



February 9, 2022

Consolidated Financial Results for the Third Quarter Ended December 31, 2021 Terumo Corporation [IFRS]

Company name: TERUMO CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 4543
 URL: <https://www.terumo.com/>
 Representative: Shinjiro Sato, President and CEO
 Inquiries: Kenichi Hata, General Manager, Investor Relations Dept.
 Telephone: +81-3-6742-8550
 Scheduled date to file quarterly securities report: February 14, 2022
 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, 2021 (from April 1, 2021 to December 31, 2021)

(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 parent | | Total comprehensive income | |
|-------------------|-----------------|-------|------------------|--------|-------------------|--------|-----------------------|--------|---|--------|----------------------------|--------|
| Nine months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| December 31, 2021 | 523,482 | 16.7 | 94,455 | 25.5 | 93,044 | 24.2 | 71,696 | 22.6 | 71,696 | 22.3 | 102,045 | 182.9 |
| December 31, 2020 | 448,628 | (4.6) | 75,272 | (12.7) | 74,928 | (12.4) | 58,502 | (12.4) | 58,601 | (12.4) | 36,077 | (36.4) |

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine months ended | Yen | Yen |
| December 31, 2021 | 94.82 | 94.76 |
| December 31, 2020 | 77.63 | 77.44 |

(Note) Adjusted operating profit December 2021: 107,157 million yen December 2020: 88,489 million yen

(2) Consolidated financial position

| | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets |
|-------------------|-----------------|-----------------|---|--|
| As of | Millions of yen | Millions of yen | Millions of yen | % |
| December 31, 2021 | 1,401,522 | 935,904 | 935,904 | 66.8 |
| March 31, 2021 | 1,351,192 | 856,662 | 856,662 | 63.4 |

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, 2021 | — | 14.00 | — | 15.00 | 29.00 |
| Fiscal year ending March 31, 2022 | — | 16.00 | — | | |
| Fiscal year ending March 31, 2022 (Forecast) | | | | 16.00 | 32.00 |

(Note) Revision from the dividend forecast, which is published in the most recent: None

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

(Percentages indicate year-on-year changes.)

| | Revenue | | Adjusted operating profit | | Operating profit | | Profit for the year attributable to owners of parent | | Basic earnings per share |
|--------------------------------|-----------------|------|---------------------------|------|------------------|------|--|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal Year ending March, 2022 | 697,000 | 13.5 | 137,000 | 18.2 | 120,000 | 22.0 | 92,000 | 19.1 | 121.66 |

(Note) Revision of forecast for fiscal year ending March, 2022: Yes

Regarding the forecast for cumulative consolidated earnings for the fiscal year, please refer to the February 9th, 2022 press release “Terumo Revises its Full-Year Financial Guidance for FY2021”.

Basic earnings per share is calculated by taking into consideration effects of the conversion of convertible bonds in the nine months.

- Assumed exchange rate for fiscal year ending March, 2022: USD1=112JPY, EUR1=130JPY

*Notes

(1) Changes in significant subsidiaries during the current quarterly consolidated cumulative period (changes in specified subsidiaries resulting in changes in the 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: None

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

(iii) Changes in accounting estimates: None

(3) Number of outstanding shares (common stock)

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

| | | | |
|-------------------------------------|--------------------|-------------------------------------|--------------------|
| As of December 31, 2021 | 759,521,040 shares | As of March 31, 2021 | 759,521,040 shares |
| As of December 31, 2021 | 3,203,152 shares | As of March 31, 2021 | 3,508,047 shares |
| Nine months ended December 31, 2021 | 756,170,427 shares | Nine months ended December 31, 2020 | 754,856,119 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 accountants or audit firms.

*Explanation on appropriate use of financial results forecasts and other special notes

1. Forward-looking statements, including earnings forecasts, 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 Terumo that it will achieve these goals. In addition, actual results may differ significantly due to several factors. For the assumptions that are the premise of the earnings forecast and the precautions for using the earnings forecast, refer to [Attachment], page 8, "1. Overview of Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2022 (3) Forecasts, including the Consolidated Financial Results for the Fiscal Year Ending March 31, 2022".
2. Adjusted operating profit factors out amortization expense for intangible assets obtained during acquisitions and one-off income and expenses 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.

