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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 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 of annual general meeting of shareholders: June 22, 2022
 Scheduled date to file annual securities report: June 23, 2022
 Scheduled date to commence dividend payments: June 23, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of 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 fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of parent		Total comprehensive income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	703,303	14.6	115,960	17.9	114,501	18.0	88,813	15.0	88,813	14.9	178,394	54.1
March 31, 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

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Profit before tax per total assets	Operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	117.45	117.38	9.5	8.1	16.5
March 31, 2021	102.33	102.11	9.6	7.5	16.0

(Note) Share of profit (loss) of investments accounted for using the equity method March 2022: 440 million yen
 March 2021: (716) million yen
 Adjusted operating profit March 2022: 134,441 million yen March 2021: 115,927 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	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	(Yen)
March 31, 2022	1,473,693	1,012,313	1,012,313	68.7	1,338.46
March 31, 2021	1,351,192	856,662	856,662	63.4	1,133.13

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	141,467	(78,454)	(70,879)	205,251
March 31, 2021	121,485	(85,317)	(7,436)	200,770

2. Cash dividends

	Annual dividends per share					Total dividends (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended								
March 31, 2021	—	14.00	—	15.00	29.00	21,917	28.3	2.7
March 31, 2022	—	16.00	—	18.00	34.00	25,714	28.9	2.8
Fiscal year ending March 31, 2023 (Forecast)	—	18.00	—	18.00	36.00		26.9	

(Note) The company revises year-end dividends per share for the fiscal year ended March 2022 from 16yen to 18yen.

Please refer to the May 12th, 2022 press release, “Terumo Announces Dividends for Fiscal Year Ended March 31, 2022 (Increased payment)”.

3. Consolidated Forecast for the Fiscal Year Ending March, 2023 (From April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Revenue		Adjusted operating profit		Operating profit		Profit 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, 2023	775,000	10.2	151,000	12.3	132,000	13.8	100,000	12.6	133.88

(Note) Assumed exchange rate for fiscal year ending March, 2023: USD1=125JPY, EUR1=135JPY

*Notes

(1) Changes in significant subsidiaries during the year (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 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 [Attachment], page 15, “3. Consolidated financial statements and main notes (5) Notes to consolidated financial statements (ii) Changes in accounting policy”.

(3) Number of outstanding shares (common stock)

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

As of March 31, 2022	759,521,040 shares	As of March 31, 2021	759,521,040 shares
As of March 31, 2022	3,194,976 shares	As of March 31, 2021	3,508,047 shares
As of March 31, 2022	756,209,050 shares	As of March 31, 2021	755,097,852 shares

(ii) Treasury shares at the end of the year

(iii) Average number of shares during the year

*Financial statements are not subject to audits 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 5, "1. Overview of Financial Results for the Fiscal Year Ended March 31, 2022 (4) Mid- to Long-term Outlook ".

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.

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1. Overview of Financial Results for the Fiscal Year Ended March 31, 2022**(1) Overview of Consolidated Business Results**

In December 2016 the Terumo Group devised a Mid- to Long-term Growth Strategy with a five-year horizon. The Mid- to Long-term Vision was to become a “Global Corporation with Unique Excellence.” The Group aimed to become recognized by medical professionals worldwide as a top brand and a trusted manufacturer. To this end, the Group’s management focused on earning a high level of trust globally for our total quality (which includes the total quality of products, supply, and services). In the fiscal year under review, which is the final fiscal year of this growth strategy, Terumo’s consolidated business results were as follows.

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022	Growth (%)	Growth excluding impact of FX translations (%)
Revenue	613,842	703,303	14.6	9.7
Gross profit	326,623	369,341	13.1	8.2
Adjusted operating profit	115,927	134,441	16.0	10.4
Operating profit	98,386	115,960	17.9	11.8
Profit before tax	97,060	114,501	18.0	—
Profit for the year	77,200	88,813	15.0	—
Profit for the year attributable to owners of parent	77,268	88,813	14.9	—

Revenue by geographic areas for the fiscal year under review is as follows:

(Unit: Millions of yen)

Geographic areas	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022	Growth (%)	Growth excluding impact of FX translations (%)
Japan	201,758	206,143	2.2	2.2
Europe	120,389	140,417	16.6	10.2
Americas	180,798	220,400	21.9	15.0
China	45,525	59,350	30.4	17.9
Asia and others	65,371	76,991	17.8	11.9
Overseas total	412,084	497,159	20.6	13.4
Total	613,842	703,303	14.6	9.7

Revenue

Revenue totaled ¥703.3 billion, an increase of 14.6% versus the previous fiscal year. Revenue was steady mainly overseas amid the strong recovery seen in previously weakened demand of Cardiac and Vascular Company due to the spread of the COVID-19 pandemic since the previous fiscal year. In Japan, revenue was strong amid the recovery in demand for syringe and infusion related products.

