

Terumo Corporation
IFRS Financial Results for the Fiscal Year Ended
March 31, 2021

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Exchange where listed: TSE

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

1. Consolidated Financial Highlights for the Fiscal Year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(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 year		Profit for the year attributable to the owners of the parent		Total comprehensive income for the year	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Fiscal Year ended March, 2021	613,842	(2.4)	98,386	(11.1)	97,060	(8.8)	77,200	(9.2)	77,268	(9.3)	115,732	95.3
Fiscal Year ended March, 2020	628,897	4.9	110,611	3.7	106,466	3.7	85,037	7.3	85,211	7.2	59,246	(40.1)

	Basic Earnings per share	Diluted Earnings per share	Return on equity attributable to the owners of the parent	Profit before tax per total assets	Operating profit to revenue
	(Yen)	(Yen)	%	%	%
Fiscal Year ended March, 2021	102.33	102.11	9.6	7.5	16.0
Fiscal Year ended March, 2020	113.96	112.61	11.7	9.0	17.6

(Notes) Share of profit (loss) of investments accounted for using the equity method: March 2021: (716) million yen March 2020: (445) million yen
Adjusted operating profit: March 2021: 115,927 million yen March 2020: 124,998 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	Equity attributable to the owners of the parent per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	%	(Yen)
As of March 31, 2021	1,351,192	856,662	856,662	63.4	1,133.13
As of March 31, 2020	1,241,355	754,883	754,813	60.8	1,003.36

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal Year ended March, 2021	121,485	(85,317)	(7,436)	200,770
Fiscal Year ended March, 2020	117,479	(84,714)	14,010	166,898

2. Dividends

	Cash dividends per share					Total dividends (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	%	%
Fiscal Year ended March, 2020	-	14.00	-	14.00	28.00	21,010	24.6	2.9
Fiscal Year ended March, 2021	-	14.00	-	15.00	29.00	21,917	28.3	2.7
Fiscal Year ending March, 2022 (forecast)	-	15.00	-	15.00	30.00		26.2~27.7	

(Notes) The company revises year-end dividends per share for the fiscal year ended March 2021 from 14yen to 15yen.

Please refer to the May 12th, 2021 press release, "Terumo Announces Dividends for Fiscal Year Ended March 31, 2021 (increased payment)."

3. Consolidated Forecast for the Fiscal Year Ending March, 2022 (From April 1, 2021 to March 31, 2022)

	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)
Fiscal Year ending March, 2022	670,000	9.1	124,000	7.0	107,000	8.8	82,000	6.1	108.46
	~680,000	~10.8	~130,000	~12.1	~113,000	~14.9	~86,500	~11.9	~114.42

(Notes) For the forecast for the fiscal year ending March, 2022, a yearly forecast is only disclosed in a range format due to the impact of COVID-19 pandemic.

Assumed exchange rate for the fiscal year ending March, 2022: USD1=107JPY, EUR1=128JPY

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 Statement of Financial Position

(Unit: Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	166,898	200,770
Trade and other receivables	131,728	128,770
Other current financial assets	397	1,116
Inventories	147,147	175,576
Current tax assets	1,745	510
Other current assets	12,689	17,222
Total current assets	460,607	523,966
Non-current assets		
Property, plant and equipment	264,407	299,679
Goodwill and intangible assets	461,506	471,834
Investments accounted for using the equity method	5,275	3,644
Other non-current financial assets	17,733	19,449
Deferred tax assets	27,307	23,729
Other non-current assets	4,517	8,887
Total non-current assets	780,748	827,225
Total assets	1,241,355	1,351,192

(Unit: Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	88,044	83,528
Bonds and borrowings	50,324	42,072
Other current financial liabilities	6,144	7,784
Current tax liabilities	11,681	14,311
Provisions	395	374
Other current liabilities	55,256	63,295
Total current liabilities	211,845	211,366
Non-current liabilities		
Bonds and borrowings	195,870	218,497
Other non-current financial liabilities	31,802	32,122
Deferred tax liabilities	20,360	15,962
Defined benefit liabilities	18,456	6,639
Provisions	92	96
Other non-current liabilities	8,043	9,845
Total non-current liabilities	274,626	283,163
Total liabilities	486,472	494,530
Equity		
Share capital	38,716	38,716
Capital surplus	51,858	51,829
Treasury shares	(14,103)	(6,838)
Retained earnings	705,765	775,078
Other components of equity	(27,423)	(2,123)
Total equity attributable to owners of the parent	754,813	856,662
Non-controlling interests	69	-
Total equity	754,883	856,662
Total liabilities and equity	1,241,355	1,351,192

② Consolidated Statement of Profit or Loss

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Revenue	628,897	613,842
Cost of sales	284,964	287,219
Gross profit	343,932	326,623
Selling, general and administrative expenses	235,144	228,566
Other income	4,737	3,814
Other expenses	2,914	3,485
Operating profit	110,611	98,386
Finance income	1,671	1,727
Finance costs	5,371	2,337
Share of profit/(loss) of investments accounted for using the equity method	(445)	(716)
Profit before tax	106,466	97,060
Income tax expenses	21,428	19,859
Profit for the year	85,037	77,200
Attributable to:		
Owners of the parent	85,211	77,268
Non-controlling interests	(173)	(67)
Total profit for the year	85,037	77,200
Earnings per share		
Basic earnings per share (yen)	113.96	102.33
Diluted earnings per share (yen)	112.61	102.11

③ Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit for the year	85,037	77,200
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	(1,181)	1,448
Remeasurement of defined benefit plan	(4,499)	11,803
Total items that will not be reclassified to profit or loss	(5,681)	13,252
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(19,813)	24,390
Cash flow hedges	204	667
Cost of hedging	(500)	220
Total items that are or may be reclassified subsequently to profit or loss	(20,109)	25,278
Total other comprehensive income (loss) for the year	(25,790)	38,531
Total comprehensive income for the year	59,246	115,732
Attributable to		
Owners of the parent	59,415	115,801
Non-controlling interests	(169)	(69)
Total comprehensive income for the year	59,246	115,732

(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 shares	Retained earnings	Other components of equity	Total		
Balance as of April 1, 2019	38,716	52,029	(32,381)	646,223	(6,553)	698,034	78	698,113
Profit for the year	-	-	-	85,211	-	85,211	(173)	85,037
Other comprehensive income	-	-	-	-	(25,795)	(25,795)	4	(25,790)
Total comprehensive income	-	-	-	85,211	(25,795)	59,415	(169)	59,246
Acquisition of treasury shares	-	-	(3)	-	-	(3)	-	(3)
Disposal of treasury shares	-	-	89	(21)	(67)	0	-	0
Dividends	-	-	-	(20,507)	-	(20,507)	-	(20,507)
Transfer from other components of equity to retained earnings	-	-	-	(4,950)	4,950	-	-	-
Change in shares of subsidiaries due to capital increase	-	-	-	-	-	-	159	159
Share-based payments	-	(50)	120	82	41	194	-	194
Conversion of convertible bonds	-	(120)	18,072	(272)	-	17,679	-	17,679
Total transactions with the owners of the Company	-	(170)	18,278	(25,668)	4,924	(2,636)	159	(2,476)
Balance as of March 31, 2020	38,716	51,858	(14,103)	705,765	(27,423)	754,813	69	754,883

(Unit: Millions of yen)

	Equity attributable to the owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance as of April 1, 2020	38,716	51,858	(14,103)	705,765	(27,423)	754,813	69	754,883
Profit for the year	-	-	-	77,268	-	77,268	(67)	77,200
Other comprehensive income	-	-	-	-	38,533	38,533	(1)	38,531
Total comprehensive income	-	-	-	77,268	38,533	115,801	(69)	115,732
Acquisition of treasury shares	-	-	(3)	-	-	(3)	-	(3)
Disposal of treasury shares	-	-	96	(14)	(82)	0	-	0
Dividends	-	-	-	(21,109)	-	(21,109)	-	(21,109)
Transfer from other components of equity to retained earnings	-	-	-	13,197	(13,197)	-	-	-
Share-based payments	-	0	99	102	47	249	-	249
Conversion of convertible bonds	-	(29)	7,072	(132)	-	6,910	-	6,910
Total transactions with the owners of the parent	-	(29)	7,265	(7,956)	(13,232)	(13,953)	-	(13,953)
Balance as of March 31, 2021	38,716	51,829	(6,838)	775,078	(2,123)	856,662	-	856,662

⑤ Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Cash flows from operating activities		
Profit before tax	106,466	97,060
Depreciation and amortization	52,358	53,932
Share of (profit)/loss of investments accounted for using the equity method	445	716
Increase/decrease in retirement benefit assets and liabilities	(695)	256
Interest and dividend income	(1,019)	(539)
Interest expenses	1,828	2,337
Foreign exchange (gain)/loss	262	249
(Gain)/loss on disposal of property, plant and equipment	114	498
(Increase)/decrease in trade and other receivables	(7,318)	6,417
(Increase)/decrease in inventories	(17,284)	(21,985)
Increase/(decrease) in trade and other payables	3,442	(814)
Others	3,396	6,754
Sub-total	141,995	144,884
Interest and dividend income received	1,215	740
Interest expenses paid	(956)	(1,062)
Income taxes paid	(24,774)	(23,076)
Net cash provided by/(used in) operating activities	117,479	121,485
Cash flow from investing activities		
Payments for purchase of time deposits	(154)	(149)
Proceeds from withdrawal of time deposits	1,313	305
Payments for purchase of property, plant and equipment	(62,316)	(62,318)
Proceeds from sale of property, plant and equipment	23	16
Payments for purchase of intangible assets	(21,168)	(20,806)
Proceeds from sale of intangible assets	-	212
Payments for purchase of financial instruments	(1,512)	(2,102)
Proceeds from sale of financial instruments	2	2,900
Payment for acquisition of shares of subsidiaries and other businesses	(902)	(3,374)
Net cash provided by/(used in) investing activities	(84,714)	(85,317)
Cash flow from financing activities		
Proceeds from short-term borrowings	40,000	-
Repayments of short-term borrowings	-	(40,000)
Proceeds from long-term borrowings	-	70,000
Payments for redemption of corporate bonds	-	(10,000)
Proceeds from non-controlling interests	159	-
Repayments of lease liabilities	(5,638)	(6,277)
Payments for purchase of treasury shares	(3)	(3)
Payments for dividends	(20,507)	(21,155)
Net cash provided by/(used in) financing activities	14,010	(7,436)
Effect of exchange rate changes on cash and cash equivalents	(2,859)	5,139
Net increase/(decrease) in cash and cash equivalents	43,916	33,871
Cash and cash equivalents at the beginning of the year	122,982	166,898
Cash and cash equivalents at the end of the year	166,898	200,770

