

Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2014



November 06, 2013
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 2013 (From April 1, 2013 to September 30, 2013)

(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, 2013	226,028	17.8	30,470	8.0	29,568	22.1	19,458	34.0
Six months ended September, 2012	191,832	0.6	28,208	(18.6)	24,216	(22.6)	14,524	(18.0)

(Notes) Comprehensive income: September 2013: 36,540million yen (- %) September 2012: (2,363)million yen (- %)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Six months ended September, 2013	102.48	102.48
Six months ended September, 2012	76.49	-

(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, 2013	802,510	469,932	58.6	2,474.94
As at March 31, 2013	771,032	437,909	56.7	2,304.42

(Note) Shareholders' equity : September 30, 2013: 469,928 million yen, March 31, 2013: 437,557 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, 2013	-	22.00	-	22.00	44.00
Year ending March 31, 2014	-	29.00	-	-	-
Year ending March 31, 2014 (forecast)	-	-	-	29.00	58.00

(Note) Revise of dividends forecast : None

3. Consolidated forecast for the year ending March 2014 (From April 1, 2013 to March 31, 2014)

	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, 2014	460,000	14.3	70,000	31.5	67,500	31.4	42,000	(10.7)	221.20

- Forecast for fiscal year ending March, 2014 which was announced on May 9, 2013 has not been revised.
(Assumed exchange rate for the 2nd half of fiscal year ending March, 2014: USD1=JPY95, EUR1=JPY123)
- 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, 2013		As at September 30, 2013	
	Amount	%	Amount	%
(Assets)				
I Current assets	286,955	37.2%	292,508	36.4%
Cash and deposits	78,201		84,631	
Notes and accounts receivable - trade	95,008		96,511	
Merchandise and finished goods	54,346		58,632	
Work in process	9,265		9,875	
Raw material and supplies	21,568		23,039	
Deferred tax assets	11,258		10,670	
Other	18,528		10,465	
Allowance for doubtful accounts	(1,220)		(1,317)	
II Noncurrent assets	483,770	62.8%	509,321	63.5%
1. Property, plant and equipment	144,824	18.8%	157,518	19.6%
Buildings and structures	48,966		50,113	
Machinery, equipment and vehicles	46,366		47,608	
Land	21,827		21,599	
Lease assets	704		560	
Construction in progress	17,794		28,200	
Other	9,165		9,434	
2. Intangible assets	296,634	38.5%	302,599	37.7%
Goodwill	149,322		151,643	
Customer relationships	90,706		91,654	
Other	56,604		59,301	
3. Investments and other assets	42,311	5.5%	49,204	6.2%
Investment securities	30,304		34,139	
Deferred tax assets	5,153		4,051	
Long - term loans receivable				
Other	6,852		11,014	
III Deferred assets	306	0.0%	680	0.1%
Total assets	771,032	100.0%	802,510	100.0%

(Millions of yen)

	As at March 31, 2013		As at September 30, 2013	
	Amount	%	Amount	%
(Liabilities)				
I Current liabilities	115,844	15.0%	113,330	14.1%
Notes and accounts payable - trade	37,515		36,206	
Short - term loans payable	18,046		10,519	
Current portion of long - term loans payable	3,762		3,910	
Lease obligations	277		224	
Income taxes payable	2,609		7,836	
Deferred tax liabilities	35		56	
Provision for bonuses	4,834		4,930	
Provision for directors' bonuses	109		54	
Provision for loss on disaster	-		-	
Notes and accounts payable - facilities	6,624		11,864	
Asset retirement obligations	420		-	
Other	41,611		37,728	
II Noncurrent liabilities	217,278	28.2%	219,247	27.3%
Bonds payable	80,000		80,000	
Long - term loans payable	78,712		79,833	
Lease obligations	439		339	
Deferred tax liabilities	49,659		50,607	
Provision for retirement benefits	1,247		1,411	
Provision for directors' retirement benefits	198		66	
Asset retirement obligations	155		156	
Other	6,865		6,832	
Total liabilities	333,122	43.2%	332,578	41.4%
(Net assets)				
I Shareholders' equity	419,999	54.5%	435,272	54.3%
Capital stock	38,716		38,716	
Capital surplus	52,103		52,103	
Retained earnings	329,188		344,469	
Treasury stock	(9)		(17)	
II Accumulated other comprehensive income	17,557	2.3%	34,656	4.3%
Valuation difference on available - for - sale securities	7,458		10,031	
Deferred gains or losses on hedges	-		10	
Foreign currency translation adjustment	10,099		24,614	
III Subscription rights to shares	-	-	3	0.0%
IV Minority interests	352	0.0%	-	-
Total net assets	437,909	56.8%	469,932	58.6%
Total liabilities and net assets	771,032	100.0%	802,510	100.0%

