

Terumo Corporation
IFRS Financial Results for the First Quarter of the
Fiscal Year Ending March 31, 2020

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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 Three Months Ended June 30, 2019 (From April 1, 2019 to June 30, 2019)

(1) Consolidated operating results

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

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit for the period attributable to the owners of the parent		Total comprehensive income for the period	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Three months ended June, 2019	152,526	6.6	29,168	12.7	28,844	23.2	22,751	26.0	22,791	26.0	2,717	(92.9)
Three months ended June, 2018	143,020	2.7	25,875	(9.0)	23,406	(16.9)	18,059	(11.1)	18,091	(11.0)	38,534	54.0

	Basic Earnings per share	Diluted Earnings per share
	(Yen)	(Yen)
Three months ended June, 2019	30.67	30.15
Three months ended June, 2018	25.39	23.91

(Notes) Adjusted operating profit: June 2019: 33,949 million yen June 2018: 30,544 million yen

Terumo Corporation (the "Company") conducted a two-for-one stock split for its common stock effectively on April 1, 2019. Basic earnings per share and diluted earnings per share have been calculated on the assumption that the stock split had been carried out at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to the owners of the parent	Equity attributable to the owners of the parent ratio
	(Millions of yen)	(Millions of yen)	(Millions of yen)	%
As of June 30, 2019	1,126,952	691,290	691,191	61.3
As of March 31, 2019	1,120,790	698,113	698,034	62.3

2. Dividends

	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended March, 2019	—	27.00	—	27.00	54.00
Year ended March, 2020	—	—	—	—	—
Year ending March, 2020 (forecast)	—	14.00	—	14.00	28.00

(Notes) Revise of dividends forecast : None

The Company conducted a two-for-one stock split for its common stock effectively on April 1, 2019. For the years ended March 2019, the amounts of dividends before the stock split are recorded. For the second quarter and year-ended dividends in the year ending March 2020 (forecast), the amounts of dividends are recorded in consideration of the effects after the stock split.

3. Consolidated Forecast for the Year Ending March, 2020 (From April 1, 2019 to March 31, 2020)

	Revenue		Adjusted operating profit		Operating profit		Profit for the year attributable to the owners of the parent		Earnings per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Half year ending September, 2019	308,000	8.1	59,500	7.6	52,000	9.3	38,500	11.7	51.81
Year ending March, 2020	635,000	5.9	124,000	1.5	109,000	2.2	81,000	1.9	109.00

(Notes) 1) Revise of forecast for half year ending September, 2019 and fiscal year ending March, 2020 : None

Assumed exchange rate for fiscal year ending March, 2020: USD1=JPY108, EUR1=JPY123

2) Earnings per share is calculated by taking consideration effects of the conversion of convertible bond in the three months.

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 Statements of Financial Position

(Unit: Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and cash equivalents	122,982	109,842
Trade and other receivables	128,462	122,709
Other current financial assets	1,744	1,525
Inventories	134,106	140,606
Other current assets	11,426	12,413
Total current assets	398,722	387,096
Non-current assets		
Property, plant and equipment	201,986	228,531
Goodwill and intangible assets	468,885	457,981
Investments accounted for using the equity method	5,571	5,501
Other non-current financial assets	17,131	20,305
Deferred tax assets	24,624	23,203
Other non-current assets	3,868	4,333
Total non-current assets	722,068	739,855
Total assets	1,120,790	1,126,952

(Unit: Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	81,476	77,577
Bonds and borrowings	—	10,000
Other current financial liabilities	741	5,449
Current tax liabilities	10,199	6,703
Provisions	236	224
Other current liabilities	50,258	45,173
Total current liabilities	142,912	145,126
Non-current liabilities		
Bonds and borrowings	225,135	212,132
Other non-current financial liabilities	6,607	33,107
Deferred tax liabilities	24,302	23,070
Defined benefit liabilities	12,823	13,569
Provisions	88	86
Other non-current liabilities	10,807	8,569
Total non-current liabilities	279,764	290,535
Total liabilities	422,677	435,662
Equity		
Share capital	38,716	38,716
Capital surplus	52,029	52,025
Treasury stock	(32,381)	(31,917)
Retained earnings	646,223	658,973
Other components of equity	(6,553)	(26,606)
Total equity attributable to the owners of the parent	698,034	691,191
Non-controlling interests	78	98
Total equity	698,113	691,290
Total liabilities and equity	1,120,790	1,126,952

② Consolidated Statements of Profit or Loss

(Unit: Millions of yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Revenue	143,020	152,526
Cost of sales	63,162	67,356
Gross profit	79,857	85,169
Selling, general and administrative expenses	54,810	56,365
Other income	1,289	1,151
Other expenses	461	787
Operating profit	25,875	29,168
Finance income	325	486
Finance costs	2,773	767
Share of profit (loss) of investments accounted for using the equity method	(20)	(43)
Profit before tax	23,406	28,844
Income tax expenses	5,346	6,092
Profit for the period	18,059	22,751
Attributable to:		
Owners of the parent	18,091	22,791
Non-controlling interests	(31)	(39)
Total profit for the period	18,059	22,751
Earnings per share		
Basic earnings per share (yen)	25.39	30.67
Diluted earnings per share (yen)	23.91	30.15

③ Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Profit for the period	18,059	22,751
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in financial assets measured at fair value through other comprehensive income	(109)	920
Total items that will not be reclassified to profit or loss	(109)	920
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	20,310	(20,853)
Cash flow hedges	177	(22)
Cost of hedging	97	(80)
Total items that are or may be reclassified subsequently to profit or loss	20,584	(20,955)
Other comprehensive income/(loss) for the period	20,474	(20,034)
Total comprehensive income for the period	38,534	2,717
Attributable to		
Owners of the parent	38,566	2,751
Non-controlling interests	(32)	(33)
Total comprehensive income for the period	38,534	2,717

(Note) Items in the above statement are net of tax.

