



August 8, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 Terumo Corporation [IFRS]

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 Listing: Tokyo Stock Exchange
 Securities code: 4543
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 Scheduled date to commence dividend payments: —
 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 three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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 the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended												
June 30, 2024	258,194	19.9	44,640	50.6	45,635	53.1	33,891	50.3	33,891	50.3	107,644	0.4
June 30, 2023	215,252	9.1	29,644	(2.6)	29,804	0.5	22,549	0.7	22,549	0.7	107,172	(9.0)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	22.82	22.82
June 30, 2023	15.14	15.14

(Note) Adjusted operating profit June 2024: 51,078 million yen June 2023: 34,478 million yen

The Company conducted a two-for-one share split of its common stock effective on April 1, 2024. Basic earnings per share and diluted earnings per share have been calculated on the assumption that the share split was carried out at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2024	1,868,956	1,418,461	1,418,461	75.9
March 31, 2024	1,831,402	1,327,090	1,327,090	72.5

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, 2024	—	22.00	—	22.00	44.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Guidance)		13.00	—	13.00	26.00

(Note 1) Revision from the dividend guidance, which is published most recently: None

(Note 2) The Company conducted a two-for-one share split of its common stock effective on April 1, 2024. For the second quarter and year-end dividends in the year ended March 31, 2024, the amounts of dividends before the share split are recorded. For the second quarter and year-end dividends in the year ending March 31, 2025 (Guidance), the amounts of dividends are recorded after consideration of the effects of the share split.

3. Consolidated Financial Guidance for the Fiscal Year Ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Adjusted operating profit		Operating profit		Profit for the year attributable to owners of the parent		Basic Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March, 2025	980,000	6.3	185,000	18.0	165,000	17.8	122,000	14.7	82.17

(Note 1) Revision of guidance for the fiscal year ending March 31, 2025, which is published most recently: None

(Note 2) Assumed exchange rate for the fiscal year ending March 31, 2025: USD1=JPY145, EUR1=JPY155

*Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: — (Company Name: —)

Excluded : — (Company Name: —)

(2) Changes in accounting policies and changes in 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 [attached materials], page 13, “2. Condensed Quarterly Consolidated Financial Statements (5) Notes Pertaining to Condensed Quarterly Consolidated Financial Statements (ii) Changes in accounting policy”.

(3) Number of shares outstanding (common stock)

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

As of June 30, 2024	1,490,697,280 shares	As of March 31, 2024	1,490,697,280 shares
As of June 30, 2024	5,842,060 shares	As of March 31, 2024	5,930,404 shares
Three months ended June 30, 2024	1,484,852,049 shares	Three months ended June, 2023	1,489,281,671 shares

(ii) Treasury shares at the end of the period

(iii) Average number of shares during the period (cumulative quarterly)

Note: The Company conducted a two-for-one share split of its common stock effective on April 1, 2024.

Number of shares outstanding at the end of the period (including treasury shares), Treasury shares at the end of the period and Average number of shares during the period have been calculated on the assumption that the share split was carried out at the beginning of the previous fiscal year.

* Review of Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation on appropriate use of financial guidance and other special notes

1. Forward-looking statements, including financial guidance, 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 the Company that it will achieve these goals. In addition, actual results may differ significantly due to various factors. For the assumptions that are the premise of the financial guidance and the precautions for using the financial guidance, refer to [attached materials], page 6, “1. Overview of Financial Results for the Three Months Ended June 30, 2024 (4) Guidance, including the Consolidated Financial Results for the Fiscal Year Ending March 31, 2025”.

2. Adjusted operating profit excludes amortization expenses for intangible assets recognized in acquisitions and non-recurring profit or loss from operating profit. Adjusted operating profit is the basis for segment profit and is disclosed as it is used as a performance indicator for the Group.

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1. Overview of Financial Results for the Three Months Ended June 30, 2024

(1) Overview of Consolidated Business Results

In the three months of the current fiscal year (from April 1 to June 30, 2024), the Group's sales trended strongly amid growing demand for products globally and the effects of foreign exchange rates.

