

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



February 04, 2014  
Exchange where listed: TSE

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

## 1. Consolidated financial highlights for the interim period ended December 2013 (From April 1, 2013 to December 31, 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)	%
<b>Nine months ended December, 2013</b>	345,260	16.7	48,251	13.2	49,919	23.4	36,896	49.3
<b>Nine months ended December, 2012</b>	295,749	2.4	42,628	(14.5)	40,453	(12.7)	24,707	12.5

(Notes) 1. Comprehensive income: December 2013: 83,517million yen (104.4%) December 2012: 40,856million yen (- %)

2. Percentage represent increase (decrease) from the corresponding period in the prior fiscal year.

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
<b>Nine months ended December, 2013</b>	194.32	194.31
<b>Nine months ended December, 2012</b>	130.12	-

## (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)
<b>As at December 31, 2013</b>	863,324	511,406	59.2	2,693.32
<b>As at March 31, 2013</b>	771,032	437,909	56.7	2,304.42

(Note) Shareholders' equity : December 31, 2013: 511,394 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)
<b>Year ended March 31, 2013</b>	-	22.00	-	22.00	44.00
<b>Year ending March 31, 2014</b>	-	29.00	-	-	-
<b>Year ending March 31, 2014 (forecast)</b>	-	-	-	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)
<b>Year ending March, 2014</b>	460,000	14.3	70,000	31.5	67,500	31.4	42,000	(10.7)	221.20

1. Forecast for fiscal year ending March, 2014 which was announced on May 9, 2013 has not been revised.

(Assumed exchange rate for the fiscal year ending March, 2014: USD1=JPY100, EUR1=JPY134)

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 at March 31, 2013		As at December 31, 2013	
	Amount	%	Amount	%
<b>(Assets)</b>				
<b>I Current assets</b>	286,955	37.2%	319,205	37.0%
Cash and deposits	78,201		94,866	
Notes and accounts receivable - trade	95,008		108,575	
Inverntories	85,179		96,248	
Deferred tax assets	11,258		10,384	
Other	18,528		10,522	
Allowance for doubtful accounts	(1,220)		(1,391)	
<b>II Noncurrent assets</b>	483,770	62.8%	543,116	62.9%
<b>1. Property, plant and equipment</b>	144,824	18.8%	167,978	19.5%
Buildings and structures	48,966		53,066	
Machinery, equipment and vehicles	46,366		51,538	
Land	21,827		21,785	
Lease assets	704		521	
Construction in progress	17,794		31,070	
Other	9,165		9,996	
<b>2. Intangible assets</b>	296,634	38.5%	322,360	37.3%
Goodwill	149,322		160,343	
Customer relationships	90,706		97,404	
Other	56,604		64,612	
<b>3. Investments and other assets</b>	42,311	5.5%	52,778	6.1%
Investment securities	30,304		37,130	
Deferred tax assets	5,153		3,266	
Other	6,852		12,380	
<b>III Deferred assets</b>	306	0.0%	1,001	0.1%
<b>Total assets</b>	771,032	100.0%	863,324	100.0%

(Millions of yen)

	As at March 31, 2013		As at December 31, 2013	
	Amount	%	Amount	%
<b>(Liabilities)</b>				
<b>I Current liabilities</b>	115,844	15.0%	126,071	14.6%
Notes and accounts payable - trade	37,515		36,922	
Short - term loans payable	18,046		10,500	
Current portion of long - term loans payable	3,762		4,460	
Lease obligations	277		205	
Income taxes payable	2,609		14,637	
Deferred tax liabilities	35		83	
Provision for bonuses	4,834		2,508	
Provision for directors' bonuses	109		81	
Notes and accounts payable - facilities	6,624		12,533	
Asset retirement obligations	420		-	
Other	41,611		44,137	
<b>II Noncurrent liabilities</b>	217,278	28.2%	225,846	26.2%
Bonds payable	80,000		80,000	
Long - term loans payable	78,712		82,160	
Lease obligations	439		308	
Deferred tax liabilities	49,659		54,072	
Provision for retirement benefits	1,247		1,567	
Provision for directors' retirement benefits	198		66	
Asset retirement obligations	155		157	
Other	6,865		7,514	
<b>Total liabilities</b>	333,122	43.2%	351,917	40.8%
<b>(Net assets)</b>				
<b>I Shareholders' equity</b>	419,999	54.5%	447,200	51.8%
Capital stock	38,716		38,716	
Capital surplus	52,103		52,103	
Retained earnings	329,188		356,400	
Treasury stock	(9)		(20)	
<b>II Accumulated other comprehensive income</b>	17,557	2.3%	64,194	7.4%
Valuation difference on available - for - sale securities	7,458		11,909	
Deferred gains or losses on hedges	-		(16)	
Foreign currency translation adjustment	10,099		52,302	
<b>III Subscription rights to shares</b>	-	-	11	0.0%
<b>IV Minority interests</b>	352	0.0%	-	-
<b>Total net assets</b>	437,909	56.8%	511,406	59.2%
<b>Total liabilities and net assets</b>	771,032	100.0%	863,324	100.0%