5. Segment information

Reportable segment information

(1) Main products of each reportable segment

Reportable Segments	Sub-segments	Main products
Cardiac and Vascular Company	Interventional Systems (TIS)	Angiographic guidewires, Angiographic catheters, Introducer sheaths, Vascular closure devices, PTCA balloon catheters, Coronary stents, Self-expanding peripheral stents, IVUS, Imaging catheters and others
	Neurovascular	Coils and stents for treating cerebral aneurysm, Aspiration catheters and clot retrievers for treating ischemic stroke and others
	Cardiovascular	Oxygenators, Cardio-pulmonary bypass systems and others
	Vascular Graft	Artificial vascular grafts, Stent grafts
General Hospital Company	Hospital Systems	Infusion pumps, Syringe pumps, Solution sets, Syringes, I.V. solutions, Pain management products, Nutritious food, Adhesion barriers, Blood glucose monitoring systems, Blood pressure monitors, Digital thermometers and others
	Alliance	Contract manufacturing of prefilled syringes, Devices to pharmaceutical companies for use in drug kits (Prefillable syringes, Needles for pharmaceutical packaging business) and others
Blood and Cell Technologies Company	-	Blood bags, Component collection systems, Automated blood processing systems, Pathogen reduction systems, Centrifugal apheresis systems, Cell expansion systems and others

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

For the fiscal year ended March 31, 2020

	Reportable Segments				Adjustments (Note 1)	Amount recorded on consolidated financial statements
	Cardiac and Vascular Company	General Hospital Company	Blood and Cell Technologies Company	Total		
Revenue						
Revenue from sales to external customers	350,550	170,963	107,156	628,670	226	628,897
Segment Profit (Adjusted operating profit)	86,855	25,248	15,053	127,157	(2,158)	124,998
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(6,908)	-	(8,208)	(15,117)	(549)	(15,667)
Non-recurring profit or loss (Note 2)						1,280
Operating profit						110,611
Finance income						1,671
Finance costs						(5,371)
Share of profit/(loss) of investment accounted for using the equity method						(445)
Profit before tax						106,466
Other items						
Depreciation and amortization (Note 3)	25,222	12,250	14,541	52,014	344	52,358
Increase in property, plant and equipment and intangible assets	47,813	14,343	22,205	84,362	5,147	89,510

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

- (1) ¥226 million adjustments to Revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
- (2) ¥ (2,158) million adjustment to segment profit consists of ¥ (173) million for “inventories” and ¥ (1,929) million for preparation expenses to comply with Medical Device Regulation in EU.

(Note 2) ¥ 1,280 million Non-recurring profit or loss mainly includes ¥ 1,181 million for insurance revenue related to a hurricane in Puerto Rico in the fiscal year ended March 31, 2018, ¥ (1,514) million for business reorganization expenses and ¥ 2,239 million for the change in fair value of contingent consideration.

(Note 3) Amortization expenses of acquired intangible assets in business combinations are included in “Depreciation and amortization”.

For the fiscal year ended March 31, 2021

(Unit: Millions of yen)						
	Reportable Segments				Adjustments (Note 1)	Amount recorded on consolidated financial statements
	Cardiac and Vascular Company	General Hospital Company	Blood and Cell Technologies Company	Total		
Revenue						
Revenue from sales to external customers	328,549	175,545	109,491	613,586	256	613,842
Segment Profit (Adjusted operating profit)	74,399	25,739	19,088	119,227	(3,300)	115,927
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(6,948)	-	(8,012)	(14,961)	328	(14,632)
Non-recurring profit or loss(Note 2)						(2,907)
Operating profit						98,386
Finance income						1,727
Finance costs						(2,337)
Share of profit/(loss) of investment accounted for using the equity method						(716)
Profit before tax						97,060
Other items						
Depreciation and amortization (Note 3)	27,216	13,057	14,802	55,075	(1,143)	53,932
Increase in property, plant and equipment and intangible assets	34,614	15,144	23,282	73,041	4,167	77,208

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

- (1) ¥256 million adjustments to Revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
- (2) ¥(3,300) million adjustment to segment profit consists of ¥931 million for “inventories” and ¥(2,676) million for preparation expenses to comply with Medical Device Regulation in EU.

(Note 2) ¥(2,907) million Non-recurring profit or loss mainly includes ¥(1,365) million for the change in fair value of contingent consideration and ¥(692) million for business reorganization expenses.

(Note 3) Amortization expenses of acquired intangible assets in business combinations are included in “Depreciation and amortization”.