

Terumo Corporation  
IFRS Financial Results for the Third Quarter of  
the Fiscal Year Ending March 31, 2019

# IFRS Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2019



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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 Nine Months Ended December 31, 2018 (From April 1, 2018 to December 31, 2018)

(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)	%
Nine months ended December, 2018	443,609	1.5	78,474	(9.4)	75,008	(12.4)	56,395	(26.7)	56,495	(26.6)	76,119	(16.4)
Nine months ended December, 2017	436,955	—	86,569	—	85,638	—	76,907	—	76,974	—	91,096	—

	Earnings per share	Earnings per share, fully diluted
	(Yen)	(Yen)
Nine months ended December, 2018	155.33	149.20
Nine months ended December, 2017	218.68	204.10

(Notes) Adjusted operating profit: December 2018: 91,179 million yen December 2017: 97,571 million yen

## (2) Consolidated financial position

	Total assets	Net assets	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 December 31, 2018	1,129,826	672,356	672,250	59.5
As of March 31, 2018	1,078,981	550,435	550,307	51.0

## 2. Dividends

	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended March, 2018	—	23.00	—	27.00	50.00
Year ended March, 2019	—	27.00	—	—	—
Year ending March, 2019 (forecast)	—	—	—	27.00	54.00

(Notes) Revise of dividends forecast : None

## 3. Consolidated Forecast for the Year Ending March, 2019 (From April 1, 2018 to March 31, 2019)

	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, 2019	597,000	1.6	122,000	(2.3)	108,000	(0.5)	78,500	(14.0)	214.80

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

Assumed exchange rate for the fourth quarter of the fiscal year ending March 31, 2019: USD1=JPY105, EUR1=JPY130

2) Earnings per share is calculated by taking consideration effects of the conversion of convertible bond in the nine 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, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	167,832	161,063
Trade and other receivables	121,402	125,768
Other current financial assets	659	408
Inventories	112,064	130,878
Current tax assets	530	564
Other current assets	8,421	10,806
Total current assets	410,912	429,490
Non-current assets		
Property, plant and equipment	179,196	187,048
Goodwill and intangible assets	442,660	467,257
Investments accounted for using the equity method	5,710	5,651
Other non-current financial assets	13,815	14,828
Deferred tax assets	23,356	22,287
Other non-current assets	3,328	3,262
Total non-current assets	668,068	700,336
Total assets	1,078,981	1,129,826

(Unit: Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	67,515	70,085
Bonds and borrowings	47,436	49,455
Other current financial liabilities	407	11,572
Current tax liabilities	15,970	5,750
Provisions	198	180
Other current liabilities	47,483	45,151
<b>Total current liabilities</b>	<b>179,013</b>	<b>182,196</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	288,776	226,247
Other non-current financial liabilities	15,452	4,709
Deferred tax liabilities	24,124	23,779
Defined benefit liabilities	10,063	9,147
Provisions	82	87
Other non-current liabilities	11,032	11,301
<b>Total non-current liabilities</b>	<b>349,532</b>	<b>275,274</b>
<b>Total liabilities</b>	<b>528,545</b>	<b>457,470</b>
<b>Equity</b>		
Share capital	38,716	38,716
Capital surplus	52,445	52,044
Treasury stock	(101,546)	(35,281)
Retained earnings	588,932	625,229
Other components of equity	(28,240)	(8,458)
<b>Total equity attributable to the owners of the parent</b>	<b>550,307</b>	<b>672,250</b>
Non-controlling interests	128	106
<b>Total equity</b>	<b>550,435</b>	<b>672,356</b>
<b>Total liabilities and equity</b>	<b>1,078,981</b>	<b>1,129,826</b>

② Consolidated Statements of Profit or Loss

(Unit: Millions of yen)

	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Revenue	436,955	443,609
Cost of sales	198,305	201,450
Gross profit	238,649	242,159
Selling, general and administrative expenses	154,103	168,037
Other income	3,316	6,629
Other expenses	1,293	2,277
Operating profit	86,569	78,474
Finance income	931	1,621
Finance costs	1,611	4,985
Share of profit (loss) of investments accounted for using the equity method	(250)	(101)
Profit before tax	85,638	75,008
Income tax expenses	8,731	18,613
Profit for the period	76,907	56,395
Attributable to:		
Owners of the parent	76,974	56,495
Non-controlling interests	(67)	(100)
Total profit for the period	76,907	56,395
Earnings per share		
Basic earnings per share (yen)	218.68	155.33
Diluted earnings per share (yen)	204.10	149.20

③ Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Profit for the period	76,907	56,395
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	714	(433)
Remeasurement of defined benefit plan	(918)	—
Total items that will not be reclassified to profit or loss	(204)	(433)
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	14,015	20,475
Cash flow hedges	(58)	(258)
Cost of hedging	435	(58)
Share of other comprehensive income/(loss) of investments accounted for using the equity method	1	—
Total items that are or may be reclassified subsequently to profit or loss	14,393	20,158
Other comprehensive income/(loss) for the period	14,189	19,724
Total comprehensive income for the period	91,096	76,119
Attributable to		
Owners of the parent	91,169	76,224
Non-controlling interests	(72)	(104)
Total comprehensive income for the period	91,096	76,119

(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, 2017	38,716	52,478	(108,225)	513,578	(5,126)	491,421	101	491,522
Profit for the period	—	—	—	76,974	—	76,974	(67)	76,907
Other comprehensive income	—	—	—	—	14,194	14,194	(5)	14,189
Total comprehensive income	—	—	—	76,974	14,194	91,169	(72)	91,096
Acquisition of treasury shares	—	—	(4)	—	—	(4)	—	(4)
Disposal of treasury shares	—	—	75	(5)	(69)	0	—	0
Dividends	—	—	—	(15,839)	—	(15,839)	—	(15,839)
Transfer from other components of equity to retained earnings	—	—	—	(922)	922	—	—	—
Change in shares of subsidiaries due to capital increase	—	—	—	—	—	—	136	136
Share-based payments	—	—	—	—	447	447	—	447
Total transactions with the owners of the Company	—	—	71	(16,767)	1,299	(15,396)	136	(15,259)
Balance at December 31, 2017	38,716	52,478	(108,154)	573,785	10,368	567,194	165	567,360

(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 of 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	—	—	—	56,495	—	56,495	(100)	56,395
Other comprehensive income	—	—	—	—	19,728	19,728	(4)	19,724
Total comprehensive income	—	—	—	56,495	19,728	76,224	(104)	76,119
Acquisition of treasury shares	—	—	(6)	—	—	(6)	—	(6)
Disposal of treasury shares	—	—	155	(47)	(107)	0	—	0
Dividends	—	—	—	(19,555)	—	(19,555)	—	(19,555)
Transfer from other components of equity to retained earnings	—	—	—	1	(1)	—	—	—
Change in shares of subsidiaries due to capital increase	—	—	—	—	—	—	81	81
Share-based payments	—	—	—	—	162	162	—	162
Conversion of convertible bonds	—	(401)	66,116	(650)	—	65,064	—	65,064
Total transactions with the owners of the Company	—	(401)	66,264	(20,252)	53	45,664	81	45,746
Balance at December 31, 2018	38,716	52,044	(35,281)	625,229	(8,458)	672,250	106	672,356

## 5. Segment information

### Reporting segment information

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

For the nine months ended December 31, 2017

(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	240,038	120,231	76,510	436,780	174	436,955
Segment Profit (Adjusted operating profit)	63,352	21,168	12,215	96,736	835	97,571
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(4,227)	—	(6,280)	(10,507)	—	(10,507)
Non-recurring profit or loss						(494)
Operating profit						86,569
Finance income						931
Finance costs						(1,611)
Share of profit/(loss) of investment accounted for using the equity method						(250)
Pre-tax profit						85,638

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

- (1) ¥174 million adjustment to revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
- (2) ¥835 million adjustment to segment profit consists of ¥ 183 million for "inventories" and ¥651 million for "others".



For the nine months ended December 31, 2018

	Reportable Segments				(Unit: Millions of yen)	
	Cardiac and Vascular Company	General Hospital Company	Blood Management Company	Total	Adjustments (Note)	Amount recorded on consolidated financial statements
Revenue						
Revenue from sales to external customers	240,957	125,869	76,591	443,418	190	443,609
Segment Profit (Adjusted operating profit)	58,015	22,328	10,895	91,240	(60)	91,179
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(4,839)	—	(6,294)	(11,134)	99	(11,034)
Non-recurring profit or loss						(1,670)
Operating profit						78,474
Finance income						1,621
Finance costs						(4,985)
Share of profit/(loss) of investment accounted for using the equity method						(101)
Pre-tax profit						75,008

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

- (1) ¥190 million adjustment to revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
- (2) ¥(60) million adjustment to segment profit consists of ¥(874) million for “inventories” and ¥813 million for “others”.

2. ¥(1,670) million Non-recurring profit or loss mainly includes ¥1,111 million insurance revenue about hurricane in Puerto Rico and ¥(2,039) million for the change in fair value of contingent consideration related to acquisition of Sequent Medical, Inc..

#### 〈Material subsequent events〉

Terumo Corporation (TSE: 4543) announced that its Board of Directors has decided a two-for-one stock split and an increase from 1.519 billion to 3.038 billion in the number of authorized shares of the Company's common stock on February 7, 2019. On April 1, 2019, each shareholder of record at the close on March 31, 2019 will receive one additional share of common stock for every outstanding share of common stock held.