Profit

Gross profit came to ¥369.3 billion, an increase of 13.1% compared with the previous fiscal year. This was

underpinned by the increase in revenue mainly seen in Cardiac and Vascular Company, despite the impacts of increased costs due to soaring manufacturing cost and transportation cost that materialized since the second quarter.

Adjusted operating profit came to ¥134.4 billion, an increase of 16.0% year on year, due to the increase in gross profit and control of some selling, general and administrative expenses.

As a result, operating profit, profit before tax, and profit for the year attributable to owners of parent, each increased year over year.

Adjusted operating profit is a non-IFRS performance indicator that we disclose. 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.

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 Terumo Group's earnings.

Revenue results of the reportable segments are as follows:

(Millions of yen)

Segment		For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022	Growth (%)	Growth excluding impact of FX translations (%)
Cardiac and Vascular Company	Revenue	328,549	397,130	20.9	14.4
	(Japan)	50,208	51,144	1.9	1.9
	(Overseas)	278,341	345,986	24.3	16.6
Medical Care Solutions Company	Revenue	175,545	185,335	5.6	4.2
	(Japan)	139,139	142,735	2.6	2.6
	(Overseas)	36,405	42,599	17.0	10.5
Blood and Cell Technologies Company	Revenue	109,491	120,586	10.1	4.7
	(Japan)	12,154	12,012	(1.2)	(1.2)
	(Overseas)	97,336	108,573	11.5	5.4

Cardiac and Vascular Company

In Japan, there was a moderate recovery in demand from the repeated impacts of the COVID-19 pandemic. Nonetheless, revenue increased as overall sales were driven by carotid artery stents in Neurovascular division. Overseas, revenue performed well across all businesses particularly in Europe and North America, amid the strong recovery in demand seen by TIS division (interventional devices) and Neurovascular division.

Accordingly, revenue in Cardiac and Vascular Company totaled ¥397.1 billion, an increase of 20.9% year on year.

Medical Care Solutions Company

The name of General Hospital Company was changed to Medical Care Solutions Company in FY2022. Following the launch of the new 5-year growth strategy announced in December 2021, we will push ahead with organizational reforms aimed at sustainable growth of the company and enhance recognition of the new brand.

As for performance in FY2021, the company experienced a recovery in demand for syringes and infusion related products primarily in its mainstay market of Japan. Additionally, sales of infusion pumps and syringe pumps along with the B2B business with pharmaceutical companies of Pharmaceutical Solutions division (formerly, Alliance division) grew globally.

Reflecting these, revenue in Medical Care Solutions Company was ¥185.3 billion, an increase of 5.6% versus the previous year.

Blood and Cell Technologies Company

In Japan, sales of blood center products declined slightly due to the slowdown in demand for blood bags. Overseas, demand recovered for whole blood collection, products related to automated blood processing, and therapeutic apheresis systems mainly in Europe and North America. Moreover, in China, the company posted robust growth of close to 30% mainly for blood component collection systems for blood centers.

Consequently, revenue in Blood and Cell Technologies Company totaled ¥120.6 billion, a rise of 10.1% year on year.

(2) Overview of Consolidated Financial Position

Total assets stood at ¥1,473.7 billion, an increase of ¥122.5 billion. This was mainly owing to an increase in property, plant and equipment of ¥34.2 billion due to investment in manufacturing facility as well as an increase in goodwill and intangible assets of ¥43.0 billion from investments in new IT systems and the impacts of yen weakness in foreign exchange rates.

Total liabilities came to ¥461.4 billion, a decrease of ¥33.2 billion. This was mainly attributed to a decrease of ¥34.6 billion in bonds and borrowings owing to repayments of long-term loans payable and payments for redemption of corporate bonds.

