

Third Quarter Financial Results for the Fiscal Year Ending March 31, 2010



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Exchange where listed: TSE

Name of listed company : **TERUMO CORPORATION**
(URL <http://www.terumo.com/>)
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1. Consolidated financial highlights for the interim period ended December 2009 (From April 1, 2009 to December 31, 2009)

(1) Consolidated financial results

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Nine months ended December,2009	238,897	3.2	49,989	9.8	50,369	17.9	31,858	10.8
Nine months ended December,2008	231,526	—	45,527	—	42,721	—	28,745	—

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Nine months ended December,2009	167.77	—
Nine months ended December,2008	148.95	—

(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)
December 31, 2009	405,284	309,478	76.3	1,628.93
March 31, 2009	379,064	278,166	73.4	1,464.27

(Note) Shareholders' equity : December 31, 2009: 309,327 million yen, March 31, 2009: 278,062 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 31,2009	—	16.00	—	16.00	32.00
Fiscal year ending March 31,2010	—	16.00	—	—	—
Fiscal year ending March 31,2010 (forecast)	—	—	—	16.00	32.00

(Note) Revise of dividends forecast : None

3. Consolidated forecast for the year ending March 2010 (From April 1, 2009 to March 31, 2010)

	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)
Fiscal year ending March, 2010	315,000	4.0	63,000	16.6	61,000	16.0	40,000	8.5	210.64

1. Forecast for fiscal year ending March, 2010 which was announced on Oct 29, 2009 has not been revised.

2. 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 of December 31, 2009		As of March 31, 2009	
	Amount	%	Amount	%
(Assets)				
I Current assets	215,174	53.1%	193,658	51.1%
Cash and deposits	73,218		57,073	
Notes and accounts receivable-trade	76,436		66,865	
Merchandise and finished goods	32,701		33,272	
Work in process	5,817		6,373	
Raw material and supplies	15,492		14,945	
Deferred tax assets	7,617		9,687	
Other	4,638		6,173	
Allowance for doubtful accounts	(747)		(733)	
II Noncurrent assets	190,109	46.9%	185,406	48.9%
1. Property, plant and equipment	111,444	27.5%	111,064	29.3%
Buildings and structures	43,099		41,545	
Machinery, equipment and vehicles	30,193		33,067	
Land	20,270		20,303	
Lease assets	627		548	
Construction in progress	10,586		8,584	
Other	6,668		7,015	
2. Intangible assets	30,338	7.5%	32,747	8.6%
Goodwill	23,354		26,823	
Other	6,984		5,923	
3. Investments and other assets	48,326	11.9%	41,593	11.0%
Investment securities	36,220		23,686	
Deferred tax assets	6,262		11,528	
Other	5,842		6,378	
Total Assets	405,284	100.0%	379,064	100.0%

(Millions of yen)

	As of December 31, 2009		As of March 31, 2009	
	Amount	%	Amount	%
(Liabilities)				
I Current liabilities	87,679	21.6%	93,700	24.7%
Notes and accounts payable-trade	26,144		27,812	
Short-term loans payable	20,000		25,190	
Lease obligations	186		161	
Income taxes payable	7,583		6,022	
Deferred tax liabilities	342		173	
Provision for bonuses	2,473		4,758	
Provision for directors' bonuses	142		172	
Notes and accounts payable - facilities	4,694		5,605	
Other	26,113		23,804	
II Noncurrent liabilities	8,127	2.0%	7,196	1.9%
Lease obligations	460		409	
Deferred tax liabilities	24		103	
Provision for retirement benefits	4,251		3,691	
Provision for directors' retirement benefits	658		659	
Other	2,731		2,331	
Total Liabilities	95,806	23.6%	100,897	26.6%
(Net Assets)				
I Shareholders' Equity	328,776	81.1%	303,005	80.0%
Capital stock	38,716		38,716	
Capital surplus	59,030		59,030	
Retained earnings	307,840		282,058	
Treasury stock	(76,811)		(76,800)	
II Valuation and translation adjustments	(19,448)	(4.8%)	(24,942)	(6.6%)
Valuation difference on available-for-sale securities	2,430		(5,118)	
Foreign currency translation adjustment	(21,878)		(19,823)	
III Minority interests	150	0.1%	104	0.0%
Total Net assets	309,478	76.4%	278,166	73.4%
Total Liabilities and Net Assets	405,284	100.0%	379,064	100.0%

