

Financial Results for the Fiscal Year Ending March 31, 2010

12-May-10

Name of listed company: TERUMO CORPORATION

(URL <http://www.terumo.com/>)

Company code number: 4543

Representative:

Akira Takahashi, President

Please address all communications to:

Shouji Hatano, General Manager, Corporate Communication Dept.

Adoption of U.S. accounting standards [Yes/No]: No

Exchange where listed: TSE

Location of headquarters (prefecture):

Tokyo

Phone: +81 / 3-3217 - 6550

1. Consolidated Financial Highlights for the year ended March 2010

(From April 1, 2009 to March 31, 2010)

(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)	%
Year ended March, 2010	316,009	4.4	63,282	17.1	63,611	21.0	40,721	10.4
Year ended March, 2009	302,746	△ 1.2	54,039	△ 19.3	52,580	△ 18.1	36,878	△ 15.0

	Net income per share	Net income per share, fully diluted	Net income per stockholders' equity	Ordinary income per total assets	Operating income per Net sales
	(Yen)	(Yen)	%	%	%
Year ended March, 2010	214.44	-	13.7	15.8	20.0
Year ended March, 2009	191.86	-	13.0	13.3	17.8

(Notes) 1. Investment income for equity method:

March 2010: 81million yen March 2009: 50million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
31-Mar-10	425,507	317,139	74.5	1,668.93
31-Mar-09	379,064	278,166	73.4	1,464.27

(Notes) 1. Number of shares outstanding at end of period (consolidated):

March 2010: 189,895,067 shares March 2009: 189,898,642 shares

(3) Consolidated statements of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Year ended March, 2010	67,352	△ 25,273	△ 11,487	84,877
Year ended March, 2009	31,615	△ 23,988	△ 34,820	55,067

2. Dividends

	Cash dividends per share		
	at 1st half end	at fiscal year end	total
	(Yen)	(Yen)	(Yen)
Year ended March, 2009	16.00	16.00	32.00
Year ended March, 2010	16.00	16.00	32.00
Year ending March, 2011 (forecast)	16.00	16.00	32.00

3. Consolidated forecasts for the year ending March 2011 (From April 1, 2010 to March 31, 2011)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Half year ended September, 2010	164,000	3.8	32,600	0.2	32,500	0.8	20,800	0.1
Year ended March, 2011	333,000	5.4	65,200	3.0	65,000	2.2	41,500	1.9

(N.B.) Estimated earnings per share (full year): 218.54 yen

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. Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	31-Mar-09		31-Mar-10		Changes	
	Amount	%	Amount	%		%
(Assets)		%		%		%
I Current assets	193,658	51.1%	230,431	54.2%	36,773	19.0%
Cash and cash equivalents	57,073		90,102		33,028	
Trade receivable notes/accounts	66,865		71,798		4,933	
Merchandise and finished goods	33,272		34,180		907	
Work in process	6,373		6,143		(230)	
Raw material and supplies	14,945		14,741		(203)	
Deferred taxes assets	9,687		9,086		(600)	
Other current assets	6,173		5,071		(1,101)	
Allowance for doubtful debts	(733)		(693)		39	
II Fixed assets	185,406	48.9%	195,076	45.8%	9,670	5.2%
1. Tangible assets	111,064	29.3%	114,030	26.8%	2,695	2.7%
Buildings and structures	41,545		45,533		3,988	
Machinery and transportation equipment	33,067		29,345		(3,721)	
Land	20,303		20,285		(18)	
Finance lease asstes	548		665		116	
Construction in progress	8,584		11,941		3,357	
Other tangible assets	7,015		6,259		(756)	
2. Intangible assets	32,747	8.6%	30,129	7.1%	(2,617)	(8.0%)
Goodwill	26,823		22,989		(3,834)	
Other intangible assets	5,923		7,140		1,216	
3. Investments and other assets	41,593	11.0%	50,915	11.9%	9,321	22.4%
Investment in securities	23,686		38,868		15,181	
Deferred tax assets	11,528		6,614		(4,914)	
Other investments and other assets	6,378		5,433		(945)	
Total assets	379,064	100.0%	425,507	100.0%	46,443	12.3%