Total equity was ¥1,012.3 billion, an increase of ¥155.7 billion. This mainly reflects an increase from posting profit for the year of ¥88.8 billion, while the booking of other comprehensive income associated with the aforementioned foreign exchange rates impact resulted in a ¥89.6 billion increase, which offset the decrease of ¥23.4 billion from dividends from retained earnings.

(3) Cash flow trends in the fiscal year ended March 31, 2022

(Millions of yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022	Change
Cash flows from operating activities	121,485	141,467	19,982
Cash flows from investing activities	(85,317)	(78,454)	6,862
Cash flows from financing activities	(7,436)	(70,879)	(63,442)
Cash and cash equivalents at the end of the year	200,770	205,251	4,481

Cash flows from operating activities

Net cash provided by operating activities was ¥141.5 billion. The main factors for this were profit before tax of ¥114.5 billion, depreciation and amortization of ¥58.9 billion, and income taxes paid of ¥30.5 billion.

Cash flows from investing activities

Net cash used in investment activities was ¥78.5 billion. The main factors for this were expenditures of ¥53.5 billion for the acquisition of property, plant and equipment following capital expenditures for manufacturing facility and expenditures of ¥20.6 billion for the acquisition of intangible assets following investment in new IT system.

Cash flows from financing activities

Net cash used in financing activities was ¥70.9 billion. The main factors for this were expenditures of ¥30.7 billion for the repayments of long-term loans payable, expenditures of ¥10.0 billion due to redemption of corporate bonds and dividend payments of ¥23.5 billion.

(Reference) Cash flow indicators

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Equity ratio (%)	60.8	63.4	68.7
Market cap-based equity ratio (%)	225.4	223.8	191.1
Interest-bearing debt to cash flow ratio (annual)	2.3	2.4	1.8
Interest coverage ratio (x)	122.8	114.3	107.8

Note: Equity ratio = Shareholders' equity/Total assets

Market cap-based equity ratio = Total market capitalization/Total assets

Interest-bearing debt to cash flow ratio = interest-bearing debt/cash flow

Interest coverage ratio = cash flow/total interest payments

*All of the above is calculated on a consolidated basis.

*Market capitalization = fiscal year-end share price multiplied by the total number of shares outstanding excluding treasury stock

*The cash flow above is the cash flow provided by operating activities as stated in the consolidated statements of cash flows. The interest-bearing debt includes all liabilities posted in the consolidated statement of financial position on which the company pays interest. Also, the figure for interest expenses in the consolidated statements of cash flows was employed as the amount for interest payments.

(4) Mid- to Long-term Outlook

The medical device market is expected to expand going forward mainly due to a rise in chronic illnesses in tandem with an increase of older population. Meanwhile, as a rise in medical spending squeezes government budgets, there will be a shift to healthcare that emphasizes value and efficiency. Additionally, the evolution in genome analysis along with digital and AI-driven technologies is expected to promote further advancements in personalized medicine. Based on these changes in business environment, the Group established a 5-year growth strategy running from FY2022 to FY2026.

Mid- to Long-term Vision “From Devices to Solutions”

Under the Group Mission of “Contributing to Society through Healthcare,” the Group will provide solutions that contribute to improved patient quality of life over the long-term as well as the evolution of healthcare systems around the world with a greater emphasis on resolving issues on the front lines of medicine.

Growth Strategy by Company

Cardiac and Vascular Company

The company's vision for its 5-year growth strategy is "Together with our customers, we strive to create the next standard of patient care and drive the evolution of medicine on the front line." To realize this vision, the company will expand the treatment business for cancer along with ischemic stroke, brain aneurysm, aortic aneurysm, and peripheral artery diseases through new product launches, drive adoption of radial access (an intervention technique to approach from the artery on the wrist that is less invasive) across disease areas, and evolve operations underpinning growth by lowering costs and improving supply systems using globally optimized production.

Medical Care Solutions Company

The company's vision for its 5-year growth strategy is "We provide patient centered solutions that integrate our unique technologies, contributing to the advancement of high quality, innovative medical care." To realize this vision, the company will create mechanisms for data and monitoring that support personalized medicine for patients with chronic disease and provide value, such as increasing hospital management efficiency and treatment safety and improving management of medical equipment and data in hospital, as well as propose solutions that combine unique devices and services to maximize the value of pharmaceuticals.