(2) Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2008		Nine months ended December 31, 2009		Changes		
	Amount	%	Amount	%	Amount	%	
I Net sales	231,526	100.0%	238,897	100.0%	7,371	3.2%	
II Cost of sales	108,054	46.7%	112,835	47.2%	4,780	4.4%	
Gross profit	123,471	53.3%	126,062	52.8%	2,591	2.1%	
III Selling, general and administrative expenses	77,944	33.6%	76,073	31.9%	(1,871)	(2.4%)	
Operating income	45,527	19.7%	49,989	20.9%	4,462	9.8%	
IV Non-operating income							
Interest income	1,027		323		(704)		
Dividends income	418		262		(156)		
Royalty income	102		111		9		
Equity in earnings of affiliates	61		72		11		
Other	740	2,350	532	1,301	(208)	(1,049)	(44.6%)
V Non-operating expenses							
Interest expenses	286		118		(167)		
Sales discounts	413		438		25		
Foreign exchange losses	3,274		198		(3,075)		
Loss on disposal of inventories	243		66		(176)		
Other	939	5,157	98	921	(840)	(4,235)	(82.1%)
Ordinary income	42,721	18.5%	50,369	21.1%	7,648	17.9%	
VI Extraordinary income							
Gain on sales of noncurrent assets	17		1		(15)		
Gain on sales of investment securities	80	97	—	1	(80)	(95)	(98.2%)
VII Extraordinary loss							
Loss on disposal of noncurrent assets	129		64		(65)		
Loss on appraisal of securities	33	162	—	64	(33)	(98)	(60.5%)
Income before income taxes	42,655	18.4%	50,306	21.1%	7,651	17.9%	
Income taxes-current	12,547		16,161		3,614		
Income taxes-deferred	1,334	13,882	2,250	18,411	915	4,529	32.6%
Minority interests in income	28	0.0%	36	0.0%	8	28.5%	
Net income for the period	28,745	12.4%	31,858	13.3%	3,113	10.8%	

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended	Nine months ended
	December 31, 2008	December 31, 2009
	Amount	Amount
I Net cash provided by (used in) operating activities		
Income before income taxes	42,655	50,306
Depreciation and amortization	13,107	13,263
Amortization of goodwill	1,534	1,269
Equity in (earnings) losses of affiliates	(61)	(72)
Increase (decrease) in provision for retirement benefits	(263)	568
Increase(decrease) in reserve for retirement benefits for directors and corporate auditors	(68)	(1)
Increase (decrease) in allowance for doubtful accounts	32	17
Increase (decrease) in provision for directors' bonuses	(47)	(30)
Interest and dividends income	(1,446)	(585)
Interest expenses	286	118
Foreign exchange losses (gains)	1,194	286
Loss (gain) on disposal of noncurrent assets	129	64
Loss (gain) on sales of noncurrent assets	(17)	(1)
Loss (gain) on sales of short-term and long term investment securities	(80)	—
Loss on appraisal of securities	33	—
Decrease (increase) in notes and accounts receivable-trade	(4,680)	(9,856)
Decrease (increase) in inventories	(7,085)	50
Increase (decrease) in notes and accounts payable-trade	1,816	(1,698)
Other, net	(7,918)	3,805
Sub-total	39,118	57,505
Interest and dividends income received	1,622	791
Interest expenses paid	(338)	(129)
Income taxes paid	(28,769)	(14,842)
Net cash provided by (used in) operating activities	11,633	43,325
II Net cash provided by (used in) investment activities		
Payments into time deposits	(3,438)	(15,256)
Proceeds from withdrawal of time deposits	2,983	9,646
Purchase of property, plant and equipment	(11,614)	(14,543)
Proceeds from sales of property, plant and equipment	17	8
Purchase of intangible assets	(820)	(809)
Purchase of investment securities	(32)	(108)
Capital gain from redemption of marketable securities	—	100
Proceeds from sales of investment securities	580	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(3,286)	—
Net cash provided by (used in) investment activities	(15,612)	(20,962)
III Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(4,990)	(5,190)
Purchase of treasury stock	(18,006)	(11)
Repayments of finance lease obligations	—	(148)
Cash dividends paid	(6,593)	(6,076)
Net cash provided by (used in) financing activities	(29,589)	(11,426)
IV Effect of exchange rate change on cash and cash equivalents	(4,022)	(262)
V Net increase (decrease) in cash and cash equivalents	(37,591)	10,674
VI Cash and Cash Equivalents at Beginning of Period	85,377	55,067
VII Cash and Cash Equivalents at End of Period	47,786	65,741