○ Table of contents of attached materials

| | |
|---|----|
| 1. Overview of Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2022 | 5 |
| (1) Overview of Consolidated Business Results..... | 5 |
| (2) Overview of Consolidated Statement of Financial Position | 8 |
| (3) Forecasts, including the Consolidated Financial Results for the Fiscal Year Ending March 31, 2022 | 8 |
| 2. Condensed Consolidated Financial Statements..... | 9 |
| (1) Condensed Consolidated Statement of Financial Position..... | 9 |
| (2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income | 11 |
| (3) Condensed Consolidated Statement of Change in Equity | 13 |
| (4) Notes Pertaining to Condensed Consolidated Financial Statements..... | 13 |
| (i) Going Concern Assumption | 13 |
| (ii) Segment information | 14 |

1. Overview of Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2022

(1) Overview of Consolidated Business Results

In the first nine months of the current fiscal year (from April 1, 2021 to December 31, 2021), the Group's sales were generally strong amid the ongoing recovery trend in medical demand from the impacts of the COVID-19 pandemic experienced in the first three months of the current fiscal year. However, the problems of inflation on manufacturing cost and lower capacity utilization in factories along with supply chain disruptions seen across all industries and regions have begun to affect the Group as well. The Group will need to continue finding ways to secure stable supplies of these resources from the fourth quarter into next fiscal year.

Financial results for the first nine months are as follows:

(Unit: Millions of yen)

| | For the nine months ended December 31, 2020 | For the nine months ended December 31, 2021 | Growth (%) | Growth excluding impact of FX translations (%) |
|--|---|---|------------|--|
| Revenue | 448,628 | 523,482 | 16.7 | 11.9 |
| Gross profit | 241,268 | 278,841 | 15.6 | 10.2 |
| Adjusted operating profit | 88,489 | 107,157 | 21.1 | 13.3 |
| Operating profit | 75,272 | 94,455 | 25.5 | 16.9 |
| Profit before tax | 74,928 | 93,044 | 24.2 | — |
| Profit for the period | 58,502 | 71,696 | 22.6 | — |
| Profit for the period attributable to owners of parent | 58,601 | 71,696 | 22.3 | — |

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, 2020 | For the nine months ended December 31, 2021 | Growth (%) | Growth excluding impact of FX translations (%) |
|------------------|---|---|------------|--|
| Japan | 148,349 | 155,034 | 4.5 | 4.5 |
| Europe | 87,547 | 103,997 | 18.8 | 11.2 |
| Americas | 131,132 | 161,219 | 22.9 | 17.2 |
| Asia and others | 81,598 | 103,231 | 26.5 | 17.6 |
| Overseas total | 300,279 | 368,447 | 22.7 | 15.5 |
| Total | 448,628 | 523,482 | 16.7 | 11.9 |

Revenue

Revenue totaled ¥523.5 billion, an increase of 16.7% versus the same period in the previous fiscal year.

In Japan, overall revenue increased by 4.5% year on year, amid strong revenue in Alliance division, infusion and syringe pumps in Hospital systems division of General Hospital Company, and, along with the steady recovery in demand in TIS division (interventional devices) and Neurovascular division of Cardiac and Vascular Company. Revenue overseas increased by 22.7% in comparison with the previous year amid indications of a robust recovery in demand in TIS division and Neurovascular division of Cardiac and Vascular Company as well as Blood and Cell Technologies Company.

Gross profit

Gross profit came to ¥278.8 billion, an increase of 15.6% compared with the previous fiscal year, reflecting the increase in revenue.

Adjusted operating profit

Adjusted operating profit came to ¥107.2 billion, an increase of 21.1% year on year, owing to the increase in gross profit which exceeded the increase in selling, general and administrative expenses.

Adjusted operating profit factors out amortization expense for intangible assets obtained during acquisitions and one-off income and expenses 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.

Operating profit

Operating profit came to ¥94.5 billion, an increase of 25.5% year on year, owing to the increase in adjusted operating profit.

Profit before tax

Profit before tax was ¥93.0 billion, an increase of 24.2% versus the same period a year earlier owing to the increase in operating profit.

Profit for the period attributable to owners of parent

Profit for the period attributable to owners of parent totaled ¥71.7 billion, an increase of 22.3% year on year, driven by the increase in profit before tax.

Revenue results of the reportable segments are as follows:

| (Millions of yen) | | | | | |
|-------------------------------------|------------|---|---|------------|--|
| Segment | | For the nine months ended December 31, 2020 | For the nine months ended December 31, 2021 | Growth (%) | Growth excluding impact of FX translations (%) |
| Cardiac and Vascular Company | Revenue | 238,405 | 294,403 | 23.5 | 17.1 |
| | (Japan) | 36,608 | 38,478 | 5.1 | 5.1 |
| | (Overseas) | 201,796 | 255,924 | 26.8 | 19.2 |
| General Hospital Company | Revenue | 129,023 | 138,733 | 7.5 | 6.1 |
| | (Japan) | 102,594 | 107,664 | 4.9 | 4.9 |
| | (Overseas) | 26,429 | 31,069 | 17.6 | 10.8 |
| Blood and Cell Technologies Company | Revenue | 81,007 | 90,154 | 11.3 | 5.9 |
| | (Japan) | 8,954 | 8,700 | (2.8) | (2.8) |
| | (Overseas) | 72,053 | 81,453 | 13.0 | 6.9 |