Blood and Cell Technologies Company

The company's vision for its 5-year growth strategy is "Provide compelling and accessible innovations globally that unlock the power of blood and cells to improve patient outcomes and serve unmet medical needs." To realize this vision, the company will pursue Blood and Beyond to expand target markets using various methods including geographic regions, diseases and supply chains, Equipment and Beyond to improve customer experience using services and software, business expansion in emerging markets, and improve operational excellence to take the company's supply system and marketing activities to the next level.

Based on the growth strategy, each of the three companies will work on value creation harnessing its own unique strengths, and at the same time, the Group will improve the quality and efficiency of corporate functions to achieve the forecast of financial results for FY2022, the initial fiscal year, and seek to achieve the mid- to long-term vision of "From Devices to Solutions."

The forecast of financial results for the fiscal year ending March 2023 is as follows.

Consolidated forecast of financial results for the year ending March 2023

(Millions of yen)

	For the fiscal year ended March 31, 2022 Financial Results	For the fiscal year ending March 31, 2023 Financial Results Forecast	Change	Rate of Change (%)
Revenue	703,303	775,000	71,696	10.2
Adjusted operating profit	134,441	151,000	16,558	12.3
Adjusted operating profit ratio	19.1%	19.5%	—	—
Operating profit	115,960	132,000	16,039	13.8
Operating profit ratio	16.5%	17.0%	—	—
Profit for the year attributable to owners of parent	88,813	100,000	11,186	12.6

Actual exchange rate for the fiscal year ended March 31, 2022 1 USD equals 112 JPY and 1 EUR equals 131 JPY
Exchange rate assumption for the fiscal year ending March 31, 2023: 1 USD equals 125 JPY and 1 EUR equals 135 JPY

(5) Basic policy for profit distribution, dividend payouts in the fiscal year ended March 31, 2022 and payout plan for the fiscal year ending March 31, 2023

As a measure to secure high profit margins and sustainable growth, Terumo Group adequately and actively reinvests profits to constantly enhance its corporate value. This is consistent with the group's pledge to distribute profits to shareholders and maximize the value of its investments.

As for the distribution of profits to shareholders, Terumo will continually aim to steadily increase its dividend payouts to shareholders and has set a mid- to long-term dividend payout ratio target of 30%.

In the fiscal year ended March 31, 2022, the Company plans to pay cash dividends per share of ¥34. Therefore, the fiscal year-end dividend is ¥18 per share, and the interim dividend, which has already been paid, was ¥16 per share.

In the fiscal year ending March 31, 2023, the Company plans to pay an annual cash dividend of ¥36 per share (interim dividend of ¥18).

Cautionary note:

Forward-looking statements, including earnings forecasts, contained in Terumo's 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. Please note that the actual results or outcomes could differ due to a number of factors. Key elements that are likely to have an impact on actual earnings performance include economic conditions surrounding the Company's business environment, volatility in foreign exchange rates, and competition.

2. Basic Concept Regarding the Selection of Accounting Standards

The Group has applied IFRS from the fiscal year ended March 31, 2018 for the purpose of improving the international comparability of financial information in the capital market, enhancing the accuracy of business management and strengthening its governance across the Group through the unified accounting rules.

3.Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

	(Unit: Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	200,770	205,251
Trade and other receivables	128,770	135,998
Other current financial assets	1,116	63
Inventories	175,576	198,536
Current tax assets	510	778
Other current assets	17,222	18,086
Total current assets	523,966	558,713
Non-current assets		
Property, plant and equipment	299,679	333,864
Goodwill and intangible assets	471,834	514,801
Investments accounted for using the equity method	3,644	4,133
Other non-current financial assets	19,449	25,937
Deferred tax assets	23,729	20,198
Other non-current assets	8,887	16,043
Total non-current assets	827,225	914,979
Total assets	1,351,192	1,473,693

