



Financial Results for the First Quarter of Fiscal Year Ending March 31, 2016

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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 Three Months Ended June 30, 2015 (From April 1, 2015 to June 30, 2015)

(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)	%
Three months ended June, 2015	128,660	11.9	19,449	20.7	20,592	42.5	14,504	72.8
Three months ended June, 2014	114,945	3.5	16,114	20.9	14,449	11.7	8,394	(6.3)

(Notes) Comprehensive income: June 2015: 23,150 million yen (522.7%) June 2014: 3,717 million yen (-86.7%)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
Three months ended June, 2015	38.29	35.83
Three months ended June, 2014	22.11	22.10

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
As of June 30, 2015	983,018	588,340	59.8	1,552.52
As of March 31, 2015	992,073	573,523	57.8	1,513.73

(Notes) Shareholders' equity: June 30, 2015: 588,140 million yen March 31, 2015: 573,444 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, 2015	—	14.50	—	16.00	30.50
Year ending March, 2016	—	—	—	—	—
Year ending March, 2016 (forecast)	—	16.00	—	16.00	32.00

(Notes) Revise of dividends forecast : None

3. Consolidated Forecast for the Year Ending March 2016 (From April 1, 2015 to March 31, 2016)

	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)
Half year ending September, 2015	250,000	7.2	31,000	(6.0)	29,500	(13.3)	17,500	(20.0)	46.09
Year ending March, 2016	520,000	6.2	70,000	3.8	67,000	(5.3)	39,500	2.7	104.04

(Notes) Forecast for fiscal year ending March, 2016 which was announced on May 8, 2015 has not been revised.

(Assumed exchange rate for fiscal year ending March, 2015: USD1=JPY120, EUR1=JPY130)

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, 2015		As of June 30, 2015	
	Amount	%	Amount	%
(Assets)		%		%
I Current assets	412,458	41.6	400,584	40.8
Cash and deposits	129,679		124,993	
Notes and accounts receivable-trade	104,944		103,857	
Securities	50,000		45,000	
Inventories	101,472		103,948	
Deferred tax assets	13,949		12,428	
Other	13,871		11,883	
Allowance for doubtful accounts	(1,458)		(1,526)	
II Noncurrent assets	575,842	58.0	578,050	58.7
1. Property, plant and equipment	178,496	18.0	181,416	18.4
Buildings and structures	60,783		62,853	
Machinery, equipment and vehicles	45,616		50,036	
Land	22,023		23,970	
Lease assets	895		867	
Construction in progress	39,029		33,451	
Other	10,147		10,237	
2. Intangible assets	331,990	33.4	329,806	33.5
Goodwill	166,990		164,046	
Customer relationships	103,217		103,541	
Other	61,781		62,218	
3. Investments and other assets	65,355	6.6	66,826	6.8
Investment securities	45,461		46,943	
Deferred tax assets	259		189	
Retirement benefit asset	6,786		6,507	
Other	12,847		13,185	
III Deferred assets	3,772	0.4	4,383	0.5
Total assets	992,073	100.0	983,018	100.0

(Millions of yen)

	As of March 31, 2015		As of June 30, 2015	
	Amount		Amount	
(Liabilities)		%		%
I Current liabilities	129,947	13.1	103,321	10.5
Notes and accounts payable-trade	38,484		34,516	
Short-term debt	364		371	
Current portion of long-term debt	5,417		5,515	
Lease obligations	208		189	
Income taxes payable	19,714		4,960	
Deferred tax liabilities	105		66	
Provision for bonuses	5,560		2,714	
Provision for directors' bonuses	142		35	
Notes and accounts payable-facilities	8,667		6,839	
Other	51,282		48,113	
II Noncurrent liabilities	288,602	29.1	291,356	29.7
Bonds payable	40,000		40,000	
Convertible bond-type bonds with subscription rights to shares	100,233		100,221	
Long-term debt	79,141		81,203	
Lease obligations	278		236	
Deferred tax liabilities	50,013		49,908	
Provision for directors' retirement benefits	66		66	
Retirement benefit liability	7,020		7,400	
Asset retirement obligations	233		234	
Other	11,615		12,083	
Total liabilities	418,550	42.2	394,677	40.2
I Shareholders' equity	471,102	47.5	477,149	48.5
Capital stock	38,716		38,716	
Capital surplus	52,103		50,928	
Retained earnings	383,317		390,540	
Treasury stock	(3,035)		(3,036)	
II Accumulated other comprehensive income	102,341	10.3	110,991	11.3
Valuation difference on available-for-sale securities	16,910		17,168	
Deferred gains or losses on hedges	—		5	
Foreign currency translation adjustments	89,043		97,342	
Accumulated adjustments for retirement benefit	(3,611)		(3,526)	
III Stock subscription rights	78	0.0	97	0.0
IV Non-controlling interests	—	—	103	0.0
Total net assets	573,523	57.8	588,340	59.8
Total liabilities, net assets	992,073	100.0	983,018	100.0