(Millions of yen)

	31-Mar-09		31-Mar-10		Changes	
	Amount	%	Amount	%		%
(Liabilities)						
I Current Liabilities	93,700	24.7%	99,731	23.5%	6,030	6.4%
Trade notes/accounts payable	27,812		27,367		(445)	
Short-term bank loans	25,190		20,000		(5,190)	
Short-term lease payable	161		219		58	
Income taxes payable	6,022		12,994		6,972	
Reserve for employees bonuses	4,758		4,898		140	
Reserve for directors bonuses	172		161		(11)	
Deferred tax liabilities	173		7		(165)	
Notes/Accounts payable-trade for Machinery & Equipment	5,605		8,031		2,426	
Other current liabilities	23,804		26,049		2,245	
II Long-term Liabilities	7,196	1.9%	8,636	2.0%	1,439	20.0%
Long-term lease payable	409		463		53	
Deferred tax liabilities	103		40		(62)	
Reserve for retirement allowances	3,691		4,677		986	
Reserve for retirement benefits for directors and corporate auditors	659		658		(1)	
Other long-term liabilities	2,331		2,795		463	
Total Liabilities	100,897	26.6%	108,367	25.5%	7,470	7.4%
I Shareholders' equity	303,005	80.0%	337,633	79.3%	34,628	11.4%
Capital stock	38,716		38,716		-	
Capital surplus	59,030		59,030		-	
Retained earnings	282,058		316,703		34,645	
Treasury stock	(76,800)		(76,817)		(17)	
II Evaluation difference and foreign currency exchange adjustments	(24,942)	(6.6%)	(20,711)	(4.9%)	4,230	(17.0%)
Evaluation difference of investment securities	(5,118)		2,335		7,454	
Foreign currency translation adjustments	(19,823)		(23,046)		(3,223)	
III Minority interests	104	0.0%	218	0.1%	114	109.7%
Total net assets	278,166	73.4%	317,139	74.5%	38,972	14.0%
Total liabilities, net assets	379,064	100.0%	425,507	100.0%	46,443	12.3%

(2) Consolidated Statement of Income

(Millions of yen)

	Year ended 31-Mar-09		Year ended 31-Mar-10		Changes				
	Amount	%	Amount	%		%			
I Net sales	302,746	100.0%	316,009	100.0%	13,262	4.4%			
II Cost of sales	144,506	47.7%	149,659	47.4%	5,153	3.6%			
Gross Profit on Sales	158,240	52.3%	166,350	52.6%	8,109	5.1%			
III Selling, General and Administrative Expenses	104,200	34.5%	103,067	32.6%	(1,133)	(1.1%)			
Operating Profit	54,039	17.8%	63,282	20.0%	9,242	17.1%			
IV Non-operating Income									
Interest income	1,193		388		(805)				
Dividend income	508		333		(174)				
Royalties	136		142		6				
Equity in earnings of unconsolidated companies	50		81		30				
Incentive received	-		169		169				
Other non-operating income	768	2,657	0.9%	495	1,611	0.5%	(273)	(1,046)	(39.4%)
V Non-operating Expenses									
Interest expenses	232		169		(63)				
Sales discount	540		574		33				
Foreign exchange loss	2,349		84		(2,264)				
Loss on disposal of inventories	531		159		(371)				
Expense for a settlement	432		-		(432)				
Other non-operating expenses	29	4,117	1.3%	293	1,281	0.4%	263	(2,835)	(68.9%)
Ordinary Profit	52,580	17.4%	63,611	20.1%	11,031	21.0%			
VI Extraordinary Profit									
Gain on sales of fixed assets	17		3		(13)				
Gain on sales of marketable securities	80		-		(80)				
Gain on reversal of allowance for bad debt	22	119	0.0%	3	6	0.0%	(19)	(113)	(94.4%)
VII Extraordinary Losses									
Loss on disposal of fixed assets	299		189		(110)				
Valuation loss of marketable securities	37		1		(35)				
Valuation loss of golf membership	10		-		(10)				
Impairment loss	-	347	0.1%	20	212	0.0%	20	(134)	(38.8%)
Income Before Taxes	52,353	17.3%	63,406	20.1%	11,053	21.1%			
Corporate, Inhabitant and Enterprise Taxes	17,788		22,432		4,643				
Deferred Taxes (reduction)	(2,348)	15,439	5.1%	169	22,601	7.2%	2,518	7,161	46.4%
Minority Interest Income (loss) of consolidated companies	34	0.0%	82	0.0%	47	137.2%			
Net Income	36,878	12.2%	40,721	12.9%	3,843	10.4%			

