

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

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



August 8, 2018
Exchange where listed: TSE

Name of listed company : TERUMO CORPORATION
(URL <http://www.terumo.com/>)
Company code number : 4543
Representative: : Shinjiro Sato, President and CEO
Please address all communications to : Atsuo Omagari, General Manager, Corporate Communication Dept.
Phone : +81 / 3-6742-8550

1. Consolidated Financial Highlights for the Three Months Ended June 30, 2018 (From April 1, 2018 to June 30, 2018)

(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 year 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, 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
Three months ended June, 2017	139,312	—	28,435	—	28,163	—	20,310	—	20,336	—	25,019	—

	Earnings per share	Earnings per share, fully diluted
	(Yen)	(Yen)
Three months ended June, 2018	50.78	47.82
Three months ended June, 2017	57.78	53.96

(Notes) Adjusted operating profit: June 2018: 30,544 million yen June 2017: 32,079 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 June 30, 2018	1,093,152	598,530	598,434	54.7
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	—	—	—	—	—
Year ending March, 2019 (forecast)	—	27.00	—	27.00	54.00

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)
Half year ending September, 2018	282,000	(0.9)	55,000	(15.2)	48,000	(16.0)	34,500	(16.2)	96.30
Year ending March, 2019	597,000	1.6	122,000	(2.3)	108,000	(0.5)	78,500	(14.0)	218.52

(Notes) Forecast for fiscal year ending March, 2019 which was announced on May 9, 2018 has been revised.

Assumed exchange rate for fiscal year ending March, 2019: USD1=JPY106, EUR1=JPY130

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 June 30, 2018
Assets		
Current assets		
Cash and cash equivalents	167,832	162,918
Trade and other receivables	121,402	116,172
Other current financial assets	659	473
Inventories	112,064	120,234
Current tax assets	530	385
Other current assets	8,421	9,310
Total current assets	410,912	409,494
Non-current assets		
Property, plant and equipment	179,196	183,582
Goodwill and intangible assets	442,660	456,123
Investments accounted for using the equity method	5,710	5,780
Other non-current financial assets	13,815	14,363
Deferred tax assets	23,356	20,722
Other non-current assets	3,328	3,085
Total non-current assets	668,068	683,658
Total assets	1,078,981	1,093,152

(Unit: Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	67,515	69,606
Bonds and borrowings	47,436	47,737
Other current financial liabilities	407	679
Current tax liabilities	15,970	5,574
Provisions	198	162
Other current liabilities	47,483	39,331
Total current liabilities	179,013	163,092
Non-current liabilities		
Bonds and borrowings	288,776	273,356
Other non-current financial liabilities	15,452	13,389
Deferred tax liabilities	24,124	23,957
Defined benefit liabilities	10,063	10,654
Provisions	82	86
Other non-current liabilities	11,032	10,085
Total non-current liabilities	349,532	331,529
Total liabilities	528,545	494,621
Equity		
Share capital	38,716	38,716
Capital surplus	52,445	52,344
Treasury stock	(101,546)	(82,149)
Retained earnings	588,932	597,340
Other components of equity	(28,240)	(7,817)
Total equity attributable to the owners of the parent	550,307	598,434
Non-controlling interests	128	96
Total equity	550,435	598,530
Total liabilities and equity	1,078,981	1,093,152

② Consolidated Statements of Profit or Loss

(Unit: Millions of yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Revenue	139,312	143,020
Cost of sales	63,398	63,162
Gross profit	75,914	79,857
Selling, general and administrative expenses	48,708	54,810
Other income	1,413	1,289
Other expenses	182	461
Operating profit	28,435	25,875
Finance income	504	325
Finance costs	640	2,773
Share of profit (loss) of investments accounted for using the equity method	(135)	(20)
Profit before tax	28,163	23,406
Income tax expenses	7,853	5,346
Profit for the period	20,310	18,059
Attributable to:		
Owners of the parent	20,336	18,091
Non-controlling interests	(25)	(31)
Total profit for the period	20,310	18,059
Earnings per share		
Basic earnings per share (yen)	57.78	50.78
Diluted earnings per share (yen)	53.96	47.82

③ Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Profit for the period	20,310	18,059
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	204	(109)
Total items that will not be reclassified to profit or loss	204	(109)
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	4,137	20,310
Cash flow hedges	127	177
Cost of hedging	240	97
Share of other comprehensive income/(loss) of investments accounted for using the equity method	(0)	—
Total items that are or may be reclassified subsequently to profit or loss	4,504	20,584
Other comprehensive income/(loss) for the period	4,708	20,474
Total comprehensive income for the period	25,019	38,534
Attributable to		
Owners of the parent	25,046	38,566
Non-controlling interests	(26)	(32)
Total comprehensive income for the period	25,019	38,534

(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, 2017	38,716	52,478	(108,225)	513,578	(5,126)	491,421	101	491,522
Profit for the period	—	—	—	20,336	—	20,336	(25)	20,310
Other comprehensive income	—	—	—	—	4,709	4,709	(1)	4,708
Total comprehensive income	—	—	—	20,336	4,709	25,046	(26)	25,019
Acquisition of treasury shares	—	—	(0)	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	2	(1)	(0)	0	—	0
Dividends	—	—	—	(7,743)	—	(7,743)	—	(7,743)
Transfer from other components of equity to retained earnings	—	—	—	(3)	3	—	—	—
Change in shares of subsidiaries due to capital increase	—	—	—	—	—	—	136	136
Share-based payments	—	—	—	—	41	41	—	41
Total transactions with the owners of the Company	—	—	1	(7,749)	44	(7,703)	136	(7,567)
Balance at June 30, 2017	38,716	52,478	(108,224)	526,166	(372)	508,764	210	508,975

	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 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	—	—	—	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

5. Segment information

Reporting segment information

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

For the first quarter of the fiscal year ended June 30, 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	79,057	36,867	23,333	139,258	53	139,312
Segment Profit (Adjusted operating profit)	21,154	5,888	3,609	30,652	1,427	32,079
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(1,645)	—	(2,162)	(3,807)	—	(3,807)
Non-recurring profit or loss						163
Operating profit						28,435
Finance income						504
Finance costs						(640)
Share of profit/(loss) of investment accounted for using the equity method						(135)
Pre-tax profit						28,163

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

- (1) ¥53 million adjustment to revenue from sales to external customers is proceeds from temporary staffing that is not attributable to reportable segments.
- (2) ¥1,427 million adjustment to segment profit consists of ¥166 million for "inventories" and ¥1,261 million for "others".

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

	Reportable Segments				(Unit: Millions of yen)	Amount recorded on consolidated financial statements
	Cardiac and Vascular Company	General Hospital Company	Blood Management Company	Total	Adjustments (Note)	
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”.