Financial results for the first three months are as follows:

(Unit: Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024	Growth (%)	Growth excluding FX impact (%)
Revenue	215,252	258,194	19.9	9.8
Gross profit	109,799	137,569	25.3	11.7
Adjusted operating profit	34,478	51,078	48.1	23.9
Operating profit	29,644	44,640	50.6	24.1
Profit before tax	29,804	45,635	53.1	-
Profit for the period	22,549	33,891	50.3	-
Profit for the period attributable to owners of the parent	22,549	33,891	50.3	-

Revenue by geographic areas for the first three months is as follows:

(Unit: Millions of yen)

Geographic areas	For the three months ended June 30, 2023	For the three months ended June 30, 2024	Growth (%)	Growth excluding FX impact (%)
Americas	74,045	95,939	29.6	14.8
Europe	44,368	54,095	21.9	8.3
China	19,955	23,040	15.5	5.0
Asia and others	29,428	32,299	9.8	0.1
Overseas total	167,798	205,374	22.4	9.4
Japan	47,454	52,819	11.3	11.3
Total	215,252	258,194	19.9	9.8

Revenue

Revenue totaled ¥258.2 billion, an increase of 19.9% compared to the same period in the previous fiscal year. Overseas, revenue increased by 22.4% year on year owing to increased demand in TIS (catheter) division and for blood centers business, along with the effects of foreign exchange rates.

In Japan, revenue increased by 11.3% year on year, amid strong sales of Hospital Care Solutions division and Pharmaceutical Solutions division, which pursues alliance business with pharmaceutical companies.

Profit

Gross profit totaled ¥137.6 billion, an increase of 25.3% compared to the same period of the previous fiscal year, because of the higher revenue.

Adjusted operating profit totaled ¥51.1 billion, an increase of 48.1% compared to the same period of the previous fiscal year, because of the higher gross profit.

Operating profit, profit for the period and profit for the period attributable to owners of the parent respectively increased amid the increase in gross profit.

Adjusted operating profit is a non-IFRS performance indicator that we disclose. Adjusted operating profit excludes amortization expenses for intangible assets recognized in acquisitions and non-recurring profit or loss 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 Group's earnings.

Revenue results of the reportable segments are as follows:

(Unit: Millions of yen)

Segment		For the three months ended June 30, 2023	For the three months ended June 30, 2024	Growth (%)	Growth excluding FX impact (%)
Cardiac and Vascular Company	Revenue	130,584	156,714	20.0	8.1
	(Overseas)	117,510	143,688	22.3	9.1
	(Japan)	13,073	13,025	(0.4)	(0.4)
Medical Care Solutions Company	Revenue	43,681	51,757	18.5	15.3
	(Overseas)	11,794	14,664	24.3	12.5
	(Japan)	31,887	37,092	16.3	16.3
Blood and Cell Technologies Company	Revenue	40,924	49,657	21.3	9.2
	(Overseas)	38,493	47,021	22.2	9.2
	(Japan)	2,430	2,636	8.5	8.5

Cardiac and Vascular Company

Overseas, revenue increased 22.3% year on year driven by TIS (catheter) division and Neurovascular division, as all businesses recorded double digit growth. In Japan, sales of Vascular Graft division were strong, but revenue from TIS (catheter) division declined, resulting in a decrease in revenue of 0.4% year on year. As a result, global revenue increased by 20.0% compared to the same period of the previous fiscal year to ¥156.7 billion.

Medical Care Solutions Company

In Japan, revenue increased by 16.3% year on year, amid growing demand for Hospital Care Solutions division and Pharmaceutical Solutions division, along with pricing policy. Overseas, revenue increased 24.3% year on year owing to higher revenue mainly in the Americas. As a result, global revenue increased by 18.5% compared to the same period of the previous fiscal year to ¥51.8 billion.

Blood and Cell Technologies Company

Overseas, revenue was up 22.2% year on year as the business for blood centers in the Americas and Europe was strong. In Japan, revenue increased 8.5% year on year owing to the increase in revenue of blood center products. As a result, global revenue increased by 21.3% compared to the same period of the previous fiscal year to ¥49.7 billion.

(2) Overview of Consolidated Statement of Financial Position

Total assets stood at ¥1,869.0 billion, an increase of ¥37.6 billion. This was mainly due to increases in trade and other receivables and inventories of ¥6.4 billion and ¥13.5 billion, respectively, resulting from foreign exchange rate impacts, and increases in property, plant and equipment of ¥14.6 billion and goodwill and intangible assets of ¥28.8 billion, due to foreign exchange rate impacts and investment in production facilities and new IT systems. Meanwhile, there was a decrease in other financial assets of ¥19.5 billion due to the settlement of derivatives associated with the repayment of long-term loans payable, and a decrease in cash and cash equivalents of ¥10.0 billion owing to repayment of long-term loans payable and payment of dividends. Total liabilities came to ¥450.5 billion, a decrease of ¥53.8 billion. This was mainly due to a decrease in bonds and borrowings of ¥37.1 billion, resulting from the repayment of long-term loans payable, a decrease in other current liabilities of ¥8.6 billion mainly due to the payment of bonuses, and a decrease of ¥7.0 billion in trade and other payables due to payments related to equipment.