5. Segment Information

(1) Business Segments

(Millions of yen)

	Nine months ended December 31, 2008	
	Amount	
	Sales	Operating income
General hospital products	113,048	24,967
Cardiac & Vascular products	96,246	26,635
Blood transfusion products	18,215	2,809
Consumer Health Care products	4,015	243
Corporate expenses	—	(9,129)
Total	231,526	45,527

(Millions of yen)

	Nine months ended December 31, 2009	
	Amount	
	Sales	Operating income
General hospital products	114,669	27,207
Cardiac & Vascular products	101,164	29,156
Blood transfusion products	17,921	2,660
Consumer Health Care products	5,142	575
Corporate expenses	—	(9,610)
Total	238,897	49,989

(Note) Main products belonging to each product segment

Product segments	Main products
General hospital products	
Disposable medical devices and Medical electronics	Syringes, Needles, Solution sets, I.V.catheters, Blood collection tubes, Electronic medical equipments, etc.
Pharmaceuticals	I.V.solutions, Prefilled syringes, Nutritious foods, etc.
CAPD products	Dialysis solutions, etc.
Diabetes care products	Blood glucose monitors, etc.
Home parenteral nutrition and oxygen	Home parenteral nutrition, Home oxygen systems, etc.
Cardiac and Vascular products	
Interventional systems	Angiographic catheters, PTCA catheters, Coronary stents, Neuro Interventional coils, etc.
Cardiovascular systems	Oxygenators, Roller pumps, Blood tubing sets, etc.
Vascular grafts	Artificial vascular grafts
Blood transfusion products	Blood bags, Automated blood processing products, etc.
Consumer health care products	Digital Thermometers, Blood pressure monitors, Blood glucose monitors (OTC), etc.

(2) Geographic segments

(Millions of yen)

	Nine months ended December 31, 2008		
	Amount		
	Sales to customer	Internal sales	Operating income
Japan	124,205	36,473	41,743
Europe	42,864	2,989	5,638
Americas	42,127	4,485	1,736
Asia and others	22,328	11,573	5,897
Corporate expenses / eliminations	—	(55,521)	(9,488)
Total	231,526	—	45,527

(Millions of yen)

	Nine months ended December 31, 2009		
	Amount		
	Sales to customer	Internal sales	Operating income
Japan	133,167	36,288	45,527
Europe	41,365	3,163	5,655
Americas	42,104	4,108	2,808
Asia and others	22,260	11,513	6,666
Corporate expenses / eliminations	—	(55,074)	(10,668)
Total	238,897	—	49,989

(3) Sales results by regions

(Millions of yen)

	Nine months ended December 31, 2008	
	Amount	%
Japan	124,158	53.6%
Europe	42,864	18.5%
Americas	42,127	18.2%
Asia and others	22,375	9.7%
Total	231,526	100.0%

(Note) Sales in 'Asia and others' includes direct sales from Japan.

(Millions of yen)

	Nine months ended December 31, 2009	
	Amount	%
Japan	133,134	55.7%
Europe	41,365	17.3%
Americas	42,104	17.6%
Asia and others	22,294	9.4%
Total	238,897	100.0%

(Note) Sales in 'Asia and others' includes direct sales from Japan.