(2) Consolidated statements of income

(Millions of yen)

	For the three months ended			For the three months ended		
	June 30, 2014			June 30, 2015		
	Amount		%	Amount		%
I Net sales	114,945		100.0	128,660		100.0
II Cost of sales	54,238		47.2	59,612		46.3
Gross profit	60,706		52.8	69,047		53.7
III Selling, general and administrative expenses	44,591		38.8	49,598		38.6
Operating income	16,114		14.0	19,449		15.1
IV Non-operating income						
Interest income	124			203		
Dividends income	64			108		
Royalty income	17			20		
Foreign exchange gains	—			1,755		
Equity in earnings of affiliates	24			—		
Other	154	385	0.4	198	2,286	1.8
V Non-operating expenses						
Interest expenses	300			373		
Sales discounts	172			104		
Foreign exchange losses	773			—		
Equity in losses of affiliates	—			19		
Loss on disposal of inventories	185			31		
Other	618	2,050	1.8	614	1,143	0.9
Ordinary income	14,449		12.6	20,592		16.0
VI Extraordinary income						
Gain on sales of noncurrent assets	16	16	0.0	394	394	0.3
VII Extraordinary expenses						
Loss on disposal of noncurrent assets	331			4		
Impairment loss	369	700	0.6	350	354	0.3
Income before income taxes	13,765		12.0	20,632		16.0
Income taxes-current	2,632			5,719		
Income taxes-deferred	2,738	5,371	4.7	411	6,130	4.7
Profit	8,394		7.3	14,502		11.3
Loss attributable to non-controlling interests	—		—	(2)		0.0
Profit attributable to owners of parent	8,394		7.3	14,504		11.3

(3) Consolidated statements of comprehensive income

(Millions of yen)

	For the three months ended June 30, 2014		For the three months ended June 30, 2015	
	Amount		Amount	
I Profit	8,394		14,502	
II Other comprehensive income				
Valuation difference on available-for-sale securities	954		258	
Deferred gains or losses on hedges	4		5	
Foreign currency translation adjustments	(5,473)		8,299	
Adjustments for retirement benefit	(161)		85	
Share of other comprehensive income of associates accounted for using equity method	(0)	(4,676)	(1)	8,648
Comprehensive income		3,717		23,150
Attributable to:				
Comprehensive income attributable to owners of parent		3,717		23,152
Comprehensive income attributable to non-controlling interests		—		(2)

(4)Notes

<Significant accounting policies in preparing the consolidated financial statements>

Changes in accounting policy

(Application of Accounting Standards regarding Business Combinations)

As the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No.21, September 13, 2013; hereinafter the "Business Combinations Accounting Standard"), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, September 13, 2013; hereinafter the "Consolidation Accounting Standard"), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, September 13, 2013; hereinafter the "Business Divestitures Accounting Standard") and other standards have been applied from the three months ended June 30, 2015. Accordingly, the accounting method has been changed that the difference associated with changes in equity in subsidiaries remaining under the control of the Company is recorded as capital surplus, and acquisition-related costs are recorded as expenses for the fiscal year in which the costs are incurred. For business combinations implemented on or after the beginning of the three months ended June 30, 2015, the accounting method has been changed to reflect the adjustments to the allocated amount of acquisition costs on the finalization of provisional accounting treatment in the consolidated financial statements for the quarter containing the date of the business combinations.