Total equity was ¥1,418.5 billion, an increase of ¥91.4 billion. This mainly reflects an increase from posting profit for the period of ¥33.9 billion, as well as the booking of other comprehensive income associated with foreign exchange rate impacts resulted in a ¥73.8 billion increase, which offset a decrease of ¥16.3 billion from dividends from retained earnings.

(3) Cash flow trends for the three months ended June 30, 2024

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024	Change
Cash flows from operating activities	11,431	35,699	24,267
Cash flows from investing activities	(19,314)	(20,736)	(1,422)
Cash flows from financing activities	(27,524)	(33,223)	(5,698)
Cash and cash equivalents at the end of the period	160,052	194,909	34,856

Cash flows from operating activities

Net cash provided by operating activities was ¥35.7 billion. The main factors for this were profit before tax of ¥45.6 billion, depreciation and amortization of ¥21.0 billion, income taxes paid of ¥18.2 billion and a decrease in trade and other receivables of ¥5.2 billion.

Cash flows from investing activities

Net cash used in investing activities was ¥20.7 billion. The main factors for this were expenditures of ¥15.3 billion for purchase of property, plant and equipment following capital expenditures for manufacturing facilities, and expenditures of ¥3.5 billion for purchase of intangible assets following investment in new IT systems.

Cash flows from financing activities

Net cash used in financing activities was ¥33.2 billion. This was mainly due to proceeds from short-term borrowings of ¥20.0 billion, proceeds from long-term borrowings of ¥30.0 billion, proceeds from the issue of corporate bonds of ¥69.8 billion, proceeds from settlement of derivative of ¥25.4 billion, expenditures from repayment of long-term borrowings of ¥160.3 billion, and payments for dividends of ¥16.2 billion.

In addition to the above, there was a ¥8.3 billion increase from the effect of exchange rate changes on cash and cash equivalents. As a result, the fiscal quarter-end balance of cash and cash equivalents as of the end of the first quarter stood at ¥194.9 billion, down ¥10.0 billion from the end of the previous fiscal year.

(4) Guidance, including the Consolidated Financial Results for the Fiscal Year Ending March 31, 2025

No changes have been made to the guidance of consolidated financial results announced on May 14, 2024. Although the operating environment is expected to remain uncertain due to changes in the environment surrounding the medical device and pharmaceutical industries and trends in foreign exchange rates, to achieve its targets the Group will focus on the following: development and sales expansion of high value-added products that contribute to improving the quality and efficiency of medical care, continuous cost improvement, and effective management of selling, general and administrative expenses.

2. Condensed Quarterly Consolidated Financial Statements**(1) Condensed Quarterly Consolidated Statement of Financial Position**

	(Unit: Millions of yen)	
	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	204,883	194,909
Trade and other receivables	178,710	185,061
Other current financial assets	26,158	1,828
Inventories	286,599	300,109
Current tax assets	1,337	1,569
Other current assets	24,426	25,292
Total current assets	722,116	708,772
Non-current assets		
Property, plant and equipment	415,845	430,466
Goodwill and intangible assets	588,225	617,061
Investments accounted for using the equity method	2,410	2,458
Other non-current financial assets	36,368	41,212
Deferred tax assets	19,977	22,945
Other non-current assets	46,458	46,040
Total non-current assets	1,109,286	1,160,183
Total assets	1,831,402	1,868,956

	(Unit: Millions of yen)	
	As of March 31, 2024	As of June 30, 2024
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	93,770	86,793
Bonds and borrowings	156,870	35,000
Other current financial liabilities	7,837	8,153
Current tax liabilities	26,467	22,309
Provisions	213	243
Other current liabilities	93,992	85,344
Total current liabilities	379,152	237,843
Non-current liabilities		
Bonds and borrowings	74,978	159,786
Other non-current financial liabilities	30,824	31,727
Deferred tax liabilities	3,025	4,997
Retirement benefit liabilities	5,939	6,272
Provisions	112	120
Other non-current liabilities	10,279	9,747
Total non-current liabilities	125,159	212,651
Total liabilities	504,311	450,494
Equity		
Share capital	38,716	38,716
Capital surplus	51,752	51,815
Treasury shares	(12,436)	(12,252)
Retained earnings	954,679	972,156
Other components of equity	294,379	368,025
Total equity attributable to owners of the parent	1,327,090	1,418,461
Total equity	1,327,090	1,418,461
Total liabilities and equity	1,831,402	1,868,956

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

(Condensed Quarterly Consolidated Statement of Profit or Loss)

