



February 7, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 2023 Terumo Corporation [IFRS]

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 Listing: Tokyo Stock Exchange
 Securities code: 4543
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 Scheduled date to file quarterly securities report: February 9, 2024
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for Securities analysts, Institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended												
December 31, 2023	682,951	10.5	105,519	12.8	105,743	14.8	79,897	13.8	79,897	13.8	144,662	4.0
December 31, 2022	617,993	18.1	93,514	(1.0)	92,100	(1.0)	70,180	(2.1)	70,180	(2.1)	139,144	36.4

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	107.33	107.29
December 31, 2022	93.25	93.21

(Note) Adjusted operating profit December 2023: 119,733 million yen December 2022: 109,607 million yen

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
December 31, 2023	1,691,667	1,216,011	1,216,011	71.9
March 31, 2023	1,602,225	1,111,063	1,111,063	69.3

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	19.00	—	21.00	40.00
Fiscal year ending March 31, 2024	—	22.00	—		
Fiscal year ending March 31, 2024 (Guidance)				22.00	44.00

(Note) Revision from the dividend guidance, which is published most recently: None

3. Consolidated Financial Guidance for the Fiscal Year Ending March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Adjusted operating profit		Operating profit		Profit for the year attributable to owners of the parent		Basic Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March, 2024	906,000	10.5	157,500	14.1	140,000	19.3	105,000	17.5	141.18

(Note 1) Revision of guidance for the fiscal year ending March 31, 2024, which is published most recently: Yes
Regarding the guidance for the fiscal year, please refer to the February 7, 2024 press release “Notice Concerning Revision of the Full-Year Financial Guidance for Fiscal Year Ending March 31, 2024 (FY2023)”.

(Note 2) The Company has resolved at the meeting of the Board of Directors held on August 9, 2023 to acquire its treasury shares. Basic earnings per share is calculated by taking into consideration effects of the acquisition of its treasury shares.

(Note 3) Assumed exchange rate for the fiscal year ending March 31, 2024: USD1=JPY143, EUR1=JPY156

*Notes

(1) Changes in significant subsidiaries during the current quarterly consolidated cumulative period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
 New — Company (Company Name) —, Excluded — Company (Company Name) —

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: Yes

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

* Please refer to [attached materials], page 11, “2. Condensed Quarterly Consolidated Financial Statements (4) Notes Pertaining to Condensed Quarterly Consolidated Financial Statements (ii) Changes in accounting policy”.

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of the period (including treasury shares)

As of December 31, 2023	747,682,540 shares	As of March 31, 2023	747,682,540 shares
As of December 31, 2023	4,657,129 shares	As of March 31, 2023	3,074,907 shares
Nine months ended December 31, 2023	744,422,133 shares	Nine months ended December 31, 2022	752,618,446 shares

(ii) Treasury shares at the end of the period

(iii) Average number of shares during the period (cumulative quarterly)

* Quarterly financial statements are not subject to quarterly reviews by certified public accountants or audit firms.

* Explanation on appropriate use of financial guidance and other special notes

1. Forward-looking statements, including financial guidance, contained in these disclosure materials are based on currently available information and assumptions believed to be reasonable by management. This is not a promise or guarantee by the Company that it will achieve these goals. In addition, actual results may differ significantly due to various factors. For the assumptions that are the premise of the financial guidance and the precautions for using the financial guidance, refer to attached materials, page 5, “1. Overview of Financial Results for the Nine Months Ended December 31, 2023 (3) Guidance, including the Consolidated Financial Results for the Fiscal Year Ending March 31, 2024”.

2. Adjusted operating profit factors out amortization expense for intangible assets recognized in acquisitions and non-recurring profit or loss from operating profit. In addition, adjusted operating profit is consistent with segment profit. We are disclosing adjusted operating profit as we are using it as a performance indicator.

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1. Overview of Financial Results for the Nine Months Ended December 31, 2023**(1) Overview of Consolidated Business Results**

In the first nine months of the current fiscal year (from April 1 to December 31, 2023), the Group's sales trended strongly amid growing demand for products globally and the effects of foreign exchange rates.