(2) Consolidated Statements of Income

(Millions of yen)

	For six months ended September 30, 2012			For six months ended September 30, 2013		
	Amount		%	Amount		%
I Net sales		191,832	100.0%		226,028	100.0%
II Cost of sales		91,284	47.6%		108,881	48.2%
Gross profit		100,548	52.4%		117,146	51.8%
III Selling, general and administrative expenses		72,340	37.7%		86,676	38.3%
Operating income		28,208	14.7%		30,470	13.5%
IV Non-operating income						
Interest income	143			180		
Dividends income	141			170		
Royalty income	55			53		
Foreign exchange gains	-			659		
Equity in earnings of affiliates	51			68		
Other	455	847	0.4%	512	1,645	0.7%
V Non-operating expenses						
Interest expenses	615			724		
Sales discounts	298			314		
Foreign exchange losses	2,597			-		
Loss on disposal of inventories	74			73		
Other	1,253	4,839	2.5%	1,435	2,547	1.1%
Ordinary income		24,216	12.6%		29,568	13.1%
VI Extraordinary income						
Gain on sales of noncurrent assets	46			7		
Gain on transfer of business	-			299		
Subsidy income	875	921	0.5%	-	307	0.1%
VII Extraordinary expenses						
Loss on disposal of noncurrent assets	255			151		
Impairment loss	-			558		
Directors' retirement benefits	-			33		
Loss on liquidation of business	-			873		
Environmental expenses	390	646	0.3%	-	1,616	0.7%
Income before income taxes		24,491	12.8%		28,258	12.5%
Income taxes-current	11,019			9,284		
Income taxes-deferred	(1,070)	9,948	5.2%	(514)	8,769	3.9%
Income before minority interests		14,542	7.6%		19,488	8.6%
Minority interests in income		18	0.0%		30	0.0%
Net income		14,524	7.6%		19,458	8.6%

(3) Consolidated statement of comprehensive income

(Millions of yen)

	For six months ended September 30, 2012		For six months ended September 30, 2013	
	Amount		Amount	
I Income before minority interests		14,542		19,488
II Other comprehensive income securities				
Valuation difference on available-for-sale securities	632		2,572	
Deferred gains or losses on hedges	2		10	
Foreign currency translation adjustments	(17,539)		14,471	
Share of other comprehensive income of associates accounted for using equity method	(2)	(16,906)	(3)	17,051
Comprehensive income		(2,363)		36,540
Attributable to:				
Shareholders of Terumo Corporation		(2,354)		36,553
Minority interests		(9)		(13)

5. Segment Information

[Reportable Segments]

(1) The Second Quarter of Fiscal Year Ended 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.

(2) The Second Quarter of Fiscal Year Ending March 31, 2014

(Millions of yen)

	For six months ended September 30, 2013					
	General Hospital Business	Cardiac & Vascular Business	Blood Management Business	Subtotal	Adjustment	Total
Sales and operating income:						
Sales to customer	81,175	100,774	44,077	226,028	-	226,028
Internal sales	-	-	-	-	-	-
Sales total	81,175	100,774	44,077	226,028	-	226,028
Segment income (loss)	10,865	18,797	1,876	31,540	(1,070)	30,470

Notes:

1. The (1,070) million yen adjustment to segment profit is the sum of the (497) million yen for inventories and the (572) million yen for others.

2. Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(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, Solution sets, I.V.catheters, Infusion pumps, Syringe pumps, etc.
Pharmaceuticals	I.V.solutions, Nutritious food, Prefilled syringes, CAPD systems, etc.
Diabetes care products	Blood glucose monitoring systems
Consumer Healthcare business	Digital Thermometers, Blood pressure monitors, Blood glucose monitors (OTC), etc.
Cardiac and Vascular business	
Interventional systems	Angiographic catheters, PTCA balloon catheters, Coronary stents, Neuro interventional coils, etc.
Cardiovascular systems	Oxygenerators, Cardio-pulmonary bypass system, Left ventricular assist system, etc.
Vascular grafts	Artificial vascular grafts, Stent grafts
Blood Management business	Blood bags, Automated blood collection system, Therapeutic apheresis system, Cell expansion system, etc.