Cardiac and Vascular Company

Global revenue increased 23.5% over the same period of the previous year to ¥294.4 billion. In Japan, sales increased amid the recovery in demand of TIS division and Neurovascular division. Overseas, in North America and Europe, there was a robust recovery in demand in TIS and Neurovascular division.

General Hospital Company

Global revenue increased 7.5% to ¥138.7 billion. In both Japan and overseas, there were strong sales of infusion and syringe pumps in Hospital systems division following a recovery in medical demand and further enhancements to medical systems. Additionally, Alliance division continued to grow.

Blood and Cell Technologies Company

Global revenue increased 11.3% to ¥90.2 billion. In Japan, mainly sales to blood centers declined slightly. Overseas, there was a recovery in demand for whole blood collection, therapeutic apheresis systems, and cell processing products.

(2) Overview of Consolidated Statement of Financial Position

Total assets stood at ¥1,401.5 billion, an increase of ¥50.3 billion. This was mainly owing to an increase in property, plant and equipment of ¥15.7 billion from investments in manufacturing facility and an increase in goodwill and intangible assets of ¥14.9 billion from investments in new IT systems and the impacts of yen weakness in FX.

Total liabilities came to ¥465.6 billion, a decrease of ¥28.9 billion. This was mainly attributed to a decline in trade and other payables of ¥11.7 billion due to the payments related to facilities and a decrease in bonds and borrowings of ¥7.7 billion due to repayment of corporate bonds.

Total equity was ¥935.9 billion, an increase of ¥79.2 billion. This mainly reflects an increase of ¥71.7 billion from posting profit for the period and booking of other comprehensive income associated with the impacts of yen weakness in FX as noted above that resulted in an ¥30.3 billion increase, compared to a decrease of ¥23.4 billion due to the payment of dividends from retained earnings.

(3) Forecasts, including the Consolidated Financial Results for the Fiscal Year Ending March 31, 2022

At present, we must continue to monitor risks such as uncertainty about subsequent waves of COVID-19 infections and risks posed by a drop in demand, supply chain disruptions, inflation on manufacturing cost, and lower capacity utilization in factories. Nevertheless, the Group plans to focus on the introduction and expansion of highly value-added products that will boost the quality and efficiency of healthcare, along with further improvement to manufacturing costs, and effective use of selling, general and administrative expenses.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

| | (Unit: Millions of yen) | |
|--|-------------------------|----------------------------|
| | As of March 31, 2021 | As of December 31, 2021 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 200,770 | 204,905 |
| Trade and other receivables | 128,770 | 133,681 |
| Other current financial assets | 1,116 | 1,842 |
| Inventories | 175,576 | 185,893 |
| Current tax assets | 510 | 775 |
| Other current assets | 17,222 | 16,745 |
| Total current assets | 523,966 | 543,844 |
| Non-current assets | | |
| Property, plant and equipment | 299,679 | 315,334 |
| Goodwill and intangible assets | 471,834 | 486,713 |
| Investments accounted for using the equity method | 3,644 | 4,030 |
| Other non-current financial assets | 19,449 | 21,443 |
| Deferred tax assets | 23,729 | 20,952 |
| Other non-current assets | 8,887 | 9,203 |
| Total non-current assets | 827,225 | 857,677 |
| Total assets | 1,351,192 | 1,401,522 |

| | (Unit: Millions of yen) | |
|---|-------------------------|----------------------------|
| | As of March 31, 2021 | As of December 31, 2021 |
| Liabilities and Equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 83,528 | 71,788 |
| Bonds and borrowings | 42,072 | 32,377 |
| Other current financial liabilities | 7,784 | 7,140 |
| Current tax liabilities | 14,311 | 10,079 |
| Provisions | 374 | 464 |
| Other current liabilities | 63,295 | 66,034 |
| Total current liabilities | 211,366 | 187,885 |
| Non-current liabilities | | |
| Bonds and borrowings | 218,497 | 220,488 |
| Other non-current financial liabilities | 32,122 | 27,950 |
| Deferred tax liabilities | 15,962 | 12,205 |
| Retirement benefit liabilities | 6,639 | 6,979 |
| Provisions | 96 | 102 |
| Other non-current liabilities | 9,845 | 10,005 |
| Total non-current liabilities | 283,163 | 277,732 |
| Total liabilities | 494,530 | 465,617 |
| Equity | | |
| Share capital | 38,716 | 38,716 |
| Capital surplus | 51,829 | 51,874 |
| Treasury shares | (6,838) | (6,245) |
| Retained earnings | 775,078 | 823,177 |
| Other components of equity | (2,123) | 28,381 |
| Total equity attributable to owners of parent | 856,662 | 935,904 |
| Total equity | 856,662 | 935,904 |
| Total liabilities and equity | 1,351,192 | 1,401,522 |