Financial results for the first nine months are as follows:

(Unit: Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023	Growth (%)	Growth excluding FX impact (%)
Revenue	617,993	682,951	10.5	6.1
Gross profit	318,347	354,840	11.5	7.4
Adjusted operating profit	109,607	119,733	9.2	5.6
Operating profit	93,514	105,519	12.8	9.4
Profit before tax	92,100	105,743	14.8	—
Profit for the period	70,180	79,897	13.8	—
Profit for the period attributable to owners of the parent	70,180	79,897	13.8	—

Revenue by geographic areas for the first nine months is as follows:

(Unit: Millions of yen)

Geographic areas	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023	Growth (%)	Growth excluding FX impact (%)
Americas	212,363	238,202	12.2	7.0
Europe	118,615	139,022	17.2	6.5
China	56,628	60,062	6.1	5.5
Asia and others	73,341	86,980	18.6	14.0
Overseas total	460,948	524,267	13.7	7.8
Japan	157,044	158,684	1.0	1.0
Total	617,993	682,951	10.5	6.1

Revenue

Revenue totaled ¥683.0 billion, an increase of 10.5 % versus the same period in the previous fiscal year. Overseas, revenue increased 13.7 % year on year owing to increased demand in TIS (catheter) division and for blood centers business, along with the effects of foreign exchange rates. In Japan, revenue increased by 1.0 % year on year, as strong sales of infusion related products and TIS division offset the decline in sales of nutrition products in Hospital Care Solutions division, which was sold in the previous fiscal year.

Profit

Gross profit totaled ¥354.8 billion, an increase of 11.5% versus the same period in the previous fiscal year, because of the higher revenue.

Adjusted operating profit was ¥119.7 billion, an increase of 9.2% versus the same period in the previous fiscal year. This was because the increase in gross profit was partially offset by an increase of selling, general and administrative expenses.

Operating profit, profit for the period and profit for the period attributable to owners of the parent each increased amid the increase in gross profit.

Adjusted operating profit is a non-IFRS performance indicator that we disclose. Adjusted operating profit factors out amortization expense for intangible assets recognized in acquisitions and non-recurring profit or loss from operating profit. In addition, adjusted operating profit is consistent with segment profit.

Adjusted operating profit is being used as an indicator for corporate management to grasp earnings performance in each business as a part of our goal to achieve sustainable growth in the mid- to long-term. We believe this is also effective data for individuals using our financial statements to assess the Group's earnings.

Revenue results of the reportable segments are as follows:

(Unit: Millions of yen)

Segment		For the nine months ended December 31, 2022	For the nine months ended December 31, 2023	Growth (%)	Growth excluding FX impact (%)
Cardiac and Vascular Company	Revenue	358,907	407,700	13.6	8.2
	(Overseas)	320,528	367,542	14.7	8.6
	(Japan)	38,379	40,158	4.6	4.6
Medical Care Solutions Company	Revenue	145,511	147,279	1.2	(0.4)
	(Overseas)	35,361	37,862	7.1	0.4
	(Japan)	110,149	109,417	(0.7)	(0.7)
Blood and Cell Technologies Company	Revenue	113,388	127,799	12.7	7.8
	(Overseas)	105,058	118,863	13.1	7.9
	(Japan)	8,329	8,936	7.3	7.3

Cardiac and Vascular Company

Overseas, revenue increased 14.7% year on year driven by TIS (catheter) division and Neurovascular division. In Japan, revenue increased 4.6% year on year as there was a recovery in the number of endovascular treatment procedures. As a result, global revenue increased 13.6% over the same period of the previous fiscal year to ¥407.7 billion.

Medical Care Solutions Company

In Japan, revenue declined by 0.7% year on year, as increased sales of infusion related products and sales of Pharmaceutical Solutions division partially offset the decline in sales of nutrition products in Hospital Care Solutions division, which was sold in the previous fiscal year. Overseas, revenue increased 7.1% year on year along with the effects of foreign exchange rates. As a result, global revenue increased 1.2% over the same period of the previous fiscal year to ¥147.3 billion.

Blood and Cell Technologies Company

Overseas, revenue was up 13.1% over the same period of the previous fiscal year as the business for blood centers in Americas and Asia and others was strong. In Japan, revenue increased 7.3% year on year owing to the increase in sales of automated blood component collection products. As a result, global revenue increased 12.7% over the same period of the previous fiscal year to ¥127.8 billion.

(2) Overview of Consolidated Statement of Financial Position

Total assets stood at ¥1,691.7 billion, an increase of ¥89.4 billion. This was mainly owing to the impacts of yen weakness in foreign exchange rates (hereinafter referred to as “FX impacts”) and increase in revenue, which resulted in an increase in trade and other receivables of ¥27.5 billion, an increase in inventories of ¥22.9 billion due to FX impacts, as well as property, plant and equipment of ¥18.7 billion and goodwill and intangible assets of ¥20.6 billion due to FX impacts and investment in manufacturing facility and new IT systems. This offset the decrease in cash and cash equivalents of ¥23.7 billion from acquisition of treasury share.