	(Unit: Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	83,528	81,545
Bonds and borrowings	42,072	1,121
Other current financial liabilities	7,784	7,228
Current tax liabilities	14,311	14,104
Provisions	374	499
Other current liabilities	63,295	73,222
Total current liabilities	211,366	177,721
Non-current liabilities		
Bonds and borrowings	218,497	224,875
Other non-current financial liabilities	32,122	30,297
Deferred tax liabilities	15,962	12,746
Retirement benefit liabilities	6,639	5,811
Provisions	96	113
Other non-current liabilities	9,845	9,813
Total non-current liabilities	283,163	283,658
Total liabilities	494,530	461,379
Equity		
Share capital	38,716	38,716
Capital surplus	51,829	51,921
Treasury shares	(6,838)	(6,229)
Retained earnings	775,078	846,978
Other components of equity	(2,123)	80,926
Total equity attributable to owners of parent	856,662	1,012,313
Total equity	856,662	1,012,313
Total liabilities and equity	1,351,192	1,473,693

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

(Consolidated Statement of Profit or Loss)

	(Unit: Millions of yen)	
	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Revenue	613,842	703,303
Cost of sales	287,219	333,962
Gross profit	326,623	369,341
Selling, general and administrative expenses	228,566	250,891
Other income	3,814	2,500
Other expenses	3,485	4,990
Operating profit	98,386	115,960
Finance income	1,727	1,062
Finance costs	2,337	2,961
Share of profit/(loss) of investments accounted for using the equity method	(716)	440
Profit before tax	97,060	114,501
Income tax expenses	19,859	25,687
Profit for the year	77,200	88,813
Attributable to:		
Owners of parent	77,268	88,813
Non-controlling interests	(67)	—
Total profit for the year	77,200	88,813
Earnings per share		
Basic earnings per share (yen)	102.33	117.45
Diluted earnings per share (yen)	102.11	117.38

(Consolidated Statement of Comprehensive Income)

	(Unit: Millions of yen)	
	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit for the year	77,200	88,813
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	1,448	(29)
Remeasurements of defined benefit plans	11,803	6,699
Total items that will not be reclassified to profit or loss	13,252	6,670
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	24,390	83,029
Cash flow hedges	667	(458)
Cost of hedging	220	340
Total items that are or may reclassified subsequently to profit or loss	25,278	82,910
Total other comprehensive income/(loss) for the year	38,531	89,581
Total comprehensive income for the year	115,732	178,394
Attributable to:		
Owners of parent	115,801	178,394
Non-controlling interests	(69)	—
Total comprehensive income for the year	115,732	178,394

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

(3) 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 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 owners of 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

(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 year	—	—	—	88,813	—	88,813	—	88,813
Other comprehensive income	—	—	—	—	89,581	89,581	—	89,581
Total comprehensive income	—	—	—	88,813	89,581	178,394	—	178,394
Acquisition of treasury shares	—	—	(3)	—	—	(3)	—	(3)
Disposal of treasury shares	—	(10)	49	—	(38)	0	—	0
Dividends	—	—	—	(23,440)	—	(23,440)	—	(23,440)
Transfer from other components of equity to retained earnings	—	—	—	6,527	(6,527)	—	—	—
Share-based payments	—	114	91	—	35	241	—	241
Conversion of convertible bonds	—	(11)	470	—	—	459	—	459
Total transactions with owners of parent	—	92	608	(16,913)	(6,531)	(22,742)	—	(22,742)
Balance as of March 31, 2022	38,716	51,921	(6,229)	846,978	80,926	1,012,313	—	1,012,313