(3) Statement of changes in net assets

(Millions of yen)

Year ended March 2009	Shareholders' equity				Shareholders' equity total
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Beginning of period	38,716	59,030	252,667	(58,790)	291,624
IFRS Adjustment			(894)		(894)
Changes during this fiscal year					
Delivery of dividends			(6,593)		(6,593)
Net income			36,878		36,878
Acquisition of treasury stock				(18,009)	(18,009)
Changes of items other than shareholders' equity (net)					
Total changes during this fiscal year	-	-	30,284	(18,009)	12,275
Ending of period	38,716	59,030	282,058	(76,800)	303,005

Year ended March 2009	Evaluation difference and foreign currency exchange adjustments			Minority interests	Net assets total
	Evaluation difference of investment securities	Foreign currency translation adjustments	Evaluation difference and foreign currency exchange adjustments total		
Beginning of period	5,026	(7,869)	(2,843)	87	288,867
IFRS Adjustment					(894)
Changes during this fiscal year					
Delivery of dividends					(6,593)
Net income					36,878
Acquisition of treasury stock					(18,009)
Changes of items other than shareholders' equity (net)	(10,144)	(11,953)	(22,098)	16	(22,081)
Total changes during this fiscal year	(10,144)	(11,953)	(22,098)	16	(9,806)
Ending of period	(5,118)	(19,823)	(24,942)	104	278,166

(Millions of yen)

Year ended March 2010	Shareholders' equity				Shareholders' equity total
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Beginning of period	38,716	59,030	282,058	(76,800)	303,005
Changes during this fiscal year					
Delivery of dividends			(6,076)		(6,076)
Net income			40,721		40,721
Acquisition of treasury stock				(17)	(17)
Changes of items other than shareholders' equity (net)					
Total changes during this fiscal year	-	-	34,645	(17)	34,628
Ending of period	38,716	59,030	316,703	(76,817)	337,633

Year ended March 2010	Evaluation difference and foreign currency exchange adjustments			Minority interests	Net assets total
	Evaluation difference of investment securities	Foreign currency translation adjustments	Evaluation difference and foreign currency exchange adjustments total		
Beginning of period	(5,118)	(19,823)	(24,942)	104	278,166
Changes during this fiscal year					
Delivery of dividends					(6,076)
Net income					40,721
Acquisition of treasury stock					(17)
Changes of items other than shareholders' equity (net)	7,454	(3,223)	4,230	114	4,344
Total changes during this fiscal year	7,454	(3,223)	4,230	114	38,972
Ending of period	2,335	(23,046)	(20,711)	218	317,139