Total liabilities came to ¥475.7 billion, a decrease of ¥15.5 billion. This was mainly due to an increase in other current liabilities of ¥7.4 billion yen resulting from FX impacts, which was offset by a decrease in trade and other receivables of ¥10.4 billion yen owing to payments related to equipment, a decrease in bonds and borrowings of ¥5.7 billion due to the redemption of corporate bonds, and a decrease in current taxes liabilities of ¥3.6 billion from the payment of income tax.

Total equity was ¥1,216.0 billion, an increase of ¥104.9 billion. This mainly reflects an increase from posting profit for the period of ¥79.9 billion, while the booking of other comprehensive income associated with FX impacts resulted in a ¥64.8 billion increase, which offset the decrease of ¥32.0 billion from dividends from retained earnings and a decrease of ¥7.9 billion from the acquisition of treasury shares.

(3) Guidance, including the Consolidated Financial Results for the Fiscal Year Ending March 31, 2024

We upwardly revised our full-year consolidated financial guidance for Revenue, Adjusted operating profit, Operating profit and Profit for the year attributable to owners of the parent respectively. In addition to strong earnings performance in each business segment, yen is depreciating in value in contrast with our foreign exchange rates at the start of the fiscal year. For details, please refer to the “Notice Concerning Revision of the Full-Year Financial Guidance for Fiscal Year Ending March 31, 2024 (FY2023)” released on February 7, 2024.

2. Condensed Quarterly Consolidated Financial Statements**(1) Condensed Quarterly Consolidated Statement of Financial Position**

	(Unit: Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	187,322	163,633
Trade and other receivables	150,635	178,156
Other current financial assets	106	17,750
Inventories	249,618	272,500
Current tax assets	2,920	3,669
Other current assets	20,793	33,301
Total current assets	611,396	669,012
Non-current assets		
Property, plant and equipment	370,869	389,536
Goodwill and intangible assets	538,210	558,814
Investments accounted for using the equity method	3,680	1,992
Other non-current financial assets	34,421	27,394
Deferred tax assets	20,458	21,776
Other non-current assets	23,187	23,139
Total non-current assets	990,829	1,022,655
Total assets	1,602,225	1,691,667

	(Unit: Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	97,736	87,301
Bonds and borrowings	11,223	151,245
Other current financial liabilities	7,597	7,662
Current tax liabilities	23,563	19,916
Provisions	329	212
Other current liabilities	77,551	84,903
Total current liabilities	218,001	351,242
Non-current liabilities		
Bonds and borrowings	220,714	74,976
Other non-current financial liabilities	29,639	30,499
Deferred tax liabilities	8,870	3,393
Retirement benefit liabilities	4,703	4,923
Provisions	127	104
Other non-current liabilities	9,106	10,516
Total non-current liabilities	273,161	124,413
Total liabilities	491,162	475,656
Equity		
Share capital	38,716	38,716
Capital surplus	51,759	51,690
Treasury shares	(11,539)	(19,076)
Retained earnings	874,272	922,094
Other components of equity	157,855	222,586
Total equity attributable to owners of the parent	1,111,063	1,216,011
Total equity	1,111,063	1,216,011
Total liabilities and equity	1,602,225	1,691,667

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

(Condensed Quarterly Consolidated Statement of Profit or Loss)

(Unit: Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Revenue	617,993	682,951
Cost of sales	299,646	328,111
Gross profit	318,347	354,840
Selling, general and administrative expenses	224,136	251,309
Other income	8,226	4,320
Other expenses	8,922	2,332
Operating profit	93,514	105,519
Finance income	1,915	2,487
Finance costs	3,466	2,288
Share of profit of investments accounted for using the equity method	136	25
Profit before tax	92,100	105,743
Income tax expenses	21,920	25,846
Profit for the period	70,180	79,897
Attributable to:		
Owners of the parent	70,180	79,897
Total profit for the period	70,180	79,897
Earnings per share		
Basic earnings per share (yen)	93.25	107.33
Diluted earnings per share (yen)	93.21	107.29

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Unit: Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit for the period	70,180	79,897
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	1,982	991
Remeasurements of defined benefit plans	864	122
Total items that will not be reclassified to profit or loss	2,847	1,114
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	65,723	63,932
Cash flow hedges	734	30
Cost of hedging	(341)	(311)
Total items that are or may be reclassified subsequently to profit or loss	66,117	63,650
Total other comprehensive income for the period	68,964	64,764
Total comprehensive income for the period	139,144	144,662
Attributable to:		
Owners of the parent	139,144	144,662
Total comprehensive income for the period	139,144	144,662

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

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

For the nine months ended December 31, 2022

(Unit: Millions of yen)