(4) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	97,060	114,501
Depreciation and amortization	53,932	58,882
Share of the (profit)/loss of investments accounted for using the equity method	716	(440)
Increase/(decrease) in retirement benefit assets or liabilities	256	646
Interest and dividend income	(539)	(640)
Interest expenses	2,337	1,833
Foreign exchange (gain)/loss	249	2,187
(Gain)/loss on disposal of property, plant and equipment	498	472
(Increase)/decrease in trade and other receivables	6,417	(895)
(Increase)/decrease in inventories	(21,985)	(8,166)
Increase/(decrease) in trade and other payables	(814)	55
Others	6,754	3,799
Sub-total	144,884	172,236
Interest and dividend income received	740	1,033
Interest expenses paid	(1,062)	(1,312)
Income taxes paid	(23,076)	(30,489)
Net cash provided by operating activities	121,485	141,467
Cash flow from investing activities		
Payments for purchase of time deposits	(149)	(3)
Proceeds from withdrawal of time deposits	305	7
Payments for purchase of property, plant and equipment	(62,318)	(53,515)
Proceeds from sale of property, plant and equipment	16	26
Payments for purchase of intangible assets	(20,806)	(20,590)
Proceeds from sale of intangible assets	212	—
Payments for purchase of financial instruments	(2,102)	(1,705)
Proceeds from sale of financial instruments	2,900	180
Payments for acquisition of shares of subsidiaries and other businesses	(3,374)	(2,853)
Net cash used in investing activities	(85,317)	(78,454)
Cash flow from financing activities		
Repayments of short-term borrowings	(40,000)	—
Proceeds from long-term borrowings	70,000	—
Repayments of long-term borrowings	—	(30,670)
Payments for redemption of corporate bonds	(10,000)	(10,000)
Repayments of lease liabilities	(6,277)	(6,750)
Payments for purchase of treasury shares	(3)	(3)
Payments for dividends	(21,155)	(23,455)
Net cash provided by financing activities	(7,436)	(70,879)
Effect of exchange rate changes on cash and cash equivalents	5,139	12,347
Net increase/(decrease) in cash and cash equivalents	33,871	4,481
Cash and cash equivalents at the beginning of the year	166,898	200,770
Cash and cash equivalents at the end of the year	200,770	205,251

(5) Notes to consolidated financial statements

(i) Going Concern Assumption

Not applicable

(ii) Changes in accounting policy

The Group has adopted the standards and interpretations below from the fiscal year ended March 31, 2022. The effect of adopting these standards on the Group's consolidated financial statements is insignificant.

	Standard/Interpretation	Outline of the new standards, interpretations and amendments
IFRS7	Financial Instruments: Disclosures	Amendment to correspond to the impact to financial reporting caused during the period of transition from the existing interest rate benchmark to alternative benchmark rates due to IBOR reform.
IFRS9	Financial Instruments	
IFRS16	Leases	

(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 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, Medical Care Solutions Company, and Blood and Cell technologies Company.

The segment which was previously stated as “General Hospital Company” has been changed to “Medical Care Solutions Company” from the fiscal year ended March 31, 2022. This change in name does not affect the segment information.

As for sub-segments, in the former “Hospital Systems”, “General Hospital Products” and “Pharmaceutical” have been combined into “Hospital Care Solutions”, “DM and Consumer Healthcare” has been renamed “Life Care Solutions”. In addition, the former “Alliance” has been renamed “Pharmaceutical Solutions”.

In accordance with this change, the name of reportable segment for the fiscal year ended March 31, 2021 has also been stated as “Medical Care Solutions Company”.

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, stents and intrasaccular devices for treating cerebral aneurysm, Embolization System, 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
Medical Care Solutions Company	Hospital Care Solutions	Syringes, Infusion pumps, Syringe pumps, Infusion lines, I.V. solutions, Peritoneal dialysis fluid, Pain management products, Nutritious food, Adhesion barriers and others
	Life Care Solutions	Blood glucose monitoring systems, Disposable needles for pen-injector, Insulin patch pumps, Blood pressure monitors, Digital thermometers and others
	Pharmaceutical Solutions	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) Reportable segment information

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

For the fiscal year ended March 31, 2021

(Unit: Millions of yen)

	Reportable Segments				Adjustments (Note 1)	Amount recorded on condensed consolidated financial statements
	Cardiac and Vascular Company	Medical Care Solutions 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 adjustment 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 mainly includes ¥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”.

For the fiscal year ended March 31, 2022

(Unit: Millions of yen)

	Reportable Segments				Adjustments (Note 1)	Amount recorded on condensed consolidated financial statements
	Cardiac and Vascular Company	Medical Care Solutions Company	Blood and Cell Technologies Company	Total		
Revenue						
Revenue from sales to external customers	397,130	185,335	120,586	703,052	251	703,303
Segment profit (Adjusted operating profit)	93,227	23,604	20,841	137,673	(3,232)	134,441
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(7,451)	—	(8,487)	(15,939)	(125)	(16,064)
Non-recurring profit or loss (Note 2)						(2,415)
Operating profit						115,960
Finance income						1,062
Finance costs						(2,961)
Share of profit/(loss) of investment accounted for using the equity method						440
Profit before tax						114,501
Other items						
Depreciation and amortization (Note 3)	29,776	14,178	15,613	59,568	(686)	58,882
Increase in property, plant and equipment and intangible assets	31,954	15,285	17,599	64,839	4,390	69,230

