

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



October 30, 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 September 2012 (From April 1, 2012 to September 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)	%
Six months ended September, 2012	191,832	0.6	28,208	(18.6)	24,216	(22.6)	14,524	(18.0)
Six months ended September, 2011	190,718	16.3	34,632	5.9	31,291	11.1	17,712	(3.5)

(Notes) Comprehensive income: September 2012: (2,363) million yen (–%) September 2011: (5,222) million yen (–%)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Six months ended September, 2012	76.49	–
Six months ended September, 2011	93.28	–

(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 September 30, 2012	655,942	345,995	52.7	1,820.85
As at March 31, 2012	692,520	352,537	50.9	1,855.25

(Note) Shareholders' equity : September 30, 2012: 345,740 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 July 31, 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 September 30, 2012	
	Amount	%	Amount	%
(Assets)				
I Current assets	256,867	37.1%	236,576	36.1%
Cash and deposits	78,767		62,958	
Notes and accounts receivable-trade	91,800		82,592	
Merchandise and finished goods	44,044		46,313	
Work in process	6,629		7,473	
Raw material and supplies	18,606		20,232	
Deferred tax assets	9,707		9,760	
Derivatives	9		105	
Other	8,543		8,167	
Allowance for doubtful accounts	(1,240)		(1,027)	
II Noncurrent assets	435,652	62.9%	419,346	63.9%
1. Property, plant and equipment	131,754	19.0%	133,584	20.3%
Buildings and structures	47,108		46,910	
Machinery, equipment and vehicles	38,431		42,002	
Land	21,298		21,376	
Lease assets	1,447		1,491	
Construction in progress	15,243		13,174	
Other	8,225		8,628	
2. Intangible assets	270,790	39.1%	251,656	38.4%
Goodwill	138,809		127,835	
Customer relationships	83,758		76,914	
Other	48,222		46,906	
3. Investments and other assets	33,106	4.8%	34,105	5.2%
Investment securities	20,387		20,793	
Deferred tax assets	6,996		7,382	
Other	5,722		5,929	
III Deferred assets	—	—	18	0.0%
Total assets	692,520	100.0%	655,942	100.0%

(Millions of yen)

	As at March 31, 2012		As at September 30, 2012	
	Amount	%	Amount	%
(Liabilities)				
I Current liabilities	157,997	22.8%	103,736	15.8%
Notes and accounts payable-trade	33,920		33,597	
Short-term loans payable	60,000		18,164	
Lease obligations	423		447	
Income taxes payable	11,840		8,704	
Deferred tax liabilities	23		23	
Provision for bonuses	5,048		4,865	
Provision for directors' bonuses	127		63	
Notes and accounts payable - facilities	7,027		5,687	
Asset retirement obligations	840		420	
Other	38,747		31,763	
II Noncurrent liabilities	181,984	26.3%	206,209	31.5%
Bonds payable	80,000		80,000	
Long-term loans payable	50,000		76,772	
Lease obligations	999		1,047	
Deferred tax liabilities	44,736		41,489	
Provision for retirement benefits	1,538		1,545	
Provision for directors' retirement benefits	202		198	
Asset retirement obligations	153		154	
Other	4,354		5,001	
Total liabilities	339,982	49.1%	309,946	47.3%
I Shareholders' equity	381,345	55.1%	391,689	59.7%
Capital stock	38,716		38,716	
Capital surplus	52,103		52,103	
Retained earnings	290,529		300,876	
Treasury stock	(3)		(6)	
II Accumulated other comprehensive income	(29,073)	(4.2%)	(45,949)	(7.0%)
Valuation difference on available-for-sale securities	(51)		581	
Deferred gains or losses on hedges	1		4	
Foreign currency translation adjustment	(29,023)		(46,535)	
III Minority interests	264	0.0%	255	0.0%
Total net assets	352,537	50.9%	345,995	52.7%
Total liabilities and net assets	692,520	100.0%	655,942	100.0%

(2) Consolidated Statements of Income

(Millions of yen)

	For six months ended September 30, 2011			For six months ended September 30, 2012		
	Amount		%	Amount		%
I Net sales		190,718	100.0%		191,832	100.0%
II Cost of sales		87,541	45.9%		91,284	47.6%
Gross profit		103,177	54.1%		100,548	52.4%
III Selling, general and administrative expenses		68,544	35.9%		72,340	37.7%
Operating income		34,632	18.2%		28,208	14.7%
IV Non-operating income						
Interest income	164			143		
Dividends income	239			141		
Royalty income	67			55		
Equity in earnings of affiliates	39			51		
Other	575	1,087	0.5%	455	847	0.4%
V Non-operating expenses						
Interest expenses	352			615		
Sales discounts	296			298		
Foreign exchange losses	2,988			2,597		
Loss on disposal of inventories	472			74		
Other	317	4,428	2.3%	1,253	4,839	2.5%
Ordinary income		31,291	16.4%		24,216	12.6%
VI Extraordinary income						
Gain on sales of noncurrent assets	14			46		
Reversal of provision for loss on disaster	156			—		
Subsidy income	227	398	0.2%	875	921	0.5%
VII Extraordinary expenses						
Loss on disposal of noncurrent assets	52			255		
Loss on valuation of investment securities	1,112			—		
Loss on sales of golf memberships	5			—		
Environmental expenses	—	1,170	0.6%	390	646	0.3%
Income before income taxes		30,519	16.0%		24,491	12.8%
Income taxes-current	13,747			11,019		
Income taxes-deferred	(965)	12,782	6.7%	(1,070)	9,948	5.2%
Income before minority interests		17,737	9.3%		14,542	7.6%
Minority interests in income		24	0.0%		18	0.0%
Net income		17,712	9.3%		14,524	7.6%

(3) Consolidated statement of comprehensive income

(Millions of yen)

	For six months ended September 30, 2011		For six months ended September 30, 2012	
	Amount		Amount	
I Income before minority interests		17,737		14,542
II Other comprehensive income securities				
Valuation difference on available-for-sale securities	512		632	
Deferred gains or losses on hedges	(3,610)		2	
Foreign currency translation adjustments	(19,861)		(17,539)	
Share of other comprehensive income of associates accounted for using equity method	(0)	(22,959)	(2)	(16,906)
Comprehensive income		(5,222)		(2,363)
Attributable to:				
Shareholders of Terumo Corporation		(5,202)		(2,354)
Minority interests		(19)		(9)

5. Segment Information

[Reportable Segments]

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

(Millions of yen)

	For six months ended September 30, 2011					
	General Hospital Business	Cardiac & Vascular Business	Blood Management Business	Subtotal	Adjustment	Total
Sales and operating income:						
Sales to customer	76,187	79,237	35,293	190,718	—	190,718
Internal sales	—	—	—	—	—	—
Sales total	76,187	79,237	35,293	190,718	—	190,718
Segment income (loss)	14,256	18,010	2,042	34,309	323	34,632

Notes:

1. 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.

2. Segment profit 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, 2013

(Millions of yen)

	For six months ended September 30, 2012					
	General Hospital Business	Cardiac & Vascular Business	Blood Management Business	Subtotal	Adjustment	Total
Sales and operating income:						
Sales to customer	77,170	80,356	34,305	191,832	—	191,832
Internal sales	—	—	—	—	—	—
Sales total	77,170	80,356	34,305	191,832	—	191,832
Segment income (loss)	11,993	12,549	833	25,376	2,831	28,208

Notes:

1. The 2,831 million yen adjustment to segment profit is the sum of the 1,085 million yen for inventories and the 1,746 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 second 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.