	Equity attributable to owners of the parent					Total	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2022	38,716	51,921	(6,229)	846,978	80,926	1,012,313	1,012,313
Profit for the period	-	-	-	70,180	-	70,180	70,180
Other comprehensive income	-	-	-	-	68,964	68,964	68,964
Total comprehensive income	-	-	-	70,180	68,964	139,144	139,144
Acquisition of treasury shares	-	(56)	(50,002)	-	-	(50,058)	(50,058)
Disposal of treasury shares	-	17	87	-	(105)	0	0
Dividends	-	-	-	(27,924)	-	(27,924)	(27,924)
Transfer from other components of equity to retained earnings	-	-	-	2,758	(2,758)	-	-
Share-based payments	-	54	123	-	57	235	235
Total transactions with owners of the parent	-	15	(49,791)	(25,165)	(2,805)	(77,747)	(77,747)
Balance as of December 31, 2022	38,716	51,937	(56,020)	891,992	147,085	1,073,711	1,073,711

For the nine months ended December 31, 2023

(Unit: Millions of yen)

	Equity attributable to owners of the parent					Total	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2023	38,716	51,759	(11,539)	874,272	157,855	1,111,063	1,111,063
Profit for the period	-	-	-	79,897	-	79,897	79,897
Other comprehensive income	-	-	-	-	64,764	64,764	64,764
Total comprehensive income	-	-	-	79,897	64,764	144,662	144,662
Acquisition of treasury shares	-	(5)	(7,942)	-	-	(7,947)	(7,947)
Disposal of treasury shares	-	(104)	185	-	(81)	0	0
Dividends	-	-	-	(32,020)	-	(32,020)	(32,020)
Transfer from retained earnings to capital surplus	-	72	-	(72)	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	17	(17)	-	-
Share-based payments	-	(31)	220	-	64	254	254
Total transactions with owners of the parent	-	(68)	(7,536)	(32,075)	(33)	(39,714)	(39,714)
Balance as of December 31, 2023	38,716	51,690	(19,076)	922,094	222,586	1,216,011	1,216,011

(4) Notes Pertaining to Condensed Quarterly Consolidated Financial Statements

(i) Going concern assumption

Not applicable

(ii) Changes in accounting policy

The Group has adopted the standard and interpretation below from the first quarter of the fiscal year ending March 31, 2024.

Standard/Interpretation	Outline of the new standards, interpretations and amendments
IAS 12 Income taxes	Clarification of the accounting for deferred tax on leases and decommissioning obligations (Transactions for which companies recognize both an asset and a liability)

There is no material effect of adopting these standards on the Group’s condensed quarterly consolidated financial statements for the nine months ended December 31, 2023.

(iii) Segment information

(1) General information on reportable segments

The reportable segments of the Group represent business units for which separate financial information is available, and are reviewed regularly at the Board of Directors meeting to make decisions about allocation of management resources and assess the performance of the business.

The Group applies an in-house company system classified by product groups. The headquarters of each in-house company plan their own comprehensive domestic and international strategies and conduct their own business activities.

The three segments are Cardiac and Vascular Company, Medical Care Solutions Company, and Blood and Cell Technologies Company.

(2) Reportable segment information

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

For the nine months ended December 31, 2022

	Reportable Segments				Adjustments (Note 1)	(Unit: Millions of yen) Amount recorded on condensed quarterly consolidated financial statements
	Cardiac and Vascular Company	Medical Care Solutions Company	Blood and Cell Technologies Company	Total		
Revenue						
Revenue from sales to external customers	358,907	145,511	113,388	617,807	186	617,993
Segment profit (Adjusted operating profit)	83,598	12,605	12,924	109,127	479	109,607
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(6,770)	-	(7,633)	(14,403)	4	(14,399)
Non-recurring profit or loss(Note 2)						(1,694)
Operating profit						93,514
Finance income						1,915
Finance costs						(3,466)
Share of profit/(loss) of investment accounted for using the equity method						136
Profit before tax						92,100

(Note 1) Amounts in “Adjustments” are as follows:

- (1) ¥186 million adjustment to Revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
- (2) ¥479 million adjustment to Segment profit consists of ¥(2,511) million for preparation expenses to comply with Medical Device Regulation in EU and ¥(359) million for inventories.

(Note 2) ¥(1,694) million Non-recurring profit or loss mainly includes ¥(1,788) million for impairment loss of technologies, ¥(3,589) million for impairment loss of goodwill, ¥(1,564) million for business reorganization expenses, ¥1,357 million for the change in fair value of contingent consideration and ¥3,891 million for gain on business transfer and other.

