

# Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2018



November 9, 2017  
Exchange where listed: TSE

**Name of listed company** : **TERUMO CORPORATION**  
(URL <http://www.terumo.com/>)  
Company code number : 4543  
Representative: : Shinjiro Sato, President and CEO  
Please address all communications to : Atsuo Omagari, General Manager, Corporate Communication Dept.  
Phone : +81 / 3-6742-8550

## 1. Consolidated Financial Highlights for the Six Months Ended September 30, 2017 (From April 1, 2017 to September 30, 2017)

### (1) Consolidated operating results

(Notes: The amounts shown below ignore values of less than a million yen)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Six months ended September, 2017	284,610	16.1	47,899	21.7	46,971	53.5	32,967	61.4
Six months ended September, 2016	245,110	(5.4)	39,370	0.7	30,601	(14.4)	20,423	(24.4)

(Notes) Comprehensive income: September 2017: 45,899 million yen (—%) September 2016: (26,328) million yen (—%)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Six months ended September, 2017	93.66	87.17
Six months ended September, 2016	56.27	52.49

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
As of September 30, 2017	1,073,486	527,965	49.1	1,498.35
As of March 31, 2017	1,021,405	489,554	47.9	1,389.70

(Notes) Shareholders' equity: September 30, 2017: 527,408 million yen March 31, 2017: 489,145 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, 2017	—	20.00	—	22.00	42.00
Year ended March, 2018	—	23.00	—	—	—
Year ending March, 2018 (forecast)	—	—	—	23.00	46.00

(Notes) Revise of dividends forecast : Yes

For details of the revisions to the projection of cash dividend, please refer to "Terumo Revises Upward Interim Dividends and Year-End Dividends Forecast for the Fiscal Year Ending March 31, 2018" announced today (November 9, 2017).

## 3. Consolidated Forecast for the Year Ending March, 2018 (From April 1, 2017 to March 31, 2018)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Year ending March, 2018	575,000	11.8	82,000	7.1	79,500	16.0	53,000	(2.3)	150.58

(Notes) Forecast for fiscal year ending March, 2018 which was announced on May 10, 2017 has not been revised.

Assumed exchange rate for fiscal year ending March, 2018: USD1=JPY110, EUR1=JPY120

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 sheets

(Millions of yen)

	As of March 31, 2017		As of September 30, 2017	
	Amount	%	Amount	%
<b>(Assets)</b>		%		%
<b>I Current assets</b>	349,183	34.1	406,390	37.9
Cash and deposits	105,388		146,261	
Notes and accounts receivable-trade	109,508		116,117	
Merchandise and finished goods	69,765		76,646	
Work in process	9,367		10,055	
Raw materials and supplies	27,579		29,022	
Deferred tax assets	17,501		17,868	
Other	11,503		11,912	
Allowance for doubtful accounts	(1,430)		(1,494)	
<b>II Noncurrent assets</b>	668,052	65.4	663,483	61.8
<b>1 Property, plant and equipment</b>	183,122	17.9	188,296	17.6
Buildings and structures	63,310		71,647	
Machinery, equipment and vehicles	53,359		53,922	
Land	22,471		22,503	
Lease assets	1,780		1,736	
Construction in progress	30,445		27,025	
Other	11,754		11,461	
<b>2 Intangible assets</b>	454,717	44.5	444,782	41.4
Goodwill	217,334		211,621	
Customer relationships	85,338		82,695	
Developed Technology	105,581		102,303	
Other	46,463		48,161	
<b>3 Investments and other assets</b>	30,212	3.0	30,404	2.8
Investment securities, including investments in unconsolidated subsidiaries and affiliates	12,463		12,523	
Deferred tax assets	6,727		5,469	
Retirement benefit assets	757		643	
Other	10,263		11,768	
<b>III Deferred assets</b>	4,169	0.5	3,613	0.3
<b>Total assets</b>	1,021,405	100.0	1,073,486	100.0

(Millions of yen)

	As of March 31, 2017		As of September 30, 2017	
	Amount		Amount	
<b>(Liabilities)</b>		%		%
<b>I Current liabilities</b>	248,389	24.3	122,827	11.4
Notes and accounts payable-trade	38,451		36,695	
Short-term debt	120,000		—	
Current portion of long-term debt	7,853		7,891	
Lease obligations	231		126	
Income taxes payable	9,688		13,466	
Deferred tax liabilities	23		64	
Provision for bonuses	6,317		6,000	
Provision for directors' bonuses	190		95	
Notes and accounts payable-facilities	7,059		6,833	
Asset retirement obligations	72		—	
Other	58,502		51,653	
<b>II Noncurrent liabilities</b>	283,462	27.8	422,693	39.4
Bonds payable	30,000		50,000	
Convertible bonds with subscription rights to shares	100,135		100,110	
Long-term debt	80,578		200,489	
Lease obligations	230		242	
Deferred tax liabilities	47,501		46,742	
Provision for directors' retirement benefits	14		3	
Retirement benefit liabilities	6,803		6,459	
Asset retirement obligations	84		86	
Other	18,113		18,558	
<b>Total liabilities</b>	531,851	52.1	545,520	50.8
<b>I Shareholders' equity</b>	440,680	43.2	465,958	43.4
Capital stock	38,716		38,719	
Capital surplus	50,928		50,930	
Retained earnings	459,261		484,484	
Treasury stock	(108,225)		(108,172)	
<b>II Accumulated other comprehensive income</b>	48,464	4.7	61,450	5.7
Unrealized gains (losses) on available-for-sale securities, net of taxes	1,706		2,010	
Deferred gains (losses) on hedges, net of taxes	(560)		(38)	
Foreign currency translation adjustments	56,257		67,536	
Accumulated adjustments for retirement benefits, net of taxes	(8,938)		(8,058)	
<b>III Stock subscription rights</b>	307	0.0	379	0.1
<b>IV Non-controlling interests</b>	101	0.0	177	0.0
<b>Total net assets</b>	489,554	47.9	527,965	49.2
<b>Total liabilities and net assets</b>	1,021,405	100.0	1,073,486	100.0