In addition, the Company has changed the presentation of net income, etc. as well as the presentation of minority interests to non-controlling interests. To reflect these changes in presentation, the quarterly consolidated financial statements for the three months ended June 30, 2014 and consolidated financial statements for the fiscal year ended March 31, 2015 have been reclassified.

With respect to application of the Accounting Standards regarding Business Combinations, the transitional treatment as prescribed in article 58-2 (3) of the Business Combinations Accounting Standard, article 44-5 (3) of the Consolidation Accounting Standard and article 57-4 (3) of the Business Divestitures Accounting Standard was applied. The cumulative impact of the retroactive application of the new accounting policies over all past periods at the beginning of the three months ended June 30, 2015 was reflected in capital surplus and retained earnings.

As a result of this change, as of the beginning of the three months ended June 30, 2015, goodwill, capital surplus and retained earnings decreased by 3,135 million yen, 1,175 million yen and 1,220 million yen, respectively. Additionally operating income, ordinary income, and income before income taxes for the three months ended June 30, 2015 all increased by 48 million yen.

5. Segment Information

[Reportable Segments]

(1) The First Quarter of Fiscal Year Ended March 31, 2015

(Millions of yen)

	Reportable Segments				Adjustment	Total
	Cardiac & Vascular Company	General Hospital Company	Blood Management Company	Subtotal		
Sales and operating income:						
Sales to customer	53,480	38,005	23,459	114,945	—	114,945
Internal sales	—	—	—	—	—	—
Sales total	53,480	38,005	23,459	114,945	—	114,945
Segment income (Excl. Amortization)	11,405	4,570	4,227	20,204	41	20,246
Segment income (loss)	10,979	4,570	522	16,073	41	16,114
Segment income(%) (Excl. Amortization)	21.3	12.0	18.0	17.6	—	17.6

Notes: 1. The 41 million yen adjustment to segment income is the sum of (20) million yen for inventories and 61 million yen for others.

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

(2) The First Quarter of Fiscal Year Ending March 31, 2016

(Millions of yen)

	Reportable Segments				Adjustment	Total
	Cardiac & Vascular Company	General Hospital Company	Blood Management Company	Subtotal		
Sales and operating income:						
Sales to customer	63,195	39,484	25,980	128,660	—	128,660
Internal sales	—	—	—	—	—	—
Sales total	63,195	39,484	25,980	128,660	—	128,660
Segment income (Excl. Amortization)	14,112	5,602	5,395	25,110	(571)	24,539
Segment income (loss)	13,659	5,602	758	20,020	(571)	19,449
Segment income(%) (Excl. Amortization)	22.3	14.2	20.8	19.5	—	19.1

Notes: 1. The (571) million yen adjustment to segment income is the sum of (764) million yen for inventories and 193 million yen for others.

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

(Changes in the category of segments)

As a result of reclassification in performance management among overseas subsidiaries, “Harvest Technologies Corporation” and “Harvest Technologies GmbH” have been transferred from “Cardiac & Vascular Company” to “Blood Management Company” since October 1, 2014. “Segment income” has been adjusted retrospectively to reflect the effect of this change.

(Note) Main products belonging to each business segment

Business segments	Sub-segments	Main products
Cardiac & Vascular Company	Interventional Systems	Angiographic catheters, PTCA balloon catheters, Coronary stents
	Neurovascular	Neuro interventional coils, etc.
	CV Systems	Oxygenerators, Cardio-pulmonary bypass system, etc.
	Vascular Graft	Artificial vascular grafts, Stent grafts
General Hospital Company	General Hospital Products	Syringes, Needles, Blood collection tubes, Solution sets, I.V.catheters, Infusion pumps, Syringe pumps, etc.
	D&D	Prefilled syringes, Pain management systems, I.V.solutions, Nutritious food, CAPD systems, etc.
	DM and Consumer Healthcare	Blood glucose monitoring systems, Digital thermometers, Blood pressure monitors, etc.
Blood Management Company	—	Blood bags, Automated blood collection system, Therapeutic apheresis system, Cell expansion system, etc.