selling, general and administrative expenses	33,463	35.0%	26,389	32.5%
Operating income	17,378	18.2%	15,946	19.6%
IV Non-operating income				
Interest income	86		67	
Dividends income	154		150	
Royalty income	37		38	
Equity in earnings of affiliates	33		34	
Other	91	402	76	367
		0.4%		0.5%
V Non-operating expenses				
Interest expenses	161		28	
Sales discounts	146		144	
Foreign exchange losses	451		3,439	
Loss on disposal of inventories	53		35	
Other	99	913	111	3,759
		1.0%		4.6%
Ordinary income	16,868	17.6%	12,554	15.5%
VI Extraordinary income				
Gain on sales of noncurrent assets	12		2	
Reversal of allowance for doubtful accounts	—		0	
Reversal of provision for loss on disaster	156		—	
Gain on contribution of securities to retirement benefit trust	—		494	
Subsidy income	227	395	—	497
		0.4%		0.6%
VII Extraordinary expenses				
Loss on disposal of noncurrent assets	4		3	
Loss on valuation of investment securities	1,112		—	
Directors' retirement benefit	—	1,116	15	19
		1.1%		0.1%
Income before income taxes	16,147	16.9%	13,031	16.0%
Income taxes-current	5,751		2,666	
Income taxes-deferred	613	6,365	1,552	4,219
		6.7%		5.2%
Income before minority interests	9,781	10.2%	8,812	10.8%
Minority interests income	9	0.0%	19	0.0%
Net income	9,772	10.2%	8,792	10.8%

(3) Consolidated statement of comprehensive income

(Millions of yen)

	For three months ended June 30, 2011		For three months ended June 30, 2010			
	Amount	%	Amount	%		
I Income before minority interests		9,781	100.0%		8,812	100.0%
II Other comprehensive income securities						
Valuation difference on available-for-sale securities	2,183				(4,699)	
Deferred gains or losses on hedges	(3,612)				—	
Foreign currency translation adjustments	(2,437)				(6,404)	
Share of other comprehensive income of associates accounted for using equity method	(0)	(3,867)	(39.5%)	(1)	(11,105)	(126.0%)
Comprehensive income		5,914	60.5%		(2,292)	(26.0%)
Attributable to:						
Shareholders of Terumo Corporation		5,914	60.5%		(2,288)	(26.0%)
Minority interests		(0)	(0.0%)		(3)	(0.0%)

6. Segment Information

[Reportable Segments]

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

	For three months ended June 30, 2011						
	General Hospital business	Cardiac & Vascular business	Blood Transfusion business	Consumer Healthcare business	Subtotal	Adjustment	Total
Sales and operating income:							
Sales to customer	37,077	36,447	6,443	802	80,771	463	81,234
Internal sales	-	-	-	-	-	-	-
Sales total	37,077	36,447	6,443	802	80,771	463	81,234
Segment income (loss)	6,337	9,598	813	(373)	16,375	(429)	15,946

Notes:

- The (429) million yen adjustment to segment profit is the sum of the (506) million yen for Inventories and the 77 million yen for others.
- Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

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

	For three months ended June 30, 2012						
	General Hospital business	Cardiac & Vascular business	Blood Management business	Consumer Healthcare business	Subtotal	Adjustment	Total
Sales and operating income:							
Sales to customer	36,499	39,955	18,042	1,133	95,630	-	95,630
Internal sales	-	-	-	-	-	-	-
Sales total	36,499	39,955	18,042	1,133	95,630	-	95,630
Segment income (loss)	7,877	9,629	1,561	(63)	19,004	(1,625)	17,378

Notes:

- 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.
- Segment profit 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.

(Additional Information)

From this first quarter, 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 Transfusion business.

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

(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) Three month ended June 30, 2010

(Millions of yen)

	For three months ended June 30, 2010					
	Japan	Europe	Americas	China	Asia and others	Total
Sales	42,545	13,788	15,782	2,125	6,992	81,234
Operating income	8,843	2,676	2,227	644	1,555	15,946

(2) Fiscal year ended June 30, 2011

(Millions of yen)

	For three months ended June 30, 2011					
	Japan	Europe	Americas	China	Asia and others	Total
Sales	44,276	15,035	26,852	2,409	7,056	95,630
Operating income	9,326	2,683	3,745	654	967	17,378