## (2) Consolidated statements of income

(Millions of yen)

	For the six months ended			For the six months ended		
	September 30, 2016			September 30, 2017		
	Amount		%	Amount		%
<b>I Net sales</b>	245,110		100.0	284,610		100.0
<b>II Cost of sales</b>	110,135		44.9	124,897		43.9
<b>Gross profit</b>	134,974		55.1	159,713		56.1
<b>III Selling, general and administrative expenses</b>	95,604		39.0	111,813		39.3
<b>Operating income</b>	39,370		16.1	47,899		16.8
<b>IV Non-operating income</b>	1,001		0.4	1,452		0.5
Interest income	247			309		
Dividends income	151			61		
Royalty income	82			59		
Foreign exchange gains	—			370		
Other	519			651		
<b>V Non-operating expenses</b>	9,770		4.0	2,381		0.8
Interest expenses	593			524		
Sales discounts	223			216		
Foreign exchange losses	6,595			—		
Equity in losses of affiliates	304			293		
Loss on disposal of inventories	701			4		
Amortization of business commencement expenses	555			555		
Other	797			785		
<b>Ordinary income</b>	30,601		12.5	46,971		16.5
<b>VI Extraordinary income</b>	25		0.0	720		0.3
Gain on sales of property, plant and equipment	25			10		
Subsidy income	—			154		
Gain on adjustment of accounts payable	—			555		
<b>VII Extraordinary expenses</b>	115		0.0	203		0.1
Loss on disposal of property, plant and equipment	115			75		
Restructuring loss	—			127		
<b>Income before income taxes</b>	30,511		12.5	47,438		16.7
<b>VIII Income taxes</b>	10,135		4.2	14,577		5.1
Current	9,460			14,934		
Deferred	675			(357)		
<b>Profit</b>	20,376		8.3	32,911		11.6
Loss attributable to non-controlling interests	(47)		(0.0)	(55)		(0.0)
<b>Profit attributable to owners of parent</b>	20,423		8.3	32,967		11.6

**(3) Consolidated statements of comprehensive income**

(Millions of yen)

	For the six months ended September 30, 2016		For the six months ended September 30, 2017	
	Amount		Amount	
<b>I Profit</b>		20,376		32,911
<b>II Other comprehensive income</b>		(46,704)		12,987
Valuation difference on available-for-sale securities, net of taxes	(3,986)		304	
Deferred gains or losses on hedges, net of taxes	(4)		523	
Foreign currency translation adjustments	(44,302)		11,281	
Adjustments for retirement benefit	1,593		880	
Share of other comprehensive income of associates accounted for using equity method, net of taxes	(4)		(1)	
<b>Comprehensive income</b>		(26,328)		45,899
Comprehensive income attributable to:				
Owners of parent		(26,276)		45,953
Non-controlling interests		(51)		(53)

## 5. Segment Information

### [Reportable Segments]

#### (1) The Second Quarter of Fiscal Year Ended March 31, 2017

(Millions of yen)

	Reportable Segments				Adjustment	Total
	Cardiac and Vascular Company	General Hospital Company	Blood Management Company	Subtotal		
Sales and operating income:						
Sales to customer	121,540	78,242	45,227	245,010	100	245,110
Internal sales	—	—	—	—	—	—
<b>Sales total</b>	121,540	78,242	45,227	245,010	100	245,110
<b>Segment income (Excl. Amortization)</b>	33,006	11,229	6,493	50,729	(2,176)	48,552
<b>Segment income (loss)</b>	31,856	11,229	(1,538)	41,547	(2,176)	39,370
<b>Segment income(%)(Excl. Amortization)</b>	27.2	14.4	14.4	20.7	—	19.8

- Notes: 1. The 100 million yen adjustment to Sales to customer is proceeds from temporary staffing that is not attributable to reportable segments.
2. The (2,176) million yen adjustment to segment income is the sum of 975 million yen for inventories and (3,152) million yen for others.
3. Segment income 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, 2018

(Millions of yen)

	Reportable Segments				Adjustment	Total
	Cardiac and Vascular Company	General Hospital Company	Blood Management Company	Subtotal		
Sales and operating income:						
Sales to customer	157,572	77,705	49,214	284,491	119	284,610
Internal sales	—	—	—	—	—	—
<b>Sales total</b>	157,572	77,705	49,214	284,491	119	284,610
<b>Segment income (Excl. Amortization)</b>	41,038	13,524	7,771	62,334	35	62,369
<b>Segment income (loss)</b>	34,999	13,524	(658)	47,864	35	47,899
<b>Segment income(%)(Excl. Amortization)</b>	26.0	17.4	15.8	21.9	—	21.9

- Notes: 1. The 119 million yen adjustment to Sales to customer is proceeds from temporary staffing that is not attributable to reportable segments.
2. The 35 million yen adjustment to segment income is the sum of 353 million yen for inventories and (318) million yen for others.
3. Segment income is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.