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended 31-Mar-09	Year ended 31-Mar-10
I Cash flows from operating activities		
Income before taxes	52,353	63,406
Depreciation and amortization	18,192	18,186
Impairment loss	-	20
Amortization of goodwill	2,189	1,723
Investment income for equity method	(50)	(81)
Increase(decrease) in reserve for retirement allowance	(366)	1,242
Increase(decrease) in allowance for retirement benefits for directors	(68)	(1)
Increase(decrease) in allowance for bad debt	(5)	(30)
Increase(decrease) in reserve for directors bonuses	(17)	(11)
Interest income and dividend income	(1,702)	(722)
Incentive received	-	(169)
Interest expenses	232	169
Exchange loss (gain)	506	284
Expense for a settlement	432	-
Loss on disposal of fixed assets	299	189
Gain on sales of fixed assets	(17)	(3)
Loss (gain) on sales of marketable securities	(80)	-
Loss on valuation of marketable securities	37	1
Loss on sales and impairment of golf membership	10	-
Decrease(increase) in trade receivable	(450)	(5,855)
Decrease(increase) in inventories	(8,477)	(1,403)
Increase(decrease) in trade payable	629	(395)
Others	(3,862)	4,831
Subtotal	59,785	81,382
Gain of loss interests and dividends	1,880	924
Incentive received	-	169
Interest paid	(290)	(179)
Repayment for a settlement	(432)	-
Corporate tax paid	(29,326)	(14,945)
Cash flow provided by operating activities	31,615	67,352
II Cash flows from investing activities		
Payment for making fixed-term deposits	(5,741)	(16,578)
Refund of cash in bank	5,486	13,336
Capital expenditure	(17,836)	(18,440)
Proceeds from sales of tangible assets	17	14
Capital expenditure for intangible assets	(2,405)	(1,276)
Payments for purchase of marketable securities	(802)	(2,908)
Proceeds from sales of marketable investments	-	100
Capital gain on sale of marketable securities	580	-
Payment for acquisition newry consolidated company	(3,286)	-
Others	-	480
Net cash used in investing activities	(23,988)	(25,273)
III Cash flows from financing activities		
Increase(decrease) in short-term debt	(10,090)	(5,190)
Buyback of treasury stock	(18,009)	(17)
Repayment of financial lease	(127)	(204)
Dividends paid	(6,593)	(6,076)
Net cash used in financing activities	(34,820)	(11,487)
IV Effect of exchange rate changes	(3,116)	(780)
V Net increase(decrease) in cash and cash equivalents	(30,310)	29,810
VI Cash and cash equivalents at beginning of period	85,377	55,067
VII Cash and cash equivalents at end of period	55,067	84,877

(5)Notes

Relating to balance sheet

(Millions of yen)

	March 31,2009	March 31,2010
Accumulated depreciation of tangible assets	208,791	220,213

Ending balance of investment in securities to nonconsolidated subsidiaries and related companies

(Millions of yen)

	March 31,2009	March 31,2010
Investment in securities	2,638	2,513

Relating to statement of income

I Main items among selling, general and administrative expenses

(Millions of yen)

	Year ended March 31,2009	Year ended March 31,2010
Promotion and Advertisement fee	10,919	11,011
Transportation and Packaging cost	9,094	9,043
Salaries	25,033	24,975
Bonuses	3,145	3,137
Provision for bonuses	2,274	2,302
Pension	1,839	2,703
R&D expenditure	17,158	17,527
Depreciation	3,354	3,344
Provision of the reserve for directors' bonuses	172	161

II R&D expenditure

	Year ended March 31,2009	Year ended March 31,2010
	17,158	17,527

III Itemized statement of Gain on sales

	Year ended March 31,2009	Year ended March 31,2010
Machinery and transportation equipment	16	3
Other tangible fixed assets	0	0
Total Gains on sales of fixed assets	17	3

IV Itemized statement of Loss on disposal of assets

	Year ended March 31,2009	Year ended March 31,2010
Buildings and structures	79	35
Machinery and transportation equipment	169	126
Other tangible fixed assets	50	26
Total Loss on disposal of fixed assets	299	189

V Impairment loss

(Millions of yen)

		Year ended March 31,2009	Year ended March 31,2010	
Location		-	USA・EU	
Application		-	Equipment (Idle asset)	
Assortment	Impairment Amount	-	Machinery and transportation	20
Amount		-	20	

Relating to statement of cash flows

Reconciliation of cash and cash equivalents on the annual consolidated balance sheet.

(Millions of yen)

	Year ended March 31,2009	Year ended March 31,2010
Cash on hand and in banks	57,073	90,102
Time deposits, bonds and other with original maturity exceeding a three-month period	(2,006)	(5,224)
Cash and cash equivalents	55,067	84,877

Assets and liabilities of the newly consolidated company at the acquisition date, the acquisition price and the net disbursement

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2010
Terumo Clinical Supply Co., Ltd.		
Current assets	1,984	-
Fixed assets	739	-
Goodwill	1,857	-
Current liabilities	(853)	-
Fixed liabilities	(180)	-
Acquisition price	3,548	-
Cash and cash equivalent	(261)	-
Net disbursement	3,286	-

Relating to Statement of changes in net assets

(1) Year ended March, 2009

I Category and total number of issued stock and treasury stock

(Thousand)

	Beginning balance	Increase during this fiscal period	Decrease during this fiscal period	Ending balance
Issued stock : Common stock	210,876	-	-	210,876
Treasury stock : Common stock	16,946	4,030	-	20,977

Note : The increase or treasury stock is from taking up odd stock.