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

(Condensed Consolidated Statement of Profit or Loss)

| | (Unit: Millions of yen) | |
|--|--|--|
| | For the nine months ended December 31, 2020 | For the nine months ended December 31, 2021 |
| Revenue | 448,628 | 523,482 |
| Cost of sales | 207,360 | 244,641 |
| Gross profit | 241,268 | 278,841 |
| Selling, general and administrative expenses | 166,546 | 183,738 |
| Other income | 2,309 | 1,814 |
| Other expenses | 1,758 | 2,461 |
| Operating profit | 75,272 | 94,455 |
| Finance income | 1,745 | 759 |
| Finance costs | 1,421 | 2,603 |
| Share of profit/(loss) of investments accounted for using the equity method | (668) | 433 |
| Profit before tax | 74,928 | 93,044 |
| Income tax expenses | 16,426 | 21,348 |
| Profit for the period | 58,502 | 71,696 |
| Attributable to: | | |
| Owners of parent | 58,601 | 71,696 |
| Non-controlling interests | (98) | — |
| Total profit for the period | 58,502 | 71,696 |
| Earnings per share | | |
| Basic earnings per share (yen) | 77.63 | 94.82 |
| Diluted earnings per share (yen) | 77.44 | 94.76 |

(Condensed Consolidated Statement of Comprehensive Income)

| | (Unit: Millions of yen) | |
|---|--|--|
| | For the nine months ended December 31, 2020 | For the nine months ended December 31, 2021 |
| Profit for the period | 58,502 | 71,696 |
| 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 | 1,172 | 106 |
| Remeasurements of defined benefit plans | 139 | 15 |
| Total items that will not be reclassified to profit or loss | 1,311 | 121 |
| Items that are or may be reclassified subsequently to profit or loss | | |
| Exchange differences on translation of foreign operations | (24,377) | 30,018 |
| Cash flow hedges | 143 | 228 |
| Cost of hedging | 497 | (20) |
| Total items that are or may be reclassified subsequently to profit or loss | (23,736) | 30,227 |
| Total other comprehensive income/(loss) for the period | (22,424) | 30,348 |
| Total comprehensive income for the period | 36,077 | 102,045 |
| Attributable to | | |
| Owners of parent | 36,176 | 102,045 |
| Non-controlling interests | (99) | — |
| Total comprehensive income for the period | 36,077 | 102,045 |

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

(3) Condensed Consolidated Statements of Changes in Equity

(Unit: Millions of yen)

| | Equity attributable to owners of 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 period | — | — | — | 58,601 | — | 58,601 | (98) | 58,502 |
| Other comprehensive income | — | — | — | — | (22,424) | (22,424) | (0) | (22,424) |
| Total comprehensive income | — | — | — | 58,601 | (22,424) | 36,176 | (99) | 36,077 |
| Acquisition of treasury shares | — | — | (2) | — | — | (2) | — | (2) |
| 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 | — | — | — | 1,532 | (1,532) | — | — | — |
| Share-based payments | — | (49) | 99 | 102 | 35 | 187 | — | 187 |
| Conversion of convertible bonds | — | (29) | 6,501 | (121) | — | 6,350 | — | 6,350 |
| Total transactions with owners of parent | — | (79) | 6,694 | (19,610) | (1,580) | (14,574) | — | (14,574) |
| Balance as of December 31, 2020 | 38,716 | 51,779 | (7,408) | 744,756 | (51,428) | 776,416 | (29) | 776,386 |