④ Consolidated Statements of Changes in Equity

(Unit: Millions of yen)

	Equity attributable to the owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury stock	Retained earnings	Other components of equity	Total		
Balance at April 1, 2018	38,716	52,445	(101,546)	588,932	(28,240)	550,307	128	550,435
Change in the accounting principles	—	—	—	54	—	54	—	54
Balance after the adjustment	38,716	52,445	(101,546)	588,986	(28,240)	550,361	128	550,490
Profit for the period	—	—	—	18,091	—	18,091	(31)	18,059
Other comprehensive income	—	—	—	—	20,475	20,475	(0)	20,474
Total comprehensive income	—	—	—	18,091	20,475	38,566	(32)	38,534
Acquisition of treasury shares	—	—	(1)	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	75	(23)	(52)	(0)	—	(0)
Dividends	—	—	—	(9,549)	—	(9,549)	—	(9,549)
Conversion of convertible bonds	—	(100)	19,323	(164)	—	19,057	—	19,057
Total transactions with the owners of the Company	—	(100)	19,397	(9,737)	(52)	9,506	—	9,506
Balance at June 30, 2018	38,716	52,344	(82,149)	597,340	(7,817)	598,434	96	598,530

(Unit: Millions of yen)

	Equity attributable to the owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury stock	Retained earnings	Other components of equity	Total		
Balance at April 1, 2019	38,716	52,029	(32,381)	646,223	(6,553)	698,034	78	698,113
Profit for the period	—	—	—	22,791	—	22,791	(39)	22,751
Other comprehensive income	—	—	—	—	(20,040)	(20,040)	5	(20,034)
Total comprehensive income	—	—	—	22,791	(20,040)	2,751	(33)	2,717
Acquisition of treasury shares	—	—	(1)	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	18	(5)	(13)	0	—	0
Dividends	—	—	—	(10,029)	—	(10,029)	—	(10,029)
Change in shares of subsidiaries due to capital increase	—	—	—	—	—	—	53	53
Conversion of convertible bonds	—	(3)	446	(6)	—	436	—	436
Total transactions with the owners of the Company	—	(3)	464	(10,041)	(13)	(9,594)	53	(9,540)
Balance at June 30, 2019	38,716	52,025	(31,917)	658,973	(26,606)	691,191	98	691,290

5. Segment information

Reportable segment information

Revenue and operating results of the reportable segments of the Group are described below.

For the first quarter of the fiscal year ended June 30, 2018

(Unit: Millions of yen)

	Reportable Segments			Total	Adjustments (Note)	Amount recorded on consolidated financial statements
	Cardiac and Vascular Company	General Hospital Company	Blood Management Company			
Revenue						
Revenue from sales to external customers	79,535	38,812	24,595	142,943	76	143,020
Segment Profit (Adjusted operating profit)	19,878	6,243	3,443	29,564	979	30,544
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(1,571)	—	(2,059)	(3,631)	(136)	(3,767)
Non-recurring profit or loss						(900)
Operating profit						25,875
Finance income						325
Finance costs						(2,773)
Share of profit/(loss) of investment accounted for using the equity method						(20)
Pre-tax profit						23,406

(Note) Amounts in ‘Adjustments’ are as follows:

- (1) ¥76 million adjustment to revenue from sales to external customers is mainly proceeds from temporary staffing that is not attributable to reportable segments.
- (2) ¥979 million adjustment to segment profit consists of ¥110 million for “inventories” and ¥868 million for “others”.

For the first quarter of the fiscal year ended June 30, 2019

(Unit: Millions of yen)

	Reportable Segments				Adjustments (Note)	Amount recorded on consolidated financial statements
	Cardiac and Vascular Company	General Hospital Company	Blood Management Company	Total		
Revenue						
Revenue from sales to external customers	88,502	39,756	24,212	152,472	54	152,526
Segment Profit (Adjusted operating profit)	24,527	5,241	2,630	32,398	1,550	33,949
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(1,787)	—	(2,074)	(3,862)	(150)	(4,013)
Non-recurring profit or loss						(767)
Operating profit						29,168
Finance income						486
Finance costs						(767)
Share of profit/(loss) of investment accounted for using the equity method						(43)
Pre-tax profit						28,844
Other items						

(Note) Amounts in 'Adjustments' are as follows:

- (1) ¥54 million adjustment to revenue from sales to external customers is mainly proceeds from temporary staffing that is not attributable to reportable segments.
- (2) ¥1,550 million adjustment to segment profit consists of ¥899 million for "inventories" and ¥651 million for "others".