II Items on dividend

Delivery of dividends

(Resolution)	Category of stock	Dividend (millions yen)	Dividend per share (yen)	Dividend record date	Effective date
Annual meeting of stockholders held on June 27,2008	Common stock	3,490	18	March 31,2008	June 30,2008
A board of directors held on October 30,2008	Common stock	3,102	16	September 30,2008	December 8,2008

Dividends recorded in this fiscal period but effective in the next period

(Resolution)	Category of stock	Dividend (millions yen)	The original capital of dividend	Dividend per share (yen)	Dividend record date	Effective date
Annual meeting of stockholders held on June 19, 2009	Common stock	3,038	Earned surplus	16	March 31,2009	June 22,2009

(2) Year ended March, 2010

I Category and total number of issued stock and treasury stock

(Thousand)

	Beginning balance	Increase during this fiscal period	Decrease during this fiscal period	Ending balance
Issued stock : Common stock	210,876	-	-	210,876
Treasury stock : Common stock	20,977	3	-	20,981

Note : The increase or treasury stock is from taking up odd stock.

II Items on dividend

Delivery of dividends

(Resolution)	Category of stock	Dividend (millions yen)	Dividend per share (yen)	Dividend record date	Effective date
Annual meeting of stockholders held on June 19, 2009	Common stock	3,038	16	March 31, 2009	June 22, 2009
A board of directors held on October 29, 2009	Common stock	3,038	16	September 30, 2009	December 8, 2009

Dividends recorded in this fiscal period but effective in the next period

(Resolution)	Category of stock	Dividend (millions yen)	The original capital of dividend	Dividend per share (yen)	Dividend record date	Effective date
Annual meeting of stockholders held on June 29, 2010	Common stock	3,038	Earned surplus	16	March 31, 2010	June 30, 2010

5. Segment Information

(1) Business Segments

(Millions of yen)

	Year ended March 31, 2010	
	Amount	
	Sales	Operating income
General hospital products	149,788	33,643
Cardiac & Vascular products	135,831	38,732
Blood Transfusion products	23,947	3,402
Home Health Care products	6,442	387
Corporate expenses	-	(12,884)
Total	316,009	63,282

(Millions of yen)

	Year ended March 31, 2009	
	Amount	
	Sales	Operating income
General hospital products	146,496	30,819
Cardiac & Vascular products	127,034	32,956
Blood Transfusion products	23,871	3,335
Home Health Care products	5,344	152
Corporate expenses	-	(13,224)
Total	302,746	54,039

(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)

	Year ended March 31, 2010		
	Amount		
	Sales to customer	Internal sales	Operating income
Japan	173,943	49,134	57,632
Europe	55,768	4,172	7,536
Americas	56,860	5,656	4,125
Asia and others	29,436	15,022	8,325
Corporate expenses	-	(73,986)	(14,337)
Total	316,009	-	63,282

(Millions of yen)

	Year ended March 31, 2009		
	Amount		
	Sales to customer	Internal sales	Operating income
Japan	162,155	46,997	51,404
Europe	55,701	4,185	7,029
Americas	56,548	5,770	2,475
Asia and others	28,341	15,349	7,410
Corporate expenses	-	(72,301)	(14,280)
Total	302,746	-	54,039

(3) Sales results by regions

(Millions of yen)

	Year ended March 31, 2010	
	Amount	%
Japan	173,910	55.0%
Europe	56,590	17.9%
Americas	53,776	17.0%
Asia and others	31,731	10.1%
Total	316,009	100.0%

	Year ended March 31, 2009	
	Amount	%
Japan	162,049	53.5%
Europe	55,962	18.5%
Americas	53,770	17.8%
Asia and others	30,964	10.2%
Total	302,746	100.0%