

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

# IFRS Financial Results for the Second 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 Six Months Ended September 30, 2019 (From April 1, 2019 to September 30, 2019)

(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)	%
Six months ended September, 2019	307,278	7.8	59,150	24.3	58,065	30.4	45,621	32.7	45,711	32.7	20,224	(72.0)
Six months ended September, 2018	284,997	0.1	47,582	(16.8)	44,527	(21.6)	34,389	(16.4)	34,454	(16.3)	72,317	36.8

	Basic Earnings per share	Diluted Earnings per share
	(Yen)	(Yen)
Six months ended September, 2019	61.44	60.42
Six months ended September, 2018	47.82	45.45

(Notes) Adjusted operating profit: September 2019: 67,044 million yen September 2018: 55,296 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 September 30, 2019	1,148,417	718,788	718,741	62.6
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 ending March, 2020	—	14.00	—	—	—
Year ending March, 2020 (forecast)	—	—	—	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)	
Year ending March, 2020	635,000	5.9	124,000	1.5	109,000	2.2	81,000	1.9	108.55	

(Notes) 1) Revise of forecast for 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 six 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 September 30, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	122,982	117,405
Trade and other receivables	128,462	122,501
Other current financial assets	1,744	1,248
Inventories	134,106	142,084
Other current assets	11,426	11,274
<b>Total current assets</b>	398,722	394,513
<b>Non-current assets</b>		
Property, plant and equipment	201,986	242,213
Goodwill and intangible assets	468,885	458,032
Investments accounted for using the equity method	5,571	6,090
Other non-current financial assets	17,131	18,387
Deferred tax assets	24,624	24,622
Other non-current assets	3,868	4,557
<b>Total non-current assets</b>	722,068	753,903
<b>Total assets</b>	1,120,790	1,148,417

(Unit: Millions of yen)

	As of March 31, 2019	As of September 30, 2019
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	81,476	77,238
Bonds and borrowings	—	10,000
Other current financial liabilities	741	5,803
Current tax liabilities	10,199	10,840
Provisions	236	236
Other current liabilities	50,258	46,646
<b>Total current liabilities</b>	<b>142,912</b>	<b>150,764</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	225,135	202,382
Other non-current financial liabilities	6,607	32,721
Deferred tax liabilities	24,302	23,274
Defined benefit liabilities	12,823	10,808
Provisions	88	86
Other non-current liabilities	10,807	9,591
<b>Total non-current liabilities</b>	<b>279,764</b>	<b>278,864</b>
<b>Total liabilities</b>	<b>422,677</b>	<b>429,629</b>
<b>Equity</b>		
Share capital	38,716	38,716
Capital surplus	52,029	51,803
Treasury stock	(32,381)	(21,607)
Retained earnings	646,223	681,358
Other components of equity	(6,553)	(31,527)
<b>Total equity attributable to the owners of the parent</b>	<b>698,034</b>	<b>718,741</b>
Non-controlling interests	78	46
<b>Total equity</b>	<b>698,113</b>	<b>718,788</b>
<b>Total liabilities and equity</b>	<b>1,120,790</b>	<b>1,148,417</b>

② Consolidated Statements of Profit or Loss

(Unit: Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Revenue	284,997	307,278
Cost of sales	130,409	135,815
Gross profit	154,588	171,463
Selling, general and administrative expenses	110,717	113,944
Other income	5,482	3,094
Other expenses	1,771	1,462
Operating profit	47,582	59,150
Finance income	1,008	915
Finance costs	4,005	1,909
Share of profit (loss) of investments accounted for using the equity method	(57)	(92)
Profit before tax	44,527	58,065
Income tax expenses	10,137	12,443
Profit for the period	34,389	45,621
Attributable to:		
Owners of the parent	34,454	45,711
Non-controlling interests	(64)	(89)
Total profit for the period	34,389	45,621
Earnings per share		
Basic earnings per share (yen)	47.82	61.44
Diluted earnings per share (yen)	45.45	60.42

③ Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Profit for the period	34,389	45,621
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	169	(292)
Remeasurement of defined benefit plan	—	(450)
Total items that will not be reclassified to profit or loss	169	(742)
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	37,497	(24,509)
Cash flow hedges	271	(80)
Cost of hedging	(10)	(65)
Total items that are or may be reclassified subsequently to profit or loss	37,758	(24,655)
Other comprehensive income/(loss) for the period	37,927	(25,397)
Total comprehensive income for the period	72,317	20,224
Attributable to		
Owners of the parent	72,382	20,310
Non-controlling interests	(65)	(85)
Total comprehensive income for the period	72,317	20,224

