

Terumo Corporation
IFRS Financial Results for the First Quarter of the
Fiscal Year Ending March 31, 2021

IFRS Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021



August 6, 2020
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 Three Months Ended June 30, 2020 (From April 1, 2020 to June 30, 2020)

(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)	%
Three months ended June, 2020	131,298	(13.9)	18,073	(38.0)	17,885	(38.0)	13,971	(38.6)	14,002	(38.6)	9,997	267.9
Three months ended June, 2019	152,526	6.6	29,168	12.7	28,844	23.2	22,751	26.0	22,791	26.0	2,717	(92.9)

	Basic Earnings per share	Diluted Earnings per share
	(Yen)	(Yen)
Three months ended June, 2020	18.57	18.50
Three months ended June, 2019	30.67	30.15

(Notes) Adjusted operating profit: June 2020: 21,685 million yen June 2019: 33,949 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, 2020	1,286,641	758,001	757,963	58.9
As of March 31, 2020	1,241,355	754,883	754,813	60.8

2. Dividends

	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal Year ended March, 2020	---	14.00	---	14.00	28.00
Fiscal Year ended March, 2021	---	---	---	---	---
Fiscal Year ending March, 2021 (forecast)	---	14.00	---	14.00	28.00

(Notes) Revision of dividends forecast : None

3. Consolidated Forecast for the Fiscal Year Ending March, 2021 (From April 1, 2020 to March 31, 2021)

	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, 2021	600,000	(4.6)	103,000	(17.6)	85,000	(23.2)	65,000	(23.7)	86.19

(Notes) 1) Revision of forecast for fiscal year ending March, 2021 : Yes

Regarding the forecast for cumulative consolidated earnings for the fiscal year, please refer to the August 6th, 2020 press release "Terumo Announces its Full-Year Financial Guidance for FY2020".

2) Earnings per share is calculated by taking into consideration effects of the conversion of convertible bonds in the three months.

· Assumed exchange rate for fiscal year ending March, 2021: USD1=JPY105, EUR1=JPY120

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 June 30, 2020
Assets		
Current assets		
Cash and cash equivalents	166,898	212,014
Trade and other receivables	131,728	117,416
Other current financial assets	397	228
Inventories	147,147	161,815
Current tax assets	1,745	1,696
Other current assets	12,689	13,930
Total current assets	460,607	507,102
Non-current assets		
Property, plant and equipment	264,407	269,654
Goodwill and intangible assets	461,506	456,204
Investments accounted for using the equity method	5,275	5,094
Other non-current financial assets	17,733	16,214
Deferred tax assets	27,307	28,078
Other non-current assets	4,517	4,291
Total non-current assets	780,748	779,538
Total assets	1,241,355	1,286,641

(Unit: Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	88,044	78,149
Bonds and borrowings	50,324	50,000
Other current financial liabilities	6,144	6,695
Current tax liabilities	11,681	15,705
Provisions	395	358
Other current liabilities	55,256	47,151
Total current liabilities	211,845	198,060
Non-current liabilities		
Bonds and borrowings	195,870	251,405
Other non-current financial liabilities	31,802	33,083
Deferred tax liabilities	20,360	19,008
Defined benefit liabilities	18,456	19,395
Provisions	92	92
Other non-current liabilities	8,043	7,594
Total non-current liabilities	274,626	330,579
Total liabilities	486,472	528,639
Equity		
Share capital	38,716	38,716
Capital surplus	51,858	51,891
Treasury shares	(14,103)	(10,371)
Retained earnings	705,765	710,561
Other components of equity	(27,423)	(32,835)
Total equity attributable to owners of the parent	754,813	757,963
Non-controlling interests	69	37
Total equity	754,883	758,001
Total liabilities and equity	1,241,355	1,286,641

② Consolidated Statement of Profit or Loss

(Unit: Millions of yen)

	For the three months ended June 30, 2019	For the three months ended June 30, 2020
Revenue	152,526	131,298
Cost of sales	67,356	62,424
Gross profit	85,169	68,873
Selling, general and administrative expenses	56,365	51,255
Other income	1,151	844
Other expenses	787	388
Operating profit	29,168	18,073
Finance income	486	352
Finance costs	767	589
Share of profit (loss) of investments accounted for using the equity method	(43)	49
Profit before tax	28,844	17,885
Income tax expenses	6,092	3,913
Profit for the period	22,751	13,971
Attributable to:		
Owners of the parent	22,791	14,002
Non-controlling interests	(39)	(31)
Total profit for the period	22,751	13,971
Earnings per share		
Basic earnings per share (yen)	30.67	18.57
Diluted earnings per share (yen)	30.15	18.50

③ Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	For the three months ended June 30, 2019	For the three months ended June 30, 2020
Profit for the period	22,751	13,971
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	920	420
Total items that will not be reclassified to profit or loss	920	420
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(20,853)	(5,061)
Cash flow hedges	(22)	433
Cost of hedging	(80)	233
Total items that are or may be reclassified subsequently to profit or loss	(20,955)	(4,395)
Total other comprehensive income (loss) for the period	(20,034)	(3,974)
Total comprehensive income for the period	2,717	9,997
Attributable to		
Owners of the parent	2,751	10,028
Non-controlling interests	(33)	(31)
Total comprehensive income for the period	2,717	9,997

(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
	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 period	—	—	—	22,791	—	22,791	(39)	22,751
Other comprehensive income	—	—	—	—	(20,040)	(20,040)	5	(20,034)
Total comprehensive income	—	—	—	22,791	(20,040)	2,751	(33)	2,717
Acquisition of treasury shares	—	—	(1)	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	18	(5)	(13)	0	—	0
Dividends	—	—	—	(10,029)	—	(10,029)	—	(10,029)
Change in shares of subsidiaries due to capital increase	—	—	—	—	—	—	53	53
Conversion of convertible bonds	—	(3)	446	(6)	—	436	—	436
Total transactions with the owners of the parent	—	(3)	464	(10,041)	(13)	(9,594)	53	(9,540)
Balance as of June 30, 2019	38,716	52,025	(31,917)	658,973	(26,606)	691,191	98	691,290

(Unit: Millions of yen)

	Equity attributable to the owners of the parent						Non-controlling interests	Total
	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 period	—	—	—	14,002	—	14,002	(31)	13,971
Other comprehensive income	—	—	—	—	(3,973)	(3,973)	(0)	(3,974)
Total comprehensive income	—	—	—	14,002	(3,973)	10,028	(31)	9,997
Acquisition of treasury shares	—	—	(0)	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	43	0	(43)	0	—	0
Dividends	—	—	—	(10,531)	—	(10,531)	—	(10,531)
Transfer from other components of equity to retained earnings	—	—	—	1,393	(1,393)	—	—	—
Share-based payments	—	50	—	—	—	50	—	50
Conversion of convertible bonds	—	(17)	3,689	(69)	—	3,602	—	3,602
Total transactions with the owners of the parent	—	33	3,731	(9,206)	(1,437)	(6,879)	—	(6,879)
Balance as of June 30, 2020	38,716	51,891	(10,371)	710,561	(32,835)	757,963	37	758,001

⑤ Segment information

▪ Reportable segment information

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

▪ Changes in name of reportable segment

The segment previously named “Blood Management Company” was changed to “Blood and Cell Technologies Company” from the fiscal year ended March 31, 2020. This change in name does not affect the segment information. The name of reportable segment for the fiscal year ended June 30, 2019 was also revised to “Blood and Cell Technologies Company”.

For the first quarter of the fiscal year ended June 30, 2019

(Unit: Millions of yen)

	Reportable Segments				Adjustments (Note)	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	88,502	39,756	24,212	152,472	54	152,526
Segment Profit (Adjusted operating profit)	24,527	5,241	2,630	32,398	1,550	33,949
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(1,787)	—	(2,074)	(3,862)	(150)	(4,013)
Non-recurring profit or loss						(767)
Operating profit						29,168
Finance income						486
Finance costs						(767)
Share of profit/(loss) of investment accounted for using the equity method						(43)
Profit before tax						28,844

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

- (1) ¥54 million adjustment to revenue from sales to external customers is mainly proceeds from temporary staffing that is not attributable to reportable segments.
- (2) ¥1,550 million adjustment to segment profit consists of ¥899 million for “inventories” and ¥651 million for “others”.

For the first quarter of the fiscal year ended June 30, 2020

(Unit: Millions of yen)

	Reportable Segments				Adjustments (Note)	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	67,315	39,183	24,733	131,232	65	131,298
Segment Profit (Adjusted operating profit)	12,405	5,171	3,886	21,463	222	21,685
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(1,733)	—	(2,031)	(3,765)	269	(3,496)
Non-recurring profit or loss						(116)
Operating profit						18,073
Finance income						352
Finance costs						(589)
Share of profit/(loss) of investment accounted for using the equity method						49
Profit before tax						17,885

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

- (1) ¥65 million adjustment to revenue from sales to external customers is mainly proceeds from temporary staffing that is not attributable to reportable segments.
- (2) ¥222 million adjustment to segment profit consists of ¥197 million for “inventories” and ¥25 million for “others”.