(Unit: Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Revenue	215,252	258,194
Cost of sales	105,453	120,624
Gross profit	109,799	137,569
Selling, general and administrative expenses	80,492	92,157
Other income	970	584
Other expenses	632	1,356
Operating profit	29,644	44,640
Finance income	593	1,522
Finance costs	444	568
Share of profit of investments accounted for using the equity method	11	41
Profit before tax	29,804	45,635
Income tax expenses	7,254	11,744
Profit for the period	22,549	33,891
Attributable to:		
Owners of the parent	22,549	33,891
Total profit for the period	22,549	33,891
Earnings per share		
Basic earnings per share (yen)	15.14	22.82
Diluted earnings per share (yen)	15.14	22.82

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Unit: Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit for the period	22,549	33,891
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	(64)	1,853
Total items that will not be reclassified to profit or loss	(64)	1,853
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	84,564	71,845
Cash flow hedges	207	(2)
Cost of hedging	(84)	56
Total items that are or may be reclassified subsequently to profit or loss	84,687	71,900
Total other comprehensive income for the period	84,622	73,753
Total comprehensive income for the period	<u>107,172</u>	<u>107,644</u>
Attributable to:		
Owners of the parent	<u>107,172</u>	<u>107,644</u>
Total comprehensive income for the period	<u>107,172</u>	<u>107,644</u>

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

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

For the three months ended June 30, 2023

(Unit: Millions of yen)

	Equity attributable to owners of the parent					Total	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2023	38,716	51,759	(11,539)	874,272	157,855	1,111,063	1,111,063
Profit for the period	-	-	-	22,549	-	22,549	22,549
Other comprehensive income	-	-	-	-	84,622	84,622	84,622
Total comprehensive income	-	-	-	22,549	84,622	107,172	107,172
Acquisition of treasury shares	-	-	(0)	-	-	(0)	(0)
Disposal of treasury shares	-	(72)	138	-	(65)	0	0
Dividends	-	-	-	(15,636)	-	(15,636)	(15,636)
Transfer from retained earnings to capital surplus	-	72	-	(72)	-	-	-
Share-based payments	-	63	(0)	-	-	62	62
Total transactions with owners of the parent	-	63	136	(15,709)	(65)	(15,575)	(15,575)
Balance as of June 30, 2023	38,716	51,822	(11,403)	881,113	242,412	1,202,660	1,202,660

For the three months ended June 30, 2024

(Unit: Millions of yen)

	Equity attributable to owners of the parent					Total	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2024	38,716	51,752	(12,436)	954,679	294,379	1,327,090	1,327,090
Profit for the period	-	-	-	33,891	-	33,891	33,891
Other comprehensive income	-	-	-	-	73,753	73,753	73,753
Total comprehensive income	-	-	-	33,891	73,753	107,644	107,644
Acquisition of treasury shares	-	-	(2)	-	-	(2)	(2)
Disposal of treasury shares	-	(81)	188	-	(107)	0	0
Dividends	-	-	-	(16,332)	-	(16,332)	(16,332)
Transfer from retained earnings to capital surplus	-	81	-	(81)	-	-	-
Share-based payments	-	62	(1)	-	-	61	61
Total transactions with owners of the parent	-	62	184	(16,413)	(107)	(16,273)	(16,273)
Balance as of June 30, 2024	38,716	51,815	(12,252)	972,156	368,025	1,418,461	1,418,461

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	(Unit: Millions of yen)	
	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Cash flows from operating activities		
Profit before tax	29,804	45,635
Depreciation and amortization	17,959	21,003
Impairment losses	-	1,266
Share of the (profit)/loss of investments accounted for using the equity method	(11)	(41)
Increase/(decrease) in retirement benefit assets or liabilities	689	412
Interest and dividend income	(438)	(764)
Interest expenses	409	563
Foreign exchange (gain)/loss	(553)	406
(Gain)/loss on disposal of property, plant and equipment	(324)	(40)
(Increase)/decrease in trade and other receivables	1,315	393
(Increase)/decrease in inventories	(5,161)	1,991
Increase/(decrease) in trade and other payables	(6,358)	(5,154)
Others	(9,018)	(12,187)
Sub-total	28,312	53,483
Interest and dividend income received	1,154	998
Interest expenses paid	(470)	(563)
Income taxes paid	(17,565)	(18,218)
Net cash provided by operating activities	11,431	35,699
Cash flow from investing activities		
Payments for purchase of time deposits	-	(214)
Proceeds from withdrawal of time deposits	-	0
Payments for purchase of property, plant and equipment	(14,651)	(15,262)
Proceeds from sale of property, plant and equipment	611	147
Payments for purchase of intangible assets	(4,463)	(3,542)
Payments for purchase of financial instruments	(691)	(1,765)
Payments for acquisition of shares of subsidiaries, affiliates and other businesses	(119)	(100)
Net cash used in investing activities	(19,314)	(20,736)