(Unit: Millions of yen)

| | Equity attributable to owners of parent | | | | | | Non-controlling interests | Total equity |
|---|---|-----------------|-----------------|-------------------|----------------------------|----------|---------------------------|--------------|
| | Share capital | Capital surplus | Treasury shares | Retained earnings | Other components of equity | Total | | |
| Balance as of April 1, 2021 | 38,716 | 51,829 | (6,838) | 775,078 | (2,123) | 856,662 | — | 856,662 |
| Profit for the period | — | — | — | 71,696 | — | 71,696 | — | 71,696 |
| Other comprehensive income | — | — | — | — | 30,348 | 30,348 | — | 30,348 |
| Total comprehensive income | — | — | — | 71,696 | 30,348 | 102,045 | — | 102,045 |
| Acquisition of treasury shares | — | — | (2) | — | — | (2) | — | (2) |
| Disposal of treasury shares | — | (5) | 33 | — | (27) | 0 | — | 0 |
| Dividends | — | — | — | (23,440) | — | (23,440) | — | (23,440) |
| Transfer from other components of equity to retained earnings | — | — | — | (156) | 156 | — | — | — |
| Share-based payments | — | 62 | 91 | — | 26 | 180 | — | 180 |
| Conversion of convertible bonds | — | (11) | 470 | — | — | 459 | — | 459 |
| Total transactions with owners of parent | — | 45 | 592 | (23,597) | 156 | (22,803) | — | (22,803) |
| Balance as of December 31, 2021 | 38,716 | 51,874 | (6,245) | 823,177 | 28,381 | 935,904 | — | 935,904 |

(4) Notes Pertaining to Condensed Consolidated Financial Statements**(i) Going Concern Assumption**

Not applicable

(ii) 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 headquarter of each in-house company plans their own comprehensive domestic and international strategies and conducts their own business activities.

The three segments are Cardiac and Vascular Company, General Hospital Company, and Blood and Cell technologies Company.

(2) Reportable segment information

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

For the nine months ended December 31, 2020

| | Reportable Segments | | | | (Unit: Millions of yen) | |
|--|------------------------------|--------------------------|-------------------------------------|----------|-------------------------|--|
| | Cardiac and Vascular Company | General Hospital Company | Blood and Cell Technologies Company | Total | Adjustments (Note 1) | Amount recorded on condensed consolidated financial statements |
| Revenue | | | | | | |
| Revenue from sales to external customers | 238,405 | 129,023 | 81,007 | 448,437 | 191 | 448,628 |
| Segment Profit (Adjusted operating profit) | 56,032 | 20,476 | 14,438 | 90,948 | (2,458) | 88,489 |
| (Adjustment item) | | | | | | |
| Amortization of intangible assets acquired through business combinations | (5,201) | — | (6,009) | (11,211) | 372 | (10,838) |
| Non-recurring profit or loss (Note 2) | | | | | | (2,378) |
| Operating profit | | | | | | 75,272 |
| Finance income | | | | | | 1,745 |
| Finance costs | | | | | | (1,421) |
| Share of profit/(loss) of investment accounted for using the equity method | | | | | | (668) |
| Profit before tax | | | | | | 74,928 |

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

- (1) ¥191 million adjustments to Revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
- (2) ¥(2,458) million adjustment to segment profit consists of ¥413 million for inventories and ¥(1,762) million for preparation expenses to comply with Medical Device Regulation in EU.

(Note 2) ¥(2,378) million Non-recurring profit or loss mainly includes ¥(1,838) million for the change in fair value of contingent consideration and ¥(383) million for business reorganization expenses.

For the nine months ended December 31, 2021

| | Reportable Segments | | | | Adjustments (Note 1) | (Unit: Millions of yen) Amount recorded on condensed consolidated financial statements |
|--|------------------------------------|--------------------------------|--|----------|-------------------------|--|
| | Cardiac and Vascular Company | General Hospital Company | Blood and Cell Technologies Company | Total | | |
| Revenue | | | | | | |
| Revenue from sales to external customers | 294,403 | 138,733 | 90,154 | 523,291 | 190 | 523,482 |
| Segment Profit (Adjusted operating profit) | 72,326 | 19,345 | 17,191 | 108,862 | (1,705) | 107,157 |
| (Adjustment item) | | | | | | |
| Amortization of intangible assets acquired through business combinations | (5,496) | — | (6,294) | (11,791) | (50) | (11,841) |
| Non-recurring profit or loss (Note 2) | | | | | | (860) |
| Operating profit | | | | | | 94,455 |
| Finance income | | | | | | 759 |
| Finance costs | | | | | | (2,603) |
| Share of profit/(loss) of investment accounted for using the equity method | | | | | | 433 |
| Profit before tax | | | | | | 93,044 |

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

- (1) ¥190 million adjustments to Revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
 - (2) ¥(1,705) million adjustment to segment profit consists of ¥(85) million for inventories and ¥(1,962) million for preparation expenses to comply with Medical Device Regulation in EU.
- (Note 2) ¥(860) million Non-recurring profit or loss mainly includes ¥(213) million for the change in fair value of contingent consideration and ¥(645) million for business reorganization expenses.