**(2) Consolidated Statements of Income**

(Millions of yen)

	For nine months ended December 31, 2012			For nine months ended December 31, 2013		
	Amount		%	Amount		%
<b>I Net sales</b>		295,749	100.0%		345,260	100.0%
<b>II Cost of sales</b>		142,261	48.1%		166,599	48.3%
<b>Gross profit</b>		153,487	51.9%		178,661	51.7%
<b>III Selling, general and administrative expenses</b>		110,859	37.5%		130,409	37.7%
<b>Operating income</b>		42,628	14.4%		48,251	14.0%
<b>IV Non-operating income</b>						
Interest income	221			287		
Dividends income	191			226		
Royalty income	87			81		
Foreign exchange gains	15			4,664		
Equity in earnings of affiliates	134			96		
Other	575	1,225	0.4%	776	6,131	1.8%
<b>V Non-operating expenses</b>						
Interest expenses	948			1,124		
Sales discounts	447			479		
Loss on disposal of inventories	560			75		
Other	1,443	3,399	1.1%	2,784	4,464	1.3%
<b>Ordinary income</b>		40,453	13.7%		49,919	14.5%
<b>VI Extraordinary income</b>						
Gain on sales of noncurrent assets	47			7		
Gain on transfer of business	-			299		
Subsidy income	875			-		
Settlement received	-	922	0.3%	6,000	6,307	1.8%
<b>VII Extraordinary expenses</b>						
Loss on disposal of noncurrent assets	451			216		
Impairment loss	-			561		
Directors' retirement benefits	-			33		
Loss on liquidation of business	-			881		
Loss on valuation of golf club memberships	3			-		
Environmental expenses	390	845	0.3%	-	1,693	0.5%
<b>Income before income taxes</b>		40,530	13.7%		54,533	15.8%
Income taxes-current	17,564			18,041		
Income taxes-deferred	(1,773)	15,790	5.3%	(434)	17,606	5.1%
<b>Income before minority interests</b>		24,739	8.4%		36,926	10.7%
Minority interests in income		32	0.0%		30	0.0%
<b>Net income</b>		24,707	8.4%		36,896	10.7%

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

(Millions of yen)

	For nine months ended December 31, 2012		For nine months ended December 31, 2013	
	Amount		Amount	
<b>I Income before minority interests</b>		24,739		36,926
<b>II Other comprehensive income securities</b>				
Valuation difference on available-for-sale securities	1,678		4,450	
Deferred gains or losses on hedges	(38)		(16)	
Foreign currency translation adjustments	14,476		42,158	
Share of other comprehensive income of associates accounted for using equity method	1	16,116	(2)	46,590
<b>Comprehensive income</b>		<b>40,856</b>		<b>83,517</b>
Attributable to:				
Shareholders of Terumo Corporation		40,826		83,530
Minority interests		29		(13)

## 5. Segment Information

### [Reportable Segments]

#### (1) The Third Quarter of Fiscal Year Ended March 31, 2013

(Millions of yen)

	For nine months ended December 31, 2012					
	General Hospital Business	Cardiac & Vascular Business	Blood Management Business	Subtotal	Adjustment	Total
Sales and operating income:						
Sales to customer	119,791	122,305	53,652	295,749	-	295,749
Internal sales	-	-	-	-	-	-
<b>Sales total</b>	119,791	122,305	53,652	295,749	-	295,749
<b>Segment income (loss)</b>	18,651	19,530	1,880	40,061	2,566	42,628

Notes:

1. The 2,566 million yen adjustment to segment profit is the sum of the 570 million yen for inventories and the 1,995 million yen for others.

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

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

(Millions of yen)

	For nine months ended December 31, 2013					
	General Hospital Business	Cardiac & Vascular Business	Blood Management Business	Subtotal	Adjustment	Total
Sales and operating income:						
Sales to customer	123,910	153,873	67,476	345,260	-	345,260
Internal sales	-	-	-	-	-	-
<b>Sales total</b>	123,910	153,873	67,476	345,260	-	345,260
<b>Segment income (loss)</b>	16,218	30,081	3,042	49,342	(1,090)	48,251

Notes:

1. The (1,090) million yen adjustment to segment profit is the sum of the (626) million yen for inventories and the (464) 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
<b>General Hospital business</b>	
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.
<b>Cardiac and Vascular business</b>	
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.