(Unit: Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Cash flow from financing activities		
Proceeds from short-term borrowings	-	20,000
Proceeds from long-term borrowings	-	29,969
Repayments of long-term borrowings	(315)	(160,278)
Proceeds from issue of corporate bonds	-	69,826
Payments for redemption of corporate bonds	(10,000)	-
Repayments of lease liabilities	(1,786)	(2,004)
Payments for purchase of treasury shares	(0)	(2)
Payments for dividends	(15,422)	(16,153)
Proceeds from settlement of derivative	-	25,420
Net cash used in financing activities	(27,524)	(33,223)
Effect of exchange rate changes on cash and cash equivalents	8,137	8,286
Net increase/(decrease) in cash and cash equivalents	(27,269)	(9,973)
Cash and cash equivalents at the beginning of the year	187,322	204,883
Cash and cash equivalents at the end of the period	160,052	194,909

(5) Notes Pertaining to Condensed Quarterly Consolidated Financial Statements**(i) Going concern assumption**

Not applicable

(ii) Changes in accounting policy

The Group has adopted the standard and interpretation below from the first quarter of the fiscal year ending March 31, 2025.

Standard/Interpretation	Outline of the new standards, interpretations and amendments
IAS 1 Presentation of Financial Statements	Clarification of requirements for classifying liabilities as current or non-current Amendments of requirement to disclose information about non-current liabilities with covenants

There is no material effect of adopting the standard on the Group's condensed quarterly consolidated financial statements for the three months ended June 30, 2024.

(iii) Segment information**(1) General information on reportable segments**

The reportable segments of the Group represent business units which have available discrete financial information and are reviewed regularly at the Board of Directors meeting to make decisions about allocation of management resources and assess segment performance.

The Group adopts 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.

Therefore, the Group consists of three reportable segments, Cardiac and Vascular Company, Medical Care Solutions Company, and Blood and Cell Technologies Company, which are organized by the product groups based on the in-house company system.

(2) Reportable segment information

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

For the three months ended June 30, 2023

	Reportable Segments				Adjustments (Note 1)	(Unit: Millions of yen) Amount recorded on condensed quarterly consolidated financial statements
	Cardiac and Vascular Company	Medical Care Solutions Company	Blood and Cell Technologies Company	Total		
Revenue						
Revenue from sales to external customers	130,584	43,681	40,924	215,190	62	215,252
Segment profit (Adjusted operating profit)	26,883	2,814	5,857	35,554	(1,076)	34,478
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(2,224)	-	(2,529)	(4,754)	138	(4,615)
Non-recurring profit or loss (Note 2)						(218)
Operating profit						29,644
Finance income						593
Finance costs						(444)
Share of profit/(loss) of investment accounted for using the equity method						11
Profit before tax						29,804

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

- (1) ¥62 million adjustment to Revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
- (2) ¥(1,076) million adjustment to Segment profit consists of ¥(722) million for preparation expenses to comply with Medical Device Regulation in the EU and ¥(416) million for inventories.

(Note 2) ¥(218) million Non-recurring profit or loss is business reorganization expenses.

For the three months ended June 30, 2024

(Unit: Millions of yen)

	Reportable Segments				Adjustments (Note 1)	Amount recorded on condensed quarterly consolidated financial statements
	Cardiac and Vascular Company	Medical Care Solutions Company	Blood and Cell Technologies Company	Total		
Revenue						
Revenue from sales to external customers	156,714	51,757	49,657	258,128	65	258,194
Segment profit (Adjusted operating profit)	37,157	6,513	6,805	50,476	602	51,078
(Adjustment item) Amortization of intangible assets acquired through business combinations	(2,588)	-	(2,867)	(5,456)	(98)	(5,555)
Non-recurring profit or loss(Note 2)						(882)
Operating profit						44,640
Finance income						1,522
Finance costs						(568)
Share of profit/(loss) of investment accounted for using the equity method						41
Profit before tax						45,635

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

- (1) ¥65 million adjustment to Revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
- (2) ¥602 million adjustment to Segment profit consists of ¥(524) million for preparation expenses to comply with Medical Device Regulation in the EU and ¥1,291 million for inventories.

(Note 2) ¥(882) million Non-recurring profit or loss mainly includes ¥(1,099) million for business reorganization expenses.