For the nine months ended December 31, 2023

(Unit: Millions of yen)

	Reportable Segments				Adjustments (Note 1)	Amount recorded on condensed quarterly consolidated financial statements
	Cardiac and Vascular Company	Medical Care Solutions Company	Blood and Cell Technologies Company	Total		
Revenue						
Revenue from sales to external customers	407,700	147,279	127,799	682,779	172	682,951
Segment profit (Adjusted operating profit)	91,992	15,993	13,869	121,855	(2,121)	119,733
(Adjustment item) Amortization of intangible assets acquired through business combinations	(7,072)	-	(7,912)	(14,984)	306	(14,677)
Non-recurring profit or loss(Note 2)						463
Operating profit						105,519
Finance income						2,487
Finance costs						(2,288)
Share of profit/(loss) of investment accounted for using the equity method						25
Profit before tax						105,743

(Note 1) Amounts in “Adjustments” are as follows:

- (1) ¥172 million adjustment to Revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
- (2) ¥(2,121) million adjustment to Segment profit consists of ¥(1,945) million for preparation expenses to comply with Medical Device Regulation in EU and ¥(881) million for inventories.

(Note 2) ¥463 million Non-recurring profit or loss mainly includes ¥1,335 million for gain on sale of shares of subsidiaries and affiliate, which is related to the sale of shares of Olympus Terumo Biomaterials Corporation and ¥(1,125) million for business reorganization expenses.

(iv) Impairment of non-financial assets

In the nine months ended December 31, 2023, ¥1,844 million for an impairment loss in property, plant and equipment in Blood and Cell Technologies Company was recorded due to the decision not to put certain manufacturing facilities into operation.

The recoverable amount was measured based on the value in use, and the value was determined to be zero. The impairment loss in property, plant and equipment is included in “Cost of sales” in the Condensed Quarterly Consolidated Statement of Profit or Loss.

(v) Material subsequent events

Share split

The Company has resolved, at the meeting of the Board of Directors held on February 7, 2024, to conduct share split and partial amendment to the Articles of Incorporation.

(1) Purpose of share split

The objective of the share split is to lower the investment price per trading unit to create a more investor-friendly environment.

(2) Overview of share split

a) Method of share split

Each share of the Company’s common stock owned by shareholders recorded in the closing register of shareholders on the record date of March 31, 2024*¹ will be split into two shares.

*¹Since this day falls on a non-business day of the shareholder registry administrator, the actual record date will be March 29, 2024.

b) Number of shares to be increased by share split

Total number of issued shares before the share split	747,682,540 shares* ²
Number of shares to be increased by the share split	747,682,540 shares* ²
Total number of issued shares after the share split	1,495,365,080 shares* ²
Total number of shares authorized to be issued after the share split	5,900,000,000 shares

*²As of February 7, 2024. The Company is acquiring its own shares of up to 20 billion yen in value in a period from August 14, 2023 to March 8, 2024, and plans to cancel all of the acquired shares on March 19, 2024. Due to a change in the total number of issued shares resulted from the cancellation of the acquired shares, the total number of issued shares before the share split, the number of shares to be increased by the share split and the total number of issued shares after the share split will be changed.

c) Timetable

Date of public notice of the record date	March 11, 2024
Record date	March 31, 2024
Effective date	April 1, 2024

d) Others

- The share split will not result in any change in the amount of the Company’s share capital.
- As the share split is scheduled to take effect on April 1, 2024, the year-end dividend for fiscal year ending March 2024 with a record date of March 31, 2024 will be made based on the number of shares before the share split.

(3) Partial amendment to the Articles of Incorporation

a) Reason for the amendment

Due to the share split described above, the Company will amend the total number of shares authorized to

be issued described in Article 6 of its Articles of Incorporation with an effective date of April 1, 2024, pursuant to Paragraph 2 of Article 184 of the Companies Act of Japan.

b) Detail of the amendment

(Changed portions are underlined)

Current Articles of Incorporation	Articles of Incorporation after amendment
(Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>three billion thirty-eight million (3,038,000,000)</u> .	(Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>five billion nine hundred million (5,900,000,000)</u> .

c) Timetable

Date of resolution at the meeting of the Board of Directors	February 7, 2024
Effective date	April 1, 2024

(4) Earnings per share

Assuming that the share split was carried out at the beginning of the previous fiscal year, earnings per share are as follows:

	<u>For the nine months ended December 31, 2022</u>	<u>For the nine months ended December 31, 2023</u>
Basic earnings per share (yen)	46.62	53.66
Diluted earnings per share (yen)	46.60	53.64