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

- (1) ¥251 million adjustment to revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
 - (2) ¥(3,232) million adjustment to segment profit mainly includes ¥(301) million for inventories and ¥(2,630) million for preparation expenses to comply with Medical Device Regulation in EU.
- (Note 2) ¥(2,415) million non-recurring profit or loss mainly includes ¥(215) million for the change in fair value of contingent consideration and ¥(1,645) million for business reorganization expenses.
- (Note 3) Amortization expenses of acquired intangible assets in business combinations are included in “Depreciation and amortization”.

(iv) Earnings per share

The basis for calculating basic earnings per share and diluted earnings per share attributable to the Company's ordinary shareholders is as follows:

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit for the year attributable to owners of parent (millions of yen)	77,268	88,813
Profit for the year adjustments		
Adjustments relating to convertible bonds with share subscription rights (millions of yen)	4	0
Profit for the year used to calculate diluted earnings per share (millions of yen)	77,273	88,813
Weighted average number of ordinary shares (shares)	755,097,852	756,209,050
Increase in the number of ordinary shares		
Convertible bond with share subscription rights (shares)	1,292,609	100,892
Stock option plan (shares)	372,721	350,982
Weighted average number of ordinary shares after dilution (shares)	756,763,182	756,660,924
Basic earnings per share (yen)	102.33	117.45
Diluted earnings per share (yen)	102.11	117.38

(Note) Basic earnings per share is calculated by dividing profit for the year attributable to ordinary shareholders of parent by the weighted average number of ordinary shares outstanding during the year.

(v) Subsequent Events

Acquisition and Cancellation of the Own Shares

The Company resolved during the board of directors meeting held on May 12, 2022 an acquisition of its own shares under Article 156 of the Corporate Law, as applied pursuant to Article 165, Paragraph 3 of the same law and cancellation of its own shares under Article 178 of the Corporate Law.

(1) Reason for acquisition and cancellation of own shares

To improve shareholder return and capital efficiency

(2) Details of acquisition

1) Class of shares to be acquired

Terumo's common stock

2) Total number of shares to be acquired

15,000 thousands shares (maximum)

(Percentage to total number of issued shares excluding treasury stock: 1.98%)

3) Total Value of Shares to be Acquired

¥50 billion (maximum)

4) Acquisition Period

From May 13, 2022 to December 30, 2022

5) Acquisition Method

Purchase on the market of Tokyo Stock Exchange

(3) Details of cancellation

1) Class of shares to be cancelled

Terumo's common stock

2) Number of shares to be canceled

All of the shares acquired as stated in (2) above

3) Planned cancellation date

January 13, 2023

4. Others

Overview of production, orders received and sales

(i) Production results

Reportable Segments	For the fiscal year ended March 31, 2022 Millions of yen	Year-to-year comparison %
Cardiac and Vascular Company	388,358	11.5
Medical Care Solutions Company	181,857	6.5
Blood and Cell Technologies Company	114,402	1.6
Total	684,619	8.4

(Note1) The amount is based on the selling price and before intersegment transfer.

(Note2) For the product of segment, refer to the page 16, “General information on reportable segments”

(ii) Orders received

Order status is omitted as the Group mainly engages in prospective production.

(iii) Sales results

Reportable Segments	Sub-segments	For the fiscal year ended March 31, 2022 Millions of yen	Year-to-year comparison %
Cardiac and Vascular Company	Interventional Systems (TIS)	263,947	19.6
	Neurovascular	58,155	29.2
	Cardiovascular	47,350	13.9
	Vascular Graft	27,677	29.8
Medical Care Solutions Company	Hospital Care Solutions	128,041	6.1
	Life Care Solutions	26,690	1.9
	Pharmaceutical Solutions	30,603	6.9
Blood and Cell Technologies Company	—	120,586	10.1
Adjustments		251	(2.0)
Total		703,303	14.6

(Note) ¥251 million adjustment is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.