(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					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury stock	Retained earnings	Other components of equity			
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	—	—	—	34,454	—	34,454	(64)	34,389
Other comprehensive income	—	—	—	—	37,928	37,928	(0)	37,927
Total comprehensive income	—	—	—	34,454	37,928	72,382	(65)	72,317
Acquisition of treasury shares	—	—	(3)	—	—	(3)	—	(3)
Disposal of treasury shares	—	—	131	(42)	(88)	0	—	0
Dividends	—	—	—	(9,549)	—	(9,549)	—	(9,549)
Change in shares of subsidiaries due to capital increase	—	—	—	—	—	—	81	81
Share-based payments	—	—	—	—	108	108	—	108
Conversion of convertible bonds	—	(397)	65,681	(645)	—	64,637	—	64,637
Total transactions with the owners of the Company	—	(397)	65,809	(10,238)	19	55,192	81	55,273
Balance at September 30, 2018	38,716	52,047	(35,737)	613,202	9,707	677,936	144	678,081

(Unit: Millions of yen)

	Equity attributable to the owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury stock	Retained earnings	Other components of equity			
Balance at April 1, 2019	38,716	52,029	(32,381)	646,223	(6,553)	698,034	78	698,113
Profit for the period	—	—	—	45,711	—	45,711	(89)	45,621
Other comprehensive income	—	—	—	—	(25,401)	(25,401)	3	(25,397)
Total comprehensive income	—	—	—	45,711	(25,401)	20,310	(85)	20,224
Acquisition of treasury shares	—	—	(1)	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	65	(20)	(44)	0	—	0
Dividends	—	—	—	(10,029)	—	(10,029)	—	(10,029)
Transfer from other components of equity to retained earnings	—	—	—	(450)	450	—	—	—
Change in shares of subsidiaries due to capital increase	—	—	—	—	—	—	53	53
Share-based payments	—	(152)	120	82	20	71	—	71
Conversion of convertible bonds	—	(73)	10,589	(159)	—	10,356	—	10,356
Total transactions with the owners of the Company	—	(226)	10,774	(10,577)	426	397	53	450
Balance at September 30, 2019	38,716	51,803	(21,607)	681,358	(31,527)	718,741	46	718,788

5. Segment information

Reportable segment information

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

For the second quarter of the fiscal year ended September 30, 2018

(Unit: Millions of yen)

	Reportable Segments			Total	Adjustments (Note)1	Amount recorded on consolidated financial statements
	Cardiac and Vascular Company	General Hospital Company	Blood Management Company			
Revenue						
Revenue from sales to external customers	153,464	81,228	50,173	284,866	131	284,997
Segment Profit (Adjusted operating profit)	34,472	13,754	6,988	55,215	80	55,296
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(3,197)	—	(4,163)	(7,361)	(124)	(7,485)
Non-recurring profit or loss (Note)2						(228)
Operating profit						47,582
Finance income						1,008
Finance costs						(4,005)
Share of profit/(loss) of investment accounted for using the equity method						(57)
Pre-tax profit						44,527

(Note) 1. Amounts in ‘Adjustments’ are as follows:

- (1) ¥131 million adjustment to revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
  - (2) ¥80 million adjustment to segment profit consists of ¥(162) million for “inventories” and ¥243 million for “others”.
2. ¥(228) million Non-recurring profit or loss mainly includes ¥1,102 million insurance revenue about hurricane in Puerto Rico in 2017 and ¥(1,734) million for the change in fair value of contingent consideration related to acquisition of Sequent Medical, Inc..



For the second quarter of the fiscal year ended September 30, 2019

(Unit: Millions of yen)

	Reportable Segments			Total	Adjustments (Note)1	Amount recorded on consolidated financial statements
	Cardiac and Vascular Company	General Hospital Company	Blood Management Company			
Revenue						
Revenue from sales to external customers	172,597	82,815	51,756	307,168	110	307,278
Segment Profit (Adjusted operating profit)	47,177	12,592	6,686	66,457	587	67,044
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(3,518)	—	(4,100)	(7,618)	(228)	(7,847)
Non-recurring profit or loss (Note)2						(47)
Operating profit						59,150
Finance income						915
Finance costs						(1,909)
Share of profit/(loss) of investment accounted for using the equity method						(92)
Pre-tax profit						58,065

(Note) 1. Amounts in ‘Adjustments’ are as follows:

- (1) ¥110 million adjustment to revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
  - (2) ¥587 million adjustment to segment profit consists of ¥202 million for “inventories” and ¥385 million for “others”.
2. ¥(47) million Non-recurring profit or loss mainly includes ¥1,167 million insurance revenue about hurricane in Puerto Rico in 2017 and ¥(894) million for business reorganization expenses.